

Testimony of

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STATEMENT OF
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Good morning, Chairman Hatch, Senator Leahy and distinguished members of the committee. Thank you for this opportunity to discuss the material support statutes as a vital component of the FBI's investigative mission. I will discuss the application of the statutes to our counterterrorism operations, including examples of our successes. Since 9/11 the FBI's Counterterrorism program has made comprehensive changes to meet its primary mission of detecting, disrupting, and defeating terrorist operations before they occur. We have spent the past two and a half years transforming operations and realigning resources to meet the threats of the post-September 11th environment. As part of this transformation, the FBI has undertaken a number of initiatives to improve information sharing and coordination with our national and international partners. We are committed to the interagency partnerships we have forged through our Joint Terrorism Task Forces (JTTFs). Likewise, the FBI is committed to fostering international partnerships, and recognizes the critical role they play in our ability to develop actionable intelligence. To be fully successful, however, these partnerships must have the legal tools necessary to investigate the entire range of terrorist activities, including the provision of material support.

U.S. Counterterrorism operations have been significantly enhanced by the enactment of the USA PATRIOT Act, which authorized increased information sharing between the intelligence and law enforcement communities not only internationally and domestically, but also within the FBI. The USA PATRIOT Act also authorized the use of existing investigative techniques that were previously not allowed in terrorism investigations. The Act expanded our ability to pursue those who provide material support or resources to terrorist organizations. These changes have allowed the FBI to be more proactive and strengthened our ability to fuse law enforcement and intelligence information, to better recognize and address terrorist threats.

To prevent terror attacks, we need the tools to address the full range of terrorist supporters, including those in more peripheral roles. By aggressively attacking the entire terrorist organization, we maximize our ability to disable the networks on which successful terrorist operations depend. To accomplish this goal, we need the means to neutralize all persons acting within the terrorist organizational structure. Terrorist networks rely on individuals and organizations that are proficient in fundraising, procurement, training, logistics and recruiting. It is this type of terrorist activity that is most prevalent in the United States.

Terrorist groups committed to furthering their ideological objectives through violence require both initial and continuing support. In this context, material support includes items related directly to terrorist attacks, such as the procurement of explosives and munitions, and the more distant support related to funding, recruitment, logistics and communication resources required to sustain a transnational terrorist network. For terrorists, a lack of finances can hinder or thwart short-term goals, and dismantle long-term agendas. Without funds, terrorist groups suffer disarray, defection and, ultimately, demise. The material support statutes, as broadened by the USA PATRIOT Act, are vital components of our investigative and preventative efforts targeting the support and resource needs of terrorist networks.

The material support statutes serve as the framework enabling a thorough and aggressive prosecution of the entire terrorist network--leaving the network without the necessary resources or personnel to conduct terrorist operations. These statutes, based upon a fundamentally simple concept, prohibit material support or resources to all individuals

or entities that facilitate, plan, or engage in terrorism. By criminalizing the actions of those who provide, channel or direct resources to terrorists or a U.S. designated Foreign Terrorist Organization, the material support statutes provide an effective tool to intervene at the earliest possible stage of terrorist planning in order to arrest terrorists and their supporters well before their violent plans come to fruition.

Every person who participates in or helps facilitate terrorist activities should be subject to the material support statutes. These statutes have been applied to a wide variety of terrorist supporters. For example, the first material support case to be tried before a jury was a Charlotte, North Carolina investigation in which a group of Lebanese nationals repeatedly purchased large volumes of cigarettes in North Carolina, and shipped them to Michigan for resale. This smuggling scheme was extremely lucrative because of the high profit margin from the cigarette tax disparity between the two states. Some of the subjects were involved in providing a portion of the illicit proceeds to Hizballah affiliates and operatives in Lebanon. Others were involved in providing funds to purchase dual-purpose military equipment in aid of Hizballah. Several subjects were ultimately charged with violations of the material support statutes, and convicted of providing material support to a designated Foreign Terrorist Organization. The main subject was sentenced to 155 years in federal prison. As a result of this case, material support charges have been used in other similar cigarette smuggling cases in Detroit.

A recent drugs-for-weapons case demonstrates the need to investigate supporters of terrorism and, given the implications, underscores the urgency and priority material support investigations require. Between April and September 2002, a group allegedly negotiated with undercover law enforcement agents for the sale of 600 kilograms of heroin and five metric tons of hashish. The subjects also allegedly negotiated with undercover law enforcement for the purchase of four Stinger anti-aircraft missiles, which they indicated were to be sold to personnel in Afghanistan. The subjects were charged with conspiring to provide material support. Two of the subjects pled guilty to federal violations and one is awaiting trial.

Other examples of successful material support cases involve persons in the U.S. training for violence overseas. The FBI, through the Joint Terrorism Task Forces across the country, has disrupted and dismantled jihad terrorist cells in American cities including Seattle, Portland, Buffalo, and most recently in the D.C. suburbs of northern Virginia. Among other things, members of these cells have engaged in military style training exercises, acquired weapons, attended Al-Qaeda training camps, and attempted to travel to wage jihad.

Another material support investigation identified an Al-Qaeda facilitator in the U.S. who was conducting pre-operational surveillance of potential U.S. targets for Al-Qaeda. The subject is in custody and ultimately pled guilty to providing material support to Al-Qaeda. The subject admitted casing the Brooklyn Bridge and identifying other potential U.S. targets for Al-Qaeda operations. The material support statutes provided the authority to disrupt this terrorist plan while it was being conceived, well before it could come to fruition.

More challenging material support cases involve the funding of designated terrorist organizations through the cover of charitable front companies frequently referred to as Non-Governmental Organizations, or NGOs. An investigation involving the Executive Director of the Benevolence International Foundation (BIF) illustrates the usefulness of the material support statutes in these types of investigations. BIF was a Chicago, Illinois-based charity long recognized by the IRS as a non-profit organization. The group's purposely ambiguous objectives were, ostensibly, to provide humanitarian relief aid. However, the recipients of the "humanitarian aid" were ultimately revealed to be terrorist groups, including Al-Qaeda. The October 2002 indictment described a multi-national criminal enterprise that, for at least a decade, used charitable donations from unwitting Muslim-Americans, non-Muslims and corporations to covertly support Al-Qaeda, the Chechen Mujahideen, and armed violence in Bosnia. The indictment alleged that BIF was operated as a criminal enterprise that engaged in a pattern of racketeering activity. In addition to fund-raising, the group acted as a conduit through which other material support was provided to further the violent activities of the mujahideen and other terrorist organizations. The Executive Director ultimately pled guilty to a material support-based racketeering conspiracy violation and admitted that donors to BIF were misled into believing their donations would support peaceful causes when, in fact, funds were expended to support violence overseas.

It would be difficult to overstate the importance of the material support statutes to our ongoing counterterrorism efforts. The statutes are sufficiently broad to include terrorist financiers and supporters who provide a variety of resources to terrorist networks. The statutes provide the investigative predicate which allows intervention at the earliest possible stage of terrorist planning to identify and arrest terrorists and supporters before a terrorist attack occurs. These statutes form a core aspect of the FBI's terrorism prevention strategy. It is readily apparent that terrorists open bank accounts, use the internet, communicate, recruit and train personnel, and procure equipment to support their objectives. Those who provide such support or resources are as culpable as those who actually carry out terrorist attacks. Having a statute directed at the support stage provides a crucial, early opportunity for prevention. Moreover, if the terrorist sources of support are not successfully targeted and prosecuted, those facilitators remain capable of supporting future terrorist activities.

Terrorist networks cannot exist or operate with a radical ideology as their sole asset; these networks need support

and resources. From an intelligence perspective, the material support statutes are crucial to preventing attacks by limiting, if not denying, the necessary support and resources to these terrorist networks. Thank you for the opportunity to testify before you today and to highlight the FBI's investigative efforts and successes. It would be my pleasure to answer any questions you may have.