

# Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities

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

May 26, 2010

## ABOUT THE AUTHORS



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Articles & Testimony

**O**n May 26, 2010, Matthew Levitt, senior fellow and director of the Stein Program on Counterterrorism and Intelligence at The Washington Institute, testified before the U.S. House of Representatives Committee on Financial Services Subcommittee on Oversight and Investigations.

Nonprofit organizations are particularly susceptible to abuse by terrorists and their supporters, for whom charitable or humanitarian institutions are an attractive front. Indeed, terrorist groups have long exploited charities for a variety of purposes. Charities offer a veil of legitimacy for terrorist fundraising, attracting unwitting donors who are unaware that monies they donate for humanitarian purposes fund terror. Charities are vulnerable to abuse as money-laundering mechanisms and can provide terrorist operatives with day jobs, salaries, meeting places, and means of obtaining official documents such as licenses, mortgages, and more. Consider that Hamas terrorist operatives frequently hold day jobs within the group's network of charities and social service organizations, which provide both a salary to live on and cover for their less-charitable activities of plotting and carrying out terror attacks. For example, documents seized from the offices of the Islamic Relief Agency revealed that the charity had been paying the salaries of ten West Bank Hamas activists. Those social welfare organizations funded by the terrorist groups engender grassroots support for said groups and create fertile spotting and recruitment grounds...

[Read the complete text of Matthew Levitt's testimony](#)

<http://www.washingtoninstitute.org/html/pdf/Levitt20100526testimony.pdf> (PDF). ❖

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