
Stemming the Flow of Terrorist Financing: Practical and Conceptual Challenges

MATTHEW LEVITT

On November 5, 2002, Germany's chief of foreign intelligence warned that the risk of new and devastating al-Qaeda attacks in Europe has reached new heights. Three days later, the chief of Interpol also stated that al-Qaeda was planning a "large-scale terrorist operation" targeting multiple countries at once.¹ The same day, Britain's Home Office warned that intelligence shows an ongoing pattern of al-Qaeda activity, and cautioned that these "dedicated fanatical extremists" will indeed inflict whatever damage they can. An early version of the alert, subsequently amended, warned of possible chemical or "dirty bomb" attacks.²

Attacks such as these target civil society itself. In light of Europe's proactive counterterrorism efforts over the past year, al-Qaeda is just as likely to target Spain, Italy, and other European powers, much as it has already struck Germany and France, who lost citizens to al-Qaeda attacks in Tunisia and Pakistan, respectively. To be sure, al-Qaeda, its affiliated groups, and other international terrorist organizations will continue to attempt to carry out increasingly heinous attacks; all too often they will succeed. It is a painful reality that no counterterrorism technique or effort, however extensive, international, or comprehensive, will put an end to such attacks or uproot terrorism. There will always be people and groups with entrenched causes, an overwhelming sense of frustration, a self-justifying worldview, and a healthy dose of evil, who will resort to violence as a means of expression. The goal of counterterrorism, therefore, should be to constrict the

Matthew Levitt, a former FBI counterterrorism intelligence analyst, is a Senior Fellow in Terrorism Studies at The Washington Institute for Near East Policy and a Ph.D. candidate at The Fletcher School of Law and Diplomacy.

environment in which it is increasingly difficult for terrorists to carry out their plots of destruction and death. This includes cracking down not only on operational cells, but on their logistical and financial support networks as well.

THE MONEY TRAIL

The synchronized suicide attacks of September 11, 2001, highlighted the critical role financial and logistical support networks play in the operations of international terrorist organizations. The challenge in tackling these networks, however, is that they are well-entrenched, sophisticated, and often shrouded in a veil of legitimacy (such as operating under the camouflage of purportedly charitable or humanitarian activity).³

The investigative value of following the trail of terrorist financing has long been known. Then-FBI Director Louis Freeh testified before Congress in 1999 that a shortage of funds prevented the 1993 attack on the World Trade Center from being as devastating as it otherwise could have been. After his capture in 1995, Ramzi Yousef, the convicted mastermind behind the 1993 bombing and other attacks, admitted that the terrorists were unable to purchase sufficient material to build as large a bomb as they had intended because they were strapped for cash. In fact, the operation itself was rushed and carried out earlier than planned because the cell simply ran out of money. In the end, the terrorists' attempt to reclaim the deposit fee on the rental truck used to transport the bomb provided a key break in the case.⁴

The al-Qaeda suicide hijackings underscored not only the post-blast investigative utility of tracking the money trail, but also drove home the critical need to preemptively deny terrorists the funds they need to conduct their attacks. Early

Financial analysis provided some of the earliest evidence proving the synchronized suicide hijackings were an al-Qaeda operation.

financial leads in the September 11 investigation established direct links between the hijackers of the four flights, identified co-conspirators, and led investigators to logistical and financial support cells in Germany and elsewhere in Europe as well as in the Gulf. Financial leads pointed to key al-Qaeda operatives and money-men such as Ramzi Bin al-Shibh in Germany and Mustafa Ahmed al-Hasnawi in the United

Arab Emirates. Financial analysis provided some of the earliest evidence proving the synchronized suicide hijackings were an al-Qaeda operation, and linked the German cell, the hijackers, and Zacarias Moussaoui. Wire transfers between Moussaoui and Bin al-Shibh played a crucial role leading to Moussaoui's indictment for his role in the attacks. Financial investigation also established links

between Moussaoui and members of the al-Qaeda associated cell of Jama'ah al-Islamiah terrorists arrested in Malaysia.⁵

CRACKING DOWN ON TERRORIST FINANCING

Clearly, following the money trail represents a critical and effective tool both in reacting to terrorist attacks and in engaging in preemptive disruption efforts to prevent future attacks. Since September 2001, America—together with many of its allies—has spearheaded a groundbreaking and comprehensive disruption operation to stem the flow of funds to and among terrorist groups. Combined with the unprecedented law enforcement and intelligence efforts to apprehend terrorist operatives worldwide and thereby constrict the space in which terrorists can operate, cracking down on terrorist financing denies them the means to travel, communicate, procure equipment, and conduct attacks. Though the amount of money frozen internationally remains negligible, the impact of freezing terrorists' assets can be significant if the right accounts, companies, or front organizations are shut down. Denying terrorists access to their preferred means of raising, laundering, and transferring funds complicates their efforts to conduct their activities.

The environment in which terrorists raise, launder, and transfer funds to further their activities remains all too permissive.

And yet, when it comes to cracking down on terrorist financing, we have barely skimmed the surface. Much remains to be done. The environment in which terrorists raise, launder, and transfer funds to further their activities remains all too permissive, while the international effort to constrict this environment remains insufficiently coordinated. Cracking down on terrorist financing demands an all-encompassing approach to have any chance of successfully disrupting terrorist activity. It must target the full array of groups, individuals, businesses, official and unofficial banking systems, criminal enterprises, and purportedly humanitarian organizations that finance terrorism.⁶

The Financial Action Task Force on Money Laundering (FATF) has, in fact, laid the groundwork for establishing a baseline of international standards for combating terrorist financing. FATF, an inter-governmental body co-chaired by the United States and Spain and focused on developing and promoting national and international policies to combat money laundering, issued a list of eight "special recommendations" on curbing terrorist financing as a starting point for governments,⁷ as well as a report offering guidance to financial institutions on "detecting the techniques and mechanisms used in the financing of terrorism."⁸ In civil societies, counterterrorism efforts are often most effective—especially

regarding terrorist financing—when public and private sectors work together.

The Financial Action Task Force's eight special recommendations are:

- Ratifying and implementing UN instruments
- Criminalizing the financing of terrorism and associated money laundering
- Freezing and confiscating terrorist assets
- Reporting suspicious transactions related to terrorism
- Formalizing greater international cooperation through treaties or other agreements
- Licensing and registering businesses engaged in alternative forms of remittance
- Requiring accurate and meaningful originator data for wire transfers
- Reviewing the adequacy of laws regulating non-profit organizations

PRACTICAL OBSTACLES TO COMBATING TERRORIST FINANCING

These recommendations, while extremely broad and beset by cultural, institutional, and other practical obstacles to implementation, are nonetheless a strong starting point. For example, fully implementing the 1999 UN International Convention for the Suppression of the Financing of Terrorism, even if accompanied by the implementation of UN Security Council Resolution 1373 and other related resolutions, is a praiseworthy objective, but it is likely to have little impact on terrorists' continued

Without international cooperation, we are left with a patchwork of domestic, bilateral, and regional efforts that at best work in parallel but not complimentary fashion, and at worst work at cross-purposes.

ability to raise funds. The United Nations' Counterterrorism Committee (CTC) is not empowered to sanction noncompliant countries. It plays a purely advisory role and will primarily affect those countries inclined toward and already trying to curb terrorist financing, while failing to address the problem of uncooperative states.

In fact, this is just a subset of the larger challenge of international cooperation. While the need for international cooperation cannot be overstated, there is no one central organization dedicated to combating

terrorist financing. The global nature of today's terrorist threat stems not only from the targets of attacks, but also from the global marketplace, in particular the cross-border opportunities created by the global financial and communications markets. Without international cooperation, we are left with a patchwork of domestic, bilateral, and regional efforts that at best work in parallel but not complimentary fashion, and at worst work at cross-purposes. There is a need for an

international organization dedicated to fighting terrorist financing that would support, reinforce, coordinate, and centralize the ad hoc efforts of the FATF, the UN Counterterrorism Committee, the Egmont Group, the European Union, and many other organizations and committees. It could set standards and procedures for designating individuals or groups as terrorist entities, regulating “charitable” and “humanitarian” organizations as well as official and unofficial banking systems, and for reporting suspicious financial activity.

America, for example, has a variety of terrorism records that are not necessarily complimentary.⁹ Individual European countries, the European Union, and the United Nations each have their own lists. Moreover, there is a host of terrorist entities designated by individual countries or pairs or groups of countries—but no single document exists

Individual states should pass domestic legislation to facilitate freezing terrorists' funds and cracking down on terrorists' logistical and financial support networks.

that embodies all the necessary information. Central to any effort to institute greater international cooperation on this front is the need to find a way of sharing intelligence on suspected terrorist entities while protecting sources and methods.

It is critical, therefore, as recommended in a recent report commissioned by the Council on Foreign Relations, that the international community establish a specialized international organization whose sole purpose would be to combat terrorist financing.¹⁰

The need to criminalize terrorist financing and money laundering domestically is also critical in the global antiterrorism campaign. Individual states should pass domestic legislation to facilitate freezing terrorists' funds and cracking down on terrorists' logistical and financial support networks. Terrorist fundraising and laundering must also incur sufficient penalties so as to deter disenchanted recruits from participating in the activities of their more fanatic associates. In the United States, for example, while it is illegal to provide material support to a designated terrorist organization, it is not illegal to be a member of such an organization. Terrorists are aware of the shortcomings and limitations of our domestic legal systems and proactively exploit these gaps to their advantage. They raise tremendous amounts of money in the United States and Western Europe, abuse broad freedom of speech laws in Britain, exploit privacy laws in Germany, and manipulate banking laws in countries that allow offshore accounts. They knew, for example, that until recently Switzerland was the best place to purchase a certain type of prepaid international cell phone because purchasers there were required to provide no identifying information (making tracing calls from that phone almost impossible).¹¹

In order to deny terrorists easy access to the international financial system

for the purpose of laundering and transmitting funds, all manner of official and unofficial remittance systems must be regulated, from Hawala¹² to major international banks. Moreover, suspicious activities must be reported in a timely and efficient manner. The FATF's guidance to financial institutions is a strong step in this direction. A painful footnote to the events of September 11, 2001, is that while some of the hijackers' financial transactions were sufficiently suspicious to warrant reporting, none of those reports reached the proper authorities until after 9/11 because of the inefficiency of the reporting system.¹³

Terrorists raise funds through a variety of businesses, criminal enterprises, and front organizations, each of which is significant in its own right, and all the

A painful footnote to 9/11 is that while some of the hijackers' financial transactions were sufficiently suspicious to warrant reporting, none of those reports reached the proper authorities until after the tragedy.

more so when applied in tandem. Purportedly charitable and humanitarian organizations, however, have played a particularly disturbing role in terrorist financing and present an especially sensitive challenge, as authorities are faced with a difficult task of discerning between legitimate charity organizations, those unknowingly hijacked by terrorists who divert funds to finance terrorism, and others proactively engaged in supporting terrorist groups.¹⁴

International cooperation and domestic enforcement of antiterrorism initiatives present some of the most testing *practical* challenges to stemming the flow of terrorist financing. Their success is further impaired by two *conceptual* obstacles to tough measures against terrorist financing: debunking the myth of distinct wings within terrorist organizations, and untangling the terror web.

DEBUNKING THE MYTH OF THE "WINGS"

On May 3, 2002, the EU added 11 organizations and seven individuals to its financial-blocking list of "persons, groups, and entities involved in terrorist acts." The action was particularly significant because it marked the first time that the EU froze the assets of non-European terrorist groups.

The EU list now includes the Taliban, al-Qaeda, Palestinian Islamic Jihad (PIJ), the Iranian dissident group Mujahedin-e-Khalq, and the Izz al-Din al-Qassem Brigades (the military wing of Hamas). It also includes the Kurdistan Workers' Party (PKK), which has recently adopted a new name, the Kurdistan Freedom and Democracy Congress (Kadek).¹⁵

Far more telling than the names that were added to the list, however, are

the names that were omitted—Hizbollah, the Popular Front for the Liberation of Palestine (which was later added), and Hamas itself. According to press accounts, the EU was looking to maintain a distinction between terrorist groups' political and charitable activities on the one hand, and their direct terror wings on the other.¹⁶ Consistent with this interpretation, the EU placed several individual Hizbollah terrorists on its list, but not the organization itself. This implies that these Hizbollah operatives somehow work independently of the group that recruits, trains, and funds them for terror missions. Similarly, listing only the military wing of Hamas but not the group itself suggests that Hamas is solely a charitable and political organization somehow disconnected from the heinous suicide bombings coordinated, funded, and lauded by its leaders in the Palestinian territories and Syria. In fact, Hamas' social welfare support organizations play a direct role in facilitating its terrorist attacks, including suicide bombings. A November 5, 2001, FBI memorandum on the Holy Land Foundation for Relief and Development, which served as a Hamas front organization in the United States until it was closed down in December 2001, provided convincing evidence that social welfare organizations (e.g., charity committees and hospitals) form the core of the logistical and financial support network for Hamas, including support for terror attacks.¹⁷

A key lesson learned so painfully on September 11, 2001, is that counterterrorism efforts must target logistical cells with the same vigor as operational cells. The 19 hijackers were funded and facilitated by dozens of individuals, front organizations, and affiliates that provided essential logistical support. Long-term logistical planning also went into the bombing of the USS Cole and the embassies in East Africa. Accordingly, individuals, groups, or states that provide funds, travel documents, training, or other support for terrorist activity are no less important to a terrorist network than the operatives who detonate the bomb, pull the trigger, or crash the airplane. The very "wings" of Hamas, Hizbollah, and other groups that some are reluctant to recognize as terrorist are the ones engaged in terrorist financing. September 11, 2001, was, in part, the result of this fundamentally flawed distinction between "good" and "bad" terrorists. Among the terrorists subsequently linked to the plot are a disturbing number of individuals in the countries that, while previously known to authorities as harboring or supporting Islamic extremists (and in some cases the subjects of surveillance), were not assigned the priority they deserved because they were merely "terrorist supporters," not actual "terrorist operatives." Similarly, low priority was assigned to eliminating the permissive operating environment provided by states

Far more telling than the names that were added to the EU financial-blocking list are the names that were omitted.

that allow terrorists to maintain facilities on their territory, largely on the grounds that these states did not themselves directly plan and execute terrorist attacks.

Interestingly, the EU's decision to distinguish between the political and military wings of these terrorist organizations came at the same time that Spain

The very "wings" of Hamas, Hizbollah, and other groups that some are reluctant to recognize as terrorist are the ones engaged in terrorist financing.

boldly moved in the opposite direction on its own home front. Referring to pending Spanish legislation outlawing Batasuna, the political party affiliated with the terrorist group Basque Homeland and Liberty (ETA), Spanish prime minister Jose Maria Aznar stated, "I make no distinction between terrorists, none at all, whether they are here in the Basque country or in New York. Nothing can justify a terrorist act."¹⁸ Spain's law would outlaw any group that "encourages hatred, violence and social confrontation to further its political objectives"¹⁹—a criterion that Hizbollah, Hamas, and the PFLP easily meet. Noting Batasuna's refusal to condemn ETA terrorist attacks, a leader of the Basque Socialist party observed that "in a democracy you cannot allow political groups to mock the system by acting as shields for terrorists."²⁰ In fact, if authorities are serious about cracking down on terrorist financing, they must not only "not allow" the purportedly political or social-welfare "wings" of terrorist groups to flourish, but must also take concrete steps to disrupt their activities. After all, it is there that the fundraising, laundering, and transferring takes place.

UNTANGLING THE TERROR WEB: AL-QAEDA IS NOT THE ONLY ELEMENT

The German intelligence's November warnings highlighted once more why attention has been focused on al-Qaeda and its affiliates since September 11, 2001. A year on, however, other Middle Eastern terrorist groups and state sponsors of terrorism still receive inconsistent attention despite a sharp rise in their activity. In fact, militant Islamist groups from al-Qaeda to Hamas interact and support one another in an international matrix of logistical, financial, and sometimes operational terrorist activity. Inattention to any one part of the web of militant Islamist terror undermines the effectiveness of measures taken against other parts of that web.²¹

September 11, 2001, produced a political will, markedly absent after previous attacks, to take concrete action to counter and disrupt the terrorist threat to America and its allies. Yet, while efforts targeting Osama bin Laden and his associates are concerted and continuous, similar efforts are lacking when it comes

to other terrorist groups of global reach and state sponsors of terrorism. In the months after September 2001, groups such as Hamas and Hizbollah were placed on new U.S. government terrorism lists, and Hamas' primary front organization in America was shut down. Since then, these groups have received only fleeting attention in the U.S. and even less in Europe, although the links between terrorist groups reveal a matrix of illicit activity on an international scale. Consider the following examples of the terror web:

- On February 15, 2002, Turkish police arrested two Palestinians and a Jordanian who entered Turkey illegally from Iran on their way to conduct bombing attacks in Israel. The three were members of Beyyiat el-Imam (a group linked to al-Qaeda) who fought for the Taliban and received terrorist training in Afghanistan. They were dispatched by Abu Musab Zarqawi, then in Iran and now believed to be in Syria after receiving medical treatment in Iraq.²² Zarqawi has been linked to Hizballah, as well as to a terrorist cell apprehended in Germany that had been operating under the name Tawhid.²³ German prosecutors announced that the group, tied to the recently arrested Abu Qatada in Britain but controlled by Zarqawi, was planning to attack U.S. or Israeli interests in Germany. Eight men were arrested, and raids yielded hundreds of forged passports from Iran, Iraq, Jordan, Denmark, and other countries.²⁴

Inattention to any one part of the web of militant Islamist terror undermines the effectiveness of measures taken against other parts of that web.

- The International Islamic Relief Organization (IIRO) finances the activities of a diverse cross-section of international terrorist groups. From 1986 to 1994, bin Laden's brother-in-law Muhammad Jamal Khalifa headed the IIRO's Philippines office, through which he channeled funds to al-Qaeda affiliates, including Abu Syyaf and the Moro Islamic Liberation Front.²⁵ In 1999, an IIRO employee in Canada was linked to the Egyptian Islamic Jihad.²⁶ More recently, official Palestinian documents seized by Israeli forces in April 2002 established that the IIRO donated at least \$280,000 to Palestinian charities and organizations that U.S. authorities have linked to Hamas.²⁷
- The al-Taqwa banking system, which was added to U.S. terrorism lists in November 2001 because of its al-Qaeda links, was established in 1988 with financing from the Egyptian Muslim Brotherhood.²⁸ According to the U.S. Treasury Department, "\$60 million collected annually for Hamas was moved to accounts with Bank al-Taqwa,"²⁹ whose shareholders include

known Hamas members and individuals linked to al-Qaeda.³⁰ A 1996 report by Italian intelligence further linked al-Taqwa to Hamas and other Palestinian groups, as well as to the Algerian Armed Islamic Group and the Egyptian al-Gama'a al-Islamiyya.³¹

- According to U.S. officials, shortly after Palestinian violence erupted in September 2000, Iran assigned Imad Mughniyeh, Hizbollah's international operations commander, to help Palestinian militant groups, specifically Hamas and Palestinian Islamic Jihad (PIJ).³² According to a former Clinton administration official, "Mugniyah got orders from Tehran to work with Hamas."³³ In fact, in the March 27, 2002, "Passover massacre" suicide bombing, Hamas relied on the guidance of a Hizbollah expert to build an extra-potent bomb.³⁴ In June 2002, Iran gave PIJ a 70-percent increase in funds, and Tehran continues to train terrorists at camps in Lebanon's Beka'a Valley and in Iran proper.³⁵ Iran also provides safe haven to two senior al-Qaeda fugitives who head the group's military committee, as well as to dozens of other al-Qaeda personnel.³⁶ According to an Arab intelligence officer, some al-Qaeda operatives were instructed to leave the country, but were told that "they may be called on at some point to assist Iran."³⁷

Despite an impressive collection of statements from world leaders (e.g., "there are no good terrorists" and "if you house a terrorist, you are a terrorist"),³⁸ such rhetoric has not been followed by a fully articulated policy or persistent action against the operational, logistical, and financial network of terror groups and state sponsors outside of the al-Qaeda fold. The multifarious logistical links between international terrorist groups (including al-Qaeda, Hamas, and Hizbollah), and their relationships to state sponsors of terrorism such as Iran and Syria, are most entrenched in the realm of terrorist financing. To ignore these links is to forfeit hope of any real progress toward stemming the flow of funds to terrorist groups. The War on Terror must have a strategic focus on the full matrix of international terrorism, including all its parts and all its members. The next phase of the war on terror—and of the war on terrorist financing in particular—demands greater international cooperation and more focused attention to the web of logistical and operational interaction among these various terrorist groups and state sponsors. ■

NOTES

- 1 "Large-Scale al Qaeda Attack Planned, Interpol's Chief Says," *Associated Press*, November 8, 2002.
- 2 Alan Travis and Nicholas Watt, "Ministers step up terror alert Extremists may resort to use of poison gas and 'dirty bombs,'" *The Guardian*, November 8, 2002.
- 3 Examples of purportedly humanitarian organizations that functioned as fronts for terrorist groups include the Holy Land Foundation for Relief and Development (Hamas, USA), the International Islamic Relief Organization (al-Qaeda, Abu Sayyaf, Hamas, and others, Saudi Arabia), the Benevolence International Foundation (al-Qaeda, Bosnia and USA), and the al Haramain Islamic Foundation (al-Qaeda, Saudi Arabia,

- Bosnia, Somalia, Southeast Asia). See "Charitable and Humanitarian Organizations in the Network of International Terrorist Financing," Testimony of Matthew A. Levitt before the Subcommittee on International Trade and Finance, Committee on Banking, Housing, and Urban Affairs, United States Senate (August 1, 2002), <<http://www.washingtoninstitute.org/media/levitt/levitt080102.htm>>. See also Matthew Levitt, "Tackling the Financing of Terrorism in Saudi Arabia," The Washington Institute for Near East Policy, PolicyWatch #609, March 11, 2002, <<http://www.washingtoninstitute.org/watch/index.htm>> (accessed December 12, 2002); Judith Miller, "Some Charities Suspected of Terrorist Role; U.S. Officials See Muslim Groups Linked to bin Laden and Others," *The New York Times*, February 9, 2000.
- 4 "Statement for the Record of Louis J. Freeh, Director Federal Bureau of Investigation, on President's Fiscal Year 2000 Budget," February 4, 1999, <<http://www.fbi.gov/congress/congress99/freehct2.htm>> (accessed December 11, 2002).
 - 5 "Statement for the Record Dennis M. Lormel, Chief, Financial Crimes Section Federal Bureau of Investigation," February 12, 2002, <<http://www.fbi.gov/congress/congress02/lormel021202.htm>> (accessed December 11, 2002).
 - 6 For a more detailed discussion of these trends, see "Charitable and Humanitarian Organizations in the Network of International Terrorist Financing."
 - 7 "Special Recommendations on Terrorist Financing," Financial Action Task Force on Money Laundering (FATF), October 31, 2001, <http://www1.oecd.org/fatf/pdf/SRecTF_en.pdf>.
 - 8 "Guidance for Financial Institutions in Detecting Terrorist Financing," Financial Action Task Force on Money Laundering (FATF), April 24, 2002, <http://www1.oecd.org/fatf/pdf/GuidFITF01_en.pdf>.
 - 9 See "Navigating the U.S. Government's Terrorism Lists," in Matthew Levitt, *Targeting Terror: U.S. Policy toward Middle Eastern State Sponsors and Terrorist Organizations, Post-September 11* (The Washington Institute, October 2002).
 - 10 Maurice R. Greenberg, Chair, "Terrorist Financing: Report of an Independent Task Force Sponsored by the Council on Foreign Relations," Council on Foreign Relations, October 2002, <<http://www.cfr.org/publication.php?id=5080>> (accessed December 11, 2002).
 - 11 "Sept 11 Terrorists Bought Mobile Phone Cards in Switzerland," Agence France Presse, August 8, 2002.
 - 12 Hawala, which means "trust," refers to an informal value transfer system. It is a cost-effective and quick method of transferring funds, and it operates outside the traditional international finance market. As explained in a paper prepared for Interpol, Hawala "works by transferring money without actually moving it." See <<http://www.interpol.int/Public/FinancialCrime/MoneyLaundering/hawala/default.asp#2>>. A person wanting to send money gives the money and a fee to a hawala broker (hawaladar). The broker contacts a broker in the recipient's country by phone, fax, or email, who then provides the money to the recipient based on a prearranged code word or number. Based on trust between the brokers, the books eventually balance out when a remittance is sent in the opposite direction.
 - 13 "The SAAR Activity Review: Trends, Tips, and Issues, Issue 4," published under the auspices of the Bank Secrecy Act Advisory Group, August 2002, <<http://www.fincen.gov/sarreview082002.pdf>>; see also "Statement for the Record," FBI Director Robert S. Mueller III, Joint Intelligence Committee Inquiry <<http://intelligence.senate.gov/0209hrg/020926/mueller.pdf>>.
 - 14 See "Charitable and Humanitarian Organizations in the Network of International Terrorist Financing."
 - 15 Council of the European Union, "Fight Against Terrorism, Updated List," May 3, 2002, <<http://ue.eu.int/pressData/en/misc/70413.pdf>> (accessed December 11, 2002), and Philip Shishkin, "EU Labels Dissidents in Iran As Terrorists, Pleasing Tehran," *Wall Street Journal*, May 3, 2002.
 - 16 Edward Alden and Michael Mann, "Brussels Moves To Block Assets of 11 Terrorist Organizations," *Financial Times*, May 3, 2002.
 - 17 See Dale L. Watson, assistant director for counterterrorism, Federal Bureau of Investigation, "Holy Land Foundation for Relief and Development, International Emergency Economic Powers Act, Action Memorandum," memorandum to R. Richard Newcomb, director of the Office of Foreign Assets control, U.S. Department of the Treasury, November 5, 2001.
 - 18 Keith Richburg, "A Close European Ally Hopes To Fortify U.S. Partnership," *Washington Post*, May 1, 2002.
 - 19 Leslie Crawford, "Madrid Seeks To Outlaw Basque Political Party," *Financial Times*, May 9, 2002. See also "Ban on Party Linked to ETA," CNN.com, June 26, 2002, <www.cnn.com/2002/WORLD/europe/06/25/spain.bata-suna/?related> (accessed December 11, 2002).
 - 20 Crawford, "Madrid Seeks To Outlaw Basque Political Party."
 - 21 For a complete study of this phenomenon, see Levitt, *Targeting Terror: U.S. Policy toward Middle Eastern State Sponsors and Terrorist Organizations, Post-September 11*.

-
- 22 Douglas Frantz and James Risen, "A Secret Iran-Arafat Connection is Seen Fueling the Mideast Fire," *The New York Times*, March 24, 2002, and David Kaplan, "Run and Gun: Al Qaeda Arrests and Intelligence Hauls Bring New Energy to the War on Terrorism," *U.S. News and World Report*, September 30, 2002.
- 23 Kaplan, "Run and Gun: Al Qaeda Arrests and Intelligence Hauls Bring New Energy to the War on Terrorism."
- 24 Philipp Jaklin and Hugh Williamson, "Terror Suspects Detained in Germany," *Financial Times*, April 24, 2002; Edmund L. Andrews, "German Officials Find More Terrorist Groups, and Some Disturbing Parallels," *The New York Times*, April 26, 2002.
- 25 Jay Solomon, "Manila Suspends Talks with Rebels after Allegations of al-Qaeda Links," *Wall Street Journal*, March 12, 2002.
- 26 *Minister of Citizenship and Immigration v. Mahmoud Jaballah*, Federal Court of Canada, Docket: Des-6-99, November 2, 1999. See also Laurie P. Cohen et al., "Bush's Financial War on Terrorism Includes Strikes at Islamic Charities," *Wall Street Journal*, September 25, 2001.
- 27 Israel Defense Forces, "Documents Captured by the IDF: Large Sums of Money Transferred by Saudi Arabia to the Palestinians Are Used for Financing Terror Organizations (Particularly the Hamas) and Terrorist Activities (Including Suicide Attacks inside Israel)," May 3, 2002, <www.idf.il/saudi_arabia/site/english/main_index.htm> (accessed December 11, 2002).
- 28 "The United States and Italy Designate Twenty-Five New Financiers of Terror," Department of the Treasury Office of Public Affairs, PO-3380, August 29, 2002, <<http://www.ustreas.gov/press/releases/po3380.htm>> (accessed December 11, 2002).
- 29 Testimony of Juan C. Zarate, Deputy Assistant Secretary, Terrorism and Violent Crime, U.S. Department of the Treasury, House Financial Subcommittee Oversight and Investigations, February 12, 2002.
- 30 Lucy Komisar, "Shareholders in the Bank of Terror?" *Salon.com*, March 15, 2002; and Mark Hosenball, "Terror's Cash Flow," *Newsweek*, March 25, 2002.
- 31 *Ibid.*
- 32 Frantz and Risen, "A Secret Iran-Arafat Connection."
- 33 *Ibid.*
- 34 Molly Moore and John Ward Anderson, "Suicide Bombers Change Mideast's Military Balance," *Washington Post*, August 17, 2002.
- 35 Ali Nouri Zadeh, "Islamic Jihad, Hamas, and the Palestinian Authority Meet in Iran," *al-Sharq al-Awsat* (London), June 8, 2002.
- 36 Peter Finn, "Al-Qaeda Deputies Harbored by Iran: Pair Are Plotting Attacks, Sources Say," *Washington Post*, August 27, 2002. See also "According to Reliable Arabic Security Sources, Arrested Members of al-Qaeda Uncovered, Iran Harboring Bin Laden's Aides," *al-Sharq al-Awsat* (London), August 29, 2002.
- 37 *Ibid.*
- 38 "President Shares Thanksgiving Meal with Troops," text of President George W. Bush's remarks to troops and families, Fort Campbell, Kentucky, November 21, 2001, <www.whitehouse.gov/news/releases/2001/11/20011121-3.html> (accessed December 11, 2002).
-