



Department of Justice

STATEMENT

OF

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BEFORE THE

**SUBCOMMITTEE ON CRIME AND TERRORISM
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE**

AT A HEARING ENTITLED

“COUNTERING TERRORIST FINANCING: PROGRESS AND PRIORITIES”

PRESENTED

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**Statement of Ralph S. Boelter
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**Subcommittee on Crime and Terrorism
Committee on the Judiciary
United States Senate**

**“Countering Terrorist Financing: Progress and Priorities”
September 21, 2011**

Good morning Chairman Whitehouse, Ranking Member Kyl and Members of the Subcommittee. I appreciate the opportunity to testify before you today regarding the efforts of the Federal Bureau of Investigation (FBI) to combat terrorist financing.

Introduction

As we commemorate the tenth anniversary of the tragic events of September 11, 2001, we are reminded that the FBI’s number one priority in its mission to protect and defend the United States continues to be the prevention of terrorist attacks against the United States. The mission of the Terrorism Financing Operations Section (TFOS) is twofold. First, to manage the FBI’s investigative efforts in relation to individuals who provide funding to terrorists; and second, to ensure financial investigative techniques are used, where appropriate, in all counterterrorism investigations to enhance the investigations.

In coordination with our law enforcement and intelligence community partners, TFOS carries out this mission through the application of financial investigative techniques and the exploitation of financial intelligence. To improve its ability to detect and disrupt those with the intent and capability to conduct attacks against the United States, TFOS has undergone a significant shift in the way we address the threat of terrorism financing.

Inception of TFOS

Immediately after the terrorist attacks on September 11th, the FBI established the Terrorism Financing Operations Section (TFOS) within the Counterterrorism Division. In recognition of the importance of tracking the financial underpinnings of terrorist activity, TFOS was established to serve as a comprehensive, centralized unit to provide broad support for counterterrorism investigations by analyzing and exploiting all available financial intelligence (FININT).

TFOS Organization

Consistent with the FBI’s continuing transformation into an intelligence-led national security organization, in early 2011, the Counterterrorism Division implemented changes to

TFOS. These changes enhance TFOS' ability to carry out its mission through a threat-based, intelligence-led approach. Rather than collecting information to solve a particular case, this new approach prioritizes the collection and utilization of intelligence to develop a comprehensive threat picture, enabling strategic disruptions of terrorist financing operations.

Targeting Unit

The TFOS Targeting Unit utilizes all source intelligence from the US intelligence and law enforcement communities to identify currently unknown fundraisers and their associates. This unit focuses on identifying unknown or previously unidentified financiers within terrorist networks. As our targeting efforts identify these individuals, TFOS works directly with each of the FBI's 56 field offices to open assessments or investigations and lead those investigations through TFOS's two operational units.

Strategic Intelligence Units

The TFOS Strategic Intelligence Unit monitors threats and financial trends to identify trends and methodologies which are key to identifying possible terrorist financing transactions at their earliest point. This intelligence is disseminated to the US Intelligence Community, as well as Federal, State, local, tribal, and foreign law enforcement partners, as appropriate. In addition, TFOS has been successful in augmenting relationships and establishing channels for sharing information with elements of the financial industry which routinely report on suspicious financial activity occurring in the private sector.

In addition to carrying out targeting and strategic intelligence functions TFOS personnel are embedded within the Counterterrorism Division's International Terrorism Operations Section (ITOS) and threat cells, which manage the priority threats and investigations. This cadre of Special Agents, Intelligence Analysts and Forensic Accountants ensure the FININT in priority threat investigations is fully exploited to support those investigations. FININT is critical in these investigations as the FBI does not just focus on the total dollar amount of a financial transaction, but also gleans valuable intelligence from the financial activity. Further, TFOS conducts analysis of other critical intelligence collected during transactions. Thus, the TFOS exploitation of FININT not only seeks to identify the scope and breadth of terrorist financing, but also the members of the terrorist network to enhance indicators and tripwires and create actionable intelligence to identify and prevent terrorist attacks.

Outreach, Training and Education

In partnership with the Treasury Department's Financial Crimes Enforcement Network (FINCEN) the FBI conducts ongoing outreach and education with our financial industry counterparts. The financial industry's efforts and resources dedicated to detecting and reporting suspicious financial activities, through Suspicious Activity Reports (SARs), have been important components in our efforts to identify terrorist financing. SAR reporting is a critical tripwire to detect possible terrorist financiers as well as identifying associates of known terrorists. The analysis of SAR information aids in the development of an overall terrorist financing threat

picture and can assist TFOS in identifying trends or patterns of suspicious activity around the country. This information can also identify previously unknown associates of terrorism subjects.

In conjunction with the Treasury Department, TFOS conducts an annual training session with the New York Federal Reserve to provide the financial industry with updated trend information regarding terrorist financing. This year's conference included over 300 attendees from the financial sector interested in learning how to maximize their resources to more effectively identify and report suspicious financial activity. These outreach efforts provide an opportunity for the financial sector to receive the latest terrorist financing threat and trend information, as well as share in best practices for the rapid identification and reporting of suspicious financial activity.

International Efforts

Coordinated efforts with our foreign intelligence and law enforcement partners are key elements to the FBI's success in counterterrorism investigations. Through the FBI's 62 Legal Attache offices TFOS jointly investigates terrorist financing matters with our foreign counterparts. In addition, TFOS personnel are embedded within key Legal Attache offices to provide expertise and resources dedicated to terrorist financing. These relationships and global efforts in the sharing of intelligence are key to the FBI's efforts to stem the flow of financial support to terrorists and protect the United States from terrorist attacks. TFOS also participates, jointly with the Treasury Department and other United States Government agencies, in international forums to support international efforts in relation to terrorist financing.

TFOS conducts international training to convey the latest financial exploitation techniques and share best practices and investigative strategies to support the joint investigation of terrorist financing matters. In coordination with the Department of State, over the past two years, TFOS has conducted over 20 international training courses in 17 different countries. This training enhances our foreign counterparts' awareness and capabilities and promotes financial exploitation in all counterterrorism investigations.

Recent Successes

The FBI's terrorist financing efforts have resulted in numerous successes which have resulted in the disruption and arrest of terrorist financiers.

In August 2011, Mohammad Younis pled guilty to operating an unlicensed money transmitting business in New York. Faisal Shahzad, who attempted to detonate a car bomb in Times Square, received money from Younis, which he used to fund his preparations for the attempted bombing. Younis received the money through his unlicensed money transmitting business from a co-conspirator in Pakistan. Shahzad advised that the funding was arranged in Pakistan by associates of the Tehrik-e-Taliban (TTP).

In May, 2011, Hor and Amara Akl pled guilty to conspiracy to provide material support to Hizballah in Ohio. Hor and Amara Akl told an FBI informant they would be willing to send money to Hizballah for him. The informant gave them \$200,000 to send to Hizballah and they

were arrested as they attempted to conceal the money in a vehicle that would be shipped overseas.

In September, 2009, Abdul Tawala Ibn Ali Alishtari pled guilty to charges of terrorism financing in New York. Alishtari facilitated the transfer of \$152,000, with the understanding that the money would be used to fund training for terrorists.

In the last year, the FBI has conducted terrorist financing investigations which led to the indictment of individuals for providing funding to the Pakistani Taliban, Al Qaeda in the Arabian Peninsula (AQAP), and Al-Shabaab. The Al-Shabaab indictments involved a network which used teleconferences to raise funds and then remitted the money to Al-Shabaab terrorists in Somalia.

Conclusion

The efforts of TFOS, in close coordination with our federal, state and local partners, the financial industry, and our international partners have established an increasingly difficult environment within which terrorist financiers can operate undetected. We believe that these efforts have reduced the funding available for terrorist operations, and have made the concealment and transfer of terrorism related funds more difficult.

As the terrorists adapt their methods to raise and transfer funds, the FBI has also adapted its efforts to detect and disrupt these financial networks. The FBI TFOS is better able to systematically track intelligence, identify networks and currently unknown subjects, and oversee the FBI's terrorist financing investigations related to those networks. TFOS's cooperative efforts with our government and private sector partners ensures an ongoing and coordinated approach to terrorist financing to prevent future terrorist attacks against the United States.

Chairman Whitehouse, Ranking Member Kyl and Members of the Subcommittee, I appreciate the opportunity to come before you today and share the work that the FBI is doing to address terrorist financing and counterterrorism in this country and around the globe. I am happy to answer any questions.