

# Combating Hamas's Networks of Illicit Finance and Terrorism

by [Matthew Levitt \(/experts/matthew-levitt\)](/experts/matthew-levitt)

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## ABOUT THE AUTHORS



[Matthew Levitt \(/experts/matthew-levitt\)](/experts/matthew-levitt)

Matthew Levitt is the Fromer-Wexler Senior Fellow and director of the Reinhard Program on Counterterrorism and Intelligence at The Washington Institute.



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**A former Treasury Department official testifies on how this longstanding policy imperative should be approached at a time when terrorist groups like Hamas are bringing the Middle East to the brink of regional war.**

***The following is an excerpt from prepared remarks submitted to the Senate Committee on Banking, Housing, and Urban Affairs. To access the full testimony, download the PDF above or [watch video of the hearing \(https://www.banking.senate.gov/hearings/combating-the-networks-of-illicit-finance-and-terrorism\)](https://www.banking.senate.gov/hearings/combating-the-networks-of-illicit-finance-and-terrorism).***

The most immediate task at hand to undermine Hamas financing is seeing to the group's territorial defeat in the Gaza Strip. Over time, since Hamas took over Gaza in 2007, it has developed the means of taxing the local economy, diverting aid, raising funds from controlling border crossings, extorting funds from the local population, and running racketeering business frameworks. As was the case with the Islamic State, dislodging Hamas from its position as the de facto government of Gaza—where it enjoys safe haven and has been able to raise funds, collect weapons, develop its own domestic rocket production capability, train, and ultimately carry out the October 7 massacre—is the single most effective way to deny it significant amounts of funding and resources. It should be noted, however, that while ending Hamas control of Gaza will terminate its ability to raise funds through control of territory, it will also eliminate most of the group's largest expenses, such as paying salaries and providing social services... ❖

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