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**U.S. ARRESTS WESTCHESTER MAN FOR TERRORISM FINANCING
AND PERPETRATING MASSIVE INVESTMENT FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, MARK J. MERSHON, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and RAYMOND W. KELLY, the New York City Police Commissioner, announced today the arrest of ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," on attempt charges of terrorism financing, material support of terrorism, and international money laundering, as well as additional charges of conspiracy and wire fraud. According to the five-count Indictment, which was unsealed in Manhattan federal court earlier today:

ALISHTARI, a 53-year-old resident of Ardsley, New York, facilitated the transfer of \$152,000 with the intention that it be used in Afghanistan and Pakistan to help train terrorists. Specifically, in the latter half of 2006, ALISHTARI accepted payment to discreetly transfer these funds, believing that they were earmarked for Pakistan and Afghanistan. ALISHTARI believed that the funds were being sent abroad to support a terrorism training camp in Afghanistan by funding the purchase of equipment such as night vision goggles. One of these transfers, which is also the subject of the international money laundering charge in the Indictment, relates to ALISHTARI's transfer of \$25,000 from a

bank account in New York to a bank account in Montreal, Canada, with the intent that the funds be used to provide material support to terrorists.

From approximately 1998 through 2004, ALISHTARI committed a massive fraud in which he stole millions of dollars from his victims through the operation of a loan investment program he called the "Flat Electronic Data Interchange" ("FEDI"). FEDI was purportedly a high-yield investment scheme, in which ALISHTARI falsely promised his investors that, in exchange for their investment, they would received high, guaranteed rates of return, according to the Indictment.

ALISHTARI was arrested yesterday in New York, New York. If convicted, ALISHTARI faces a maximum sentence of 95 years' imprisonment. ALISHTARI is expected to be arraigned on the Indictment this afternoon before United States Magistrate Judge RONALD L. ELLIS. The case has been assigned to United States District Judge ALVIN K. HELLERSTEIN.

Mr. GARCIA praised the efforts of the Joint Terrorism Task Force of the FBI and the New York City Police Department, and thanked the Securities and Exchange Commission for their assistance in the investigation.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Assistant United States Attorneys JONATHAN S. KOLODNER and ANJAN SAHNI are in charge of the prosecution.

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