

David Abrams, Attorney at Law
P.O. Box 3353 Church Street Station
New York, New York 10008
Tel. 212-897-5821 dnabrams@gmail.com

United States District Court
Southern District of New York

United States of America ex rel.
TZAC, Inc.,

Plaintiff-Relator,

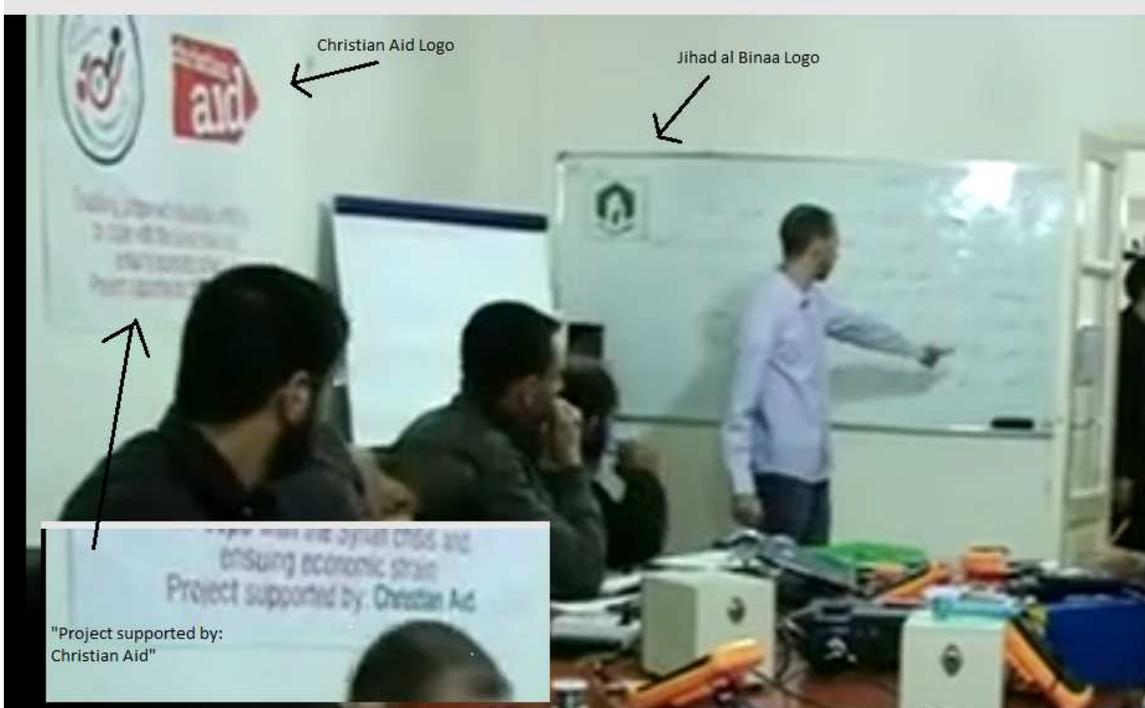
- against -

Christian Aid,

Defendant.

Index No.: 17 cv 4135 (PKC)

AMENDED COMPLAINT



Plaintiff-Relator, complaining of the Defendant by its attorney, David Abrams, Attorney at Law, respectfully sets forth and alleges as follows:

I. Nature of the Case

1. This is a false claims act claim. The Qui Tam Plaintiff and Relator, TZAC, Inc. ("The Zionist Advocacy Center" or "Relator"), alleges that the Defendant obtained USAID funding by means of fraudulent certifications that it does not support terrorism.

II. Parties

2. The Defendant Christian Aid is a British non-governmental organization based in London. Although it is located overseas, it regularly transacts business in the United States and in the Southern District of New York. For example, Christian Aid describes itself as a "key member" of the "ACT Alliance," an organization in which various Christian NGO's collaborate and share funding and expertise. The Act Alliance maintains offices at 777 United Nations Plaza, New York NY 10017.

3. Christian Aid is virulently anti-Israel. For example, its web page contains a call to boycott certain Israeli goods but has no calls to boycott any goods from any other nation. There is no call to boycott Iranian oil despite Iran's hanging of homosexuals; torturing of political opposition; or stoning of adulterers. There is no call to boycott Chinese made consumer goods despite China's long-standing occupation of Tibet and its intolerance of political dissent or religious freedom. Only the world's one and only Jewish state is targeted.

4. Relator TZAC, Inc. ("The Zionist Advocacy Center" or "Relator" or "Plaintiff") is a New York corporation with its principle place of business in the State of New York, County of New York. The Zionist Advocacy Center advocates on behalf of Israel.

III. Compliance With Requirements of Suit

5. This matter has been or will be filed under seal pursuant to 31 U.S.C. Section 3730(b); at or about the same time, a copy of the Complaint, Sealing Order, and Relator's disclosure of evidence were or will be served on the Department of Justice and the United States Attorney for the Southern District of New York.

6. Relator will not serve the Complaint or any other papers in this matter until and unless it becomes unsealed. Thus, if the Complaint is served on the Defendant, it means that the matter has been duly unsealed.

IV. Jurisdiction and Venue

7. This Court has jurisdiction pursuant to 31 U.S.C. Section 3732(a) which provides that this type of action may be brought in any district where the Defendant resides or transacts business. In this case, Christian Aid regularly transacts business in the Southern District of New York. More specifically, Christian Aid is a self-described "key member" of, and regularly participates in the governance of the Act Alliance which maintains one of its main offices in New York. In addition, Christian Aid caused to be created an American not-for-profit called "Inspiration" which is duly registered with the New York State Attorney General to solicit funds in New York; has an executive director, a Mr. Pieper, who is based in New York; and which is primarily aimed at raising funds in America and supporting Christian Aid. Since this lawsuit was originally filed, Christian Aid has continued to transact business in New York. For example, Christian Aid's chief executive made an official visit to New York in April of 2019 to attend high level meetings at a Finance for Development Conference and urge policymakers to reform the global financial system. Similarly, Christian Aid officially visited New York in June of 2018 to present an analysis at a "Grand Bargain" meeting.

7a. To be clear, personal jurisdiction in this matter arises from F.R.C.P. 4(k)(1)(c). Since the False Claims Act authorizes service of process anywhere in the United States

and anywhere in the world, 31 U.S.C. 3732(a), what matters for determining specific jurisdiction are the Defendant's contacts with the United States as a whole. *See, e.g., Pinker v. Roche Holdings*, 292 F.3d 361, 369 (3d Cir. 2002) (holding that "a federal court's personal jurisdiction may be assessed on the basis of the defendant's national contacts when the plaintiff's claim rests on a federal statute authorizing nationwide service of process").

7b. In this case, the Defendant voluntarily subjected itself to the jurisdiction of the Courts of the United States by applying for and receiving USAID funding from the United States government as set forth in more detail below. Indeed, it would be difficult to imagine a clearer case where a party purposefully availed itself of government benefits.

7c. The Court has subject matter jurisdiction over this matter in that it arises from a claim under Federal Law. Indeed, Section 3732(a) explicitly authorizes the District Court to take jurisdiction over this matter.

V. A Brief Statement of the Fraudulent Scheme

8. Christian Aid has received substantial USAID funding in recent years. In order to be eligible for funding, Christian Aid had to execute certifications indicating that it has not provided material support or resources to terrorist persons or entities in the last 10 years. ("Anti-Terrorism Certifications" or "ATC's") As set forth below, these certifications were false when made.

VI. The Specific Fraudulent Statements of the Defendant

9. In order to obtain USAID dollars, Christian Aid had to execute ATC's in connection with grants AID615A1700002 and AIDOFDAG1700049 in May and March of 2017 respectively. The same is true of grant AID517A1600002 from August of 2016.

10. Among other things, the ATC forms, which are incorporated herein by reference contained certifications as to support of terrorism. The terrorism certification states as follows:

The Recipient to the best of its current knowledge, did not provide within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts

The document in turn defines "material support or resources" as follows:

currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses false documentation or Identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

10a. The certifications, which are incorporated herein by reference, were executed as follows by authorized officials of the Defendant:

Name of Signer	Title	Date	Location
Dominic Brain	Head of Program Funding	January 8, 2017	London, UK
John E. Kitui	Country Manager	March 17, 2017	Nairobi, Kenya

11. As set forth in more detail below, Christian Aid has provided material support or resources to Jihad al Binaa, a subsidiary of Hezbollah and a designated foreign terrorist organization.

11a. Jihad al Binaa was designated as a Specially Designated Global Terrorist organization on or about February 20, 2007. 72 F.R. 8423. Moreover, Jihad al Binaa is well known to be an arm of the Hezbollah organization, which has been a State Department designated Foreign Terrorist Organization since October 8, 1997.

12. In late 2015, Christian Aid sponsored vocational training activities in Lebanon for mentally disabled individuals. The actual training was put on by Jihad-al-Binaa and thus Christian Aid funded Jihad al Binaa either directly or indirectly.

12a. More specifically, for many years Christian Aid has made use of its designated "partner" in Lebanon, the Lebanese Physical Handicap Union ("LPHU") to provide social services in Lebanon. This relationship was in existence since at least 2007 and continues through the present day.

12b. LPHU maintains a Facebook page which is located at the following web address: facebook.com/lupdlb. LPHU's main office is located in the Ar-Rida Building on the second floor, Salaheddine Street, Beirut, Lebanon. LPHU also maintains a branch facility in the city of Baalbek in Lebanon's Bekaa governate.

12c. Through its partner LPHU, Christian Aid hired Jihad al Binaa to perform vocational training classes for persons with disabilities, specifically a cellular phone repair course. These activities were overseen by LPHU's Activity Coordinator a Mr. or Ms. Tufeilli, who was well aware that Jihad al Binaa had been hired and was being paid monies, directly or indirectly, by Christian Aid. Indeed, Jihad al Binaa proudly displayed its distinctive logo at the vocational training sessions.

12d. The vocational training sessions took place in 2015 at LPHU's facility in Baalbek, Lebanon. The primary instructor was a Mr. Aspar.

12e. Mr. or Ms. Tufeilli did not conceal the fact that LPHU (and therefore Christian Aid) had hired Jihad al Binaa.

12f. Christian Aid is directly chargeable with the LPHU's knowledge and activities as LPHU was its admitted "partner" and was acting well within the scope of the partnership arrangement by hiring Jihad al Binaa.

12g. Moreover, even ignoring the partnership relationship, even the most minimal inquiry would have disclosed what was going on. Therefore, at a minimum, Christian Aid acted recklessly or in deliberate ignorance of the facts underlying the situation.

13. Thus, as set forth above, in 2015, Christian Aid was providing funds to Hezbollah, either directly or indirectly by funding a cell phone repair course which Jihad

al Binaa was hired to put on. In addition to providing funds, Christian Aid was enabling Hezbollah, a bloodthirsty, anti-Semitic, vicious terrorist organization, to pretend to the world that it is actually a beneficent charitable organization.

14. As noted above, even a minimum of a diligence would have disclosed this relationship even assuming that Christian Aid is not chargeable with the knowledge of its partner organization. Thus, at the time Christian Aid executed the ATC's, it either knew that it had provided material support to terrorist organizations (and was thus ineligible for USAID funding) or acted with reckless disregard to the same.

VII. (Count I) Violation of the False Claims Act

15. The False Claims Act imposes liability on a person or entity who " knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim" 31 U.S.C. Section 3729(a)(1)(B)

16. The Courts have held that this can include false statements regarding eligibility to participate in a program. See *United States ex rel. Kirk v. Schindler Elevator Corp.*, 601 F.3d 94, 116 (2d Cir. 2010), rev'd on other grounds, 131 S.Ct. 1885 (2011) ("[C]laims may be false even though the services are provided as claimed if, for example, the claimant is ineligible to participate in the program.")

17. Thus, Christian Aid's certifications regarding support of terrorism violated the False Claims Act because they were false and required for eligibility for USAID dollars.

VIII. Relief Sought

18. On behalf of the government, Relator is seeking judgment for the triple damages and civil penalties set forth in 31 U.S.C. Section 3729.

19.. According to the government spending web site, Christian Aid has received approximately \$26,116,361 in USAID grant funds as a result of the grants described above. These funds would have been received as a result of fraudulent certifications including those referred to above.

20. Accordingly, Relator seeks judgment in the amount of \$78,349,083 against Christian Aid and in favor of the United States, together with costs, interest, civil penalties, an appropriate qui tam award, and such other and further relief as the Court deems just.

Respectfully submitted,



David Abrams, Attorney at Law
Attorney for Relator
The Zionist Advocacy Center

P.O. Box 3353 Church Street Station
New York, NY 10008
Tel. 212-897-5821
Fax 212-897-5811

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