

Testimony of
Mr. Salam Al-Marayati

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Thank you, Mr. Chairman, Senator Hatch, and distinguished members of the Senate Judiciary Committee, for inviting me to appear before you today.

My name is Salam Al-Marayati and I am the executive director of the Muslim Public Affairs Council (MPAC). I was invited to testify today on "An Assessment of Tools Needed to Fight the Financing of Terrorism."

I. The Muslim Public Affairs Council and its Role in the Fight Against Terrorism

Before I delve into the particular issues of today's topic, let me say a word about MPAC, its mission, and its work. MPAC was founded in 1988 as a vehicle to increase outreach and dialogue efforts between the American Muslim community and other Americans. MPAC's main purpose is to develop and promote a constituency of American citizens imbued with Islamic values of mercy, compassion, justice and freedom. We firmly believe that to be a good American is to be a good Muslim. MPAC has articulated an authentic Islamic voice within an indigenous American tradition.

Prior to the tragedy of September 11, 2001, MPAC had developed a track record on national security issues. In 1989, we organized the first conference in the country addressing American international interests in the Muslim world, convening Muslim leaders from around the world in a discussion with US diplomats. MPAC has also been a leader in interfaith dialogue as a means of promoting understanding and reconciliation, and as a model that can be emulated in areas of conflicts involving religion as a motivation for violence. To date, MPAC's Muslim-Jewish dialogue and Muslim-Christian dialogues have expanded from merely promoting mutual respect to heightened levels of joint interfaith action in the service of people and communities. MPAC has held several forums in Washington, DC on such topics as: on America's global image, on the concept of an Islamic democracy, on Middle East peace and trends in Islamic movements. Finally, MPAC and law enforcement have issued joint statements against terrorism and calling for cooperation between citizens and the authorities.

In 1999, MPAC was the first and only American Muslim organization to publish a counterterrorism policy position paper, which included: an overview of Islam's stand against terrorism; an analysis of key trends in combating terrorism; a documentation of American Muslim organizations' condemnations of terrorism dating back to the early 80s; and recommendations to the US policymakers and American Muslim institutions. Our position paper was presented to both the Clinton and Bush administrations. MPAC is working on presenting a new counterterrorism analysis and recommendations to be ready for distribution next month. We at MPAC believe that in order to effectively combat terrorism, we must continue to nurture a culture of understanding and cooperation among all Americans, regardless of ethnic, religious, or

racial affiliation -- and between government officials and law enforcement on the one hand and ordinary citizens and communities on the other. This is a culture for which America is known throughout the world. Yet it is being threatened today.

There is growing concern among all segments of the American Muslim community at the ever-expanding terrorism industry that exploits the pain and suffering of victims and preys on the fears and misconceptions of ordinary Americans, while doing little to help America in the war on terrorism. An industry that emanates primarily from those who want to draw artificial "civilizational" lines between us and them. As American Muslims -- at once both us and them - we cannot accept cultural or religious explanations of terrorism. Those who seek to promote a "clash of civilizations" within this country and abroad clearly do not have America's interests at heart.

There has been much attention on Muslim charities and terrorism financing, both at home and abroad. MPAC does not speak on behalf of any foreign country, but focuses on American Muslim institutions. In fact, as a matter of policy, MPAC has never, and will never, accept any funds from foreign governments. Terrorism financing is a criminal act, and most revenues for terrorists are gained through criminal means, charities being among the least likely sources of funding. More likely sources include money-laundering, credit-card schemes, arms trafficking and drugs smuggling. It is important, therefore, to get a closer look at charitable giving within the American Muslim community.

II. Zakat (Almsgiving), Religious Freedom, and National Security

A. Religious Duty

American Muslims donate their money to the needy in order to meet the religious obligation of Zakat (almsgiving), one of the five pillars of Islam. The closest analogy that can be made to zakat is the Christian tradition of tithing. Zakat is the one pillar that aims at purifying the intentions of a believer through a social manifestation that benefits those who are less privileged. All other pillars focus on the belief and practice of the individual for the individual. Zakat comprises a major instance of the social justice emphasis in Islam.

Ramadan is a special month for Muslims, as it is the month the Quran was first revealed, the month of learning self-restraint through daylight abstinence and the month of charitable giving. American Muslim charities make special appeals for the needy during this month, whether in terms of feeding the homeless or in helping refugees abroad.

In light of this, American Muslims become very disturbed when reading reports that funds intended to uplift the downtrodden are used for violent purposes or are frozen under suspicion of being used for violent purposes. A very unfortunate climate has been created in which Muslims who donate money are being associated with nefarious activities. Just as it is wrong to associate all American Catholic charitable giving with the activities of the IRA, it is just as wrong to associate American Muslim giving with terrorism.

B. Religious Freedom and Governmental Obstacles to the First Amendment

The 1st Amendment guarantees to all Americans the free exercise of religion. Obstacles to religiously-mandated charitable giving, therefore, is unacceptable and a violation of American Muslims' constitutional rights. The United States government should not interfere in American Muslim charitable giving.

Fundraising by American Muslim charities has been conducted in cooperation with and support from the local American Muslim communities and their mosques. If it is proven that directors of the institution were guilty of embezzlement of funds, then those individuals should be subjected to the full extent of the law, and they will be met with stiff opposition from American Muslims as well. The funds should either be returned to the donors or should be directed to the needy through legitimate non-governmental channels. If any wrongdoing is proven in an open court, government diversion of those funds for any purpose other than the donors' intent would be a misdirection of those funds a second time. The shutdown of American Muslim charities has detrimentally affected innocent people working or volunteering their time for the non-profits. Incriminating innocent people results in a tragic attack on the character of humanitarian activists throughout America.

MPAC has argued that the US Department of the Treasury should provide guidelines in meeting new anti-terrorism standards in order for American Muslim charities to demonstrate accountability in their fundraising and financial disbursements. Recently, Arab American and American Muslim organizations met with the Treasury department to discuss such a measure. Shortly thereafter, the Treasury department issued "Voluntary Best Practices for US-Based Charities." While these new measures are helpful, we feel the government must do more. While these new guidelines are helpful, they are incomplete. According to the press release issued by the Department of the Treasury, "If a US-based charity follows these guidelines, and commits resources to implement them effectively, there will be a corresponding reduction in the likelihood of a blocking order against such charity or donors who contribute to such charity in good faith, absent knowledge or intent to provide financing or support to terrorist organizations." In other words, American Muslim charities can only reduce the likelihood of a blocking order rather than eliminate it altogether if it follows every order in the new guidelines. What is needed, therefore, is an accreditation agency to certify charities through legal and financial audits per the new guidelines. The goal for the charities is to demonstrate due diligence on their part and for the US government to respect and reward such efforts.

We have argued that the tools to combat terrorism are optimized in a open, democratic process, and preserving our democratic traditions in America is paramount in effectively combating terrorism. Short circuits to justice usually lead to a false sense of security. MPAC works with other groups to oppose the use of secret evidence in the courts, asks for open hearings, and protest indefinite detentions.

C. American Muslim Charities and National Security

In an ideal setting, American Muslim charities serve a national security interest by promoting a positive image of America throughout the Muslim world. Unfortunately, the view that American

Muslims are a harassed or persecuted religious minority is gaining ground overseas partially because of the blockage of the Muslim charities without a resolution or a replacement. Another important aspect of this problem is the issue of religious freedom, which the US has championed in recent years, yet seems to be backtracking on as a result of new anti-terrorism standards. The United States is risking being perceived as failing to adhere to values we are promoting abroad. More broadly, the targeting of Muslim charities has reinforced the false impression, particularly abroad, that the war against terrorism is a war against Islam per se. We can not afford to allow this impression to grow. Lastly, Muslim charities, which meet the urgent development and subsistence needs of many of the Muslim world's poor, dispossessed, and destitute can be used to enhance our national security interests by helping to mitigate some of the factors that breed extremism and violence.

In closing, tracking terrorist finances, like all counterterrorism measures, requires focus and specificity. While we will be issuing more precise recommendations about terrorist financing and other counterterrorism measures, law enforcement officials and financial institutions should work with members of the community to help identify specific problem areas or criminal activity. Every attempt should be made to avoid broad sweeping measures that may harm as many people as they are intended to benefit.