



U.S. Department of Justice

United States Attorney
Northern District of Texas



1100 Commerce Street, 3rd Floor
Dallas, Texas 75242-1699

Telephone 214.659.8600
Fax 214.767.0978

FOR IMMEDIATE RELEASE
CONTACT: 214.659.8600
www.usdoj.gov/usao/txn

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ELASHI BROTHERS CONVICTED

Federal Jury Also Convicts Infocom Corporation on All Charges

United States Attorney Richard B. Roper announced that five brothers who operated a family-run, Richardson, Texas, company that sold computers and Internet services mostly to customers in the Middle East, were convicted yesterday in a federal court in Dallas, Texas. Following a four-week trial before the Honorable Sam A. Lindsay, United States District Judge, the jury found Bayan Elashi, Ghassan Elashi, Basman Elashi, Hazim Elashi, Ihsan Elashyi, a/k/a Sammy Elashyi, and Infocom Corporation each guilty of conspiracy to violate the Export Administration Regulations and the Libyan Sanctions Regulations. Each of the brothers was also found guilty of conspiracy to file false Shipper's Export Declaration forms.

At Infocom, Bayan Elashi was the chief executive officer; Ghassan Elashi was the vice-president of marketing; Basman Elashi was the logistics and credit manager; Hazim Elashi was the manager of personal computer systems; and Ihsan Elashyi was a systems consultant and sales representative. All of the defendants, with the exception of Ghassan Elashi, were found guilty of Libyan Export Violations and all of the defendants were found guilty of Syrian Export Violations. All of the brothers were convicted of false statements and all of the defendants except Ihsan Elashi were also convicted on money laundering charges.

In total, out of the 23 counts in the superseding indictment, Bayan Elashi was convicted on 12 counts; Ghassan Elashi was convicted on six counts; Basman Elashi, the only defendant to testify during trial, was convicted on all 23 counts; Hazim Elashi was convicted on 10 counts, and Ihsan Elashyi was convicted on 15 counts. Infocom Corporation was charged in 10 counts in the superseding indictment and was convicted on all 10 counts.

Each of the counts in the superseding indictment carries a maximum statutory penalty of between five and 10 years imprisonment and fines between \$50,000 and \$500,000. Bayan, Basman, and Hazim Elsayi have been in federal custody on immigration violations since their arrest in December 2002. Ihsan Elashyi is currently serving a four-year federal prison sentence after pleading guilty in late 2002 to related charges. Judge Lindsay ordered that Ghassan Elashi was free to remain on a personal recognizance bond. A sentencing date has not yet been set.

The government presented evidence at trial that from 1997 to 2000, the brothers conspired to illegally ship, and did ship, computer goods to Libya and Syria, in violation of U.S. laws which restrict or prohibit the export of technology, goods or software to countries listed as state sponsors of terrorism as designated by the Secretary of State in order to protect the national security of the United States. According to the evidence presented at trial, the defendants shipped goods to Syria without the required export licenses. The government also presented evidence that the defendants shipped computer equipment to Malta and Italy, well knowing that the equipment was headed to customers in Libya. U.S. law prohibited the shipment of anything to Libya.

This trial is the first of two trials on charges outlined in an indictment that also charges that some of the defendants sent money to defendant Mousa Abu Marzook, an investor in Infocom and a self-admitted member of the Islamic Resistance Movement, a/k/a Hamas. In 1995, the Department of Treasury, Office of Foreign Assets Control, designated Hamas as a Specially Designated Terrorist Organization, making it illegal for any United States person or entity to conduct any business with Hamas or its representative. Nadia Marzook, also a defendant in that case, is Mousa Abu Marzook's wife and is the Elashi brothers' cousin. A date for that trial, involving the Marzooks and Bayan, Ghassan and Basman Elashi, has not yet been set.

United States Attorney Roper praised the collaborative investigative efforts of the United States Department of Commerce; Federal Bureau of Investigation; Internal Revenue Service - Criminal Investigation; United States Secret Service; and the United States Department of Homeland Security. U.S. Attorney Roper also thanked the U.S. Marshals Service and the Federal Protective Service for their excellent work in providing security throughout the trial.

The case was prosecuted by First Assistant United States Attorney James T. Jacks, Assistant United States Attorney Nathan Garrett, Trial Attorney Barry Jonas of the Department of Justice Counterterrorism Section, and Trial Attorney Martha Rubio from the Department of Justice.