**Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on "Confronting New Threats in Terrorist Financing"**

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I am grateful to be invited to speak here at the Center for a New American Security. In just a few years, CNAS has established itself as a leader in fostering thoughtful discussion and cutting-edge scholarship on critical security issues confronting the United States, and I appreciate the opportunity to contribute to that conversation this evening.

Before I turn to the focus of my remarks, let me say a few words about the situation in Ukraine. We are deeply concerned and are closely monitoring ongoing developments in Ukraine.

As the President has said, Russia’s clear violation of Ukrainian sovereignty and territorial integrity is a breach of international law. In the coming days, we will continue to monitor Russian actions in Ukraine and respond appropriately. We are looking into a wide range of options, including sanctions and ways to increase Russia’s political and economic isolation.

We are also working to assist the Government of Ukraine. In fact, Secretary Lew announced earlier today that we have been working with international partners to develop an assistance package that will help the Ukrainian government implement the reforms needed to restore financial stability and return to economic growth. We are working with Congress and our international partners on $1 billion in loan guarantees aimed at helping insulate vulnerable Ukrainians from the effects of reduced energy subsidies. As part of this package, we also hope Congress approves IMF reforms, which would support the Fund’s capacity to lend additional resources to Ukraine. Of note, Ukraine has identified combatting corruption and recovering stolen assets as a pressing need and our assistance package seeks to support this goal, among others.

Introduction

The focus of my remarks this evening will be the evolving landscape of terrorist financing, the challenges we face, and the steps we are taking to meet these challenges.

As this audience knows, since the attacks of September 11, the United States has undertaken an unprecedented effort to protect the homeland and our interests and allies abroad from the scourge of terrorism, and as part of this effort has focused as never before on detecting, disrupting, and dismantling the financial infrastructure of terrorist organizations.

Treasury’s Office of Terrorism and Financial Intelligence (TFI) has been at the forefront of this effort. By developing and deploying innovative financial tools, and marshaling the support of the domestic and international private sectors, multilateral fora, foreign regulators, and foreign ministries, we have made it harder than ever for terrorists to raise, move, store, and use funds.

There is no doubt that we have made significant progress over the past 12 years. Most dramatically, al-Qa’ida today is far less well-funded than it was a dozen years ago. But I am not here to recount our successes; rather, I want to describe the new challenges we face and open a dialogue on how we should adapt to address them. Because despite our progress, one need only open a newspaper to see that terrorist threats and, more specifically, terrorist financing threats, persist.

The Dollars and Cents of Terrorist Financing

Just as we are focused on undermining the financial wherewithal of terrorist organizations, terrorists, of course, also remain focused on their finances.

Recently discovered documents belonging to al-Qa’ida in the Lands of the Islamic Maghreb (AQIM) perfectly illustrate the almost mundane financial reality for many of these groups. Among the documents found were receipts, scribbled on post-it notes: $6,800 for “workshops,” $330 for ammunition and $1.80 for a bar of soap. Documents recovered during the 2011 raid on Osama bin Laden’s compound in Pakistan illustrate the same reality. Meticulously kept records detailed expenditures on everything from salaries for fighters and their families to floppy disks, and even included receipts for explosives.

A focus on finances has also provided propaganda value for terrorists. In 2010, the English language magazine of al-Qa’ida in the Arabian Peninsula’s (AQAP) featured a cover image with the figure “$4,200” superimposed over a UPS plane, the target of a failed plot to use bombs concealed in printer cartridges to destroy the aircraft in U.S. airspace.

The message AQAP was trying to send was clear: By its accounting, attacking the United States could cost as little $4,200.

On one level, that message is borne out in reality. The recent attack on the Westgate Mall in Nairobi reportedly cost less than $5,000 to execute, and the materials used in the Boston Marathon bombings last spring reportedly cost about $500.

But while organizing ­a single terrorist attack may be relatively inexpensive, managing a terrorist organization capable of conducting an attack – particularly a sophisticated, mass casualty attack on the scale of 9/11 or the Westgate Mall – remains costly, complex, and bureaucratic.

Substantial funds are required to finance each component of the terrorist life cycle: communications, logistics, recruitment, salaries, training, travel, safe havens, bribes, weapons acquisition, payments to the families of the deceased fighters, and support to other groups. This is especially true for terrorists who aspire to strike from a distance, and even more so to strike targets that are well-defended. Their sizable operating budgets and global supply chains create vulnerabilities for even the most nimble and methodical terrorist group.

We focus our efforts on exploiting these vulnerabilities by severing terrorist financing and support. To do so effectively requires a nuanced understanding of the different methods terrorists use to raise and move funds so that we can best tailor our efforts, and try to stay one step ahead of our adversaries.

From Global to Local: How Terrorists Raise Funds Today

Externally Generated Capital: State Sponsors, Deep Pocket Donors, and Charities

Now traditionally, terrorist groups relied on a variety of external funding sources to meet their needs and had comparatively easy access to the global financial system to move and store their funds. It was a rather simple system: Terrorist groups, appealing to the misbegotten sympathy of foreign states, organizations, and individuals alike, collected contributions to fund their activities, and then placed those funds into the financial system, taking advantage of unwitting and poorly defended financial institutions.

Over the past decade, powerful financial sanctions at the national and international levels, coupled with close cooperation among governments and the private sector, have helped combat these traditional methods of terrorist financing. Focusing on the potent combination of legal risk and reputational risk has proven particularly effective.

Efforts to enhance financial transparency have also made it harder than ever for terrorists and other illicit actors to exploit the international financial system. At the core of these efforts is the work of the Financial Action Task Force (FATF), the inter-governmental body that sets the international standards for anti-money laundering and countering the financing of terrorism (AML/CFT) safeguards and works for their global adoption and implementation. Through a peer review process to evaluate compliance with its AML/CFT standards, the FATF has been extraordinarily successful in improving global capacity to combat the full range of illicit financial activity, including terrorist financing.

Turned away by banks and other reputable financial institutions, terrorist groups have increasingly turned to less regulated channels – including hawaladars, exchange houses, and cash couriers – to transfer funds. None of this is new, of course, but these channels are decidedly less effective than transacting through the global financial system. Using these alternative transfer mechanisms carries greater transaction costs; higher risk of loss and theft; logistical complications – cash is bulky and heavy; and its own legal risk, as terrorists are forced to navigate border controls to transfer funds. These mechanisms also require terrorist groups to rely on more people and larger networks than simple wire transfers, making these financing channels and the terrorists who stand to benefit from them more vulnerable to discovery.

While improved international counter-terrorism cooperation and steadily improving implementation of financial transparency standards have forced terrorist groups to alter their funds transfer patterns and diversify their revenue sources, some of the traditional fundraising and transfer practices persist and still require our attention.

First, it should come as no surprise to anyone that states continue to fund terrorism.

Iran remains the world’s most active state sponsor of terrorism, planning terrorist attacks, providing lethal aid, and delivering hundreds of millions of dollars per year in support to extremist groups across the globe. Hizballah, for example, has received significant monetary payments from Iran to fund the group’s activities in support of the brutal Asad regime. And during the past several years, Iranian weapons shipments, reportedly destined for Shia militants in Bahrain and Huthi rebels in Yemen, have been interdicted by local authorities.

It is worth noting that while we continue our negotiations with the Iranians concerning their nuclear program, we will not let up one iota in our efforts to disrupt Iran’s support for terrorism. Just a few weeks ago, we announced designations of several entities and individuals tied to Iranian terrorist activity, including a number of Qods Force officers operating in Afghanistan.

In fact, the success of our unprecedented Iranian sanctions regime – including sanctions on Iranian financial institutions and Iran’s ability to sell its oil – has had the collateral benefit of squeezing Tehran’s ability to fund terrorist groups such as Hizballah. So as we continue to vigorously enforce our nuclear-related sanctions over the next six months, we expect the financial screws on Iran to tighten even more.

But, distressingly, Iran is not the only state that provides financial support for terrorist organizations.

Most notably, Qatar, a longtime U.S. ally, has for many years openly financed Hamas, a group that continues to undermine regional stability. Press reports indicate that the Qatari government is also supporting extremist groups operating in Syria. To say the least, this threatens to aggravate an already volatile situation in a particularly dangerous and unwelcome manner.

With new leadership in Doha, we remain hopeful that Qatar – a country that in other respects has been a constructive partner in countering terrorism – will continue to work closely with us to oppose and combat those who adhere to the warped and murderous ideology of Hamas and al-Qa’ida.

Meanwhile, other traditional means of funding terrorist groups, such as deep-pocket donors and charitable organizations, have experienced a resurgence of late.

Al-Qa’ida still looks to these tried and true methods to raise funds. Since early 2012, senior al-Qa’ida leaders in Pakistan have raised millions of dollars from deep pocket donors. They receive the majority of their funds from Gulf-based sympathizers, followed by supporters based in Pakistan and Turkey.

Nevertheless, al-Qa’ida is currently experiencing financial hardship. The death of several key religious and financial leaders in Pakistan along with increased scrutiny of the group’s Iran-based facilitation network – another target of our recent designation activity – have degraded its ability to move and manage funds.

Al-Qa’ida’s financial strain is also the result of critical bilateral cooperation. Our partner Saudi Arabia has made great progress in stamping out al-Qa’ida funding sources within its borders. Still, we have more work to do with the Saudis to prevent other groups, such as the Haqqani Network and Lashkar-e Tayyiba (LeT), from accessing sympathetic donors in the Kingdom.

Traditional terrorist financing sources have also helped fuel the ongoing conflict in Syria. Over the past few years, charitable fundraising networks in the Gulf have collected hundreds of millions of dollars through regular fundraising events held at homes or mosques and through social media pleas. These networks then use couriers, wire transfers, hawalas, and exchange houses to move those funds to Syria, often to extremists.

Certainly much of the private fundraising in the Gulf related to Syria is motivated by a sincere and admirable desire to ease suffering, and the funds are used for legitimate humanitarian purposes. The Asad regime’s ongoing brutality in Syria has led to a dire humanitarian crisis – certainly the most pressing in the world today – and the need for humanitarian relief is undeniable.

But a number of fundraisers operating in more permissive jurisdictions – particularly in Kuwait and Qatar – are soliciting donations to fund extremist insurgents, not to meet legitimate humanitarian needs. The recipients of these funds are often terrorist groups, including al-Qa’ida’s Syrian affiliate, al-Nusrah Front, and the Islamic State of Iraq and the Levant (ISIL), the group formerly known as al-Qa’ida in Iraq (AQI).

The influx of funds to these groups in Syria poses a serious challenge. Apart from their highly destabilizing role in the ongoing conflict there, these well-funded and well-equipped groups may soon turn their attention to attacks outside of Syria, particularly as scores of newly radicalized and freshly trained foreign recruits return from Syria to their home countries.

To confront this challenge, we are closely tracking the movement of funds to Syria, especially – but not only – funds coming out of the Gulf. And we have already targeted and applied sanctions against several key fundraisers, extremist leaders, and terrorist organizations. We are also actively supporting our partners throughout the region, including the Saudis and the Turks, in their efforts to stem the tide of funding to extremists operating in Syria.

But there are countries in the region that could be doing much more. Our ally Kuwait has become the epicenter of fundraising for terrorist groups in Syria. A number of Kuwaiti fundraisers exploit the charitable impulses of unwitting donors by soliciting humanitarian donations from both inside and outside the country, cloaking their efforts in humanitarian garb, but diverting those funds to extremist groups in Syria. Meanwhile, donors who already harbor sympathies for Syrian extremists have found in Kuwait fundraisers who openly advertise their ability to move funds to fighters in Syria.

While we congratulate the Kuwaiti Government on steps it has taken recently to enhance its capacity to combat illicit finance, such as enacting a new law outlawing terrorist financing, we urge the Kuwaitis to do more to effectively stem the flow of money to terrorists.

There have been some encouraging conversations recently, but the appointment of Nayef al-Ajmi to be both Minister of Justice and Minister of Islamic Endowments (Awqaf) and Islamic Affairs is a step in the wrong direction. Al-Ajmi has a history of promoting jihad in Syria. In fact, his image has been featured on fundraising posters for a prominent al-Nusrah Front financier. And following his appointment, the Ministry of Awqaf announced it would allow non-profit organizations and charities to collect donations for the Syrian people at Kuwaiti mosques, a measure we believe can be easily exploited by Kuwait-based terrorist fundraisers.

As the Kuwaitis have been reminded recently, we are committed to helping them redouble their efforts to counter those collecting funds for terrorists while ensuring that legitimate charitable donations ease the suffering of the Syrian people. But the Kuwaitis must understand that the unregulated funding of extremists does more to destabilize the situation in Syria than to help the Syrian people.

Constraining this flow of funds is particularly challenging in an era when social media allows anyone with an Internet connection to set himself up as an international terrorist financier. We see this activity most prominently in Kuwait and Qatar, where fundraisers aggressively solicit donations online from supporters in other countries, notably Saudi Arabia, which have banned unauthorized fundraising campaigns for Syria.

Private fundraising networks in Qatar, for instance, increasingly rely upon social media to solicit donations for terrorists and to communicate with both donors and recipient radicals on the battlefield. This method has become so lucrative, and Qatar has become such a permissive terrorist financing environment, that several major Qatar-based fundraisers act as local representatives for larger terrorist fundraising networks that are based in Kuwait.

There should be no doubt that while we remain committed to working with countries such as Kuwait and Qatar to confront ongoing terrorist financing, the U.S. will not hesitate to act on its own to disrupt these terrorist financing networks. The long list of designated al-Qa’ida-linked fundraisers, financiers, and functionaries is proof of that.

In that vein, Treasury recently designated prominent terrorist financiers Abd al-Rahman bin ‘Umayr al-Nu’aymi (Nu’aymi) and Muhammad `Abd al-Rahman al-Humayqani (Humayqani). Nu’aymi is a Qatar-based financier who secured funds and provided material support for al-Qa’ida and its affiliates in Syria, Iraq, Somalia, and Yemen. Humayqani is a Yemen-based fundraiser who used his status in the charitable community as a cover for funneling financial support to AQAP.

Self-Generated Capital: Criminal Activity, Kidnapping for Ransom, Territorial Control

During the past few years, a diminished al-Qa’ida “core” has spawned numerous affiliates that recruit their own jihadists, organize their own operations, and raise their own funds. Other terrorist groups, with loose or no affiliation to al-Qa’ida, have also emerged, including, for example, the recently designated terrorist organizations Ansar al-Shari’a in Benghazi, Darnah, and Tunisia.

Many of these groups generate capital locally, often in areas subject to little if any governmental control. The funds that are raised often stay essentially where they started. Without the need to move money, terrorists can avoid key international controls and, in so doing, limit governments’ ability to track and disrupt their funding flows.

These groups also increasingly have turned away from the traditional “donor” model of fundraising and rely more on criminal activity for their financial support.

Just like their longstanding reliance on less-regulated channels for transferring funds, terrorists profiting from criminal activity is hardly new. From Hizballah’s cigarette smuggling to the Taliban’s drug trafficking to the Haqqani network’s mafia-like extortion schemes, terrorist groups have long turned to crime in their quest for funding.

And while the growing terrorist reliance on garden-variety crime poses certain challenges, it has a potentially perverse upside too: Terrorist funding networks that rely on criminal activity tend to alienate the populations where they operate, draw the attention of traditional law enforcement authorities, and are vulnerable to detection by well-designed, well-implemented, and well-resourced AML/CFT programs.

Even so, the magnitude and scale of this crime-terror nexus has reached new heights with the spread of kidnapping-for-ransom (KFR) as a fundraising strategy.

Apart from state sponsorship, KFR is today’s greatest source of terrorist funding and the most challenging terrorist financing threat. Groups such as AQAP, AQIM, and al-Shabaab continue to collect tens of millions of dollars from ransoms. And they are putting that money to work.

AQAP used ransom money it received for the return of European hostages to finance its over $20 million campaign to seize territory in Yemen between mid-2011 and mid-2012.

AQIM, which has provided funding for other terrorist groups including Ansar al-Sharia in Tunisia, is believed to have obtained a €30 million ransom payment in October 2013 for the release of four French hostages who worked for the French government-owned nuclear firm Areva. The French government has denied that any public funds were involved in the ransom payment.

And in July 2013, al-Shabaab elements netted an approximately $5 million ransom in exchange for the release of two Spanish hostages who were kidnapped in Kenya in October 2011.

Meanwhile, other terrorist groups, such as Boko Haram and its offshoot, Ansaru, also are increasingly turning to KFR to finance their operations.

If we are going to successfully combat terrorist financing – especially in North Africa and Yemen – we must do a better job of preventing terrorist groups from successfully using kidnapping to raise money. We have a multi-faceted approach to do this.

First is prevention. We are working closely with international counterparts to develop and implement best practices for governments and companies to reduce the risk that their citizens and employees are kidnapped in the first place. Some kidnappings could be prevented if relatively easy precautions were taken to, in effect, harden the target. We are exploring whether the structure and terms of insurance for businesses operating in high-risk areas could be modified to create additional incentives to implement these best practices.

We know, however, that even the best efforts at prevention are not failsafe. So we are also working to reduce the underlying incentive to take hostages by encouraging governments to refrain from making concessions to terrorists. Refusing to pay ransoms or to accede to other terrorist demands is the surest way to convince potential hostage-takers that they will not be rewarded for their crime.

This has been U.S. policy for many years. The U.S. government will not pay ransoms or make other concessions to hostage-takers. Although this may appear to be cold-hearted and is often agonizingly difficult to sustain in practice, plain logic and long experience demonstrate that this policy has led to fewer Americans being taken hostage, which protects the safety and security of our citizens around the world. We are not alone in this approach; the UK, for example, also steadfastly adheres to a no-concessions policy. Yet, despite the evidence indicating that kidnappers prefer not to take hostages who are citizens of countries that refuse to pay ransoms, not all countries have adopted this position.

We are working to change that and we are making some progress. In its June 2013 Communiqué, the G-8 leaders, for the first time ever, unequivocally rejected the payment of ransoms to terrorists. And just a few weeks ago, the United Nations Security Council definitively expressed its determination to secure the safe release of hostages without ransom payments or political concessions. As our position continues to gain traction internationally, we will work hard to translate this emerging consensus from paper to practice.

When ransoms are paid, our final line of defense is to deny the terrorist kidnappers the benefits of their crime. We work with governments and the private sector to identify, arrest, and prosecute hostage takers, and, when possible, to locate, freeze, and seize their assets. This can be difficult because of geography and the often limited resources of the jurisdictions where terrorist kidnapping activity is most prevalent. But there have been some notable successes.

In 2012, for example, Nigerian authorities arrested an accountant for Boko Haram after he made several money transfers that aroused the suspicion of bank officials. Those officials alerted security agents, who took both the accountant and an associate into custody. At the time of his arrest, the accountant is reported to have been carrying nearly $30,000 in cash, which he was in the process of transferring.

Terrorist groups that control territory have employed yet another self-generated revenue source – “taxing” local populations. Pioneered by groups such as Hamas and al-Shabaab, this form of pseudo-sovereignty-based fundraising has spread to other un- or under-governed territories around the world.

For example, despite losing control of the port of Kismayo, which was its key revenue source, al-Shabaab continues to generate at least hundreds of thousands of dollars per month, primarily through taxation and extortion, in its remaining strongholds in southern Somalia.

Newer groups are also translating territorial control into revenue. ISIL generates a portion of its extortion-derived proceeds from Iraqi and Syrian oil resources, while its al-Qa’ida-linked rival, al-Nusrah Front, has also exploited local natural resources to raise funds. Similarly, in 2012, prior to the French intervention in Mali, AQIM taxed local residents in northern Mali to meet their funding needs.

Attacking locally-derived financial flows that largely avoid the regulated financial system is, to be sure, a real challenge. While we continue to utilize our tools and authorities to expose and isolate many of these terrorist groups and their facilitators, and while we continue our efforts to bring transparency to those corners of the financial system that remain susceptible to abuse, combatting locally-sourced capital requires some new approaches as well.

Coercing funding out of local populations often foments bitterness within the very populations on which terrorist organizations rely. While capitalizing on this “rejection” dynamic is complex, we should use every tool available – from continuing to highlight the way terrorists exploit local populations to focusing aid efforts to compete with the services terrorist organizations provide – to turn this resentment into financial strain for the occupying terrorist groups and to deny them any mantle of legitimacy. We should also continue to provide robust technical assistance and training to willing countries worldwide to increase international financial transparency and improve global capacity to disrupt illicit finance.

The Critical Contribution of the Private Sector

As terrorist financing practices evolve, our tactics and approaches to combat terrorist financing also must evolve. But one constant will be our need for collaboration with the private sector.

At first glance, the increasing use by terrorist groups of less-regulated, local, and criminal means to raise and move funds might seem to imply a less prominent role for financial institutions in combatting terrorist financing.

But the opposite is true. The clues may be better masked and the footprints fainter, but terrorist groups still systematically intersect with the international financial system – albeit in more remote and obscured ways. Complicit hawaladars still send wire transfers and dispense cash to extremists with the aid of regulated financial institutions. Corrupted exchange houses still maintain bank accounts to launder illicit funds. And terrorist groups and their supporters still establish front companies to “layer” their financial transactions and avoid detection.

Our recent actions directed at the Lebanese financial sector – beginning with our action against the Lebanese Canadian Bank in 2011 and continuing with our actions against two Lebanon-based exchange houses last year – illustrate well how terrorists still depend on the international financial system, and how we can contest their access.

Hizballah benefitted from the money laundering scheme that was the focus of these actions. The scheme spanned several continents and involved the laundering of hundreds of millions of dollars in drug proceeds. The perpetrators used bulk cash shipments, deposits into exchange houses with accounts at Lebanese banks, and a trade-based money laundering scheme involving wire transfers into the United States to purchase used-cars for export to West Africa. At its core, this operation relied upon the international financial system, including U.S. banks.

So, even in this new era of terrorist financing, banks must continue to be vigilant partners in protecting the global financial system from being infiltrated by terrorist groups and their facilitators. They can and must continue to be force multipliers, including by helping us as we work to identify new typologies of abuse, sharing that knowledge with their colleagues and the government, and implementing effective risk management strategies to address current and forthcoming terrorist financing threats.

We are looking to do our part to improve this sharing of information by exploring changes to the rules governing information sharing among financial institutions and between financial institutions and the government.

In particular, we are exploring ways to expand the use of Section 314 (a) and 314 (b) of the USA PATRIOT Act to enhance the flow of information from the government to financial institutions, and between financial institutions themselves on the full spectrum of illicit financial threats. The constantly evolving nature of terrorist financing necessitates that we all have the most current and complete understanding of the threat, without which threats could go unidentified. The better the flow of information with respect to these threats among institutions, and between governments and financial institutions, the better our ability to address them collectively.

Confronting Morphing Tactics in Terrorist Financing

Perhaps the most important lesson gleaned over the past 12 years is that terrorist financiers are consummate opportunists. And, if the past is any indication, we can expect to see further adaptation and evolution in how terrorists raise and move capital over the next few years.

Innovations in traditional modes of terrorist fundraising, particularly through the use of social media, will continue to pose new challenges. As we have seen in the context of Syria, fundraisers can now use social media handles instead of face-to-face solicitations, and sympathetic donors can bypass a risky rendezvous in favor of a simple and remote hashtag search.

While social media already has helped terrorists raise funds, the emergence of so-called “crypto-currencies” or “virtual currencies” could conceivably help terrorists move and spend funds. But like any other form of value transfer, well-designed, well-implemented, and well-enforced regulation can combat the abuse of these new payment methods. Guidance issued by Treasury’s Financial Crimes Enforcement Network (FinCEN) on virtual currencies is a good first step in ensuring transparency in this rapidly developing field. We will, of course, continue to monitor developments and adjust our regulatory framework accordingly. We will also continue to encourage our international partners to do the same in order to stave off the illicit finance threats of new, web-based value-transfer mechanisms.

Back in the tangible world, terrorist groups continue to forge new alliances and revamp old approaches, and our efforts need to take account of this as well.

Established terrorist groups are increasingly acting as financial incubators for the next generation of extremists by providing capital to newer groups. This malignant form of mentorship can be seen in the tens of thousands of dollars that the Egypt-based Muhammad Jamal Network received from AQAP in 2012, and the over $100,000 sent to the Gaza-based Mujahidin Shura Council by AQIM in the past year.

And following the model of LeT, Hamas, and Hizballah, we are also witnessing some terrorist groups complementing their traditional splashy attacks with a “hearts and minds” appeal to gain popular support.

Ansar al-Shari’a groups in Tunisia and Libya, and AQIM in Mali, for example, have expended greater effort toward winning over local populations. Recent press reports have highlighted AQIM receipts of $4 for medicine “for a Shiite with a sick child” and $100 in financial aid for a man’s wedding. In Syria, al-Nusrah Front is currying local favor by providing civilians with essential items like food, water, and blankets. Leveraging social media to boost social capital, the terrorist group showcased these efforts in an online video featuring fighters delivering candy to young children and infant formula to new mothers.

The need to counter these disingenuous groups cannot be minimized. Even legitimate charitable activity that benefits a terrorist organization strengthens that organization; this is why they do it. Although some of our international partners may disagree with us, we must not allow terrorist organizations to use the cover of seemingly legitimate charitable activity to mask and advance their broader violent objectives.

Rather than focusing their efforts locally, some other groups and individuals have aimed their charm offensive at international audiences to provide a cloak of legitimacy for their terrorist ambitions. Nu’aymi, the recently designated terrorist financier, embodied this duplicity as he promoted humanitarian causes in European capitals while surreptitiously providing money and material support to al-Qa’ida and its affiliates in Syria, Iraq, Somalia, and Yemen.

Despite his extensive terrorist financing record, Nu’aymi has maintained his position as president of the Swiss-based organization, Alkarama. We strongly urge Alkarama and other organizations that have a relationship, directly or indirectly, with Nu’aymi to distance themselves from this disgraced terrorist financier. Benign neglect cannot provide cover for those advocating for human rights while underwriting terror.

Conclusion

The dynamic nature of terrorist financing presents new challenges, but also new opportunities. As we confront those challenges and exploit those opportunities, we remain as dedicated as ever to deploy our tools – astutely crafted, surgically targeted, and aggressively implemented – to protect our country from those who would do us harm.

Thank you, again, to CNAS for inviting me to speak this evening.​