

Ranking Member Maxine Waters Statement on Terrorist Financing and the Islamic State

November 13, 2014

As prepared for delivery

“Thank you, Mr. Chairman for scheduling today’s hearing.

I would like to thank Under Secretary Cohen – and each of our other witnesses – for being here today.

I’m looking forward to hearing about the Administration’s efforts to degrade ISIL’s financial capability, and to review the effectiveness of our current legal framework in deterring terrorist financing and money laundering.

The Islamic State – also known as ISIL or ISIS – is an incredibly violent organization that has shown a particularly callous disregard for human life, employing shocking and brutal tactics that include beheading, mass murder and rapes, and more recently, allegations of chemical weapons use.

The group is a tremendously destabilizing force across large swaths of Iraq and Syria, and its brutal campaigns have appropriately drawn the condemnation of the broader international community.

In addition to the horrific massacres, kidnappings and decapitations, officials now believe that ISIL is one of the richest terrorist groups to ever exist, with estimated assets in excess of a billion dollars.

Unlike most other terrorist groups, which tend to rely heavily on foreign sponsors, ISIL generally raises its funds internally, limiting the opportunities traditionally available to the Treasury Department to cut them off from the formal financial system.

Regardless, Treasury’s ability to sanction and block assets remains vital to ensure that – over the long run – the United States and our allies can shut down any funds that are tied to illicit oil sales, extortion, and kidnapping for ransom.

And as we make progress in curtailing ISIL’s internal funding schemes, it may be forced to rely more heavily on types of funding that would most likely have to flow through the formal financial system.

To guard against this and all other efforts to finance terrorist activities, Treasury, our financial regulators, the Department of Justice, as well as Congress, must work diligently to strengthen the enforcement and deterrent value of our counter-terrorism and anti-money laundering laws.

Due to concerns that the Department of Justice and regulators have not met the task of holding banks – and their executives – sufficiently accountable for blatant violations of law designed to stanch the flow of funds to terrorist groups, I joined with my Democratic colleagues earlier this Congress in introducing legislation that would close loopholes, encourage the flow of information related to illicit activity, and strengthen civil powers to hold bank executives accountable for their role in safeguarding our national security, among other things.

I hope that as part of this Committee’s discussion of the “adequacy of international banking policies,” we take a hard look at the proposal that Democrats have put forth, but has yet to be considered by this Committee.”