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EVENT: Guilty Plea

Defendant: Nada Nadim Prouty

FORMER EMPLOYEE OF CIA AND FBI PLEADS GUILTY TO CONSPIRACY, UNAUTHORIZED COMPUTER ACCESS AND NATURALIZATION FRAUD

Nada Nadim Prouty, a 37-year-old Lebanese national and resident of Vienna, Va., pleaded guilty today in the Eastern District of Michigan to charges of fraudulently obtaining U.S. citizenship, which she later used to gain employment at the FBI and CIA; accessing a federal computer system to unlawfully query information about her relatives and the terrorist organization Hizballah; and conspiracy to defraud the United States.

The announcement was made today by Stephen J. Murphy, U.S. Attorney for the Eastern District of Michigan; Kenneth L. Wainstein, Assistant Attorney General for National Security; Willie T. Hulon, Executive Assistant Director of the FBI's National Security Branch; Brian M. Moskowitz, Special Agent in Charge of the Detroit Office of U.S. Immigration and Customs Enforcement (ICE); and Kurt Rice, Chicago Field Office Special Agent in Charge for the U.S. State Department's Diplomatic Security Service.

At a hearing in Detroit before the U.S. District Court Judge Avern Cohn, Prouty entered

a plea of guilty to counts one, two and three of a second superseding information. Count one of the information charges conspiracy, for which the maximum penalty is five years imprisonment and a $250,000 fine. Count two charges unauthorized computer access, for which the maximum penalty is one year imprisonment and a $100,000 fine. Count three charges naturalization fraud, for which the maximum penalty is 10 years imprisonment and a $250,000 fine, and requires the court to de-naturalize the defendant.

"This case highlights the importance of conducting stringent and thorough background investigations," said U.S. Attorney Stephen J. Murphy. "It's hard to imagine a greater threat than the situation where a foreign national uses fraud to attain citizenship and then, based on that fraud insinuates herself into a sensitive position in the U.S. government. I applaud the excellent investigative work of the FBI, ICE and DHS, which led to the successful prosecution today."

"It is a sad day when one of our public servants breaches our security and trust," said Assistant Attorney General Kenneth L. Wainstein. "This defendant engaged in a pattern of deceit to secure U.S. citizenship, to gain employment in the intelligence community, and to obtain and exploit her access to sensitive counterterrorism intelligence. It is fitting that she now stands to lose both her citizenship and her liberty."

"We became aware of this compromise in December 2005 and moved to address any further damage,"said Willie T. Hulon, Executive Assistant Director of the FBI's National Security Branch. "The FBI worked closely with other agencies to investigate this matter. We continue to evaluate our security practices and will make any necessary changes."

"Nada Proudy's guilty plea should serve as a solemn warning to those who say they've pledged their allegiance to the United States and then make the conscious decision to place America's interests at risk," said Brian M. Moskowitz, Special Agent in Charge of the ICE Office of Investigations in Detroit. "Becoming a naturalized U.S. citizen is an honor and a privilege. ICE will do everything in its power to see that those who achieve this honor by fraud and deception are brought to justice."

Naturalization Fraud

According to documents filed in court by the government, Prouty first entered the United States from Lebanon on June 24, 1989, on a one-year, non-immigrant student visa. After her visa expired, she remained in the country, residing in Taylor, Mich., with her sister, Elfat El Aouar, and an individual named Samar Khalil Nabbouth. In order to remain in the United States and evade U.S. immigration laws, Prouty later offered money to an unemployed U.S. citizen to marry her. On August 9, 1990, Prouty married the U.S. citizen. As planned, Prouty never lived with her fraudulent "husband," but continued to live with her sister and Nabbouth.

Prouty later submitted a series of false, fraudulent and forged documents and letters to federal immigration officials to verify the validity of the fraudulent marriage in order to obtain permanent residency status, and, later, U.S. citizenship, thereby committing naturalization fraud. On Aug. 5, 1994, the former Immigration and Naturalization Service granted Prouty U.S. citizenship under the name "Nada Nadim Deladurantaye." The following year, she filed for a divorce from her fraudulent husband, and later obtained a U.S. passport, which she used to travel overseas.

Talal Khalil Chahine

According to court documents, from May 1992 through April 1993, and again, from August through November 1994, Prouty was employed as a waitress and hostess at La Shish Inc., a chain of Middle Eastern restaurants in Detroit that was owned by Talal Khalil Chahine. During this time, Chahine wrote a letter for submission into Prouty's immigration file attesting to the validity of Prouty's false marriage.

Chahine is currently a fugitive believed to be in Lebanon. He, along with Prouty's sister, Elfat El Aouar, and others were charged in 2006 in the Eastern District of Michigan with tax evasion in connection with a scheme to conceal more than $20 million in cash received by La Shish restaurants and to route funds to persons in Lebanon. Last month, Chahine was also charged in the Eastern District of Michigan, along with a senior ICE official in Detroit and others in a bribery and extortion conspiracy in which federal immigration benefits were allegedly awarded to illegal aliens in exchange for money.

Employment at FBI and CIA

In April 1999, through a series of false representations and use of her fraudulently procured proof of U.S. citizenship, Prouty, then known as "Nada Nadim Alley," obtained employment as a special agent of the FBI. It was a prerequisite to FBI employment that she be a U.S. citizen. As a special agent with the FBI, Prouty was granted a security clearance and assigned to the FBI's Washington Field Office to work on an extraterritorial squad investigating crimes against U.S. persons overseas. During her tenure with the FBI, Prouty was not assigned to work on investigations involving the international terrorist group Hizballah.

In August 2000, Prouty's sister, Elfat El Aouar, entered into a marriage with Talal Khalil Chahine, the owner of La Shish Inc. In September 2000, Prouty, while employed as an FBI special agent, used the FBI's computerized Automated Case System (ACS), without authorization, to query her own name, her sister's name, and that of her brother-in-law, Talal Khalil Chahine. In addition, on or about June 4, 2003, Prouty accessed the FBI's ACS and obtained information from a national security investigation into Hizballah that was being conducted by the FBI's Detroit Field Office.

According to court documents, in August 2002, Prouty's sister, Elfat El Aouar, and her brother-in-law, Talal Khalil Chahine, attended a fundraising event in Lebanon where the keynote speakers were Chahine himself and Sheikh Muhammad Hussein Fadlallah. Sheikh Fadlallah had previously been designated by the U.S. government as a Specially Designated Global Terrorist based upon his status as a leading ideological figure with Hizballah.

In June 2003, through a series of false representations and use of her fraudulently procured proof of U.S. citizenship, Prouty, then known as "Nada Nadim Prouty," voluntarily left her position with the FBI and obtained employment with the CIA. It was also a prerequisite to CIA employment that she be a U.S. citizen.

On Nov. 6, 2007, Prouty resigned her position at the CIA. Pursuant to the terms of her plea agreement, she has agreed to fully and truthfully cooperate with the CIA on any matters

the CIA deems necessary to transition Prouty out of its employment in a manner consistent with safeguarding the national security of the United States. This cooperation includes participation in debriefing and polygraph interviews.

The ongoing investigation into this matter is being conducted by the FBI and ICE, with assistance from the U.S. Department of State, Diplomatic Security Service, and the Internal Revenue Service.

The case is being prosecuted by Eric M. Straus, Chief of the National Security Unit, and Kenneth R. Chadwell, Assistant U.S. Attorney, from the U.S. Attorney's office for the Eastern District of Michigan, as well as Mark J. Jebson, Special Assistant U.S. Attorney and Senior Assistant Chief Counsel for U.S. Immigration and Customs Enforcement.

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