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**Statement of Ranking Member Bennie G. Thompson**

***Terrorist Financing Since 9/11: Assessing an Evolving al Qaeda and State Sponsors of Terrorism***

May 18, 2012 (Washington) – Today, Committee on Homeland Security Ranking Member Bennie G. Thompson (D-MS) delivered the following prepared remarks for the Counterterrorism and Intelligence Subcommittee hearing entitled “Terrorist Financing Since 9/11: Assessing an Evolving al Qaeda and State Sponsors of Terrorism”:

“As the Administration continues to disrupt and dismantle the activities and traditional funding sources of terrorist groups such as Al Qaeda, it should come as no surprise that their affiliates may turn to traditional criminal activities to fund ideologically-based violence.

As the community of nations join together to impose economic sanctions on those countries that are state sponsors of terror, it should also come as no surprise that those state-sponsored terrorist groups will seek other sources of financing.

In essence, it is the success of the war on terrorism that makes the subject of terrorist financing worth consideration.

Criminal activities such as counterfeiting, smuggling, contraband trafficking, and money laundering have been used by organized criminal enterprises to fund their activities for quite some time.

According to the International Monetary Fund, money laundering alone accounts for between \$600 billion and \$1.6 trillion in economic activity annually.

Following the 9/11 attacks, Congress gave the Treasury Department the ability to detect, track and prosecute those involved in money laundering and terrorist financing.

In 2004, the 108th Congress appropriated funds to combat financial crimes and required the Treasury Department to report on the current state of U.S. efforts to curtail the international financing of terrorism.

The success of these efforts depends upon a flow of information between nations.

The ability to halt financial crimes in the international arena cannot rest on U.S. efforts alone.

Other countries will not only need to change their laws to permit increased sharing of financial information, but, in many cases, those countries will need to adopt new laws to criminalize conduct that had been legal.

Mr. Chairman, many nations do not consider money-laundering a crime. Many nations also permit secret bank accounts with unreported activity.

I think we can agree that as we consider terrorist financing, we must also consider whether off-shore financial secrecy may be detrimental to our national security.

But if we do not want to think about further changes to our laws, we must certainly consider our ability to negotiate and reach agreement within the community of nations.

Recent events have shown that international agreements are necessary for our success in this effort.

As you may recall, in March, the Obama Administration, together with the European Union, worked with

SWIFT to cut ties to Iranian banks as part of economic sanctions against Iran.

Although this effort was intended to hamper Iran from producing a nuclear weapon, it is an important reminder of the need for joint action to prevent an international threat.

It is unfortunate that once again, we do not have any witnesses from the current Administration to provide us with an overview and update on their actions to reach international agreements to combat terrorist financing.

Mr. Chairman, we can all agree that we have a national imperative to assure that our laws work to cut off funding to terrorists.

I hope we can also agree that our efforts to disrupt financing to terrorist organizations should not cause collateral damage to international charitable organizations.

We have all seen the devastation from natural disasters—the earthquake in Haiti, the tsunami in Japan and the drought in East Africa. We know that individual Americans generously provide relief in these circumstances. We need to be sure that our efforts to fight terrorism do not create hurdles to legitimate charitable giving.”

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