**U.S. Department of Justice**

***United States Attorney***
***Eastern District of Arkansas***

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# NAJI ANTOINE ABI KHALIL PLEADS GUILTY TO ATTEMPTING TO EXPORT MILITARY NIGHT-VISION EQUIPMENT TO HIZBALLAH

**Little Rock** - Bud Cummins, United States Attorney for the Eastern District of Arkansas and William C. Temple, Special Agent in Charge of the Little Rock office of the Federal Bureau of Investigation announced that Naji Antoine Abi Khalil pled guilty this afternoon before United States District Judge George Howard, Jr. in Little Rock, Arkansas to three criminal charges brought in the Southern District of New York as a result of a two year investigation conducted by agents of the FBI in Little Rock.

The three charges that Khalil pled guilty to are, namely, attempting to provide material support to Hizballah, a Lebanon-based terrorist organization; attempting to contribute goods in the form of military nigh-vision equipment and infrared aiming devices to Hizballah; and conspiring to export sensitive military equipment from the United States without first obtaining the necessary licenses from the State Department and the Commerce Department. Khalil was indicted on these charges in the Southern District of New York on June 16, 2004. The plea was accepted in Arkansas through a procedure whereby Khalil will be sentenced in the Eastern District of Arkansas for both these New York charges and for the Arkansas charges of money laundering conspiracy to which he previously pled guilty.

According to court documents filed in Southern District of New York, on or about May 17, 2004, Khalil — a citizen of both Lebanon and Canada, and who was Chairman and General Manager of New Line Services, an import/export shipping company in Montreal, Canada — flew from Canada to New York to meet with a cooperating witness (the "CW") working with the Federal Bureau of Investigation ("FBI") regarding a shipment of stolen electronics that needed to be exported out of the country. Khalil and the CW met several times on May 17 and May 18 at

the Marriott Marquis Hotel in Manhattan, New York. Those meetings were monitored by law enforcement agents from an adjoining hotel room on a video and audio monitor. During the meetings, the CW told Khalil that he had a customer who wanted to ship night-vision goggles to Hizballah in Athens, Greece. Khalil responded that it was not a problem and that he had "friends." Khalil also confirmed that he had no problem shipping the items to Hizballah.

The court documents state that during another meeting between Khalil and the CW at the Marriot, the CW introduced Khalil to an undercover FBI agent posing as the CW's customer. The undercover agent told Khalil that he wanted to ship night-vision goggles and infrared aiming devices to Athens, Greece. The undercover agent provided Khalil with the point of contact and address of individuals who would receive the shipment in Greece. Khalil agreed to create a fictitious bill of lading so that the items being shipped and the identity of the shipper would not be revealed.

On the morning of May 19, 2004, Khalil and Tomer Grinberg, an Israeli citizen employed at the Tober Group, a shipping and logistics company based in Brooklyn, New York, met with the undercover agent at Manhattan Mini Storage in Manhattan, New York, to pick up the night-vision equipment. The undercover agent showed Khalil and Grinberg a crate filled with fourteen pieces of "Generation 3" night-vision equipment, including night-vision goggles and infrared aiming devices. The infrared aiming devices were designed to be mounted on M-16 and other military rifles for target acquisition purposes when using night-vision goggles. Generation 3 is the highest level of night-vision technology and cannot be exported without a license.

Khalil tried on the night-vision goggles; Grinberg told the undercover agent that he did not need to try on the equipment because he had military experience and knew what the items were, and that he had access to these types of night-vision goggles. Khalil and Grinberg then loaded the equipment inside a minivan. Khalil also accepted a down payment of $2,500 from the undercover agent for the shipment to Greece. Khalil and Grinberg were then placed under arrest.

On July 28, 2005, Grinberg pled guilty in federal court in the Southern District of New York in Manhattan to conspiring to export sensitive military equipment without first obtaining the required licenses, and is awaiting sentencing.

"These New York charges stemmed from our investigation in Arknasas that resulted in separate money laundering charges. There are important cases like this all over the country, including Arkansas. There are many types of criminal activity, here it was money laundering, that may also be connected to support of Islamic extremism," Cummins stated. Mr. Cummins praised the investigative efforts of the FBI, the United States Commerce Department, the Department of Homeland Security, and the New York City Police Department. "Agents and officers in both districts did fine work on these investigations."

Khalil pled guilty to the money laundering conspiracy on July 21, 2005 and will be sentenced on both indictments by United States District Judge George Howard, Jr. at a February 2, 2006 sentencing. For the three New York charges to which he pled guilty today, Khalil faces a maximum combined penalty of 30 years imprisonment, and a $750,000 fine. The maximum sentence for the Arkansas charges is not more than 20 years imprisonment, and a $500,000 fine. He is presently detained in Arkansas.

Assistant United States Attorney Patrick Harris of the Eastern District of Arkansas was in charge of the money laundering prosecution in Arkansas and Assistant U.S. Attorney W.S. Wilson Leung of the Southern District of New York is presently in charge of the New York prosecution. The United States Attorney for the Southern District of New York is David N. Kelley.

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