THE RISE OF ISIL

COUNTERTERRORISM LECTURES 2015

MATTHEW LEVITT, EDITOR

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Cover photo: People gather in Lausanne, Switzerland, during a November 2015 ceremony for the victims of a series of deadly attacks in Paris. The banner reads: "No to terrorism." (REUTERS/Denis Balibouse)

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Acknowledgments

AS WE PUBLISH the seventh volume of this series, I am struck by the professional dedication of the many people at The Washington Institute whose hard work make this counterterrorism lecture series—and these published volumes—possible.

This project benefits from the contributions of members of the Institute's administrative, communications, and research staff, without whom neither the lecture series nor this series of monographs would be possible. Special thanks to the Institute's publications director, Mary Kalbach Horan; communications director, Jeff Rubin; online communications managing editor R. Scott Rogers; senior editor, George Lopez; editor Jason Warshof; Arabic managing editor Maurice Shohet; media relations associate, Ian Byrne; communications and development associate, Alison Percich; and data services coordinator, Beverly Sprewer. None of these events could have been held without the tireless efforts of operations manager Rebecca Erdman, administrative assistant Gina Vailes, and the team of Washington Institute research assistants (RAs) and interns who make everything work like clockwork at our events.

I want to thank the fellows, RAs, and interns of the Institute's Stein Program on Counterterrorism and Intelligence, especially senior fellows Katherine Bauer, Nadav Pollak, and Aaron Zelin. Current and former Stein Program RAs and interns who helped put this speaker series and volume together include Nour Aburish, AJ Beloff, Evan Charney, Natan Kelsey, Maxine Rich, Alexander Schnapp, Ryan Youkilis, and Reena Wasserstein.

(continued)

Finally, a special thank you to Arlene and Daniel Fisher and Ruth and Leonard Cole for their generous support of our counterterrorism lecture series.

I am truly blessed to be a part of the intellectual community that is The Washington Institute. The lectures that follow, and the insights they provide into this particularly critical turning point in the world of terrorism and counterterrorism, are just a small window into the kind of debates and discussions going on within the Institute's walls on any given day.

Dr. Matthew Levitt
August 2016

About This Volume

MATTHEW LEVITT

SINCE DECEMBER 2007, The Washington Institute's counterterrorism lecture series has featured more than sixty speakers—from local police to senior White House officials, and from heads of federal intelligence agencies to officials from the Departments of Defense, Homeland Security, Justice, State, Treasury, and more—for exceptionally timely and cutting-edge lectures on every aspect of CT policy imaginable. Six previous volumes presented and analyzed earlier iterations of this speaker series: *Terrorist Threat and U.S. Response: A Changing Landscape* (September 2008), *Countering Transnational Threats: Terrorism, Narco-Trafficking, and WMD Proliferation* (February 2009), *Continuity and Change: Reshaping the Fight against Terrorism* (April 2010), *Obama's National Security Vision: Confronting Transnational Threats with Global Cooperation* (October 2010), *Finding a Balance: U.S. Security Interests and the Arab Awakening* (May 2012), and *From the Boston Marathon to the Islamic State: Countering Violent Extremism* (April 2015).

This iteration of the lecture series opened with a presentation by Ambassador Tina Kaidanow, the State Department's coordinator for counterterrorism, who addressed the changing nature of the global threat environment.

The series continued with contributions by several U.S. officials to a TWI conference,"Taking the Fight to ISIL: Operationalizing CT Lines of Effort Against the Islamic State Group." NCTC head Nicholas Rasmussen highlighted ISIL's agility in using social media to advance its narrative, its unfettered access to foreign fighters, the group's success at co-opting the sectarian and theological narratives to its benefit, and its ability to establish ISIL "provinces" well beyond its traditional area of operations in Syria and Iraq.

Gen. John Allen, the president's special envoy for the global coalition to counter ISIL, presented a picture of ISIL as an adversary that is not simply a Syria or Iraq problem, but one presenting a global danger that demands a global response. Homeland Security's David Gersten discussed the department's efforts to counter violent extremism and contend with the foreign fighter problem, while Hedieh Mirahmadi, president of WORDE, described how the U.S. government "should leverage more diplomatic pressure with its allies in the Middle East to make sure both their political leaders and the state religious institutions are debunking ISIS propaganda." Avery Alpha, CT director at the National Security Council, focused on the U.S. government's holistic approach to dealing with foreign terrorist fighters in Syria and the broader Middle East region. Richard Barrett, senior advisor at The Soufan Group, explained why targeting recruitment networks and building "social resilience to terrorism" are the most effective means at the government's disposal. The Institute's Aaron Zelin analyzed the motivating factors driving foreign terrorist fighters and the facilitation networks making their travel possible. Matthew Levitt andTreasury's Jennifer Fowler both assessed the state of ISIL's financial bottom line and U.S.-led efforts to counter the group's financing mechanisms. Finally, Elizabeth Rosenberg, director of the Energy, Economics, and Security Program at CNAS, discussed ongoing efforts to degrade ISIL's fundraising in the oil sector.

Later, on the margins of the White House Summit on Countering Violent Extremism, The Washington Institute hosted an event on the challenges and opportunities inherent in programs aimed at rehabilitating and reintegrating returned foreign terrorist fighters into mainstream society with a presentation by EU counterterrorism coordinator Gilles de Kerchove; mayor of Aarhus, Denmark, Jacob Bundsgaard; Maj. Gen. Douglas Stone, and myself. This was followed by FBI Counterterrorism Section chief Gerald Roberts on what FBI investigations into ISIL financing reveal about the nature of money flows. And finally, against the painful backdrop of ISIL attacks in Paris, Beirut, and Ankara, State Department under secretary Sarah Sewall offered a plan for how the United States and its international partners could mobilize to address the underlying factors making people vulnerable to violent extremism.

Taken together, these lectures offer deep insight into the rise of the Islamic State as an ultraviolent entity controlling vast territory in Syria and Iraq, and as a terrorist threat abroad. They put the threat of the Islamic State in perspective, from the vantage point of officials grappling with a tremendously dangerous and violent adversary set at the pinnacle of its success. Without a doubt, 2015 was the year of the rise of ISIL.

Contributors

Note that positions listed were those held at the time of the respective lecture.

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Maj. Gen. Doug Stone, USMC (ret.), oversaw all theatre interrogation and detention in Iraq during the post-2006 surge and is credited with changing the U.S. military approach to detention policy. He now works for the UN and was directly involved in developing the Rome Memorandum, the seminal best-practices compendium for rehabilitation and reintegration of violent extremist offenders.

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THE RISE OF ISIL

Introduction

Matthew Levitt

BOOKENDED BY terrorist plots in Paris, 2015 marked the rise of the so-called Islamic State as an international terrorist phenomenon. Over the course of the year, the foreign terrorist fighter (FTF) phenomenon grew steadily as the organization sharpened its radicalization and recruitment efforts and continued to profit from its financial support projects on the ground in Syria and Iraq and around the world. By 2016, ISIL[1] battlefield defeats and territorial losses were so acute that the group's spokesperson, Abu Muhammad al-Adnani, ceased referring to the group's stated goal of "remaining and expanding." ISIL would then rely even more on directed and inspired terrorist attacks abroad. These should have come as no surprise, however, given the group's sharp rise over the course of 2015, including the debut of its spectacular international terrorist plotting. It was against the backdrop of the attacks in Paris in January 2015 and the thwarted plot in Verviers, Belgium, just a couple of weeks later that The Washington Institute launched the seventh iteration of its Counterterrorism Lecture Series. The final lecture in this series came just days after the coordinated ISIL attacks in Paris, and others in Beirut and Ankara. What follows is a seminar on the rise of the so-called Islamic State over the course of 2015.

CHANGING NATURE OF THE THREAT

Spectacular terrorist attacks in Paris, Brussels, Istanbul, and beyond have made it plain that the scale of the threat posed by the Islamic State to the West is far larger than most Westerners had previously thought. That threat is no longer limited to the radicalization of the over 5,000 European citi-

zens who left the comfort and safety of their homes to fight alongside the Islamic State in Syria, Iraq, and more recently Libya.[2] Nor has it expanded to include only so-called "lone-wolf" plots—self-organized attacks carried out by homegrown radicals. These recent attacks have made it painfully clear that the Islamic State is determined to plan and direct attacks in the West that are far more sophisticated and lethal than such small-scale mayhem. It is understandable if the public expresses anxiety and dismay about this metastasized danger. But the West's counterterrorism (CT) officials are not entitled to feel surprise. For anyone paying close enough attention, signs of the Islamic State's expanded capabilities have been evident since at least mid-2014.

After the U.S.-led coalition began launching airstrikes against Islamic State targets in August 2014, Abu Muhammad al-Adnani, who is also the group's chief of external terror operations, responded with a call for supporters to carry out lone-offender terrorist attacks targeting the West.[3] Since then, Islamic State supporters and sympathizers have tried to answer his call. The January 2015 attacks in Paris on the offices of the satirical magazine *Charlie Hebdo* and a kosher grocery store caused a degree of confusion because some operatives appeared to be tied to al-Qaeda in the Arabian Peninsula (AQAP), while others were inspired by the Islamic State. On January 7, 2015, AQAP claimed responsibility for the Kouachi brothers' attack on *Charlie Hebdo*. Two days later, Ahmed Coulibaly killed a Muslim policewoman and attacked a kosher grocery store, claiming in a video prepared earlier to have acted in the name of the Islamic State. The conflicting claims of responsibility confused many people, especially given the cooperation between the two sets of attackers: Coulibaly attested to have given the Kouachi brothers a few thousand euros to purchase weapons but claimed to have acted on his own, while the AQAP statement took credit for the *Charlie Hebdo* attack but described Coulibaly's attack as a laudable "coincidence."[4] Looking back, however, it appears that these terrorist "frenemies"—the groups they respectively affiliated themselves with were pitted against each another in a jihadi civil war back in Syria—were nonetheless part of the lone-wolf phenomenon. They may have been inspired by groups based in the Middle East, but they were not directed by them.

Lost in the shuffle after the horror of those attacks were events that proved to be the critical turning point in Islamic State terrorism in Europe: the plots that were averted by raids in Verviers, Belgium, a week after the *Charlie Hebdo* attack. These raids were a watershed moment for European CT officials, and Belgian authorities in particular, who were acting on information that the cell was plotting "imminent" and large-scale attacks in Belgium.[5] Police

discovered automatic firearms, precursors for the explosive triacetone triperoxide (TATP), a body camera, multiple cell phones, handheld radios, police uniforms, fraudulent identification documents, and a large quantity of cash during the raids.[6] Information from European and Middle East intelligence services indicated the raids thwarted "major terrorist attacks," most likely in Belgium, though the investigation spanned several European countries, including France, Greece, Spain, and the Netherlands.[7] Investigators determined that the leader of the plot, Belgian citizen Abdelhamid Abaaoud, directed the operation from a safe house in Athens, Greece, using a cell phone, while other group members operated in several different European countries. "Items recovered during searches of residences affiliated with the cell suggest the group's plotting may have included the use of small arms, improvised explosive devices, and the impersonation of police officers," according to an intelligence assessment by the U.S. Department of Homeland Security.[8] Authorities quickly began to appreciate that the threat facing Europe was no longer limited to lone offenders inspired by the group. It now included trained and experienced foreign terrorist fighters coordinating attacks, directed by the Islamic State, across multiple jurisdictions.

The Verviers raids were a watershed moment for European CT officials.

Authorities quickly homed in on Abaaoud, also known as Abu Umar al-Baljiki. But despite a Europe-wide manhunt, Abaaoud managed to elude authorities, escaping from Belgium to Syria, and then back. In an interview with *Dabiq*, the

Islamic State's propaganda magazine, he later bragged: "My name and picture were all over the news yet I was able to stay in their homeland, plan operations against them, and leave safely when doing so became necessary."[9]

Slowly, the threat to Europe became even clearer. In April 2015, French authorities arrested an Islamic State operative who had called for medical assistance after accidentally shooting himself. In his apartment, authorities found weapons, ammunition, and notes on potential targets, including churches, for an attack that he had been directed to plan by someone inside Syria, according to Paris prosecutor François Molins.[10] A U.S. intelligence bulletin reported the Islamic State operative had links to Abaaoud and had previously expressed interest in traveling to Syria.

By May 2015, U.S. law enforcement concluded that a sea change had occurred in the nature of the Islamic State terrorist threat. While

Luck ran out when terrorists struck Paris on November 13, 2015.

threats remain from Islamic State–inspired lone offenders, the U.S. intelligence assessment concluded that future Islamic State operations would resemble the elaborate disrupted Verviers plot.[11] For European and U.S. counterterrorism officials, the multijurisdictional nature of that plot cemented the importance of information sharing across national agencies; implementing the necessary reforms, however, would be slow in coming.

The pace of the Islamic State's foreign-directed plots sped up in the summer of 2015. In mid-August, a man was arrested while attempting to carry out an attack on a concert in France.

The man, who had only recently returned from a six-day trip to Syria, told police he was ordered to carry out the attack by a man fitting Abaaoud's description. Later that month, off-duty U.S. servicemen managed to subdue a gunman attempting to carry out an attack on a Thalys train traveling from Amsterdam to Paris.

Luck ran out when terrorists struck Paris on November 13, 2015. These multiple coordinated attacks marked a departure from past Islamic State plots in the level of training and degree of operational security executed by the attackers. According to a U.S. intelligence bulletin, the November Paris attacks "demonstrated a greater degree of coordination and use of multiple tactics, resulting in higher casualties than has been seen in any previous ISIL Western attack."[12] The tactics, techniques, and procedures used in the attacks were quickly identified by law enforcement as the type of attacks the West should expect from now on.

According to a January 2016 EUROPOL counterterrorism report, the Paris attacks and subsequent investigations demonstrate a shift by the Islamic State toward "going global" in its terrorism campaign. The Islamic State has developed an "external action command," EUROPOL notes, which "trained for special forces style attacks in the international environment." The police organization's warning for Europe was stark: "There is every reason to expect that [the Islamic State], [Islamic State-]inspired terrorists or another religiously inspired terrorist group will undertake a terrorist attack somewhere in Europe again, but particularly in France, intended to cause mass casualties amongst the civilian population."[13]

If the evolution of the Islamic State global threat was not yet perfectly clear after the Paris attacks, it has become so in the wake of the Brussels and Istanbul bombings. And though authorities are now fully aware of the scope of the threat, coping with it is a continual struggle. Shortcomings exist in both counterterrorism capabilities and in efforts to integrate immigrant communities into the larger Western societies in which they live. The CT challenges were underscored by the inability of security services to find Salah Abdeslam, one of the November Paris attackers, for some four months after the attacks. But the social integration challenges are more daunting still, and solving the long ignored problem of disenfranchised immigrant communities is going to take time and money, both of which are in short supply.

Furthermore, these two sets of challenges—counterterrorism and intelligence on the one hand, and social and economic integration on the other—are intricately interconnected. Even if economic factors are not a primary factor of

radicalization, Belgian officials explained, they are a powerful reinforcing factor feeding an identity crisis centered on lack of opportunity, broken families, psychological fragility, and cultural and religious tension. With an unemployment rate as high as 30 percent, it should not be surprising that the vast majority of Belgian recruits to the Islamic State are small-time criminals.[14] One Molenbeek recruiter, now in jail, approached local youth in the neighborhood's ubiquitous storefront mosques and convinced them to donate some of the proceeds of their petty crime to fund the travel of foreign fighters to Syria.[15]

Today's petty criminals have become tomorrow's potential suicide bombers. And they will be carrying out their attacks not in faraway war zones but in the heart of the countries in which they grew up. The U.S. intelligence assessment after the November Paris attacks presciently warned that the "involvement of a large number of operatives and group leaders based in multiple countries in future ISIL-linked plotting could create significant obstacles in the detection and disruption of preoperational activities."[16] That is certainly the case, but it is only half the problem. The still greater challenge Western countries face is how to contend with European Islamic State terrorists who are being groomed today within their own borders.

Islamic State foot soldiers have repeatedly used social media as a platform to issue threats against the West. The group's sophisticated video productions often include explicit threats against America and other Western allies. *Dabiq* has published several overt calls for attacks on the West, specifically countries involved in the anti-ISIL airstrike coalition. Consider, for example, the following excerpt from the October 2014 issue of *Dabiq* entitled "The Failed Crusade":

> You must strike the soldiers, patrons, and troops of the *tawāghīt*. Strike their police, security, and intelligence members, as well as their treacherous agents. Destroy their beds. Embitter their lives for them and busy them with themselves. If you can kill a disbelieving American or European—especially the spiteful and filthy French—or an Australian, or a Canadian, or any other disbeliever from the disbelievers waging war, including the citizens of the countries that entered into a coalition against the Islamic State, then rely upon Allah, and kill him in any manner or way however it may be. Do not ask for anyone's advice and do not seek anyone's verdict. Kill the disbeliever whether he is civilian or military, for they have the same ruling.[17]

Group spokesman Adnani and Abu Bakr al-Baghdadi, the self-declared caliph, have both issued verbal threats against the West. Under President Vladimir Putin's orders, Russia has become more deeply involved in the Syria conflict,

carrying out airstrikes in the region that are meant to be targeting the Islamic State on behalf of Assad. The group responded by releasing an audio message on October 13, 2015, where Adnani called for Muslims to launch a "holy war" against Russians and Americans over their "crusaders' war" in the Middle East.[18] It is through this tactic of encouraging lone-offender attacks that

> IS appears to have succeeded more than al-Qaida in triggering so-called "individual jihad" operations by unaffiliated sympathizers in the West…IS has thus far inspired an average of two sympathizer attacks per month since al-Adnani's call for individual jihad was issued in September 2014.[19]

Indeed, several Islamic State–inspired attacks have already been conducted: the hit-and-run attack that killed a Canadian soldier in Ottawa, the shooting at the Canadian parliament building, the attack on the Jewish museum in Brussels, the siege of the Lindt café in Sydney, the *Charlie Hebdo* massacre in Paris, and the shooting in San Bernardino, California. The assailant in the tragic nightclub shooting in Orlando, Florida, claimed to have been inspired by ISIL, but appears to have made that claim to attract attention more than anything else.

FOREIGN TERRORIST FIGHTERS

As events in the Middle East spiraled out of control in 2015, with moderate rebel formations collapsing like dominos for lack of international support and the creeping radicalization of the rebellion, security services around the world became increasingly worried about the possibility of domestic blowback as foreign fighters flocked to the region with the chance of returning home still more radicalized.

Speaking in September 2015, Ambassador-at-Large and Coordinator for Counterterrorism Tina Kaidanow noted that since the conflict in Syria and Iraq began, more than 25,000 foreign terrorist fighters from more than 100 countries have traveled to that region. Reportedly, more than 250 Americans have traveled or attempted to travel to Iraq and Syria to fight with ISIL and al-Qaeda since 2012. A total of 60 men and women were arrested in the United States in 2015 alone for supporting or attempting to join the Islamic State.

Over the course of 2015, the number of foreign terrorist fighters traveling to fight for the Islamic State grew exponentially. While foreign fighters have participated in various conflict zones over the past several decades, the phenomenon has become a particularly crucial element of the Syrian civil war. By December 2013, some 11,000 individuals from 74 different countries were estimated to have traveled to become opposition fighters in Syria.[20] By May

2014, the number of foreign fighters in Syria had risen to over 12,000 from at least 81 countries, and authorities estimated that 2,500 of those 12,000 came from Western states.[21]

That number would not remain constant but actually increase in the early months of 2015. In February 2015 testimony before the House Homeland Security Committee, Nicholas Rasmussen, director of the National Counterterrorism Center, remarked: "The rate of foreign fighter travel to Syria is unprecedented" and "exceeds the rate of travelers who went to Afghanistan and Pakistan, Iraq, Yemen or Somalia at any point in the last 20 years."[22] While over 150 fighters had by then come from the United States and more than 3,400 fighters from all Western countries, Rasmussen added, "It's possible that there are greater numbers of foreign fighters, and potentially even greater number of individuals from Western countries and the United States, who've traveled to the conflict zones."[23] Indeed Rasmussen was correct; in a September 2015 report by the House Committee on Homeland Security, the total number of foreign fighters traveling to Syria had risen to "4,500 Westerners and more than 250 Americans."[24]

According to Director of National Intelligence James Clapper's testimony before the Senate Armed Services Committee on February 9, 2016, "More than 36,500 foreign fighters—including at least 6,600 from Western countries—have traveled to Syria from more than 100 countries since the conflict began in 2012."[25] A total of 58 men and women were arrested in the United States in a span of just nine months in 2015 for supporting or attempting to join the Islamic State.[26]

The Islamic State uses online social platforms to encourage foreign membership, where it glorifies violence and promotes an idyllic picture of life in the caliphate. Using social media outlets, ISIL connects and instructs prospective recruits on migrating to the caliphate. Recruits, who are often inspired by jihadi propaganda and tempted by the "quest for significance," most commonly contact a jihadi propagandist for information on joining. Islamic State social media accounts are usually easy to locate. Along with their extremist-themed social media avatars, Islamic State members post approximately 90,000 tweets per day, according to U.S. State Department spokeswoman Jen Psaki.[27] The Islamic State does not hide the fact that violence is a central component of its identity. Violence, a Dutch intelligence report finds, "is preached, glorified and used on a daily basis." And this violence is widely known to potential Islamic State recruits prior to their arrival in Syria and Iraq.

The report continues,

> Everyone who has travelled since 2014 to the area under the group's control will have seen the propaganda images of atrocities against "non-believers." Scenes of bloody executions and young children in military training camps, along with euphoric video compilations of terrorist attacks claimed by ISIS, circulate daily amongst jihadist circles and are easy to find on the internet. Most of those who leave have been told beforehand by their contacts in Syria that they will be trained for and sent into combat.[28]

The Islamic State does not hide the fact that violence is a central component of its identity.

With climbing numbers of foreign fighters in the Levant, the challenge for the fighters' home governments becomes the formulation of a response to their nationals' actions abroad. According to Gilles de Kerchove, the EU Counterterrorism Coordinator, about 20 to 30 percent of foreign fighters from Europe had already returned from Syria and Iraq as of February 2015. Current European policies "range from the Danish emphasis on reintegration to the British emphasis on preventing fighters from returning," as concerns remain high about the radicalized nationals returning to their home countries to commit acts of terrorism under the direction of the Islamic State.

COUNTERING VIOLENT EXTREMISM

Coming on the heels of the *Charlie Hebdo* attacks, and prefacing the already scheduled White House CVE Summit, there was a significant focus on discovering new ways to combat the Islamic State and its deadly message. David Gersten, CVE coordinator at the Department of Homeland

Security, noted: "While there is no single panacea to stopping the flow of foreign fighters or the radicalization to violence of a lone offender, our hope is that in supporting strong and safe communities, they will help to protect us from a terrorist attack by an individual, or group, recruited or inspired by a violent extremist organization." Communities can often play a critical role in CVE efforts to prevent radicalization and provide useful intimate knowledge on a neighborhood and its inhabitants that traditional law enforcement may not know. Not for the first time in a terrorism investigation, the critical tip that led police to Abdelhamid Abaaoud, the mastermind of the November 2015 Paris attacks, was a Muslim.

Plagued by bureaucracy and often conflicting interagency agendas, past CVE efforts have had limited success.

Plagued by bureaucracy and often conflicting interagency agendas, past CVE efforts have had limited success. Consider a policy review initiated in the summer of 2015 that involved eleven different departments and agencies, which found that the Obama administration's overall CVE objectives were good, "but identified gaps in its implementation."[29]

Against a background of increased lethality of Islamic State attacks in late 2015, Under Secretary of State Sarah Sewall laid out ways in which the United States was broadening its CVE approach at home and abroad to counter the Islamic State. The first significant change was a renewed focus on prevention, because "in doing so, CVE seeks to tighten the flow of recruits to the current generation of terrorist groups and better prevent the next one from

emerging." Late 2015 also saw a trend in CVE toward dealing with the most vulnerable members of a community; indeed, the San Bernardino attack epitomizes the difficulty of preventing radicalization at the individual level. Sewall noted: "No government can fully eliminate discontents and grievances that terrorists exploit to recruit individuals or mobilize whole communities," which is why it has become increasingly crucial to adapt CVE efforts to counter the "push factors" that fuel individual radicalization. This can only be achieved by emphasizing an evidence-based approach to help narrow down the greatest vulnerabilities in a community and the best methods to counter them.

ISLAMIC STATE FINANCE

Sometimes described as the world's richest terrorist group, the Islamic State has famously raised tremendous amounts of money through oil smuggling, extortion of the local populations under its control, extensive criminal enterprises, kidnapping for ransom, and other means. The Islamic State became so efficient at self-financing that the targeting of its finances was highlighted as one of the anti-ISIL coalition's five primary lines of effort. By late 2015, this effort saw significant success. In December 2015, the Chairman of the Joint Chiefs of Staff testified that "43 percent of the revenue stream that ISIL derives from oil has been affected over the past 30 days."[30]

Nevertheless, the Islamic State continued to find workarounds in the financial system. On March 7, 2015 the European Union sanctioned a Syrian businessman with close ties to Damascus for serving as a middleman in regime deals to purchase oil from ISIL. Additionally, according to a February 2015 FATF report on ISIL financing, some of the bank branches in ISIL areas "may maintain links to the international financial system."[31] Although many international institutions have cut ties to these banks, the latter are still able to liaise with certain unnamed jurisdictions.

Another method used by Islamic State financiers is to bring in money from outside their territory. As the FATF report from February 2015 noted, "excessive cash deposits" were placed in U.S. bank accounts and then transferred to banks just outside of Islamic State territory for withdrawal.[32]

Beyond the formal banking system, the Islamic State can also send and receive funds through nearby foreign money remitters. Finnish authorities reported to FATF that a common method of getting funds to foreign fighters is to send it via "money remitters who have agents operating in border areas close to ISIL-held territory."[33] Dutch authorities noted similar activity and "regard

it as highly likely that…intermediaries transport cash to areas near territory occupied by ISIS."[34] As stated by Deputy Assistant Secretary Jennifer Fowler in her presentation, this sort of "backdoor" banking scheme is a grave concern for the U.S. Treasury Department, which believes that "money services businesses in ISIL-held territory continue to maintain connections to regional counterparts through which ISIL could conduct funds transfers." Therefore, Treasury officials actually traveled to the region in February 2015 to meet with foreign counterparts, specifically in Iraq, to deal with these companies.

Meanwhile, partnerships between the U.S. government and the private sector have become increasingly important, and the government has ramped up efforts to build on them, including hosting annual training sessions with the private sector's new Financial Intelligence Units. As Gerald Roberts, chief of the FBI's Terrorist Financing Operations Section, put it: "The work done by these FIUs can be that missing piece of the puzzle to identify someone here or abroad who is planning or supporting plans to attack our interests."

CONCLUSION

Without a doubt, 2015 marked the rise of the Islamic State both as a military force engaged in war crimes and genocide on the ground in Syria and Iraq and as an international terrorist threat. But by mid-2016, it would face a series of significant battlefield defeats in Syria and Iraq, and find itself at the receiving end of coordinated intelligence and law enforcement operations aimed at disrupting the group's operations abroad. Much work is still needed, as Islamic State–linked terrorist plots—some successful, still more disrupted—continue to be a nearly daily affair. Authorities worry about the difficulties presented by homegrown violent extremists operating as lone wolves, but as investigations into recent attacks progress the evidence increasingly points to connections to other operatives and facilitation networks. In other words, the nature of the terrorist threat continues to evolve, and it is likely to evolve faster and more violently as the military offenses of the anti-ISIL coalition continue to inflict severe blows on the Islamic State in Syria and Iraq. The post-caliphate Islamic State will continue to fight in Syria and Iraq, but will likely fall back on its more prominent provinces in places like Libya, Yemen, and Egypt (Sinai), and will likely respond to battlefield defeat with acts of terrorism abroad as a way to inflict pain on its enemies and remain relevant. As authorities scramble to prepare for the ways in which the Islamic State threat will continue to evolve, many lessons can be learned by looking at the factors that led to its rise in 2015. This volume is a perfect place to start.

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JANUARY 26, 2015

Expanding Counterterrorism Partnerships: U.S. Efforts to Tackle the Evolving Terrorist Threat

Tina S. Kaidanow

PREPARED REMARKS

THANK YOU very much for inviting me to speak today. This is clearly an opportune moment to have a discussion about the nature of the terrorism threat, which continues to change and evolve over time, as well as the Administration's overall approach in responding to that threat, which is also taking on new proportions as the outlines of the emerging threat become clearer. The President discussed this in his State of the Union address and earlier public statements, but I hope to further flesh out the nature of the effort and its implications. I note it was also treated in an editorial in the *Washington Post* on Friday, and there are some interesting discussion points there I hope to cover in my remarks and later in our back and forth.

The global threat environment is considerably different than it was in past, and equally remarkable—if somewhat disturbing—is the pace and dynamism of the changes we have seen. On the positive side of the ledger, the prominence of the threat once posed by al-Qa'ida with its centralized, hierarchical terrorist command structure has now diminished, largely as a result of leadership losses suffered by the AQ core.

However, on the other side of the balance sheet, the past several years have seen the emergence of a more aggressive set of AQ affiliates and like-minded groups. The emergence of these more radical and violent groups is, in most cases, associated with a loss of effective government control, as in Yemen, Syria, Libya, Iraq, and Somalia. Groups that have become active in these areas are mainly localized, but some pose a threat to Western interests in Europe and in the United States, and we take these security concerns very seriously. Lately, the most visible manifestation of terrorism in the Western context has come in the context of so-called "lone offender

attacks," which—as we saw in the case of the terrorist assassinations at the Paris publication *Charlie Hebdo*—may or may not be associated with organized terrorist groups; they may simply be inspired by such groups or their ideological convictions.

The very complexity of addressing this evolving set of terrorist threats, and the need to undertake efforts that span the entire range from security to rule of law to efficacy of governance and pushing back on terrorist messaging in order to effectively combat the growth of these emerging violent extremist groups, requires an expanded approach to our counterterrorism engagement. There is ample discussion and debate—and understandably so—over the use of active U.S. kinetic measures to address terrorism, but the President has emphasized repeatedly that more than ever before, we need to diversify our approach by bringing strong, capable, and diverse partners to the forefront and enlisting their help in the mutually important endeavor of global counterterrorism.

A successful approach to counterterrorism must therefore revolve around partnerships.

A successful approach to counterterrorism must therefore revolve around partnerships. The vital role that our partners play has become even clearer in recent months with the emergence of the Islamic State of Iraq and the Levant (ISIL) as a hugely destructive force in Iraq and Syria. We have worked to build an effective anti-ISIL coalition, a coalition that is clearly crucial because the fight against ISIL is

not one the U.S. can or should pursue alone. More than sixty partners are contributing to this effort, which is multi-faceted in its goals—not only to stop ISIL's advances on the ground, but to combat the flow of foreign fighters, disrupt ISIL's financial resources, and counteract ISIL's messaging and undermine its appeal, among other objectives. Just last week, Secretary Kerry and UK Foreign Secretary Hammond co-hosted a small group of key partners in London to review our comprehensive efforts and discuss what more we can do together to pursue a comprehensive, Coalition-oriented strategy in the days ahead. This kind of wide-ranging activity can only be undertaken in concert with others in the region and across the globe.

The notion of finding and enabling partners, of course, is not new or limited to the anti-ISIL effort, and indeed many of our most significant counterterrorism successes in the past have come as a result of working together with partners on elements ranging from intelligence to aviation security. But we need partnerships now more than we ever have before.

Effective partnering means identifying those actors overseas—some governmental, some non-governmental, and some multilateral—that can make a difference in this decisive battle against the most salient terrorist threats confronting the U.S. and U.S. interests. Partners come with a variety of capabilities and varying amounts of political will, so cultivating them often is not just a matter of diplomatic engagement—which the State Department in particular has the lead role in pursuing—but working with them to develop the technical and practical skills needed to combat violent extremism within their borders and beyond.

My bureau at the State Department, newly formed as a bureau and given particular prominence as a result of organizational changes over the past few years, is engaged on all these fronts, using the full range of policy tools from diplomacy to programmatic efforts in order to marshal the right international partners for the most appropriate set of objectives. That work is done collaboratively with many other elements of the U.S. government, ranging from the National Security Council to the Departments of Defense, Homeland Security, Justice and Treasury, as well as the intelligence community. Ensuring the strategic coherence of all our collective efforts is a key part of what we do and remains a central focus as we craft CT strategy into the future.

There is potentially a broad array of partners with whom we can establish or intensify existing relationships on counterterrorism. We can think about

partnerships in perhaps five categories, the first composed of those highly capable countries to whom we turn time and again for coordinated action in response to serious threats. The UK, France, and Australia are examples—though not the only ones—of these very capable and responsive partners. The leadership of the French in the Sahel region of North Africa and their willingness to send military forces to the area helped roll back the threat of violent extremism in Mali and lessened the threat for the surrounding countries. However, the migration of some of those terrorist elements to Libya means that an ongoing CT effort will be necessary, and will increasingly need to include local partners in the region, as well as the French.

A second group of partners involves regional countries and institutions with localized influence—partners that can project power within their own region to help address the consequences of state failure and the chaos that ensues. In East Africa, this is illustrated by the response of AMISOM, which includes troops from Uganda, Burundi, Ethiopia, Kenya, Djibouti, and Sierra Leone, to the collapse of authority in Somalia. AMISOM has formed the backbone of the effort to push al-Shabaab out of Somalia's major cities and gradually but steadily erode its ability to threaten the government in Mogadishu. Elsewhere, Morocco and Algeria—though unfortunately not generally acting in concert—play extremely influential roles in the Maghreb and Sahel. Jordan is another critical counterterrorism partner with advanced counterterrorism capabilities and the ability to mobilize and help train third parties in the region. This category of capable, influential local partners can also include multilateral institutions, for example the AU or the GCC, where the potential exists for a greater degree of sustained engagement on counterterrorism efforts.

A third category of counterterrorism partners are those that have demonstrated the political will to work with us but need additional assistance and support to combat the threats they face. Tunisia, Mauritania, Niger, Chad, Bangladesh, and Oman fall into this group, as do a number of other countries in sensitive geographic regions.

A fourth group poses far more challenges, both with regard to the nature of their internal contradictions and their often ambivalent attitude towards cooperation with the United States. Here we are talking about countries that are difficult partners, sometimes for reasons related to serious human rights violations that have exacerbated the terrorist threat or where we may have conflicting definitions of terrorism, and sometimes because these countries may simply harbor doubts about accepting our assistance. Nevertheless, their cooperation remains central to combating the major ter-

rorism challenges we face. With these countries, we need to look for focused areas of cooperation where our interests intersect, bearing in mind the larger policy issues that impact on our counterterrorism collaboration. In those instances where human rights concerns remain an issue, we need to be clear and persistent about the importance of addressing those concerns fully.

The migration of some of those terrorist elements to Libya means that an ongoing CT effort will be necessary.

Finally, I would note countries like Russia and China, where cooperation has been inconsistent in the past, but where there is, I believe, potential for further development of our CT dialogue.

In addition to the efforts I have described with a variety of governmental partners, we are also expanding our interaction with a range of non-governmental players, which are increasingly critical to combat violent extremism and, in a more profound sense, try to prevent its emergence in the first place. Local NGOs associated with women, youth groups, educators, religious leaders and other community elements can all be valuable partners for us and for their respective governments, and we are encouraging governments to see the value in those relationships and empower such NGOs as critical bridges to affected communities. The Secretary of State highlighted the importance of the prevention aspect of CVE in his remarks at Davos a few days ago, and the White House will host a meeting next month on Countering Violent

Extremism to encourage domestic and international efforts specific to these issues.

Work with governments and NGOs must be amplified through multilateral approaches, as well. In this context, I would point to the work the State Department has done over the past several years to help establish and promote the Global Counterterrorism Forum, a thirty-member organization formed in 2011, whose roster includes all the categories of partners I described earlier, from influential global and regional players to front-line states. And institutions inspired by the GCTF, including the International Institute for Justice and the Rule of Law in Malta, the Hedayah Center for countering violent extremism located in the UAE, and the newly established Global Community Engagement and Resilience Fund (or GCERF) in Geneva, have helped bring the private sector and civil society more effectively into our CT discussions. The GCERF, which opened its doors a few months ago and which we are supporting vigorously, is a public-private partnership that will make grants to NGOs and community-based elements in key pilot countries where countering violent extremism remains a vital imperative.

The critical role of multilateral institutions was also underscored in our recent efforts to curb the flow of foreign fighters to Iraq and Syria. UN Security Council Resolution 2178, which was adopted this past September in large part as a result of U.S. effort, mandates that all member states act to address this problem by taking specific actions on legislation, information-sharing, law enforcement, border security, and countering violent extremism. We are looking at how we can best leverage the UN, as well as all the other institutions I just mentioned, to advance our top counterterrorism priorities in the future.

STRENGTHENING PARTNERSHIPS: THE ULTIMATE PURPOSE

The foreign terrorist fighters issue reminds us that building partnerships is just the means to an end, not an end in itself. Countering the terrorist threat means identifying strengths and weaknesses within vulnerable countries and regions, devising and implementing programs to address critical gaps, and helping our partners deter terrorist operations that may originate from inside or outside their borders. It requires a fundamental effort to build the rule of law, with law enforcement and justice institutions capable of investigating, prosecuting, incarcerating, and where appro-

priate, rehabilitating and reintegrating terrorists in an accountable and transparent manner, with full respect for human rights and values. And it necessitates a consistent brand of messaging to youth and other affected populations that may be mobilized by extremists.

This is a daunting challenge, but we are positioning ourselves to address it head on. We are

Building partnerships is just the means to an end, not an end in itself.

seeking appropriate resources from Congress to support the civilian as well as the military side of these counterterror efforts. The civilian aspect is as crucial, if not more so, than the military and security component of building capability among our partners, and can encompass everything from border security and criminal justice elements to programs that aim to stem terrorist recruitment and radicalization. We need to intensify our dialogue on what works and how effectively we can measure the impact of our programs when we approach Congress for these vital resources.

Denying terrorists access to money, resources, and support is another vital component of our counterterrorism partnership strategy. We assist our partners to disrupt terrorist financial flows by creating effective legal frameworks and regulatory regimes, establishing active and capable Financial Intelligence Units, strengthening the investigative skills of law enforcement entities, bolstering prosecutorial and judicial development, and undertaking specific training to build anti-money laundering and counterterrorist

financing capacity. We support the placement of Resident Legal Advisors (RLAs) from the U.S. Department of Justice and mentors from the Department of Homeland Security in key partner nations to advise host nation authorities, focusing most heavily on those countries whose financial systems remain vulnerable to exploitation by terrorist groups and their financiers.

We also multi-lateralize our sanctions against foreign terrorist organizations and individuals to the extent possible so they can have the greatest effect globally. We impose restrictions via our own domestic authorities on terrorists' ability to raise funds and travel, and then we amplify the effect of those sanctions by acting through the UN sanctions committees, which helps to garner broad support from the entire UN membership. The UN designation against ISIL, for example, has proven to be an important tool in targeting the flow of finances to the organization by imposing a global asset freeze, travel ban, and arms embargo. Another good example of this kind of effort is one we have pursued in concert with a variety of partners against Lebanese Hizballah. Hizballah has a near global reach, as illustrated by its terrorist plotting in Europe and Southeast Asia, its frontal support for the Asad regime, and its members' and supporters' involvement in large-scale international criminal schemes. To combat Hizballah, we have built important CT relationships with partners in Europe, South America, West Africa, and Southeast Asia. The EU designation of Hizballah's military wing, the sanctions levied against the group by a number of countries, and the prosecutions of Hizballah members in locales around the world have all dealt significant blows to the organization, and we continue to work collaboratively to expose and counter Hizballah's activities worldwide.

CONCLUSION

The construct I have outlined—working with a wide variety of partners to deny terrorists' safe haven, assisting these partners to build counterterrorism capacity, and thereby shrinking the space in which the extremists operate—is in our view critical, but it is equally obvious that this is not a quick fix. The threats we confront are serious and far-reaching, and it will take considerable time and effort to develop the partnerships and institutional components we need to address them. Nevertheless, we believe this is the most effective and sustainable approach to a complex and enduring challenge. As the President has made clear, the U.S. cannot shoulder the global counterterrorism burden on its own. Moving towards a model where we have a broad range of capable

governmental, non-governmental, and institutional partners will aid us in comprehensively degrading the threats and, perhaps even more critically, getting ahead of the curve on curbing the growth of violent extremism.

We have many more tools to mobilize, all of which I can discuss in greater detail, but I think I will stop here and take your questions. I appreciate the chance to discuss this with you today and I look forward to hearing your comments.

FEBRUARY 2, 2015

Opening Remarks: ISIL's Unique Challenges

■ Nicholas J. Rasmussen

PREPARED REMARKS

AFTER TAKING a look at the agenda, it is clear that you are looking both broadly and deeply at the ISIL phenomenon here today—the group's ideology, foreign fighter population, and financial health. I look forward to hearing the results of today's deliberations.

I also understand you'll be hearing from Gen. John Allen later today. General Allen is at the forefront of coordinating the many willing partners the United States has in degrading ISIL. And along with Ambassador Brett McGuirk and CENTCOM commander General Austin, he has spent more time than anybody else in our government talking to those partners about how they see the ISIL problem and what we can collectively do about it. So I am certain you will benefit from his perspective.

For my part, what I thought I would do is try and highlight the ways in which ISIL is unique among the counterterrorism challenges we face right now. I will start with five specific challenges posed by ISIL, many of which will undoubtedly be familiar to an audience as expert and knowledgeable as this. These aren't the only five challenges, but they are the ones I spend the most time thinking about and worrying about from my seat at the National Counterterrorism Center.

Those challenges include:

- ***ISIL's agile, capable use of social media*** to advance their narrative and amplify their battlefield success;
- The group's seemingly ***unfettered access to foreign fighters*** from across the Middle East region and the globe, including a significant number from our own country;

- The group's demonstrated ***ability to establish ISIL footholds in areas beyond its traditional AOR*** in Iraq and Syria;
- ISIL's embrace of ***the notion that it isn't only large-scale attacks that can have strategic impact*** on the political landscape, that even small or modest sized attacks can dominate world media and generate disproportionate effects;
- And lastly, ***ISIL's ability to co-opt the sectarian and theological struggle and conflict between Shia and Sunni***. I list this one last, in part because it's the ISIL challenge I find most difficult to get my head around in terms of developing a countering strategy. So maybe some of the experts in this room today can help in this regard.

I think an objective look at ISIL and their modus operandi reveals some vulnerabilities and weaknesses that we can exploit. I'll start with their declaration of the caliphate, I would argue, cut multiple ways in terms of its impact.

As I noted earlier, it certainly features in their propaganda as a means of drawing recruits, particularly from abroad. But that somewhat strategic decision also brought with it some costs: We've already seen that ISIL struggles with the burden of governance. When the group has to not only take territory, but also to hold it and exercise governance over it, the costs and limitations brought about by their actions become more apparent and some of the group's characteristics become in effect, self-limiting.

One of those costs concerns the ongoing ideological conflict with al-Qa'ida. Declaring the caliphate likely ensured that the struggle with AQ would continue and perhaps deepen. It guaranteed that the conflict with AQ was also about more than just personality conflicts and tactical arguments. And that split creates a natural brake on the ability of ISIL to recruit successfully among the full population of Sunni extremists, including those with loyalty to al-Qa'ida. Imagine ISIL and al-Qa'ida working together in support of common goals and you will see what I mean.

Taking on the burden of governing the caliphate also is self-limiting in a financial sense and I know some of your speakers later this morning will be able to address that in greater depth. If you look at ISIL as purely a terrorist operation, then they are extremely well funded—far better than most terrorist organizations we have confronted over time. But if ISIL purports to exercise state control over territory and to accept at least some of the burden of providing goods and services to the Sunni population they are controlling, then

that financial picture looks less rosy and may turn out to be a vulnerability for the group over time. ISIL may well find that it cannot meet even its own expectations in this regard, and shifting tribal loyalties in Iraq and Syria could turn against ISIL in their areas of control if the group is unable to meet basic demands for public services.

On the foreign fighter front, even as I have painted a pretty concerning picture in terms of the number of foreign fighters and their potential to do us harm, I can see a couple of things working in our favor:

The sense of shared, common threat and vulnerability extends across Europe and North Africa and throughout the Middle East.

First, the problem of foreign fighters has spurred information sharing among our many counterterrorism partners of the sort that we have rarely if ever seen. The sense of shared, common threat and vulnerability extends across Europe, across North Africa and throughout the Middle East. As a result, intelligence and law enforcement services are working with each other, and with us, in closer cooperation than ever. Our European colleagues are taking concrete steps to enhance their own ability to share information with each other about potential terrorists transiting their borders. I think it is fair to say that we have more partners sharing more information about such travelers—including their own citizens—than at any time in my experience. And it is this kind of identity-related information that allows us to exercise the necessary levels of screening at our own borders and keep these individuals out of the United States.

The other piece of good news with respect to the foreign fighter problem is the increasing recognition among many of our partners that their existing legal frameworks are insufficient robust to counter threats like what we're seeing in Iraq and Syria. A number of states have moved to criminalize travel to Iraq and Syria for terrorism related purposes. And our Justice Department and FBI colleagues have worked with many partner states to explain our material support statutes and how they enable us to prosecute individuals who seek join or otherwise support terrorist groups.

I won't overstate the impact we've seen at this stage, and there is clearly a long way to go. But I would say we are clearly heading in the right direction in terms of building the widest possible network of states that have both the will and capacity to interdict and disrupt the travel of foreign fighters.

And lastly, and in a more parochial vein here in the Homeland, I think there are some factors working in our favor with respect to foreign fighters.

First, I would point to the relatively finite U.S. pool of potential foreign fighters, at least when compared to what our European partners are experiencing. That speaks to the greater success that we have had in assimilating immigrant communities.

That's not to say that we don't have a problem with extremism here in the United States and that we are invulnerable to the threat posed by ISIL in this regard. Not at all. I'm simply saying that the problem is more manageably sized here in the United States, and that I believe we have the law enforcement and intelligence resources needed to counter it.

We have also seen a steady proliferation of more proactive, engaged, community awareness efforts across the United States, with the goal of giving communities the information and the tools they need to see extremism in their midst and do something about it before it manifests itself in violence. Working with the Justice Department, the Department of Homeland Security, and with FBI, my officers are NCTC are engaged in this work all across the country, and I will point to just one example.

You will recall the case last year in which three young teenage girls attempted to travel from Denver to Syria by way of Frankfurt, Germany, where they were disrupted. In the aftermath of that incident, we sent our officers on multiple occasions to meet with the greater Denver community and to raise awareness among community and law enforcement audiences about the terrorist recruitment threat.

The briefing is now tailored to address the specific issue of foreign fighter

recruitment in Syria and Iraq. And we've received a strong demand signal for more such outreach.

This isn't a law enforcement oriented effort that could be perceived as heavy handed or intimidating. Rather, it's an effort to share information about how one community's children were being targeted and recruited to join terrorists overseas. Seen in that light, we've had a remarkably positive reaction from the communities with whom we have engaged.

Again, I won't overstate or oversell our impact, and we clearly need to scale up our efforts so that we are doing this all across the country on a more industrial strength basis. But I do take some encouragement from the receptivity we've seen in the communities with whom we have worked thus far.

The President will have his own opportunity to engage on these issues in coming weeks as he convenes a Summit dedicated to just this set of challenges. And that event should give an important boost to our efforts to counter violent extremism both here in the U.S., but also abroad with our partners in Europe and the Middle East.

So, those are just a couple of reasons why I am in the end an optimist when it comes to countering ISIL's influence here inside the United States.

In the region, I would grant you that the ISIL problem is much more complex and the challenges much much greater. And that is why I'm so grateful that the Washington Institute organized today's event. I'm sure General Allen would agree that we need all of the good ideas we can get to inform our efforts to build a successful strategy and to maintain a united coalition.

So I will stop there and take a few questions.

FEBRUARY 2, 2015

A Global, Coordinated, and Enduring Response

■ Gen. John R. Allen, USMC (ret.)

PREPARED REMARKS

A GLOBAL COALITION TO COUNTER ISIL has coalesced over the last several months around a common understanding: ISIL is not simply a Syria problem or an Iraq problem. ISIL and other extremists present a global danger which requires a global, coordinated, and enduring response.

As the citizens of Baga, Brussels, Ottawa, Sydney, Mogadishu and, most recently, Paris, experienced painfully, these threats are facing us—all of us—here and now. That is why the Coalition established in Wales last September has pursued a carefully-crafted and comprehensive strategy to weaken ISIL across multiple lines of effort—providing security assistance, disrupting the flow of foreign fighters, draining ISIL's financial resources, providing humanitarian relief to its victims, and defeating what ISIL represents—defeating ISIL as an idea. And along each of these lines of effort, our success depends upon the strength of local partners on the ground.

In December we convened over sixty Coalition partners in Brussels at the Ministerial level to formalize our cooperation and put in place mechanisms for coordination. Every one of the sixty-plus Coalition partners is continuing to make vital contributions to degrading and defeating ISIL. Whether sheltering refugees, training and advising frontline Iraqi troops, supporting military operations against ISIL in both Iraq and Syria, or speaking out against ISIL's hateful, false ideology, they are each making a difference and we need their support to succeed.

Just four months ago, ISIL was trumpeting plans for seizing Baghdad. Today, Baghdad has a new government—which has only been in power since September 8, 2014—and which is already demonstrating its commitment to reform and determination to earn the confidence of all Iraqis.

As Iraq's government has taken critical steps towards reform, the United States has stepped up our support for Iraq's security forces. The United States donated 250 MRAPs to Iraq in response to their request for security assistance this month, a contribution which was in addition to the $500 million in small arms and ammunition we delivered to Iraq last year, and the $1.6 billion the U.S. Congress approved in December to train and equip Iraq's security forces.

Obviously, however, this is not just an American effort. To date, a dozen different nations have committed to train Iraq's Security Forces at five locations across Iraq.

And we cannot forget that building a secure and stable Iraq will require a sustained effort, even as we make important progress. The size of the contributions from the United States and our Coalition partners must continue to reflect the scope of the challenge we face.

In Syria, Coalition partners are working closely together to establish regional sites for training and equipping moderate Opposition forces, with the goal of training several thousand troops per year. Those training efforts will likely be underway this spring. The United States will continue to support our moderate Opposition partners because they are the best counterweight to extremists like ISIL. At the same time, we will continue to pursue the long-term, political solution necessary to address all dimensions of the Syrian crisis.

In both countries, the Coalition's air campaign continues. In total, five nations have participated in air strikes in Syria and eight in Iraq. More than 2,000 air strikes have been launched. And nearly every single time we have coordinated Coalition air support with forces on the ground, ISIL has been stopped in its tracks.

However, we cannot defeat ISIL through military efforts alone. That is why our nations are taking leading roles across the other lines of effort. For example, when it comes to countering the threats from foreign fighters, we have to recognize that this is truly an unprecedented, generational challenge. Through capacity building in the Balkans, criminal justice efforts in North Africa, and through a 20 million euro investment from the European Union to engage at-risk communities, we are making critical gains. But we must do more to undermine ISIL's ability to recruit and radicalize vulnerable populations.

We also recognize the imperative of squeezing ISIL's access to financial resources, and we have greatly diminished their access to oil revenues. Coali-

tion partners have come together to share information and synchronize practices to block ISIL's access to banks—both in the region and globally.

Coalition partners are also supporting essential UN-coordinated efforts to meet the immediate needs of the millions of displaced men, women, and children from Iraq and Syria, The U.S. Commitment to this effort has been clear and strong, with more than $3 billion in humanitarian assistance provided since the start of the Syrian conflict.

Building a secure and stable Iraq will require a sustained effort, even as we make important progress.

In addition, Saudi Arabia donated more than a dozen medical camps; the EU established a 20 million euro trust fund to galvanize humanitarian assistance; Qatar sent planeloads of relief supplies to Syrian refugees in Lebanon; and numerous partners have made substantial investments in education for refugee and host community children, and have provided support for immediate needs to help refugees cope with what has been a particularly hard winter.

When there are more displaced people and refugees any time since the Second World War, and when nearly a quarter of these are from Syria or Iraq, the efforts of all the nations in the coalition, and beyond, will be vital to getting help to those who are in dire need of it.

Finally, we are working together to contest and de-legitimize ISIL's messages, and to challenge ISIL's toxic propaganda and savagery at every opportunity. We recognize that nations in the region have an important role to play in

repudiating ISIL's distortion of Islam and putting an end to the religious incitement that ISIL uses to recruit terrorists. And we have been very encouraged to see them taking the lead in this vein. Last October, Kuwait hosted the Coalition Partners Communications Conference, which was the first of many gatherings we will have on this topic. The United Arab Emirates also brought partners together in December to share best practices for messaging and also for reaching parties like clerics, teachers, parents, and religious leaders who can be invaluable partners in reaching out to vulnerable populations and showing the world that ISIL is not the true face of Islam.

It is still early days of what will be a long-term campaign. Aspects of that campaign, like degrading ISIL's nihilistic message, will be generational work. And even as we are encouraged by recent successes in Kobane, and the fact that ISIL's maneuver momentum in Iraq has been largely halted, we must recognize that there will inevitably be both good days and hard days in the coming months and years. But together with our friends, together with our partners; in contrast to the terrorists and nihilists who aim to destroy; we remain builders resolved to create for future generations a better world.

FEBRUARY 2, 2015

Countering ISIL's Ideology

David Gersten

PREPARED REMARKS

GOOD MORNING. First off, let me say thank you to Dr. Levitt and to the Washington Institute for Near East Policy for holding this significant event, and for allowing me the opportunity to speak with you all today.

Let me begin my remarks by discussing the ways that we at the Department are engaging the issue of countering violent extremism and how we are leveraging our approaches to deal with foreign fighters. First, our approach to countering violent extremism emphasizes the power of local communities. Well-informed and well-equipped families, local institutions, and communities represent the strongest bulwark against violent extremists. While there is no single panacea to stopping the stopping the flow of foreign fighters or the radicalization to violence of a lone-offender, our hope is that in supporting strong and safe communities they will help to protect us from a terrorist attack by an individual, or group, recruited or inspired by a violent extremist organization.

Second, the increasingly sophisticated use of the Internet and mainstream social media by violent extremists has added an additional layer of complexity. We have built into our engagement efforts an understanding that youth spend more and more time online in a space that is impossible to completely monitor. Given this shift in landscape, we are working to ensure that communities that may be targeted and youth are aware of the dangers of online recruitment to violence.

Third, the threat posed by violent extremism is not constrained by international borders, as we now unfortunately know only too well. Over the last year, DHS, along with the rest of the Interagency and U.S. allies, has

mounted a vigorous campaign to address threats posed by foreign fighter travel to and from Syria. We are working closely with our international partners and other international law enforcement organizations to exchange analysis, best practices, engagement tactics, and case studies on violent extremists—including foreign terrorist fighters.

THREAT OVERVIEW

The consistent level of violent extremist activity, as well as the potential for conflict areas such as Syria to inspire and mobilize U.S.- and Europe–based homegrown violent extremists to participate in or support acts of violence, is increasingly concerning. As the recent attacks in Canada and France illustrate, this threat is significant and growing exponentially. The conflict in Syria has become a matter of homeland security, and we are very focused on foreign terrorist fighters heading to Syria. Unfortunately, we are aware that individuals from the United States are traveling or attempting to travel to Syria to fight in the conflict.

Violent extremist groups—such as the Islamic State of Iraq and the Levant (ISIL)—are leveraging online tools to propagate messages of violence, identify and groom potential recruits, and supplement real-world recruitment efforts. ISIL's public messaging and social media is exceedingly slick and dangerously effective. The threat of ISIL to our homeland continues to be one of our chief concerns at DHS, particularly as it relates to foreign fighters who may return home from Syria with tools of the terrorist trade and use them against their own country. In addition, the threat from individuals who self-radicalize to violence, the so-called "lone-offender", in many respects may be the terrorist threat to the homeland that is the hardest to detect. Consequently, one of the Department's top priorities is applying our CVE tools to help solve the foreign fighter problem.

COMMUNITY ENGAGEMENT

As part of our CVE efforts, the Department regularly engages with diverse community groups across the United States in order to strengthen resistance to violent extremist recruitment efforts and empower community opposition to violent extremism. We are working with communities to challenge narratives that violent extremists are using to recruit young Americans. Our approach is premised on the principle that communities are at the forefront of preventing radicalization to violence, and that active engagement with

diverse communities can undermine key recruiting narratives used by violent extremist groups, such as al-Qaida, al-Nusrah Front, and ISIL.

As such, the Department has implemented a number of community engagement initiatives as part of its overall efforts to address the growing threat from terrorist foreign fighters. Through our Office for Civil Rights and Civil Liberties, we have created a more targeted and focused plan aimed at expanding Syria-specific engagement.

We are working with communities to challenge narratives that violent extremists are using to recruit young Americans.

We have, in strong cooperation with NCTC, developed and implemented the Community Awareness Briefing (CAB)—a program designed to share unclassified information with communities regarding the threat of violent extremism. The CAB has been successfully conducted in 15 U.S. cities. It is a preventative measure that helps communities and law enforcement develop the necessary understanding of violent extremist recruitment tactics and explore ways to collectively and holistically address these threats, before they become a challenge at the local level. Due to the increased number of Western-based fighters traveling to foreign war conflicts, such as Syria, the Community Awareness Briefing now includes information relating to the foreign fighter recruitment narrative and the myths versus realities of the situation in Syria. This has led to increased efforts among community partners to mitigate the phenomenon of foreign terrorist fighters.

Also, with NCTC, we have developed the Community Resiliency Exercise (CREX). This half-day table-top exercise, using hypothetical foreign fighter scenarios, based on a collection of true stories of individuals recruited to violence, has worked to improve communication between law enforcement and communities to counter foreign terrorist fighter occurrences.

WAY FORWARD

Today, it is essential that we continue to empower our communities and our partners at all levels. We must ensure that communities understand the role they play in preventing violent attacks from taking place and the direct responsibility they have in countering violent extremism in partnership with law enforcement and other authorities. Ultimately, the Department believes that everyone—every single American—has a role to play in the safety and security of our nation, and time and again we have seen the advantage of public vigilance and cooperation, through information-sharing, community oriented policing, and citizen awareness.

Thank you for your time.

FEBRUARY 2, 2015

Leveraging Soft Power in U.S. and International CVE Efforts

Hedieh Mirahmadi

PREPARED REMARKS

SINCE 2001, the U.S. has relied on kinetic "capture and kill" counter-terrorism approaches—with very little focus on leveraging our soft power to prevent violent extremism. As a result, the scourge of terrorism has persisted and there are indications that ISIS may now be increasing its presence beyond Iraq and Syria—into Yemen and Afghanistan.

Efforts to decrease the ISIS appeal and degrade their ability to recruit will require coordinating efforts across multiple U.S. government agencies, our international partners and local communities here in America.

At the international level, the U.S. government should leverage more diplomatic pressure with its allies in the Middle East to make sure both their political leaders and the state religious institutions are debunking the myths of the ISIS propaganda—particularly its false claims of statehood, militant Jihad, and legitimate religious rule. Though the U.S. has successfully added several of these nations in the coalition for limited military campaigns against ISIS, their support is also essential in the "Arab street" to effectively reduce the pool of foreign fighters. In addition, we should encourage their ministries of religious affairs to better monitor the mosques and other faith-based institutions to ensure that they are not supporting militancy abroad. Moreover, those states that have sponsored religious leaders to travel abroad and guide diaspora communities, or who have established Islamic centers overseas, should ensure that these individuals and their institutions are promoting positive values such as social harmony and civic engagement.

Another international diplomatic effort could include a broad public awareness campaign that alerts the general public to the dangers of terrorist recruiters online and encourages safe internet use for youth. The extent of

recruitment online and the scope of this problem warrant such an approach and could be modeled after other successful international efforts such as AIDS awareness campaigns, which included big budget media firms to garner publicity and featured top level celebrities and political support.

Here in the U.S., policymakers need to dedicate resources and attention to the development of public-private partnerships that address the major risk factors to radicalization. This would require funding and institutional support from local and federal governments to implement programs that foster civic engagement, reduce intolerance, decrease alienation and marginalization of Muslims, acculturate immigrants better into our society, and reduce feelings of relative deprivation.

At the community level, we need to expand initiatives to educate communities about the threat of ISIS, their recruitment tactics, warning signs of vulnerable individuals, and how communities can respond. The National Counterterrorism Center's "Community Awareness Briefings" (CAB) are a good starting point, which could be expanded to include a 'train-the-trainer' component so that local leaders can eventually deliver the CAB. This would empower community leaders and give them ownership of responding to this threat.

In Montgomery County, WORDE in collaboration with the local law enforcement, County government, and faith community leaders, has developed an intervention model that focuses on educating the wider circle of trusted adults who may come in contact with a potentially vulnerable person and equipping them to intervene and refer that person for services before they turn to violence. In our experience, community briefings on ISIS have been particularly instrumental in educating social services professionals, teachers, school counselors, parents, community leaders, and other local stakeholders about the scope of this threat. Similarly, online safety seminars have been vital in informing communities about extremist websites or social media apps.

In addition to replicating and scaling these efforts, the Muslim community needs to do more within their mosques and other social gatherings to ensure that individuals can seek guidance on their culture and faith from "trusted sources" in-person, rather than online. This is particularly important for younger generations who are prone to turn to the Internet, where many extremist opinions and voices are the strongest.

In Chicago, for example, a Muslim community recently developed a public awareness campaign to provide youth with alternatives to googling Islam, by creating a safe space in the mosque to address their questions and concerns. It is important to note, however, that the mosques may not always be

the ideal place if there is a cultural disconnect between young Muslims and the mosque leadership, or if the mosque is considered "too conservative." Informal settings such as *halaqas* (discussion groups), may be a viable alternative, and can also create a network of "peer mentors," which are very important as an intervention mechanism.

We also need to better utilize international religious scholars who are on the frontlines, countering the radical narratives.

We also need to better utilize international religious scholars who are on the frontlines, countering the radical narratives. This could be achieved by increasing media coverage of international scholars who are already countering the narrative. In Pakistan, Mufti Raghib Naeemi, whose father was killed in a suicide attack in 2009 for condemning the Taliban, delivered one of the first major fatwas against ISIS. Unfortunately, his fatwa received little press here in the U.S.—and we missed a critical opportunity to impact the diaspora.

Other ways to counter the ideology would be to connect the anti-extremist international scholars with local community leaders in the U.S. so they can learn how to refute recruiter's complicated narratives. One way to accomplish this is through our state department exchange programs, which draw in international religious leaders and counter-extremism practitioners. Ideally, major scholars who have issued rulings and *fatwas* against ISIS should meet and train community leaders on how to counter the extremists' narrative. Moreover, U.S. experts could be invited to train Muslim communities abroad. Part of this effort should include these scholars clarifying

what mainstream Islam *does* stand for, not just what it is against. Unfortunately, extremist rhetoric has shaped so much of Islamic discourse over the years that the moderate majority had lost its voice until now as it is forced to respond collectively to the rising threat of violent extremism. This provides a great opportunity to develop consensus on some unifying themes for mainstream Muslims to rally behind, such as upholding the legacy of the Prophet Mohammed in fairness and mercy, defending personal freedoms, and respect for diversity—as well as emphasizing the importance of good moral character.

It is important to recognize the role the president can play by giving prominence to this issue.

Finally, it is important to recognize the role the President can play, by giving prominence to this issue. The White House CVE Summit this month is a critical opportunity for the President to outline how preventing violent extremism will become a national security priority. Clarity on which agencies will take the lead, along with which funding sources will be available to carry out the aforementioned recommendations will be vital. In addition, this is a timely opportunity to frame this issue to the American public, to cultivate further public support of this important agenda. The President should be clear and strategic by explaining the low volume-high impact nature of this threat, and underscoring how a single act can undermine the social fabric of our country. It must be a whole of government, whole of community approach that does not stigmatize Muslims; but instead, draws them in as a critical resource and partner in the global fight against violent extremism.

FEBRUARY 2, 2015

Countering ISIL's Ideology: Keep It Limited, Focused, and in Tune with Lessons Learned

Clint Watts

PREPARED REMARKS

THE RISE OF ISIL from the ashes of al Qaeda has also resulted in renewed calls to counter the ideology of violent extremism—a popular mantra chanted in the years after 9/11 that has gone through ebbs and flows based on the pace and magnitude of jihadist terror attacks. But any true examination of the past decade's countering violent extremism programs should conclude that combating al Qaeda and now ISIL's ideology would for the most part be a waste of time. By almost all accounts the world faces more jihadist extremism today than it did the day after the September 11, 2001 attacks. All of this despite the millions of dollars spent in countering violent extremism (CVE) programs to win the "Hearts and Minds" of vulnerable populations from Morocco to the Philippines. Sure, CVE advocates will always trumpet the anecdotal Hallmark card story of a young man on the path to al Qaeda, who after hearing a positive commercial promoting peace and prosperity, suddenly switched directions and returned to join a representative, egalitarian democracy. These stories represent anecdotes and not trends.

Across North Africa, the Middle East, South Asia and now large parts of Europe, young men have joined ISIL in droves willing to fight and die in Syria and Iraq in the name of Islam. This jihadist wave has occurred despite truckloads of funding spent by more than a dozen Western countries to positively engage young Muslim men. The cynic might argue that CVE programs, when correlated to the magnitude of today's radicalization and recruitment, actually accelerated extremism. The cynics are likely wrong, but at best we can say the majority of CVE efforts have had a negligible or no effect on extremism. There are some silver linings in the past decade's CVE history that may provide limited methods for eroding the appeal of ISIL's extremism. But before visit-

ing those instructive points, let's examine why past CVE efforts have been ineffective so as to avoid repeating efforts of limited consequence.

Since 9/11, programs to counter jihadi ideology have suffered many ills and most of these programs, if pursued against ISIL, will result in the same fate—investment without a return. A core CVE effort has been the employment of credible, so-called "moderate voices," to counter the narrative of extremism. These programs generally fail for three reasons. First, young militants seek out extremism because moderate theology did not suit them. Its illogical to believe that most will reject the appeal of an extreme ideology by being presented with a tamer version of Islam by cleric they do not know nor respect. Second, recent deradicalization programs in the Middle East have shown that moderate voices rarely get through to young men committed to violence in the name of terrorist causes. The throngs of ISIL recruits today and the recidivism of al Qaeda members supposedly deradicalized post incarceration illustrate this point. Third, moderate voices, often backed by Western secular democracies, use religious justifications in an attempt to influence young recruits. But today's ISIL recruits often have limited understanding of their religion.

Young militants seek out extremism because moderate theology did not suit them.

They instead find motivation to fight in Syria and Iraq because of social and psychological reasons rather than simply ideological justifications. Fourth, moderate voices, who may in fact be credible, are often challenging the religious opinions of ISIL members of no credibility. In the era

of do-it-yourself-jihad, everyone is a cleric and selectively chooses the religious proverb of choice to justify their actions and resulting violence. The religious authority of the moderate voice will not likely register with the foreign fighter recruit more motivated by the conduct of violence than the Koran.

Community engagement programs to counter ISIL's ideology will likely achieve no more success than credible outside voices.

Community engagement programs to counter ISIL's ideology will likely achieve no more success than credible outside voices. Most recruits come from communities or enclaves within communities that either overtly or tacitly supports al Qaeda or now ISIL's jihadist ideology. Even if the communities do not condone ISIL, parents have been notoriously bad at detecting the radicalization and recruitment of their children, especially when recruits increasingly encounter ISIL online where it's difficult for parents to have oversight. Most ISIL recruits, particularly in the West are isolated, so connecting with them through community programs remains difficult. Lastly, community engagement must happen preemptively, before recruits are radicalized and recruited. Today, the West reactively conducts community engagement long after ISIL's narrative has taken hold in disenfranchised communities and produced foreign fighters.

Engagement in the online space has proven a struggle for the West as well. The Internet and social media, by design, allow users to access highly desired content and block out undesirable content. Those attracted to ISIL's online

narratives can simply avoid or disengage from Western messages that positively promote an alternative to jihadist extremism. Additionally, Western online engagement remains highly constrained by bureaucratic approval processes and slow development timelines. Jihadi social media moves in seconds and minutes, but Western responses occur over days, weeks and months. Lower quality, slow developing, lackluster counter narrative content will never match the proclivity of ISIL's online media campaign.

Rather than countering ISIL's ideology, the West will be better served to undermine it.

Rather than countering ISIL's ideology, the West will be better served to undermine it. As discussed in two recent articles, "The U.S. Can't Destroy ISIS, Only ISIL Can Destroy ISIS"[1] and "How About Some Unconventional Warfare? Thoughts on Countering ISIL"[2] the best approach will utilize some critical lessons learned since 9/11 to help ISIL defeat itself by focusing on making its members villains rather than martyrs. Western efforts should focus on several key methods that have proven successful in other counterterrorism campaigns to include the decline of al Qaeda in recent years.

1. *Deny ISIL success on the battlefield.* ISIL's greatest appeal is its success. Defeating ISIL on the battlefield and promoting these defeats through traditional and social media in vulnerable communities will undermine the desire for new recruits to join the fight. Foreign fighter recruits are fickle. They want

to be part of a winning effort. If ISIL begins to lose, their media efforts will change from truth to propaganda, and new recruits will recognize this shift.

2. *Showcase infighting between jihadi groups*. The fighting between al Qaeda and ISIL in Syria should be used to great advantage by the West. As seen with al Shabaab's decline in Somalia, foreign fighters being killed by fellow jihadists in al Qaeda or ISIL will strongly dissuade new recruits.

3. *Illustrate the divide between ISIL's Iraqi-dominated leadership and their foreign fighter recruits*. Foreign fighters have a minority role in ISIL's leadership despite providing the majority of the group's manpower. ISIL's leaders routinely use foreign fighters to settle personal scores rather than jihadist objectives. Bring these stories from jihad's frontlines to the home front of future foreign fighters.

4. *Strongly promote the criminal behavior of ISIL members*. ISIL calls for an Islamic State governed by Sharia law, but young foreign fighters and their leaders in Iraq and Syria routinely participate in unjust and criminal acts against the population. Reporting these injustices in vulnerable communities will dissuade foreign fighter recruitment.

5. *Abuses on local populations.* The harsh punishments and violence exacted on local populations for alleged offenses will be attractive to some recruits. But for most young men in vulnerable communities, such violence, particularly against women and children will undermine ISIL's narrative.

6. *Defector messages from returning foreign fighters.* As seen in Algeria in their fight with the GIA in the 1990s and utilized elsewhere, messages from defectors from ISIL's ranks detailing their disappointment in ISIL and the truth about the group's jihad will likely be the most effective tool in dissuading future recruits.

7. *Use targeted social media to produce and disseminate messages directly into vulnerable audiences.* ISIL dominates the online space, but the West has chosen to pursue CVE largely in the physical rather than virtual world. Targeted social media video content with defector videos, inside accounts of ISIL's brutality and criminality, details of Muslim-on-Muslim violence, foreign fighter follies, if done to the level of ISIL's production, will have a destructive effect on ISIL's recruitment efforts.

The West should perform these counter narrative campaigns specifically on those communities around the world that have now produced three generations of foreign fighters. Openly available foreign fighter data shows where these foreign fighters have come from and where the focus for countering ISIL must be levied.

In conclusion, the West must realize that even when ISIL declines, and it will, a failure to sustain the above outlined efforts to erode the jihadist narrative will only result in al Qaeda, ISIL or jihad's next incarnation remerging again amidst the next Muslim conflict in a failed or failing state.

NOTES

1. http://www.fpri.org/2014/09/the-u-s-cant-destroy-isis-only-isis-can-destroy-isis-the-unfortunate-merits-of-the-let-them-rot-strategy/
2. http://warontherocks.com/2014/10/how-about-some-unconventional-warfare-thoughts-on-countering-isil/

FEBRUARY 2, 2015

U.S. Government Approach to Foreign Terrorist Fighters in Syria and the Broader Region

Avery Alpha

PREPARED REMARKS

WE ARE facing an unprecedented flow of foreign terrorist fighters to Syria and Iraq, which necessitates an integrated, comprehensive, global response. Approximately 19,000 foreign fighters from more than 90 nations have traveled to Syria since the beginning of the conflict, including at least 3,400 from the West. Over 150 Americans have traveled or attempted to travel to Syria. Many of these foreign terrorist fighters have joined the Nusrah Front—the al-Qa'ida affiliate in Syria—or smaller extremist factions, but most significantly, these foreign terrorist fighters have bolstered the ranks of ISIL, contributing to its gains last year and its expanded influence outside the region. ISIL has hundreds of Western foreign terrorist fighters and at least a dozen U.S. persons within its ranks. ISIL videos featuring British members executing hostages have painted a particularly Western face on its foreign terrorist fighter cadre, and much of its propaganda appears designed to target those in the West.

We are concerned about the foreign terrorist fighter threat not only because they can return home with the training, battlefield experience, and new terrorist networks they obtain in Syria, but also because of the threat they pose to the wider region and to the West from Syria. The Internet and social media have made it relatively easy for terrorists based in Iraq and Syria to maintain contact with, radicalize, and inspire lone offender attacks at home. An Australian foreign terrorist fighter has been among the first to demonstrate that they can now be just as dangerous from afar. In the fall, while fighting alongside ISIL in Syria, he reached back to direct an Australian cell to behead Australian citizens or U.S., British, or French tourists.

Fortunately, Australian authorities disrupted the cell before they could carry out their plans.

Foreign terrorist fighters are drawn to ISIL by its propaganda, its false claims of religious legitimacy, its promise of adventure, and their perception of the group's success and battlefield momentum, which the international coalition's military efforts have recently halted. Foreign terrorist fighter flows remain a considerable problem, which the global community must do more to counter, but at the same time, foreign terrorist fighters are growing more and more disillusioned in Syria. It is becoming clear that ISIL views its foreign terrorist fighters as expendable. In Kobane, where local anti-ISIL fighters now control roughly 90% of the city, ISIL continued to send fighters—many of them foreigners—to their deaths in droves. It has lost at least 1000 fighters there alone, to the point that some fighters refused to go and as a result, were executed by ISIL. There are also reports of ISIL executing foreign terrorist fighters who have attempted to escape the group to return home. We must do more to lift up this reality and counter ISIL's propaganda, which is its best recruitment tool.

It is becoming clear that ISIL views its foreign terrorist fighters as expendable.

Disrupting the flow of foreign terrorist fighters and their facilitators is a counterterrorism priority and a key line of effort in our counter-ISIL strategy, and the White House continues to lead an interagency effort to address this threat at home and abroad. The recent attacks in France and the wave of arrests in Europe have only strengthened U.S. and global resolve to address

the threat foreign terrorist fighters pose. Our approach brings together homeland security, law enforcement, justice sector, intelligence, diplomatic, military, capacity building, and information sharing efforts. It is focused on improving border and aviation security, bolstering legal and prosecutorial capacity of partner nations, improving information sharing, and addressing the problem at its roots by countering violent extremism. It is key that we identify interventions at every step of the foreign terrorist fighter development cycle, from initial recruitment and radicalization, to mobilization, to travel to and from a conflict zone, to return home.

The U.S. employs a whole-of-government outreach effort with foreign partners, multilaterally and bilaterally, to highlight the threat posed by foreign terrorist fighters and to stem the flow of foreign terrorist fighters wherever possible. The countries involved in this effort are long-time counterterrorism partners, and together, we are committing significant resources to track and disrupt foreign terrorist fighter travel and recruitment. President Obama, while serving as the rotating President of the UN Security Council (UNSC), chaired a meeting of the Council focused on foreign terrorist fighters in September 2014 that led to the adoption of UN Security Council Resolution 2178. This resolution expands upon current obligations within international law and requires countries to take concrete steps to counter foreign terrorist fighters, to include preventing suspected foreign terrorist fighters from entering or transiting their countries and implementing legislation to enable their prosecution. It also underscores the centrality of efforts to counter violent extremism to suppress the foreign terrorist fighter threat. It was adopted with a record number of co-sponsors—second only to the UNSCR on Ebola—demonstrating the global reach of the threat and the magnitude of the international community's concern.

Since the UNSC meeting, Lisa Monaco, the Assistant to the President for Homeland Security and Counterterrorism, and other senior administration officials have maintained the international community's momentum and focus on foreign terrorist fighters to advance the President's initiatives through regular consultations with allied governments. Last week in Paris, Ms. Monaco met with the French Minister of the Interior and discussed governmental responses in addressing the full life cycle of radicalization and programs to prevent violent extremism. Earlier this month, Attorney General Holder of the Department of Justice (DOJ) and Deputy Secretary Mayorkas of the Department of Homeland Security (DHS) attended the Paris Ministerial on counterterrorism and foreign terrorist fighters. DOJ has provided

foreign partners bilateral technical assistance and expertise in reviewing their legislation for compliance with UNSCR 2178, and over a dozen countries have updated their laws since the resolution's passage. DOJ has also helped partners develop their investigative tools to effectively prosecute foreign terrorist fighter cases.

Countering Violent Extremism (CVE) is a centerpiece of this administration's counterterrorism strategy. In August 2011, the White House released Empowering Local Partners to Prevent Violent Extremism in the United States, the first national strategy to prevent violent extremism domestically. In December 2011, a corresponding Strategic Implementation Plan outlined the specific steps departments and agencies will take to achieve the strategy's central goal of preventing violent extremists and their supporters from radicalizing, recruiting, or inspiring individuals or groups in the United States to commit acts of violence. The President will host a countering violent extremism summit at the White House in mid-February to highlight domestic and international efforts to prevent violent extremists and their supporters from radicalizing, recruiting, or inspiring individuals or groups in the United States and abroad to commit acts of violence. Through presentations, panel discussions, and small group meetings, participants will build on local, state, and federal government; community; and international efforts to better understand, identify, and prevent the cycle of radicalization to violence at home in the United States and abroad. These discussions will explore both ways to counter violent extremism by identifying and addressing the conditions that can lead individuals to commit violent actions as well as ways to prevent and intervene where appropriate – both of which are key elements of President Obama's comprehensive national security strategy. Recognizing that preventing the spread of violent extremism in different communities requires localized, specialized, and expanded efforts, this Summit provides an opportunity to share best practices that could be applied across regions or issues and to mobilize resources and political commitments to build on effective programs and develop new, innovative ones. DHS, State, DOJ, FBI and NCTC will play an integral role in the summit and events surrounding it.

Over the last year, the U.S. has also discussed best practices and expanded collaboration to counter the foreign terrorist fighter threat with NATO, the European Union, the OSCE, Interpol, Europol, the Global Counterterrorism Forum (GCTF) and the International Institute for Justice and Rule of Law, which opened last year in Malta to serve as a hub for training judges, prosecutors, law enforcement, and legislators on counterterrorism-

related casework, beginning with a focus on foreign terrorist fighter facilitation. As reinforced in UNSCR 2178, we continue to encourage expanded cooperation between law enforcement on foreign terrorist fighters through INTERPOL's notice advisory system. Through INTERPOL's secure communications network, U.S. law enforcement authorities also share information on foreign terrorist fighters in real time with other member countries. In late February, to build upon the White House CVE summit, DHS and the Department of State will host the Global Counterterrorism Forum workshop, "Raising Community Awareness to Address the Foreign Terrorist Fighter Phenomenon," to focus on ways in which communities and governments can develop specific programs to address foreign terrorist fighters.

Countering violent extremism is a centerpiece of this administration's counterterrorism strategy.

The Department of State's Senior Advisor for Partner Engagement on Syria Foreign Fighters plays a central role in integrating the U.S. government's multilateral as well as bilateral efforts. Last spring, the Department of State created this position, and in January, Ambassador Thomas Krajeski became the second senior official to take on the role of marshalling representatives from a number of U.S. departments and agencies to encourage key European, North African, Middle Eastern, and Asian partners to prioritize the threat, address vulnerabilities, and adapt measures to prevent and interdict foreign terrorist fighters. The Department of State also hosts the interagency Center for Strategic Counterter-

rorism Communications (CSCC), established to counter recruitment and radicalization online through counter-messaging. CSCC is engaged in a sustained campaign against Syria and Iraq-based terrorists' online messaging to combat their ability to recruit foreign terrorist fighters. We have encouraged partner nations to develop similar initiatives.

Separately, the U.S. Intelligence Community works closely with foreign partners to identify and assess both tactical developments as well as broader trends vis-à-vis foreign terrorist fighters. The Intelligence Community's robust sharing of intelligence and analytic insights with foreign counterparts ensures that the proper authorities and senior officials are aware of relevant developments and are best placed to take

Aviation security is also a key element of our approach to the foreign terrorist fighter issue.

steps to interdict foreign terrorist fighters and disrupt their support networks. In addition, the FBI's 64 legal attaches, assigned to U.S. embassies around the globe, share foreign terrorist fighter and threat information with foreign law enforcement entities, and the FBI's Terrorist Screening Center's information-sharing agreements with over 40 international partners provide a mechanism for identifying and sharing terrorist travel activity.

Aviation security is also a key element of our approach to the foreign terrorist fighter issue, and DHS Secretary Johnson has made it his priority. DHS has mandated enhanced screening measures at certain overseas airports and is engaging with foreign partners and industry to

support integrating similar enhancements over the long term. DHS has also shared best practices, tools, and programs with foreign partners to help address the challenges posed by porous borders in detecting foreign terrorist fighter travel. DHS is encouraging additional countries to join the United States and more than 60 other countries in using travel information like Advance Passenger Information and Passenger Name Record data to identify both known and previously unknown foreign terrorist fighters. Additionally, DHS has invested in collaboration with governments, carriers, and airport authorities to solicit applications for U.S. Preclearance, through which DHS provides additional security while facilitating lawful travel. In November, DHS strengthened the security of the Visa Waiver Program through enhancements to the Electronic System for Travel Authorization. DHS now requires additional data to improve its ability to screen prospective visa waiver program travelers and more accurately and effectively identify those who pose a security risk to the United States.

At home, the U.S. also has efforts underway to address U.S. foreign terrorist fighters at each stage of their development cycle. First, we are developing a comprehensive framework to counter violent extremist recruitment, including programs with non-traditional partners, such as mental health, social service, and education providers. Local communities are the front lines of defense and response, and are essential in addressing foreign terrorist fighter recruitment, especially as ISIL and other Syria-based groups focus on recruiting Westerners. Local law enforcement authorities and community members are often best able to identify individuals or groups exhibiting suspicious or dangerous behaviors and to intervene before they commit acts of violence or attempt to travel overseas to foreign conflict zones. DOJ, DHS, and NCTC work with local law enforcement and community leaders to build on community-based activities to strengthen resilience in communities targeted by violent extremist recruitment and undermine narratives used by foreign terrorist fighter facilitators. For example, DHS, NCTC, and U.S. Attorney Offices have co-hosted Community Resilience Exercises in Durham, Seattle, and Houston. DHS Secretary Johnson also hosted community outreach programs in Minneapolis, Los Angeles, and Boston in November and December 2014.

DHS has also developed tools to aide its front-line personnel—be they transportation security officers, customs or border patrol, or immigration officials—in identifying suspected violent extremists. In an effort to ensure threat information is shared with local law enforcement in a timely man-

ner, DHS and FBI disseminate joint intelligence bulletins. Finally, the FBI has the lead in conducting counterterrorism investigations, working closely with DOJ, DHS, the Intelligence Community, and federal and state law enforcement agencies to share information and identify, investigate, and prosecute U.S. citizens with intentions to travel to foreign countries to support designated terrorist groups or those who have returned after doing so.

FEBRUARY 2, 2015

Countering Foreign Fighter Flows

Richard Barrett

PREPARED REMARKS

ESTIMATES OF THE number of foreign fighters engaged in the civil war in Syria and/or the insurgency in Iraq range between 10,000 and 18,000. Although the concern in Western countries that these foreign fighters may turn into domestic terrorists if and when they go home makes an assumption that is not yet proven—that those who decide to go away to fight the Syrian or Iraqi governments will be equally motivated later to fight their own—the risk is certainly there. This is particularly true for those who went off to fight after mid 2014, when the likelihood of their ending up with the Islamic State (ISIL) or Jabhat al Nusra (JaN) increased considerably, and was well known to them before they set off.

But there are a few things to remember: first most foreign fighters are from other Middle East and North African countries, and that is where the greatest risk of consequent terrorism lies; second, ISIL for one has been careless with its foreign fighter contingent, having thrown large numbers into Kobane to face almost certain death in a battle of no purpose, rather than use them against overseas targets; third there is no clear evidence of a directed plot in the West by either ISIL or JaN; fourth, ISIL and JaN are going to some lengths to recruit new forces from overseas, while giving those supporters who can't come only the very vaguest of instructions to kill whoever they can however they can wherever they can; the networks they have set up are so far one-way routes.

The threat however is real, and the likelihood of terrorist attacks, particularly against coalition partners, increases from ISIL with every set back that it suffers, and, from JaN, with every ISIL success. The Charlie Hebdo attack demonstrated that the terrorist "spectacular" is now defined by the

response, rather than the act itself, and the asymmetry of terrorism remains its greatest appeal.

Prevention can best be achieved by leveraging the disadvantages of ISIL and JaN rather than by attacking their strengths. The decision to join these groups is generally an emotional one, and taking away passports or banning travel are not dissuasive, even if they are effective. Nor are state-run counter-narrative appeals, which have been shown to reach very few—if any—potential travellers. Parents, friends and peers are more likely able to ensure that an individual does not progress too far down the road of admiration for ISIL or JaN. It is still extremely rare that a recruit will travel without discussion with and encouragement from someone else in his circle.

Increasingly recruitment networks assist foreign fighter travel, and comprise people who do not make decisions based on emotions. These networks should be targeted before anything else.

But above all, it is important to build social resilience to terrorism and to project clarity of purpose. The reaction to terrorist attacks is completely disproportionate to their impact, and the government should be doing what it can to wind down the fear mongering. Also, the desired coalition end state in Syria and Iraq is totally obscure. It appears predicated on the assumption that ISIL and JaN can be completely obliterated, leaving no mark on society or its infrastructure. There has to be far greater effort to understand the regional drivers of conflict and deal with them, than agonize over the reasons why people emerging into adulthood may feel rootless and angry.

Broadly speaking, there are currently two policy approaches to deterring people from fighting in Syria or dealing with them when they come back. One is to stigmatize all participation and to threaten those who go with legal or administrative consequences, confiscating passports or even revoking nationality. The other is to do everything possible to help returnees to reintegrate. In some countries these two policies exist side by side.

Penalizing travel may discourage fighters from returning who have become disillusioned or even disgusted by what they have seen, or feel they have done what they set out to do and just want to go home. This is a shame as such returnees are unlikely to pose a threat, particularly in the short term, and can be effective messengers when it comes to countering the appeal of extremist groups in Syria and Iraq. But the problem remains of how to sift out those who may just return to their old lives or perhaps need some help to reintegrate, from those who pose a risk to society.

There are several countries that have initiated programs to help extremists reintegrate, particularly if they have not participated directly in violent acts. The Saudi rehabilitation program is probably the most elaborate and best known, and although few countries will be able to provide the facilities that exist in Saudi Arabia, national or community level rehabilitation programs are an important adjunct to more traditional security measures. By having close access to returning fighters, trained personnel are able to assess the risk they pose to society, including by examining the likelihood that they have returned with psychological damage or post-traumatic stress disorders. As more women travel to join extremist groups, States will have to decide whether they need to adapt existing programs or introduce new ones to meet the new requirement presented by their return.

The role of families appears to be a significant factor in the success of reintegration programs.

The role of families appears to be a significant factor in the success of reintegration programs, just as they often appear to be a factor in a person's decision to travel abroad to fight. If the family cannot offer a welcoming and steadying environment for a returnee, and there is no other community structure, the risk of recidivism or of the returnee developing psychological problems increases.

The international community is united in recognizing the need to collect and exchange information about foreign fighters, but the mechanisms for doing so are not well developed. Turkey has often complained that it receives too little information too late about foreigners sus-

pected of planning to cross the border into Syria in order to join an extremist group. This situation has improved considerably however since early 2014, and by the end of the year, Turkey had well over 7,000 names of foreigners on its stop list.

Raising awareness of the realities in Syria, and removing the image of "jihadi cool" associated with the war, as perpetuated through social media, can be an effective way to increase the resilience of vulnerable individuals. However, as with any strategic communications campaign, it is important to know how a target audience receives its news. The reliance of potential foreign fighters on individual posts from Syria to understand what is going on there makes them largely immune to and unimpressed by any sort of broad outreach. Media and policy makers sometimes overlook this fact, and underestimate the impact of what is happening in these other bubbles even as they overestimate the impact of what is happening in their own.

Much has been made of the proselytizing power of social media such as Twitter or Facebook as it relates to violent extremist ideology in general and foreign fighters in Syria in particular, and suggestions are often made to prevent extremists from exploiting this access. Many private sector service providers are ready to take down inappropriate content when notified by the authorities or the public, but there are legal implications in their doing so, and it is not always clear where to draw the line between incitement to violence and freedom of expression. Furthermore, extremist groups are technically capable of ensuring that their systems are robust enough to avoid such counter action, or to limit its impact

The consideration of the threat posed by returning foreign fighters, and the design of policies for dealing with them, would undoubtedly benefit from a close study of their reasons for going and for coming back. Returning fighters could play a significant role in helping the State or their community to understand the true nature of ISIL and JaN and so mitigate their appeal. A returning fighter will have a great deal of credibility in radical circles at home, and if he argues against participation in the war, and against the al-Qaeda narrative more generally, this is likely to be more effective than anything a government can do.

In all cases, the challenge of dealing with returning foreign fighters requires a "whole of government" approach that includes law enforcement and security organisations working with social services and local authorities, as well as with communities and the private sector. Policies have to emerge from an understanding of the principal factors that create foreign fighters, the consequences of being there, and the pressures that send people back home.

FEBRUARY 2, 2015

Foreign Fighter Motivations

Aaron Y. Zelin

PREPARED REMARKS

SYRIA (AND NOW IRAQ) has seen an unprecedented number of Sunni foreign fighters join up with a number of groups, including designated terrorist organizations The Islamic State and Jabhat al-Nusra. According to the International Centre for the Study of Radicalisation and Political Violence, it is believed that up to 20,000 individuals have come since the conflict began in summer 2011. Among this cadre, 4,000 are believed to be Western foreign fighters. The rapidity and size of this mobilization is far quicker and larger than even the famous case of Afghanistan in the 1980s during the Soviet occupation.

Historically, if one looks at returning Western foreign fighters from these battle zones, according to Norwegian academic Thomas Hegghammer, between 1990 and 2010, at most one of nine individuals were then involved in a domestic terrorism plot. Each conflict though has provided different percentages, which Hegghammer attributes to whether the key organization in the particular safe haven is interested in conducting external operations as its main prior, illustrating differences between al-Qaeda Central and al-Qaeda in the Arabian Peninsula on the one hand and al-Qaeda in Iraq or Harakat al-Shabab al-Mujahidin on the other. Within Syria, there is at least one group, Jabhat al-Nusra, that seeks to conduct directed external operations. Questions still remain about The Islamic State's interest beyond trying to inspire homegrowns to do-it-yourself attacks.

Syria still remains an open conflict meaning that new individuals continue to be motivated to go, which then subsequently suggests that there will potentially be more individuals that could be involved in a returnee terrorist attack. In the same study on Western Muslim foreign fighters, Heggham-

mer noted that compared to a self-starter with no training abroad, returnee plots are deadlier and more sophisticated. It should be caveated though that the 4,000 number is a bit deceiving. For one, it includes how many people have gone since 2011, not necessarily how many people are there currently. It's impossible to get that type of census. Further, among that number in the early parts of the conflict individuals did not fight with jihadi organizations. Additionally, it doesn't account or subtract from it those that have been killed or arrested, which probably is 15-30% of them. Nor does it factor in that some governments include wives and children that are not fighting, which does not necessarily mean they wouldn't be in a plot, but decreases the likelihood. And lastly, some governmental figures include those who are believed to be in transit and/or thinking about going. As a result, while the numbers remain unprecedented however one analyzes it, it is not nearly as dire as how it can be portrayed in the media, especially if the trend of 1/9 remains.

So what has caused this enormous flow of foreign fighters to Syria and subsequently to Iraq?

That said, due to the unprecedented nature, many Western European countries' intelligence and law enforcement agencies are stretched thin on resources, which is why it is such a concern even if one parses the numbers. The recent case of the attacks in Paris only further illustrates the issue since assets were refocused on the foreign fighter problem in Syria instead of old returnees from the Yemen jihad. The fact that the Syrian

(and Iraqi) conflict continues will only make this overextension of resources even more difficult. The reality is, no matter how many counterterrorism measures are done, so long as there is an appeal for individuals to go to Syria, they will likely continue to go. Therefore, it's important to understand some of the structural and motivational factors for why individuals go and it has been successful. With that knowledge, one can try and target certain aspects of these issues. So what has caused this enormous flow of foreign fighters to Syria and then subsequently Iraq?

EASE OF TRAVEL. Unlike past foreign fighter mobilizations, it is relatively easy to get to Syria. Most individuals fly or drive from their locations to Turkey and then to Syria. Compared with Afghanistan, Yemen, Somalia, or Mali, going to Turkey also does not necessarily raise any red flags since it is a huge tourist destination. Flights to Turkey – at least from Europe – are incredibly cheap and most countries have visa waiver deals with the Turkish government. This makes it easier, especially for those who might not be willing to risk going to more isolated locations.

- **Action plan:** Information sharing, revoking passports, deporting non-citizens, sting operations, targeting logistics and facilitation networks.

EXISTENCE OF SEASONED GRASSROOTS SUPPORT NETWORKS. In comparison with the Afghan jihad of the 1980s, today's foreign fighter networks are not starting from scratch. Rather, they are building off of past efforts and tapping into local grassroots movements and organizations already established. Unlike now where Turkey as seen as the base of logistics and facilitation, last decade during the Iraq war, Syria played that role, therefore, there were already assets ready to fill any new mobilizing structure. Additionally, in Western Europe there is al-Muhajirun in Britain, Sharia4Belgium in Belgium, Forsane Alizza in France, and Millatu Ibrahim in Germany to name a few. Also in North Africa, there is the Ansar al-Sharia network in Libya and Tunisia.

- **Action plan:** Banning local jihadi organizations that have known ties to terrorism and therefore not allowing them to organize or proselytize, targeting logistics and facilitation networks, and provide opportunity for individuals to repent.

SOCIAL MEDIA FACILITATION. In many respects, Syria is the first large-scale socially mediated war. Unlike in the past when individuals had to go out

and seek the password-protected jihadi forums to get information about the groups and ideologues and discuss things among peers of online jihadi activists, it is a lot easier to access Twitter and Facebook. One doesn't necessarily need to seek out these sites since they are relatively open systems online and, in the case of Twitter, groups can target certain audiences through hashtags, potentially exposing those who might not have been exposed previously to the ideas and plans of the global jihadi movement. Unintentionally, both Twitter and Facebook provide recommendations for other liked-minded individuals to "follow" or "friend," making such groups relatively easy to find through their algorithms. Social media has also created a home and space for social cohesion amongst online jihadis that cement relationships and push one another for the cause as well as motivating for some to actually go to Syria.

- **Action plan:** Take down accounts, gather information, sharing updated list of key players, counter messaging, build a troll army in multiple languages, flooding hashtags, building relations with technology companies.

EMOTIONAL RESONANCE OF THE "CAUSE." A major motivating factor for many foreign fighters is the reaction to the over-the-top brutality and massacres the Assad regime has repeatedly perpetrated against the majority Sunni Muslim Syrian population. It also does not help that the Assad regime is Alawite and is viewed as a heretical sect within Islam. The movement is being assisted by the Shi'a Iranian government and non-state actors Lebanese Hezbollah and a number of Iraqi Shi'a militiamen. Additionally, widely disseminated images of brutality evoke visceral emotions to provide help, especially when added to the fact overt response to the tragedy -- whether by Western governments or Arab regimes – is limited. Many feel it is a duty upon themselves in solidarity with their fellow Sunni Muslim brothers and sisters in Syria to help out and fight the Assad regime. While this remains an important element, over time as the conflict has evolved it has become less of a motivating factor at least with the jihadis.

- **Action plan:** Not much can be done here unless the Assad regime falls.

5-STAR JIHAD APPEAL. To many, the Syrian jihad is viewed as a "cool" and easy place to go and participate when compared with the mountains or deserts of Afghanistan, Yemen, Somalia, or Mali. In Syria, for example, many foreigners have lived in villas with pools and ones that have a video game rooms. Therefore, life doesn't seem so bad and provides a level of adventure.

▶ **Action plan:** Telling stories of disillusioned fighters in the media and counter messaging with how life truly is living under jihadi governance from multiple past cases (Afghanistan, Iraq, Yemen, Somalia, Mali, and Syria)/ highlighting how much better life is to live in one's home country.

RELIGIOUS-HISTORICAL AND MILLENARIAN PULL. The fact that the seat of the Caliphate was once based in Damascus provides a strong motivation for those who hope once again that the Caliphate will be resurrected. Additionally, Islamic eschatology on the end of times prophecies loom large since the key battles are located in the Levant, with some of the foreign fighters believing they are bringing about the day of judgment. It should also be noted that Jabhat al-Nusra's media outlet is named al-Manara al-Bayda (the White Minaret). This is in reference to minaret at the Grand Mosque in Damascus that Jesus is allegedly supposed to descend from to then take on the *dajjal* (the false messiah) to hasten God's judgment.

▶ **Action plan:** Cede ground to mainstream Muslim actors to deal with these arguments

ANTI-SHIA SENTIMENT. Such sentiment has become more prevalent as the conflict has evolved due to two key main dynamics: first, the assistance by the Shi'a foreign contingent of Iran's IRGC, Lebanese Hezbollah, and Iraqi militiamen for the Assad regime. The second factor is the radicalization of many fighting forces within the rebel ranks into Salafism, which is anti-Shi'a from the basics of its doctrine.

▶ **Action plan:** Not much can be done here unless the Assad regime falls and/ or Iran/Hezbollah/Iraqi Shia militias decide to stop, which is inconceivable.

CALIPHATE PROJECT. Since the Islamic State announced itself as a Caliphate in June 2014, it has been able to recruit a wider diversity of individuals. Part of this is because it is now interested in a state-building project, which needs more than just fighters. As a result, in its messaging it has called for administrators, doctors, engineers, computer science, and graphic design, among others to help build up its protostate. As a result, this has widened the potential pool of recruits since those that might have been apprehensive about being fighters and were fine with being online grassroots activists and cheerleaders now felt that they had a role. Moreover, because this was about creating a state and putting down roots it also encouraged families and individuals that had girlfriends or wives to join up and as a result altered what it necessarily meant to be a foreign fighter since not all of these individuals

were fighting at all, but rather taking part in the daily maintenance and life of society within the Islamic State's territory.

- **Action plan:** Contract the territory of the Islamic State, compare life in the Islamic State versus home countries, making sure youth are engaged at home economically, socially, and politically, and living up to our liberal value.

Of course, not all of these plans are feasible and some might not be politically or legally possible depending on each country's history and system. There could also be second and third order consequences to some of these measures as well. There is not one silver bullet though and even if everything worked perfectly, there would still likely be a jihadi movement and individuals interested in going abroad to fight. Therefore, expectations of completely solving this issue should not be too great or ambitious. Rather, one should focus on chipping away at low hanging fruit and slowly moving from there onto some of the more challenging aspects, which hopefully by then things will have worked, then creating more momentum and potential buy-in. This challenge will likely remain a vexing issue in the years if not decade or so to come.

FEBRUARY 2, 2015

U.S. Efforts to Counter the Financing of ISIL

Jennifer L. Fowler

PREPARED REMARKS

GOOD MORNING, everyone, and thank you to the Washington Institute for hosting this important conversation. WINEP has been putting out some tremendous work on every aspect of the threat posed by the Islamic State of Iraq and the Levant (ISIL), so it's an honor to be here today and to shed some light on how we at the U.S. Department of the Treasury are approaching this issue.

As part of the international campaign to degrade and ultimately defeat ISIL, we at Treasury, along with colleagues throughout the interagency, are leading an effort to attack ISIL's financial foundation. We have made tremendous progress in understanding ISIL's revenue sources and financial activities, but we continue to work to fill the remaining gaps in our knowledge. At the same time, we are working to prevent ISIL from using the funds it has accumulated, and to disrupt its access to new funds.

Today I will explain our current understanding of ISIL's revenues and expenses, outline our approach to date to counter ISIL's financing, and provide an overview of additional steps we will take in the coming months.

ISIL'S FINANCIAL PICTURE

ISIL's primary sources of revenue are derived from (1) robbery and extortion, (2) the sale of oil, (3) ransom payments for kidnapped victims, and (4) donations from abroad. I'll address each one of these in turn.

ISIL raises at least several million dollars per month by robbing, looting, and extorting a portion of the economic resources in areas where it operates. This estimate excludes money to which ISIL has access in banks in ISIL-held

areas, which I'll discuss momentarily. ISIL extorts money in connection with everything from fuel and vehicles transiting ISIL-held territory, to school fees for children, all under the auspices of providing notional services or "protection." The effectiveness of ISIL's extortion relies on the threat or use of force within its operational territory. The economic assets in ISIL-held areas include banks, natural resources such as oil and phosphates, and agriculture.

Treasury estimates that during 2014, ISIL probably gained access to at least half of a billion dollars from seizing control of state-owned banks in northern and western Iraq. In addition, ISIL has assumed control over the accounts of the Shi'a, Christians, and Yazedis, and possibly forces Sunnis to pay the group 10 percent of their cash withdrawals.

Last year ISIL may have earned as much as several million dollars per week, or $100 million in total, from the sale of oil and oil products to local smugglers who, in turn, sell them to regional actors, notably the Assad regime. While we continue to map out ISIL's oil-related activities, we estimate ISIL's ability to use oil as a source of revenue is diminishing due to the impact of coalition airstrikes on the oil-related infrastructure under ISIL control.

In 2014, we estimate that ISIL earned at least $20 million from collecting ransoms for kidnapped victims.

Foreign donations represented an important but comparatively smaller source of revenue for ISIL in 2014. However, externally raised funds are used frequently to finance the travel of extremists to Syria and Iraq. Of note, at least 19,000 fighters from more than 90 countries have left their home countries to travel to Syria and Iraq to join ISIL. This pool of international supporters is a source from which ISIL receives both physical and some monetary support.

EFFORTS TO COUNTER ISIL'S FINANCIAL ACTIVITIES

I will now turn to the international coalition's efforts to limit ISIL's ability to use the funds and other economic assets under its control, as well as restrict ISIL's ability to gain access to new funds.

Steps to Restrict ISIL's Access to the International Financial System

Foremost among these efforts have been steps taken to prevent ISIL from accessing the international financial system. ISIL's control of territory gives it access to banks that it can potentially exploit to conduct international transactions. Without restrictions on financial institutions

under ISIL's control, ISIL would be able to more easily receive foreign funds to finance its activities as well as send payments abroad to procure weapons and other goods to sustain itself.

At least 19,000 fighters from more than ninety countries have left their home countries to travel to Syria and Iraq to join ISIL.

The Government of Iraq has taken some important steps to address this issue, including issuing national directives to its banks to prevent wire transfers to and from bank branches in territory where ISIL operates and halt the sale of hard currency to these banks. This has been important in two respects. First, it prevents an ISIL-affiliated individual or entity from using a bank under the government's control to transact through the domestic or international financial system. Second, banks operating in ISIL-held territory can no longer receive cash infusions to finance their operations, which averts potential ISIL exploitation of additional cash as a source of revenue.

Treasury has been working to ensure these restrictions remain in force by engaging closely with foreign counterparts to conduct enhanced due diligence with respect to financial activity emanating from territory where ISIL operates.

We continue to analyze and exchange financial information with domestic and foreign partners to identify illicit financial networks and revenue streams supporting ISIL. This exchange of information provides new leads, and enhances investigations of domestic stakeholders and foreign partners seeking to identify

elements of ISIL's financial network that could move money through the financial sector.

Efforts to Disrupt Benefits to ISIL from the Sale of Oil

As noted earlier, the relative value of oil as a source of revenue to ISIL is diminishing. This is largely due to the impact of coalition airstrikes on the oil-related infrastructure under ISIL control. A key example of this is the targeting of modular refineries that ISIL has stolen and used to refine crude oil drawn from wells in territory where it operates. Our efforts to suppress the sale of ISIL oil on regional markets have benefited from the steps the Turkish and Kurdish authorities have taken to seize suspected ISIL-related shipments of oil and oil products transiting their borders.

Kidnapping for Ransom (KFR)

Treasury has focused for several years on engaging foreign partners to adopt "no concessions" policies with respect to ransom payments for kidnapping. The aim has been to force terrorists to abandon KFR as a practice by removing its underlying incentive. In June 2013, G-8 members issued a communique rejecting the payment of ransoms. Notably, last year, the UN Security Council approved Resolution 2133, which underscored that the payment of ransoms to terrorists creates more victims and perpetuates the hostage-taking problem. The UN Security Council also expressed its determination to secure the safe release of hostages without ransom payments or political concessions.

Despite these successes, certain countries have adopted a de facto policy of allowing the payment of ransoms on a case-by-case basis. We will continue working with countries, particularly in Europe and the Middle East, to adopt and implement no-concessions policies and take steps to prevent kidnappings.

External Funding

Treasury has worked very closely with partners in the Gulf to disrupt the flow of donations to a number of terrorist organizations operating in the Middle East and elsewhere. Most recently, I traveled to Kuwait and Saudi Arabia to share information about our understanding of ISIL's revenues and financial activities, and to solicit their support for our efforts to counter ISIL. Treasury officials will continue to engage these and other countries in the region in the coming months to broaden our information sharing about ISIL financing. We

will continue to focus our efforts on working with Qatar and Kuwait in particular to ensure that they fully implement their international obligations by preventing terrorist financiers from providing funds to ISIL.

ISIL's Financial Outlook

While we are actively working to disrupt ISIL's financial activities, it is important to note that as the sources of ISIL's wealth—notably the money stolen from banks and revenues from oil sales—are either no longer replenished or diminish over time, we expect ISIL will increasingly struggle to finance its operations. Just like any commercial enterprise whose income is less than its expenses, ISIL's financial strength will diminish unless it is able to find alternative sources of revenue or take additional territory.

There are already signs that ISIL is unable to provide fundamental services to people under its control.

There are already signs that ISIL is unable to provide fundamental services to the people under its control, which Baghdad previously provided or subsidized. Notably, access to electricity, fuel, and food in northern and western Iraq has decreased as ISIL has either taken these resources outright for its own purposes or limited their distribution. Even if ISIL chose to use its wealth to provide services to the millions of people it subjugates, which it apparently is unwilling to do, its revenues are insufficient to fund the several billion dollar annual budget that the Government of Iraq had previously allocated to these areas.

NEXT STEPS TO DISRUPT ISIL FINANCING

Much work remains to be done with respect to disrupting ISIL's revenue sources and financial activities. Our efforts to date, of course, will continue. We will: (1) continue to gather information and take steps to prevent ISIL from gaining access to the international financial system and cash resources; (2) disrupt ISIL's sale of oil, both through coalition airstrikes and by working and sharing information with regional partners; (3) press our foreign partners to abide by their UN Security Council obligations to prevent ISIL from benefitting from ransom payments; and (4) work to prevent donations from becoming a more important source of revenue to ISIL.

Looking ahead, we will continue to refine our approach. I want to share with you today four relatively new lines of activity that Treasury is pursuing to build on our current efforts.

We are working to prevent unregulated financial companies throughout the region from providing support to ISIL.

First, we are working to disrupt trade that continues to and from territory where ISIL operates that benefits ISIL. In addition to taking control of oil wells and refining equipment, ISIL has robbed and extorted other economic assets, such as grain silos, weapons and other military-related equipment, and vehicles. ISIL can use these assets to its financial benefit through transactions involving neighboring countries. Additionally, transport vehicles throughout the region continue to carry various supplies and cash to and

from ISIL-held territory. We will work with the governments and private sectors in these countries to prevent ISIL from being supplied in this manner as well as from extorting the transit of these vehicles.

We are targeting the financial activities of foreign terrorist fighters going to Iraq and Syria.

Second, we are working to prevent unregulated financial companies in Iraq and throughout the region from providing support to ISIL. We remain concerned that money services businesses in ISIL-held territory continue to maintain connections to regional counterparts through which ISIL could conduct funds transfers. Treasury officials are traveling to the region later this week and we will work closely with the Iraqi Government to bring these companies within its regulatory framework.

Third, we are targeting the financial activities of foreign terrorist fighters going to Iraq and Syria. Foreign terrorist fighters do not represent a significant revenue source for ISIL, but targeting their financial activities could help to stem the significant flow of foreign terrorist fighters to Iraq and Syria, which amounted to more than 19,000 from more than 90 countries through December 2014. Treasury will continue to work to develop and share information on foreign terrorist fighter financial activity with partners in source and conduit countries throughout the Middle East, North Africa, and Southeast Asia.

Finally, we are enlisting the support of key partners to develop a common approach to countering ISIL's financial activities. We intend

to build on work ongoing in the Financial Action Task Force (FATF), which issued a statement in late October 2014 reiterating the need for all countries to fully implement the FATF standards to combat terrorist financing, and calling on all countries to take steps to prevent ISIL from accessing their financial systems. Importantly, the U.S. and Turkey are co-leading a FATF project to develop a common understanding of the terrorist financing risks posed by ISIL, including how funds and other assets are raised, moved, and used by ISIL. This report will be issued later this month by the FATF with input from many FATF members, and will serve as a baseline to further develop international efforts to counter ISIL's financial activities.

CONCLUSION

In closing, I want to reiterate what officials across this Administration and internationally have made clear: that the fight against ISIL, financial and otherwise, is a long-term endeavor. Nobody should expect this problem to disappear overnight. But we are making progress each day in understanding how ISIL operates and, in turn, disrupting its attempts to create chaos in Syria and Iraq. We have had some important successes in denying ISIL revenue and limiting its ability to make use of its funds, and we expect that we will continue to undermine its financial strength in the months ahead.

Thank you again, and I look forward to the panel discussion.

FEBRUARY 2, 2015

Countering ISIL Financing: A Realistic Assessment

Matthew Levitt

PREPARED REMARKS

THE U.S. GOVERNMENT'S effort to counter the Islamic State of Iraq and the Levant (ISIL) is focused on "five mutually reinforcing lines of effort,"[1] one of which aims to stop ISIL's financing and funding. That may prove a difficult task, in large part due to the differences between the funding models employed by ISIL on the one hand and al-Nusra Front (ANF) or other al Qaeda affiliates on the other, but not one that is beyond the international community's capabilities.

ISIL financing revenue comes primarily from the sale of illicit oil, from kidnappings for ransom, and from a wide array of criminal enterprises such as extortion, looting antiquities and stealing livestock. There have been some notable cases of deep pocket donors from the Gulf, but these have been more the exception than the norm.

The good news: Coalition airstrikes may have cut ISIL's oil revenue by as much as two-thirds. And yet, while revenues were reportedly at $2 to $3 million a day at its heyday, ISIL could still be raking in as much as $750,000 to $1.3 million a day, or something in the range of $30 million a month, from oil revenues alone. Meanwhile, kidnapping ransoms yielded at least $20 million in 2014 and extortion rackets and other criminal enterprises raise several million dollars each month.

Combating ISIL financing is an important component of the international campaign against the only group to be even too extreme for al Qaeda. And while ISIL is a rich terror group, it is a poor state. Hampering its ability to govern the territories it controls, pay salaries, and field a capable military will undermine what domestic legitimacy it enjoys, erode support from key constituent groups, and constrict its battlefield capabilities.

BLACK GOLD

Oil has been the major source of funds for ISIL. Before the coalition airstrikes began, estimates of ISIL's oil revenue alone had it drawing in more income than some small nations. ISIL has tapped into pre-existing black market routes that date back to the 1990s and the smuggling networks that propped up the Saddam-era oil-for-food program. It uses these to sell extracted crude oil to smugglers, who then transport the oil outside of conflict zones using a variety of means: tanker trucks, vans, jerry cans carried by mules, makeshift pipes, and even rafts when crossing rivers. In one case, Turkish authorities found an underground pipeline as long as 3 miles (4.8 kilometers).[2] These facilitators typically are not even officially affiliated with ISIL, and the long-established nature of the smuggling routes will make them difficult to take out.

Oil has been the major source of funds for ISIL.

To accommodate domestic demand, ISIL occasionally transports crude oil into neighboring countries, refines it into low quality gasoline at makeshift refineries, and brings it back to urban centers for resale. For example, the two million residents of Mosul buy fuel that is extracted from nearby field in Qayara, refined in Syria, and transported back to Mosul.[3]

While ISIL does sell its oil to foreign customers in Turkey, Kurdistan, and Jordan, it has gradually re-directed its focus internally, fueling its vehicles and establishing dependence between civilians and its capacity to provide them oil at nearly half the free market price per barrel. This is due to the increasing costs of exporting stolen crude throughout the region.[4]

A major component of ISIL's oil strategy is its dependence on specialized labor. In many cases, ISIL has paid and protected pre-existing skilled workers to remain at their posts and maintain the oil fields. For example, the Qayara oilfield kept pumping after ISIL asked the Iraqi employees to stay, promising them protection from the government and rival opposition groups.[5] This increasing mutual dependence between the militants and civilians poses several issues for U.S. strategy of destroying the facilities. ISIL propaganda attributes the subsequent destabilizing effects on the economy to the U.S. air campaign, in an effort to turn former laborers and specialized workers into more hardline supporters.

How has a fairly small band of militants suddenly mastered the complexities of the international oil economy and cross border smuggling? They didn't. In the first instance, these smuggling networks date back to the Hussein regime and were only later used by Former Regime Elements (FREs) and jihadis to fund the Iraqi insurgency. These smuggling networks had served as tools used by the Iraqi regime to evade UN sanctions and UN Oil for Food trade limitations. According to a 2003 United Nations Office on Drugs and Crime (UNODC) report, "Theft of oil and copper and trafficking in these products is currently a major problem. The evolving nature of organized crime in Iraq is based on sophisticated smuggling networks, many established under the previous regime to circumvent UN sanctions."[6]

Then, as now, some facilitators were ideologically driven members of militant Islamist or FRE groups or like-minded followers, while others were traditional criminal smugglers who do not differentiate between the smuggling of foodstuffs or the smuggling of foreign fighters across the Syrian-Iraqi border. As a West Point review of the seized Sinjar documents concluded, "Large groups of people—such as foreign fighters—cross the border in remote locations, often using the same tracks and trails as the livestock smugglers. In fact, the same ring of smuggling guides will often move both livestock and human beings."[7]

Criminal networks took over smuggling routes that were previously linked to local tribes—especially when it came to smuggling oil siphoned from pipelines—cutting into local tribes' traditional streams of revenue.[8] This smuggling amounted to a significant amount of money, considering that the Iraqi oil ministry estimated in 2005 that approximately 10% to 30% of imported fuel was ultimately smuggled out of Iraq.[9] In 2008, the Iraq Study Group found that corruption is "debilitating." The report cited expert estimates that "150,000 to 200,000—and perhaps as many as 500,000—barrels of oil

per day are being stolen." The consequence for local populations is clear: "Controlled prices for refined products result in shortages within Iraq, which drive consumers to the thriving black market…corruption is more responsible than insurgents for the breakdowns in the oil sector."[10] This untidy mix of insurgents, terrorists, professional smugglers, and corrupt government officials provided multiple opportunities for financial gain for all parties involved then, and it still does today.

The air campaign has indeed made progress in denting oil revenue, but mostly by hitting mobile oil refineries. These strikes will only go so far. Additional countermeasures need to target other aspects of ISIL's oil economy, such as designating the middlemen who smuggle oil from ISIL-controlled territories. This will take some creativity, but it is the middlemen, who cannot operate without access to the formal financial economy and whose business crosses borders, who are vulnerable to sanctions. While ISIL itself has limited exposure to formal Treasury actions, the middlemen are the connective tissue through which ISIL can be hurt.

CRIMINAL ENTERPRISE

Criminal enterprise accounts for significant ISIL revenue, complementing the group's other lucrative sources of income. ISIL has been financially self-sufficient for at least eight years by virtue of engaging in tremendously successful criminal activity enterprises on the ground in Iraq. ISIL steals livestock, sells foreign fighter's passports, taxes minorities and farmers and truckers, runs a sophisticated extortion racket, kidnaps civilians for ransom payments, and much more.

ISIL has robbed banks, reportedly including the central bank in Mosul. But ISIL reportedly takes in a few million dollars a month in "taxes" alone in Mosul. Most of these "taxes" are levied on companies and individuals. ISIL also levies taxes on goods and all vehicles and trucks bringing in those goods, including oil, into population centers like Mosul.[11] As part of their broader effort to increase civilian-ISIL mutual dependence, ISIL has seized up to 40% of Iraqi's wheat production, including 16 silos.[12]

ISIL also seizes property under the control of its "Bayt al-Mal," or treasury system. Most of the seized property belonged to Christians, Shiites, and former government officials, who either fled or were killed by ISIL. The seized real estate was then auctioned off for cash.[13] Even prior to the June takeover, ISIL was deeply embedded in Mosul's real estate scene and had infiltrated the local authority's real estate registration offices.

Additionally, more than a third of Iraq's 12,000 archaeological sites are under ISIL control. Excavating and selling artifacts that date back to 9,000 BCE has provided ISIL its second-largest revenue stream after illicit oil sales. Many of these items are smuggled into Europe via Turkey, Iran, and Syria. While it is nearly impossible to estimate the total profits of selling these artifacts, it is known that one lion sculpture from the region sold for more than $50 million in New York in 2007.[14] Most of ISIL's captured historical gems have not been publicized, but could fetch similarly hefty sums.

Criminal enterprise accounts for significant ISIL revenue, complementing the group's other lucrative sources of income.

The problem is that we have tools—from military force to Treasury designations and more in between—to deal with oil smuggling and extremist sugar daddies in the Gulf, but our ability to counter ISIL's local criminal enterprises is severely limited. Coalition forces are no longer on the ground in Iraq today, and there is no interagency Iraq Threat Finance Cell (ITFC) to collect financial intelligence and feed operators timely targeting information to take down ISIL financiers. Nor are Iraqi law enforcement agencies able or willing to effectively combat what amounts to local criminal activity.

Although military tools would under other circumstances be the last thing one might think of as a logical means of combating crime, the fact is that airstrikes against ISIL have already significantly undermined some of the group's criminal enterprises and further strikes should continue

that trend. By virtue of controlling territory ISIL controls resources—oil, wheat, water, even ancient artifacts—which it plunders for its own financial gain. It is also able to tax farmers, truck drivers, minorities and others. Airstrikes aimed at pushing back against ISIL's territorial expansion would have counter-terror finance benefits of its own.

Lastly, ransom payments from kidnappings may comprise nearly 20% of ISIL's revenue.[15] In October, Treasury Undersecretary David Cohen estimated that ISIL had received $20 million in ransoms in the first ten months of 2014 alone.[16] Kurdish forces estimate the group takes in $10 million a month from kidnapping.[17] France may have paid $18 million for four of its captured journalists in April.[18] While the absolute numbers are large, and a definite concern, they are nowhere near on the same scale as the revenues from oil.

Our ability to counter ISIL's local criminal enterprises is severely limited.

On its own, criminal enterprise is an insufficient source for funding for a group committed not just to terrorist and insurgent activity, but to capturing, holding and administering territory, which involves significant expenditures and therefore requires more significant revenue streams. ISIL does benefit from donations from deep pocket donors, which has been a source of funds for the group for nearly a decade, dating back to when ISIL was known as al-Qaeda in Iraq (AQI).

Donations are now only one, relatively small, source of financing for the group. Still, ISIL has

accumulated as much as $40 million or more over the last two years donors in the oil-rich nations of Saudi Arabia, Qatar, and Kuwait.[19]

MAJOR DONORS

So far, only two individuals have been designated by the Treasury for their connections to ISIL, not for lack of effort but because this is not the major source of funds for ISIL that it is for ANF and other al Qaeda affiliated groups. The two men designated, Tariq al-Harzi and Abd al-Rahman al-Anizi, were both significant Gulf fundraisers.

According to al-Harzi's designation, "In September 2013, [al-Harzi] arranged for ISIL to receive approximately $2 million from a Qatar-based ISIL financial facilitator, who required that Al-Harzi use the funds for military operations only." Meanwhile, al-Anizi had worked since at least 2008 with a senior ISIL facilitator and ISIL financial official to transfer funds from Kuwait to Syria.

The concern is that, like squeezing a balloon, effectively cutting off one source of funding will push ISIL to another. One possible area of expansion is the pool of private donors, particularly in the Gulf, with whom ISIL may have pre-existing personal connections. Although al-Qaeda has disowned ISIL, the latter is a direct descendant of al-Qaeda in Iraq, and some of its members likely still have relationships with donors from the time of the U.S. invasion of Iraq.

Consider, for example, the case of Abd al-Rahman bin 'Umayr al-Nu'aymi, singled out by the Treasury Department in December 2013, who secured the transfer of over $2 million per month to AQI (now called ISIL), along with donations to al Qaeda in the Arabian Peninsula (AQAP), al Qaeda in Syria, and al-Shabaab in Somalia. Such relationships are the foundation of the kind of illicit financial networks we need to focus on—funding AQI yesterday, and possibly ISIL tomorrow. The case of Baghdadi's ex-wife, Saja al-Dulaimi, is telling: she reportedly moved money to militants operating along the Lebanese-Syrian border, including at least $200,000 she received via wire transfer services and charity organizations. Some of the money reportedly came from residents of Gulf states, sent under the cover of aid to Syrian refugees.[20]

Meanwhile, an uptick in law enforcement investigations into abuse of charities in Western countries like France and the UK suggests old-school use of charities as fronts for terror financing schemes may be on the rebound, under the guise of raising funds for the needy suffering from

the humanitarian catastrophe that Assad created, and to which ISIL now contributes as well.

Continued vigilance is therefore critical to be sure major donors do not become more of a source of ISIL funding than they are now. As Treasury's David Cohen put it, ISIL "derives some funding from wealthy donors [but] even though [ISIL] currently does not rely heavily on external donor networks, it maintains important links to financiers in the Gulf…."[21]

SELF-FINANCED RECRUITS

Finally, beyond institutional financing for ISIL writ large, one other area where we need to focus attention is on the means by which prospective foreign fighters finance their travel to Syria, purchase of personal weapons, etc. Along these lines, we should also be looking at ISIL-inspired lone-offenders who—either because they are prevented from leaving for Syria and Iraq and plan an attack at home, or simply followed ISIL's call to carry out attacks in the West—self-finance their operations through local criminal activity or simply dipping into their own bank accounts.

In December, a Montreal teen held up a convenience store for travel funds to join a terrorist group. And in Edmonton, the local police chief expressed concern over cases of potential foreign fighters who took low-skill, relatively high-paying jobs working in the tar sands industry to save money for their travel abroad. "You can make a whole bunch of money in a very short period of time…in relative anonymity," the police chief warned. And in Britain, the Metropolitan Police's counter-terrorism command unit has noted several cases where jihadists financed themselves through state-funded welfare payments.[22]

In Paris, Amedy Coulibaly claimed to have helped the Kouachi brothers with their "project" by giving them "a few thousand euro" so they could buy what they needed to buy. Coulibaly himself reportedly used a false income statement to take out a 6,000 euro loan to finance the purchase of weapons for the attacks.

Closer to home, Christopher Cornell, who stands accused of plotting to detonate pipe bombs at the Capitol and shoot people as they ran away, simply "saved money" to conduct his attack, according to the FBI.

CONCLUSION

There is much more work to be done to constrict ISIL's ability to finance itself through illicit oil sales, but we have tools at our disposal to do that.

And while we need to be cognizant of the possibility of increased major donor financing for ISIL, we have tools to deal with that as well. The area where we lack sufficient tools to deal with the problem is ISIL domestic criminal enterprise within Iraq and Syria. We have no Iraq Threat Finance Cell (ITFC) in Iraq today, and the Iraqi government is neither capable nor willing to engage in the kind of law enforcement activities necessary to tackle this problem—not in areas under its control, and certainly not in areas beyond its control. Indeed, the fact that the Ministry of Interior is controlled by the Badr Organization does not bode well for future effective law enforcement in Iraq. We are left, therefore, with military tools to deal with a law enforcement problem. To the extend ISIL is pushed out of areas it now controls it will no longer be able to tax the local population, control banks, abuse natural resources, etc.

Old-school use of charities as fronts for terror financing schemes may be on the rebound.

ISIL is indeed the best financed terrorist group we have ever seen, but it remains a poorly funded (self-described) "state." ISIL does not have sufficient funds to effectively govern the areas it controls today, let alone continue to expand its geographic control over still more territory. The good news is that although the anti-ISIL coalition has not yet stopped funding for ISIL, significantly constricting ISIL's financial flows is a goal that remains within reach. There are a variety of tools at our disposal, from airstrikes to sanctions, which can together cripple ISIL's financing. Current measures have already seen some success; now is the time to double down.

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FEBRUARY 2, 2015

Degrading ISIL's Financial Base

Elizabeth Rosenberg

PREPARED REMARKS

THE ISLAMIC STATE of Iraq and the Levant (ISIL), the vicious and repugnant violent extremist organization that has terrorized communities in Iraq and Syria, presents a unique and gravely concerning security threat. From the perspective of those trying to attack and degrade its ability to raise and move money, thereby denying the group the funds it needs to operate, ISIL poses several distinct challenges in comparison to other terrorist groups. This is due to its extended territorial reach and its successful and varied methods for rapidly raising a large amount of money. Significantly underpinning the group's flush finances is an ability to raise and move cash with relative impunity in large parts of Iraq and Syria and the valuable assets, such as oil, under its territorial control. I will focus my remarks on efforts to degrade ISIL's fundraising, particularly in the oil sector, and some of the strategies and considerations that may shape these efforts in the future.

Estimates of ISIL's budget range widely, from between several hundred thousand dollars to as much as $2 billion.[1] It is unlikely to be anywhere near the top of that spectrum now, given coalition efforts to degrade ISIL financing last year, but it is without a doubt extraordinarily substantial for a terrorist organization. Additionally, it is difficult to know exact figures for ISIL's proceeds because so much of its revenue is generated through opaque black market and criminal activities, where there is no oversight or insight. ISIL's means of fundraising include sale of stolen oil, kidnapping, theft, extortion, bank robberies and various other criminal activities, and donations from supporters outside of Iraq and Syria.[2]

It is notoriously difficult to attack ISIL's criminal enterprises as outsiders cannot use many traditional regulatory or law enforcement tools to halt

this activity. Moreover, when it comes to raising money from foreign donors, there is a limited amount that the United States and allies can do without more active cooperation of political and regulatory officials in the countries in which donations are made, bundled and transported. To date, and as has been noted by senior Treasury Department officials, such cooperation is inadequate to halt this funding source.[3]

The revenue ISIL generates from illicit trade in crude oil and lightly refined oil is fundamental to its organizational strength.

The revenue ISIL generates from illicit trade in crude oil and lightly refined oil is fundamental to its organizational strength. It earns perhaps a few million dollars a week in oil revenue now, down from a peak of perhaps two to three million dollars a day.[4] This amount accounts for the deep discount ISIL has to offer to sell oil in the black market.[5] ISIL sells oil to middlemen in Turkey and to Iraqi Kurds who then sell it to end users in Turkey, Syria and sometimes refine it for transport back to consumers in Iraq. Traffickers of this stolen oil or refined product use tanker trucks or smaller transports and networks of primitive pipelines and supply chains.[6] This oil smuggling network is among the most sophisticated in the world. The region has a long history of sanctions evasion and illegal oil market trafficking, honed during the Saddam Hussein-era oil for food program.

Though we are aware of ISIL's means of oil production, processing and transport, as well as the existence of a network of middlemen who

take the oil from ISIL to where it is sold to end users, this is an unregulated space in loosely monitored border regions and there are limitations on the will and capacity among ISIL's territorial neighbors to crack down on these illicit activities. There is also much work to be done to identify the individual middlemen and where they bank, where they incorporate their businesses and with whom they insure their trucks and storage facilities. This is information which can and should be used to penalize them for their activity, raise ISIL's costs of engaging in the oil smuggling business and deter would-be entrants into this criminal smuggling enterprise from trying to backfill those who decide the expense and risk is no longer worth it.

There are limitations on the will and capacity among ISIL's territorial neighbors to crack down on these illicit activities.

The key strategies that the United States and its coalition partners are using to attack ISIL's ability to raise oil revenue are bombing some oil-related targets, primarily including the smaller, primitive refineries ISIL uses to process crude oil in Syria.[7] These primitive refineries produce as little as 100 barrels per day.[8] Destroying these facilities decreases the amount of refined product ISIL has to use or can sell to raise money. Turkey and the KRG have expressed commitments to limit the stolen Iraqi oil that ISIL is selling into their territory,[9] which is largely an exercise of greater control over porous borders and greater oversight of commercial activities. These efforts

have met with some success, chipping away at the volumes of refined product that ISIL can benefit from, primarily in regions of Syria.[10]

But we must do much more to attack ISIL's revenue generation and we need further measures to disable ISIL's ability to earn money on oil sales. In this domain, there are some important parameters to consider about what steps we should avoid in efforts to attack ISIL's finances, and what strategies could hold promise in the future.

First, there are a variety of targeted economic measures that are not well-suited to the task of degrading ISIL's oil revenues and should not be part of the strategy. It may be tempting to think that causing major damage to oil fields or major energy infrastructure, such as larger refining operations, processing facilities and significant pipelines, within ISIL territorial control is a good strategy to degrade ISIL's fundraising. This would deny ISIL the ability to produce, process and transport significant amounts of oil, and benefit from this commodity and its sale. However, it would make it much harder for the Iraqi people to meet their current, basic energy needs, or for Iraqi, Peshmerga or other coalition fighters to operate in areas they seize from ISIL. Also, it would cause significant, long-term damage to oil reservoirs and infrastructure assets and make it extraordinarily difficult and expensive, perhaps prohibitively so, for Iraqis to eventually rebuild in a post-ISIL environment.

Iraq's central government is struggling financially, particularly in this oil price environment. It is hard to see how the Iraqi government would ever be able to afford reconstruction of a major infrastructure asset, such as a refinery that costs billions of dollars. Moreover, the global refining sector is relatively oversupplied, and while that will eventually abate, there may not be international investor appetite to build any significant refinery capacity in Iraq for the foreseeable future, even if security can be assured. In short, destroying major energy infrastructure in ISIL's territory is not an optimal strategy for degrading ISIL finances because of the tremendous costs it will exact on Iraqis today and the significant, maybe even insurmountable, economic handicap it will put on the ability of Iraqis to rebuild energy assets when ISIL is defeated.

What are constructive additional steps that the international coalition can take to degrade ISIL's ability to raise oil revenue? As has been outlined by the Treasury Department, the United States can and should go after the middlemen who buy oil and refined products from ISIL and sell it to end users.[11] The United States should enhance work with Turkey and the KRG to better monitor borders. Especially in Turkey, the United States should

work with local authorities to help create much greater banking and financial regulatory oversight to monitor for those who may trade oil with ISIL, and create legal and monetary penalties for those individuals who traffic in illicit oil.

There may be other steps that the United States and allies can take to degrade ISIL's ability to earn energy revenues. A novel idea that deserves further consideration is an effort by the international coalition to work with Turkish authorities to expand the supply pool in Eastern Turkey and make it less attractive to buy smuggled oil from ISIL that is cheaper than alternatives in this region. It will not be possible to stop shadowy oil trading from occurring in ISIL border regions as long as there is any commercial incentive to do so. However, efforts that change the access to affordable supply for people in Eastern Turkey can force ISIL to take an even lower price and earn less money. This could land a serious blow against ISIL revenue generation if paired with an effort to crack down on middlemen trading oil purchased from ISIL and a stepped up bombing campaign of some smaller ISIL-linked energy infrastructure in Iraq and Syria.

Efforts to degrade ISIL's ability to raise and move money must be at least as diverse and creative as ISIL's nefarious and varied strategies for gathering it in the first instance. Additionally, efforts to degrade ISIL's funds will work best when in close coordination with the various other diplomatic, military and intelligence means that the United States and our allies have for striking at ISIL. Beyond the efforts of the international coalition of governments united in the fight against ISIL, there is an opportunity to incorporate expert views and strategies from independent scholars and experts as well. Using new energy market-based techniques, strategic supply chain management and enhanced cooperation with banks and financial regulators in Turkey and the KRG to apply pressure on ISIL and those who deal with the organization may be promising new fronts for this campaign. They may offer effective new means for meaningful pressure on ISIL and are worthy of serious additional consideration by those leading the fight.

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FEBRUARY 23, 2015

Rehabilitation and Reintegration of Returning Foreign Terrorist Fighters

Gilles de Kerchove, Jacob Bundsgaard, Maj. Gen. Douglas Stone, USMC (ret.), and Matthew Levitt

RAPPORTEUR'S SUMMARY

GILLES DE KERCHOVE

THE PHENOMENON of foreign fighters is not new—the challenge today comes from the sheer scale it has taken on in Europe. Roughly four thousand fighters have traveled from Europe to Syria and Iraq, and about 20-30 percent have already returned home. They have been brainwashed: they have learned how to use Kalashnikovs and bombs, their tolerance for violence has grown significantly, and they have developed huge networks.

Yet it is extremely difficult to collect evidence showing that militants have fought alongside banned terrorist groups. Until recently, many fighters proudly posted pictures of themselves online. But because the European Union is not present in Syria or cooperating with the Assad regime, it is hard to prove that any returnee has committed a crime. European justice and interior ministers should therefore develop alternative solutions. In particular, they should do as much as possible to avoid sending returnees to criminal court. Prisons are major incubators of radicalization, and it is more difficult to convince fighters to return home when they fear being sent to jail. If there is reason to believe they have committed a crime, then obviously they should be sent to court. Yet the evidence in such cases is often insufficient, and the required resources for monitoring these individuals is frequently beyond what many European nations can afford.

Once fighters do return, whatever threat they might pose should be assessed on a case-by-case basis. While very few are likely to commit a terrorist attack, many may be disillusioned and affected by post-traumatic stress disorder. Some may feel that they have fulfilled their duty as Muslims in sup-

porting the Arab Spring and may simply need to be reintegrated into society. In general, any solution to the problem must address two main elements: reconnecting isolated returnees to family, friends, and society, and deprogramming their radical ideology. Additionally, Europe needs to define a common policy toward returnees. Current policies range from the Danish emphasis on reintegration to the British emphasis on preventing fighters from returning.

Europe needs to define a common policy toward returnees.

Other concerns include the role of ideology, intelligence sharing, and prison staff. First, many imams in Europe do not speak the language of their host country, and they may be fostering a very conservative interpretation of Islam. Second, the European intelligence community does not have a tradition of sharing data, yet such information could be extremely useful to social workers seeking effective responses to the returnee issue. Finally, prison staff must be trained to identify radicalization as early as possible, since the new generation of radical Salafists is becoming better at hiding.

JACOB BUNDSGAARD

WHILE THE CITY of Aarhus has taken steps to ensure that it can police, investigate, and prosecute returning foreign fighters as needed, its primary focus is prevention. Since the 1970s, Aarhus has had a concrete organization known as SSP (social services, schools, and police), and its current rehabilitation program is based on existing SSP structures. It was built in the aftermath of the London and Madrid bomb-

ings, when there was concern that the city did not focus enough on young people who were on the path to radicalization, or on the instruments that could pull them in another direction.

The Aarhus model is centered on a unit in the East Jutland Police known as the Infohouse, which is very closely connected to the municipality. It is a frequent point of entry for parents who are concerned about their children becoming radicalized or fighting abroad. Trained employees answer a hotline where they advise these parents to participate in networks with other parents. They are also taught how to communicate with their children and, when applicable, influence fighters to return home. Mothers play a vital role—they are one of the few things that can still melt the heart of a brainwashed, alienated young person. And Aarhus does want these young people to come back; the longer they are away, the more damaged they are when they return. Infohouse also hosts local workshops to educate parents and professionals who work with young people on recognizing signs of radicalization.

More broadly, it is very important to have open and honest dialogue with returnees.

Mentoring is another crucial component of the Aarhus model. Mentors in the current program are highly skilled professionals; the youths with whom they work do not have much trust in authority, so mentors must have a keen understanding of youth psychology and risk factors for radicalization. Most important, they must have the personal skills to connect with these youths. Risk assessments are also conducted by social workers, psychologists, and psychiatrists.

More broadly, it is very important to have open and honest dialogue with returnees. If there is reason to believe a person has committed a crime, authorities must be clear that they will do everything in their power to prosecute. Yet if an individual has not committed a crime or it cannot be proven, they should do everything possible to reintegrate the person. Both of these legs are critical. The bottom line, however, is that all young people want a happy life—they want to reach the goals they set, such as building a family. For a mayor, the most important task is to create the framework and conditions that make these opportunities possible for all citizens.

MAJ. GEN. DOUGLAS STONE, USMC (RET.)

MANY COUNTRIES ask the UN for assistance in dealing with radicalization issues, but identifying the core problem in each case is crucial. For example, while some 20,000 militants were detained in Iraq in the mid-2000s, only about 4 percent of them held strong ideological motivations. Accordingly, one suggestion was to focus on working with those who were perhaps not as extreme—although the hardcore 4 percent might be unreachable, much could be done with the vast majority of detainees, many of whom were financially rather than ideologically motivated.

At the time, there were only five programs around the world addressing radicalization. Still, reaching out to these programs resulted in a great deal of useful information. One of the main lessons learned was that individuals are not necessarily committed for life—it may be a temporary situation. If they are committed, they will likely be in prison for the rest of their lives, but if they do not stay in prison, where do they go?

With very rare exceptions, all of them will go home. That necessitates working with them—whether one-on-one or in groups—to better understand them. The receiving community also needs to be involved, and needs to discuss how returnees will be welcomed (or not) once they are back home. There is far more interest in this topic now than there was eight years ago; if it had been brought up then, most countries would hardly have understood what was being discussed. But there was recognition in Iraq that returnees would be a problem and would have to be dealt with on a global basis. Therefore, numerous countries were brought together for a series of meetings over the course of 2011-2012, resulting in the Rome Memorandum on Good Practices for Rehabilitation and Reintegration of Violent Extremist Offenders.

The Rome Memorandum lays out twenty-five best practices, but there is no one-size-fits-all solution. What the memorandum does show is that there is hope, and a methodology that can work. In particular, all countries need to address a few main questions. First, what are the goals and objectives of a given local rehabilitation program? These need to be defined clearly. Second, how does a community prevent recruiting? Third, what are the different roles for different actors? Some of the best-run and longest-lasting programs were initiated by private citizens who stepped forward. And finally, what is the government's responsibility to returnees and potentially vulnerable youths?

Bringing subject-matter experts together via conferences is vital. Other critical components include the intelligence community and law enforcement, as well as religious leaders and discussions about beliefs. Eighty-four nations have contributed to the effort in Syria; all are worried about returning foreign fighters, and each will have to develop its own program.

MATTHEW LEVITT

NOT EVERY returning foreign fighter or terrorist dropout can be reintegrated into society, but some can. Even among those who can be prosecuted and convicted, the vast majority will eventually be released. It is therefore neither "soft" nor "weak" to be talking about how to rehabilitate them, especially in the prison context but elsewhere as well. As one official at the White House's CVE summit said, prisons still sometimes serve as "universities for terrorism."

Similarly, despite some calls for simply preventing foreign fighters from returning home, most Western countries have legal impediments to barring the reentry of citizens. And many fighters will not be discovered by authorities until after they have returned, partially due to restrictions on data sharing. Europe in particular is concerned about privacy issues with such sharing, so while there has been much progress in this area, the fact is that some fighters will return home whether they are wanted there or not.

One key lesson is that rehabilitation and reintegration programs must have some type of connectivity to law enforcement and intelligence to decrease the risk of trying to reintegrate uncompromising individuals who are intent on doing harm. Such risk assessments are necessary not only at the intake stage, but later as well to account for the possibility that a person could re-radicalize or become further radicalized, such as appears to have occurred with the Kouachi brothers in France.

One must also ask what role religion should play in such programs. As President Obama stated clearly at the CVE summit, the West is emphatically not at war with Islam. Yet he and other U.S. officials in attendance also emphasized the need to contest radical ideologies. Addressing factors such as identity issues, adventure-seeking impulses, and the aura of "jihadi cool" is important for stemming people's receptivity to dangerous ideologies, but ideology is what ultimately spurs a person to move beyond rhetoric and engage in violent activity. This is not about religion per se or the vast majority of Muslims; it is about people who engage in disturbing, violent actions in the name of a distortion of Islam. Non-Muslims are ineffective voices in that discussion, which explains why the president invited Muslim community and religious leaders to get more involved during his closing remarks at the summit.

Rehabilitation and reintegration programs must have some type of connectivity to law enforcement and intelligence.

Effectively challenging violent extremism requires one to contest not only expressly violent ideologies, but radical ones more generally. This is not a call for "thought police," but for contesting dangerous ideologies so as to move the needle earlier in the process and keep people off the path to radicalization.

The White House summit has put a bright spotlight on CVE, creating an opportunity for serious efforts to appropriately finance these drastically underfunded programs with

public and private money. The purpose of such events is to initiate discussion and debate, and in that regard the summit brought together an impressive gathering of CVE practitioners who learned much from each other. But if the only outcome is calls for more research and meetings, it will have been a disappointment. Success will ultimately be judged by the deliverables.

This summary was prepared by Kelsey Segawa.

MAY 14, 2015

Money Flow in the Age of ISIS

■ Gerald Roberts, Jr.

PREPARED REMARKS

GOOD AFTERNOON. Thank you to everyone at The Washington Institute for hosting me today. I would like to personally thank Matt Levitt for inviting me here. I am pleased to be able to provide you with an overview of how we are adapting and evolving to the current threat of ISIL and the challenges the United States and its partners are facing.

I have had the pleasure of working with the Washington Institute for several years, participating in many fine events, in my previous assignments within the Bureau. I am honored to be invited back in my new role as Section Chief of the FBI's Terrorist Financing Operations Section.

ADAPTING AND EVOLVING TO STAY AHEAD OF THE THREAT

Before I comment specifically on the financial aspect of the threat posed by ISIL, I want to address how the FBI is constantly adapting and evolving to stay ahead of the threat of international terrorism. Our Deputy Director spoke here around the same time last year during which he noted that, as the U.S. Government's lead domestic intelligence agency, the FBI has become a threat-focused, intelligence-driven organization. As such, the Bureau is committed to the full integration of intelligence in operations.

One way we integrate intelligence into operations is through our Fusion Cell Model which integrates our intelligence and operational elements through teams of analysts embedded with Special Agents in operational divisions. These analysts evaluate both national and international information and provide intelligence on current and emerging threats across pro-

grams—making connections that are not always visible at the Field level. Within TFOS, we add the additional value of integrating Financial Analysts into this model.

We are also addressing and staying ahead of the threat by working with our state, local, federal, and international partners. Whether it is through our Joint Terrorism Task Forces (JTTFs), Field Intelligence Groups, the Fusion Centers, or the USIC, we know that to succeed against this threat we are only as good as the strength of our partnerships. The importance of these partnerships is critical in developing the financial picture of the terrorism threat.

PRIVATE SECTOR PARTNERSHIPS

Partnering with the private sector has been a focus of TFOS prior to my arrival and one that I have continued to champion.

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So how do we accomplish that? It is through a rigorous schedule of outreach and training events with private industry. In partnership with the Treasury Department's Financial Crimes Enforcement Network, the FBI conducts ongoing outreach and education with our financial industry counterparts. The financial industry's efforts and resources dedicated to detecting and reporting suspicious financial activities through suspicious activity reports (SARs) have been important components in our efforts to identify terrorist financing. SAR reporting is a critical tripwire to detect possible terrorist financiers as well as to identify associates of known terrorists.

The analysis of SAR information aids in the development of an overall terrorist financing threat picture and can assist TFOS in identifying trends or patterns of suspicious activity around the country. This information can also identify previously unknown associates of terrorism subjects.

In conjunction with the Treasury Department, TFOS conducts an annual training session with the New York Federal Reserve to provide the financial industry with updated trend information regarding terrorist financing. This year's conference included over 200 attendees from the financial sector interested in learning how to maximize their resources to more effectively identify and report suspicious financial activity. These outreach efforts provide an opportunity for the financial sector to receive the latest terrorist financing threat and trend information, as well as share in best practices for the rapid identification and reporting of suspicious financial activity.

Such meetings allow us to better inform private industry of emerging trends, what indicators to look for, thereby, enhancing their operations and reporting to the government. The proactive work of the private sector, specifically through their new and maturing Financial Intelligence Units, cannot be understated. The work done by these FIUs can be that missing piece of the puzzle to identify someone here or abroad who is planning or supporting plans to attack our interests.

THE THREAT OF ISIL

In the last five years, the JTTFs successfully disrupted more than 100 counterterrorism threats. In the last year alone, we have arrested dozens of Americans who have either attempted to travel overseas to fight for ISIL or provide financial or logistical support. However, even with those success stories, the threat we face, in terms of both understanding and combatting them, have never been more complex.

While core Al Qaeda has been degraded, our counterterrorism efforts are challenged by a combination of the decentralization of the violent extremist movement in the case of ISIL and the general instability in the Middle East and North Africa.

ISIL has learned lessons from Al Qaeda to rise to prominence in a relatively short period of time. By decentralizing its method of spreading its ideology, ISIL has been extremely effective at targeting English-speaking audiences through multiple social media sites. Al Qaeda's use of the Internet and social media, for example AQAP's *Inspire Magazine,* has provided ISIL

a blueprint to recruit and provide guidance on how to attack our critical infrastructure and economy. ISIL's *Dabiq Magazine* and its massive following on social media have allowed it to reach tens of thousands throughout the world, furthering their goal of inspiring individuals to plan and conduct attacks in Australia, Europe, and the U.S.

As Director Comey said last Thursday there are "hundreds, maybe thousands" of people across the country who are receiving recruitment overtures from the terrorist group or directives to attack the U.S. He added that "It's like the devil sitting on their shoulders, saying 'kill, kill, kill.'"

FOREIGN FIGHTERS

This messaging has attracted thousands of individuals from across the world interested in fighting along ISIL. The FBI regularly engages with U.S. Government agencies, the Intelligence Community, and our foreign counterparts in an effort to pursue increased information sharing with our partners on identified foreign fighters, combating radicalization, and exchanges regarding community outreach programs and policing strategies. Through this collaboration, the FBI is working hard to ensure foreign fighters from other nations do not enter the United States undetected. The FBI has also expanded its team within our Counterterrorism Division to fully track, analyze, and ultimately neutralize the threats emanating from the region to the United States, a team for which TFOS is an integral member.

Given the prolonged nature of the conflict in the region and the expertise in which ISIL spreads its message through social media, the FBI remains concerned that U.S. persons will continue to be attracted to the region and may attempt to travel to fight.

FINANCIAL INTELLIGENCE (FININT)

From the early days of TFOS, it became apparent to us the critical importance of the financial intelligence (FININT) in identifying the hijackers and the larger network of those responsible for the 09/11 attacks. Even with that critical lesson, the value of FININT is sometimes an overlooked and unappreciated piece of the intelligence picture. You often hear about the critical role of Human Intelligence (HUMINT) or Signals Intelligence (SIGINT) in detecting and disrupting terrorist activity but not nearly as often do you hear about the role of FININT. The FININT is much more complex than simply reviewing bank accounts of known or suspected terrorists. When combining

the FININT with the other "INTs," we are able to build a complete picture.

We have all seen the reporting of ISIL's financing through oil, kidnappings, extortion, theft, and taxation. To date, the amount of outside financial support is minimal in comparison to their revenue producing activities within those areas. However, the financial tracking of ISIL

The FBI remains concerned that U.S. persons will continue to be attracted to the region and may attempt to travel to fight.

and foreign fighters is not simply limited to their activity within the areas it controls, it also allows us to develop a broader picture of the financial support and reach beyond those immediate areas. By "following the money" we are not only able to identify individuals and networks who are financially supporting ISIL but it also enables us to identify foreign fighters and aspirant travelers before they depart the U.S. and other countries.

CONCLUSION

To succeed in combating terrorism we must remain intelligence-driven and continue our close collaboration with our government, law enforcement and the financial industry partners around the world. Partnerships are absolutely necessary for the success of the FBI's counterterrorism mission.

Thank you again for having me here today. I'm happy to take your questions.

NOVEMBER 20, 2015

Mobilizing Against a "Preeminent Challenge of the Twenty-First Century": Countering Violent Extremism

Sarah Sewall

PREPARED REMARKS

THANK YOU, Matt and the Washington Institute for Near East Policy, for inviting me to speak with you all today. And, thank you for all the insightful and thought-provoking analysis you produce on a wide range of security challenges, including today's topic. I just wish it were not so timely.

One week ago, followers of ISIL brought their barbarism to the City of Light. In a coordinated and cowardly act of terror, they slaughtered 132 innocent lives and wounded over 350 others. Before that, they attacked peaceful shoppers in Beirut, demonstrators in Ankara, and vacationers in the Sinai. Earlier this week, suicide bombers struck a market in Kano killing at least 30 people. And just today, gunmen stormed a hotel in Bamako and took 170 hostages. These attacks are grim reminders that, more than a decade after 9/11, the global threat of terrorism has not receded—it has reconstituted and remains grave.

As we grapple with this spate of violence and steel ourselves for the struggle ahead, we must be careful to heed the lessons of the last decade. As President Obama said, the U.S. will never shy from using force to protect our citizens and allies, and we are intensifying the campaign to degrade and ultimately defeat ISIL with new strikes against their leaders, oil fields, and territory. We must continue to capture and kill terrorists of all stripes, whether they are fighting in Syria's civil war, fomenting insurgency in Mali or Iraq, plotting in safe havens in Libya, or slaughtering innocents in Nigeria. But at the same time, we must remember that no number of air strikes, soldiers, or spies can eliminate the complex motives and hateful ideologies that feed terrorism.

That is what I will discuss today—how the U.S. and a growing number of our partners around the world are mobilizing a broader approach to address the underlying forces that make people vulnerable to violent extremism. We call this broader approach Countering Violent Extremism, or CVE.

How did the U.S. come to push broader, civilian-led, and preventive efforts as an essential complement to our military and intelligence actions against terrorism?

There's a simple answer: learning.

Learning from more than a decade since the searing experience of 9/11—those lessons are particularly relevant in this current moment of heightened international outrage following the recent spate of attacks. After September 11, the U.S. arrayed extraordinary military and intelligence tools to dismantle terrorist networks abroad. Our efforts decimated core al-Qaeda leadership and prevented a catastrophic attack on the homeland.

The rise of ISIL epitomizes the evolution and endurance of violent extremism over the last decade.

Yet as we targeted al-Qaeda, its remnants dispersed and adapted. Some terrorist groups aligned with aggrieved communities by merging with regional militias or insurgencies. Others entered areas of failed governance and began controlling territory, resources, and populations. Many exploited digital platforms to disseminate twisted ideologies, recruit vulnerable individuals, and coordinate cells around the world.

The rise of ISIL epitomizes the evolution and

endurance of violent extremism over the last decade and the complex ways it can intertwine with other national security challenges like civil conflict and failing states. ISIL's ability to both hold territory with ground forces while simultaneously conducting and inspiring global attacks against soft targets makes it a threat at multiple levels.

Traditional "hard" approaches are insufficient for addressing the conditions making people vulnerable to joining these groups.

The continued spread and resurgence of ISIL's brand underscores that, while traditional "hard" approaches remain vital, they are insufficient for addressing the conditions that make people vulnerable to joining these groups in the first place—whether it's an individual halfway around the world, or an entire community that sees ISIL as a better bet than its own government.

As President Obama has said, "our military and intelligence efforts are not going to succeed alone; they have to be matched by political and economic progress to address the conditions that ISIL has exploited in order to take root." That is the rationale for what our government calls Countering Violent Extremism, or CVE.

While non-military means to address ideology or strengthen community resilience to violent extremism are not new, the Obama Administration has more fully developed them within a broader, preventive, and civilian-led framework and seeks to expand their role in how we address threats of terrorism at home, abroad, and in concert with our international partners.

Early in the Obama administration, the United

States began expanding our civilian tools to counter terrorist propaganda and build resilience in vulnerable communities.

In 2010, we established the Center for Strategic Counterterrorist Communications, or the CSCC, to amplify our counter-messaging efforts across the inter-agency. A year later, the U.S. Government began piloting development and other programs to build community resilience to violent extremism and counter radicalization abroad. It helped establish Hedayah, the first international center to support civilian-led approaches to counter violent extremism.

While all of these efforts fell under the moniker of CVE, the efforts remained modest, uncoordinated, under-resourced, and lacked an overarching national and international framework. That has begun to change over the last year, as the Obama Administration began broadening CVE in our practice at home and with partners abroad in three critical ways—which I will outline in turn.

First, CVE increasingly emphasizes prevention. It calls for pushing back against the recruitment methods terrorist groups use to target vulnerable individuals while providing those individuals with off-ramps from the path of radicalization. In doing so, CVE seeks to tighten the flow of recruits to the current generation of terrorist groups and better prevent the next one from emerging.

CVE also recognizes the need to address so-called "push" factors that make people vulnerable to call of violent extremism. This means helping governments and communities address the political, social, and economic grievances that terrorists exploit.

These grievances vary enormously, which explains how ISIL has drawn recruits from nearly every region and walk of life—from conflict-ridden provinces in western Iraq to working-class neighborhoods in Brussels. Their sources exist at the individual or community level, and some will be beyond a government's capacity to address.

But national governments have an impact in key areas. A recent study showed that over the last 25 years, up to 92 percent of all terrorist attacks have occurred in countries where state-sponsored violence—like torture and extra-judicial killings—was widespread.

But by governing effectively and inclusively, upholding the rule of law, respecting human rights, and avoiding heavy-handed responses to terrorist and other security threats, governments can reduce discontents that are exploited by violent extremist networks to mobilize recruits and support.

Of course, grievance alone cannot fully explain—and can never justify—

the rise of violent extremism. Whatever fertile soil enables terrorist radicalization, it is extremist ideology, propaganda, and terror networks that channel people to violence. A critical piece of CVE's preventive work is pushing back against the twisted beliefs and recruitment tactics that violent extremists wield to influence communities and target vulnerable individuals.

If we can identify when individuals begin their path to radicalization, law enforcement and community-level interventions can divert them. But this requires constructive relationships between at-risk communities and local officials rooted in mutual trust and respect.

When communities feel they can turn to local officials without fear of persecution, they are more likely to report suspicious activity and seek assistance for friends and family showing signs of radicalization. Yet such trust and respect are often absent in places in greatest need of this preventive work.

As we have seen in the U.S. with all variety of lone wolf actions who kill fellow citizens in schools or make threats, we lack strategies to assuredly prevent every individual from descending into violence. For radicalized individuals, imprisonment can be necessary to prevent violence. At this stage, CVE means ensuring that time spent behind bars helps individuals rehabilitate.

And finally, when former members of violent extremist groups are released from jail, or when current members become disillusioned and "want out," CVE requires finding secure and effective ways to reintegrate them into our communities.

CVE encompasses all of these efforts in a preventive, civilian-led framework that must be adapted to the local context. After all, the forces that can fuel violent extremism are remarkably complex, overlapping, and are oftentimes only apparent at the community level. Though national governments have an important role in all of this work, effectively addressing these complex forces requires a much broader set of actors.

Which brings us to the second core element of CVE: an emphasis on "whole of society" approaches. CVE calls for broadening the bench in the shared struggle against violent extremism to include local officials, businesses, religious leaders, researchers, women, youth, and even former members and victims of violent extremist groups.

Local leaders are better positioned to cultivate partnerships in their communities. As President Obama said in Ankara earlier this week while discussing our strategy to defeat ISIL, "if you do not have local populations that are committed to inclusive governance and who are

pushing back against ideological extremes, they resurface."

What does a "whole of society" CVE effort look like? Essentially, it is reinforced trust and cooperation among government and people, with local actors empowered to contribute to this shared struggle. Mainstream religious leaders are critical CVE actors for several reasons. They can teach tenets of faith to vulnerable youth searching for spiritual guidance. But mainstream religious voices feel too vulnerable to speak out or lack of tools to communicate widely, CVE efforts can help protect and empower them as messengers of tolerance.

Civil society can help youth develop a sense of purpose through civic engagement. Women are often the first to detect warning signs of radicalization and can help off-ramp children into alternative opportunities. Young people are some of the most persuasive voices against violent extremism among their peers. And few have greater credibility to debunk terrorist lies and propaganda than former members and victims of violent extremist groups.

The U.S. has shifted its CVE efforts at home

Civil society can help youth develop a sense of purpose through civic engagement.

and galvanized a global movement to reflect this "whole of society" approach. As the CSCC steps up efforts to push back against terrorist propaganda online, it now does more to empower credible voices outside government by connecting them with at-risk individuals and equipping them with effective counter-messages. For example, a recent campaign under the hashtag "Why

They Left Daesh" gave defectors a platform to dissuade potential recruits by exposing the brutality of life under the so-called Islamic State.

Actors outside of national government have also assumed greater roles in this shared struggle. Earlier this year, young leaders from every region gathered at the first-ever Global Youth CVE Summit to showcase innovative tools they developed to counter the appeal of violent extremism among their peers.

At home, Boston, Minneapolis, and Los Angeles have seen local officials partner with educators, social service providers, academics, and community leaders to build resilience to violent extremism through holistic and tailored approaches.

Last September, mayors from around the world launched the Strong Cities Network to exchange good practices for building local resilience against violent extremism. Today in Aarhus, Denmark, the Network is wrapping up its first event to explore how best to develop city-level tools and partnerships for CVE. Local communities are on the front lines of this struggle. Few cities appreciate that more than Paris, so it is fitting that it will host the Network's first annual summit next spring.

The attacks in Mali and Paris, and before that in Beirut and Ankara, underscore the global reach of violent extremism. The breadth of this threat suggests the importance of directing our CVE efforts effectively.

Which brings me to the third aspect of CVE: focusing on the most vulnerable individuals and communities using evidence-based approaches.

No government can fully eliminate discontents and grievances that terrorists exploit to recruit individuals or mobilize whole communities. Here in the U.S., the case of individual 'lone wolves' who have no prior affiliation with ISIL's nominal aims, let alone with Islam, are a growing concern that shows the difficulty—just as the rash of school shootings—of prevention at an individual level. But where there is evidence that terrorist propaganda is luring recruits, we should prioritize CVE efforts to help communities protect their children from the siren call of violent extremism.

Identifying these vulnerabilities and underlying forces requires rigorous analysis and research, which are also vital for measuring the impact of CVE efforts so that we invest in the most effective approaches and can course-correct as needed. Though we still have much to learn, we are making progress.

For example, on the international CVE front, the Department of State recently established a new unit within the Bureau of Conflict and Stabilization Operations to analyze the underlying drivers of violent extremism in different global contexts. This analysis feeds into a new State initiative

to develop CVE programming through an integrated and holistic process. Now, State is launching CVE pilot programs in Africa focused on the most at-risk communities and key drivers of radicalization with carefully tailored, evidence-based approaches.

We also look to actors outside government, like the Washington Institute, for contributions to this research and analysis. A few months ago, I attended the launch RESOLVE, a new network for researchers, especially those at the local level, to share their findings and resources as they uncover the community-level drivers of violent extremism and most effective remedies to address them. I encourage The Washington Institute to support this network by contributing its own scholarship or by mentoring local researchers.

In summary, the three tenets of CVE are: preventing more individuals and communities from aligning with violent extremist movements, partnering with a broader range of actors for a "whole of society" approach, and focusing on the most vulnerable communities. In doing so, CVE seeks to the move U.S. counterterrorism toward a more proactive, affirmative, and preventive approach. By containing the spread of terrorist threats, CVE is an essential complement to military efforts, from drone strikes in Libya to the global campaign against ISIL. CVE makes it more likely that our hard security approaches can succeed. This is not a question of 'either' 'or'—this complex and generational threat requires 'both.'

Over the last two years, the Obama administration has dramatically elevated CVE in the international agenda and focused the world on the need for more holistic, civilian-led efforts to prevent the rise and spread of violent extremism. This effort kicked into high gear last February at the White House Summit on Countering Violent Extremism, where representatives from foreign governments, multilateral bodies, civil society, business, and the faith community outlined a concrete action agenda to put the CVE approach into practice around the world. When participants gathered again this past September to review progress, the global CVE movement had grown to more than 100 countries, 20 multilateral bodies, and 120 civil society groups with much to report.

Governments in every region had stepped up to engage new states, municipal governments, civil society, and the private sector around CVE. Several countries had developed National CVE Action Plans with meaningful roles for nongovernment actors. The United Arab Emirates established a regional messaging center to counter violent extremist propaganda, and Nigeria, Malaysia, and the Organization for Islamic Cooperation have announced plans to do the same.

Multilateral bodies like The World Bank and the United Nations have become increasingly engaged in CVE. And in the coming months, Secretary-General Ban Ki-moon will release his plan of action to mobilize a "whole of UN" response to violent extremism that outlines steps for all UN bodies and member states to contribute to this shared struggle.

While these developments are positive and hopeful, we are mindful of the challenges ahead. It is no secret that many of our closest partners for

Multilateral bodies like the World Bank and the United Nations have become increasingly engaged in CVE.

counterterrorism may publicly welcome a more civilian-led approach, but in practice continue to rely on short-term and often heavy-handed responses that do little to address the underlying conditions that enable violent extremism to take root.

That is why the Obama administration continues to press the case for CVE around the world, fully aware that changes in the government behavior require tough and persistent engagement. Even as the President has committed the U.S. to military efforts, we will not shy from explaining to our international partners how respecting human rights, upholding the rule of law, and empowering civil society are inseparable from the larger struggle against violent extremism. In fact, our in-house analysis shows that violent extremist groups are up to four times more likely to emerge in states that do not respect human rights.

In Secretary Kerry's recent trip to Central

Asia, he echoed this point, warning that "terrorism is not a legitimate excuse to lock up political opponents, diminish the rights of civil society or pin a false label on activists who are engaged in peaceful dissent…Practices of this type are not only unjust but counterproductive; they play directly into the hands of terrorists." So too, warned President Obama, does xenophobic rejection of Syrian refugees, which is a rejection of our fundamental values and feeds directly into terrorist narratives.

The CVE effort becomes especially critical during this moment of heightened grief and anger.

The CVE effort becomes especially critical during this moment of heightened grief and anger. As the world demands justice for ISIL's recent crimes and continued savagery, it can become easy to rely exclusively on hard security actions in a quest for "immediate results." Similarly, it can be tempting to invoke counterterrorism as a pretext to disregard human right and discount more complex, longer-term approaches.

So as we intensify the global campaign against ISIL's territory, finances, and followers abroad, we cannot lose sight of the fundamental truth that no bomb, bullet, or wiretap can address the complex factors and hateful ideologies that feed violent extremism. We will break violent extremism through not only our force of arms, but by upholding our values and empowering our communities.

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