

Terrorist Financing and the Islamic State

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Nov 13, 2014

ABOUT THE AUTHORS



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Articles & Testimony

A detailed look at where the group's money comes from, how the Treasury Department and its international partners are working to cut it off, and what needs to be done next.

The following is an excerpt from Dr. Levitt's prepared remarks; [download the PDF to read the full testimony](#), or [watch video of the hearing \(http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=398424\)](http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=398424).

There is no silver bullet to disrupt ISIS financing, let alone to ultimately defeat the organization. ISIS presents a unique set of circumstances, and the Treasury Department should continue to do what it does best: assess the situation and develop new tools and techniques to deal with an evolving illicit finance threat.

To fully combat ISIS financing, the United States and its international partners should consider the following:

1. Continue airstrikes targeting ISIS financial hubs, including oil refineries large and small, as well as smuggling routes known to be used to move oil and other contraband.
2. Leverage financial and other intelligence to target criminal middlemen moving ISIS oil to market, as well as those who transport, refine, or otherwise facilitate this process. This is something Treasury has already talked about, and actions should be forthcoming. Once they are, they should come in waves, not as infrequent one-off actions.
3. Together with other governments and international bodies like MENA-FATF, help countries like Qatar and Kuwait build up their CFT capacity and hold their feet to the fire to actually implement the AML/CFT laws they have passed. Should change not be forthcoming, consider use of 311 or other tools to prevent these jurisdictions from facilitating illicit conduct and undermining legitimate financial systems.
4. Work to isolate ISIS from the international financial system, including blocking banks located in areas of Iraq that are under ISIS control from the international financial system.

5. Continue to press for an international consensus against the payment of ransoms to terrorist groups.
6. As part of any air campaign, prioritize pushing ISIS back from areas it controls to deny the group the ability to profit from extortion, taxation, looting artifacts and natural resources, and other criminal activities in those areas.
7. Over the long run, press the Iraqi government to put in place real political reforms and create a credible, trusted law enforcement body able to move into liberated areas and other areas under government control and investigate and prosecute the criminal enterprises financing ISIS or other illicit actors.
8. Expand efforts to counter ISIS finance beyond Iraq into Syria as well. ❖

House Financial Services Committee

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