

How Not to Fund Hamas: Scrutinize Those Who Receive U.S. Aid

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Articles & Testimony

In the wake of the Gaza war, few tasks are more critical than providing much-needed humanitarian support to the residents of Gaza without inadvertently empowering Hamas. Unfortunately, one of the primary vehicles the U.S. government intends to use to provide newly pledged aid, the U.S. Agency for International Development, or USAID, is resisting efforts to implement a program to ensure that U.S. funds do not inadvertently support terrorism.

On Friday, the U.S. government announced that President Obama has authorized the use of \$20.3 million to address critical post-conflict humanitarian needs in Gaza.

Under the system as it exists today, some or all of those funds could end up in Hamas coffers.

Make no mistake. USAID is a critical agency, especially given the Obama administration's clearly stated belief in doubling down on international development. But by its very nature, USAID is focused more on dispersing aid than on vetting the organizations through which that aid is distributed on the ground. As a result, its otherwise laudable record has been tainted by a series of awards to entities with established ties to terrorist groups, including Hamas-controlled zakat (charity) committees and the Islamic University of Gaza.

Documents made public in the prosecution of the Holy Land Foundation and several of its leaders -- who were ultimately convicted on all counts related to their providing material support for Hamas -- reveal that as recently as December 2002, USAID cleared several charity committees to receive funding despite information publicly tying them to Hamas. In March 2007, then-USAID administrator Randall Tobias was called before Congress to explain why the agency had provided more than \$140,000 to the Hamas-controlled Islamic University of Gaza.

In its most egregious oversight, USAID often ran trace requests on individuals and organizations without sufficient identifier information such as date and place of birth or government-issued identification numbers. According to a 2006 Government Accountability Office report, "Until June 2006, the [Tel Aviv] mission did not routinely collect detailed identifying information on individuals. . . or verify that information."

At the embassy in Tel Aviv, several interoffice memoranda documenting trace requests concluded that "no derogatory information was uncovered" despite acknowledging -- in bold font -- that "these trace requests are less than comprehensive." Despite this disclaimer, the individuals and organizations in question were approved to receive USAID awards.

The necessary first step to fix all this is simple and long-overdue: a partner verification system. It would begin by requiring all applicants for USAID funding to submit identifying information on their principal officers and other employees. Then, meaningful traces would check these officers and employees not only against the full range of publicly available information but also against classified intelligence and law enforcement databases.

Aid organizations are sure to protest the extra administrative burden. But the critical need to provide humanitarian aid in conflict zones must be balanced with the risk that terrorist groups will try to benefit from that aid.

Unfortunately, while USAID first published the proposed rule for such a system in July 2007, and a final rule was just published in the Federal Register last month, the proposed vetting system is still being vigorously opposed within USAID. In fact, the final rule was scheduled to go into effect Monday -- but was dealt a new setback when USAID bureaucrats held a backdoor meeting and effectively extended the implementation date.

Fortunately, President Obama will have the opportunity to rectify USAID's vetting shortcomings. As the final notice in the Federal Register notes, "The decision as to whether to implement PVS [a partner verification system] will be made by the incoming Obama administration."

Over to you, Mr. President.

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