

**Testimony of Lecia Brooks
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before the
Subcommittee on National Security, International Development and Monetary Policy
Committee on Financial Services
United States House of Representatives**

**Dollars against Democracy: Domestic Terrorist Financing in the Aftermath of Insurrection
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My name is Lecia Brooks. I am chief of staff of the Southern Poverty Law Center (SPLC).

Now in our 50th year, the SPLC is a catalyst for racial justice in the South and beyond, working in partnership with communities to dismantle white supremacy, strengthen intersectional movements, and advance the human rights of all people. SPLC lawyers have worked to shut down some of the nation's most violent white supremacist groups by winning crushing, multimillion-dollar jury verdicts on behalf of their victims. We have helped dismantle vestiges of Jim Crow, reformed juvenile justice practices, shattered barriers to equality for women, children, the LGBTQ+ community, and the disabled, and worked to protect low-wage immigrant workers from exploitation.

The SPLC began tracking white supremacist activity in the 1980s, during a resurgence of the Ku Klux Klan and other organized extremist hate groups. Today, the SPLC is the premier U.S. nonprofit organization monitoring the activities of domestic hate groups and other extremists. In the early 1990s, the SPLC launched its pioneering Teaching Tolerance program to provide educators with free, anti-bias classroom resources, such as classroom documentaries and lesson plans. Now renamed Learning For Justice, our program reaches millions of schoolchildren with award-winning curricula and other materials that promote understanding of our nation's history and respect for others, helping educators create inclusive, equitable school environments.

The SPLC Action Fund is dedicated to fighting for racial justice alongside impacted communities in pursuit of equity and opportunity for all. Along with our partners at the Southern Poverty Law Center (SPLC), we work primarily in the Southeast United States and have offices in Alabama, Georgia, Florida, Louisiana, Mississippi, and Washington, D.C. The SPLC Action Fund promotes policies and laws that will eliminate the structural racism and inequalities that fuel oppression of people of color, immigrants, young people, women, low-income people, and the LGBTQ+ community.

Each year since 1990, we have conducted a census of hate groups operating across the U.S., a list that is used extensively by journalists, law enforcement agencies and scholars, among others. In recent years, we have extensively investigated the use of internet technologies by hate groups and other far-right extremists to recruit young people; to network, build movements and

plan events; to raise funds; and to spread racist propaganda and conspiracy theories that demonize people of color, immigrants, Jews and other perceived enemies.

The violent insurrection at the U.S. Capitol on January 6 should serve as a wake-up call for Congress, the Biden administration, policymakers, internet companies, law enforcement, and public officials at every level. But we have had wake-up calls before – many of them, including Charleston in 2015, Charlottesville in 2017, and Christchurch, New Zealand, and El Paso in 2019. As we all saw last month, we can no longer afford inaction.

My testimony today will focus the state of the radical right today, particularly the white nationalist movement; how far-right extremists are exploiting internet technology to create a broader, more decentralized, and more dangerous movement – one that represents a clear and present danger to national security and our democratic, pluralistic society; how this movement finances itself in this decentralized paradigm; and what steps we must take to confront this threat.

The State of Domestic Extremism Today

The attack on January 6, which was coordinated in part by the Oath Keepers antigovernment militia group and the Proud Boys hate group,¹ was a phenomenon that has been years in the making.

Since the turn of the century, we have documented a sharp uptick in the number of U.S.-based hate groups. In 1999, we counted 457 hate groups. That number more than doubled – to 1,018 – by 2011, two years into the Obama administration. The most important factor driving this increase, in our view, is fear and resentment over the nation’s rapidly changing demographics. The U.S. Census has projected that sometime in the 2040s white people will no longer hold a numeric majority in the United States.

After 2011, hate group numbers declined steadily, to a low of 784 by 2014.

Then beginning in 2015, we saw another surge – a 30% cumulative growth over the next four years. That was the year that Donald Trump launched a presidential campaign in which he denigrated Mexicans as “rapists,” criminals and drug dealers while promising to “build a wall” at the southern border to keep immigrants from coming into our country. By 2018, hate groups had risen to a record-high 1,020. We found that white nationalist groups the same year rose by almost 50% – from 100 to 148 – over the previous year.²

Trump has been a tremendous radicalizing force in the U.S. Avowed white supremacists and many other Americans with white supremacist leanings saw him as a champion of their

¹ Jennifer Valentino-DeVries, Denise Lu, Eleanor Lutz, and Alex Leeds Matthews, “A Small Group of Militants’ Outsize Role in the Capitol Attack,” *The New York Times*, Feb. 21, 2021.

<https://www.nytimes.com/interactive/2021/02/21/us/capitol-riot-attack-militants.html?action=click&module=Top%20Stories&pgtype=Homepage>

² Heidi Beirich, “The Year in Hate: Rage Against Change,” *Intelligence Report*, Feb. 20, 2019, <https://www.splcenter.org/fighting-hate/intelligence-report/2019/year-hate-rage-against-change>.

cause – an avatar for white grievance. Long before he took office, he embraced and helped propagate the kind of false conspiracy theories that animated far-right extremists and helped to push their radical ideologies into the political and media mainstream. He was, for example, the most prominent purveyor of the “birther” myth, that President Barack Obama was born in Kenya and, therefore, not a legitimate president.

His campaign and election electrified the white nationalist movement and other far-right extremists. On August 16, 2016, America’s most prolific conspiracy theorist, Alex Jones said, “It is surreal to talk about issues here on air, and then word-for-word hear Trump say it two days later.”³ Trump was, in fact, a fan of Jones, a man who claimed that the 2012 Sandy Hook massacre of schoolchildren was staged and that the victims and their grieving parents were actors. In December 2015, Trump appeared on Jones’ InfoWars broadcast and declared Jones’ reputation “amazing.” He told the internet fabulist, “I will not let you down. You will be very impressed, I hope, and I think we’ll be speaking a lot.”

After he took office, Trump continued to use his platform to promote the baseless conspiracy theories and fabrications of the radical right, many of them freighted with racial and antisemitic undertones.⁴

Hate group leaders rallied behind the new president. The day after he was elected, Andrew Anglin, founder of the neo-Nazi website Daily Stormer (which takes its name from the German, Nazi-era propaganda sheet known as *Der Stürmer*), posted, “We Won. Our Glorious Leader has ascended to God Emperor. Make no mistake about it: we did this.”⁵ During a gathering just blocks from the White House shortly after the election, white nationalist alt-right leader Richard Spencer – who later played a prominent role in the Charlottesville, Virginia, Unite the Right rally – prompted Sieg Heils from audience members after quoting Nazi propaganda in German. He responded by shouting, “Hail Trump! Hail our people! Hail victory!”⁶ In late January, former Klan leader David Duke tweeted: “everything I’ve been talking about for decades is coming true and the ideas I’ve fought for have won.” He had earlier tweeted that “our people played a HUGE role in electing Trump!”⁷

In office, Trump continued to energize the white nationalist movement through both his words and his policies. He famously insisted there were “very fine people” among the hundreds of neo-Nazis and other white supremacists who marched in the streets of Charlottesville in August 2017, shouting slogans like “Jews will not replace us.”⁸ In 2018, he called Haiti and

³ Tim Murphy, “How Donald Trump Became Conspiracy Theorist in Chief,” *Mother Jones*, Nov./Dec. 2016. <https://www.motherjones.com/politics/2016/10/trump-infowars-alex-jones-clinton-conspiracy-theories/>.

⁴ Ryan Lenz and Booth Gunter, “100 Days in Trump’s America,” Southern Poverty Law Center, April 27, 2017, <https://www.splcenter.org/20170427/100-days-trumps-america#conspiracy>.

⁵ Andrew Anglin, “We Won,” Daily Stormer, Nov. 9, 2016, <https://dailystormer.su/we-won/>.

⁶ Joseph Goldstein, “Alt-Right Gathering Exults in Trump Election with Nazi-Era Salute,” *The New York Times*, Nov. 20, 2016, https://www.nytimes.com/2016/11/21/us/alt-right-salutes-donald-trump.html?_r=0

⁷ David Duke (@DrDavidDuke), Twitter, Nov. 9, 2016, <https://twitter.com/drdaidduke/status/796249464826687488?lang=en>.

⁸ Ashley Parker, “How Trump Has Attempted to Recast His Response to Charlottesville,” *The Washington Post*, May 7, 2019, https://www.washingtonpost.com/politics/how-trump-has-attempted-to-recast-his-response-to-charlottesville/2019/05/06/8c4b7fc2-6b80-11e9-a66d-a82d3f3d96d5_story.html?utm_term=.4d386b48cd27.

majority-black countries in Africa “shithole countries.”⁹ He also implemented draconian policies at the U.S.-Mexico border, separating migrant children from their families, imprisoning tens of thousands of immigrants, and virtually shutting down the asylum system.

As he campaigned for a second term in 2020, Trump continued to encourage the radical right. In a speech in Pittsburgh on September 8, he characterized Black Lives Matter (BLM) activists as “thugs.”¹⁰ During a presidential debate on September 29, he told the Proud Boys – some of whose members are now accused of conspiracy in the January 6 assault on the Capitol – to “stand back and stand by.” And, as the Capitol was being overrun by extremists, he told the mob in a video statement, “We love you. You’re very special.” Later that night, he tweeted, “Remember this day forever!”¹¹

The events of the past year make it abundantly clear that the radical right is highly mobilized, increasingly militant, and oriented toward violence.

Many on the far right hoped the COVID-19 pandemic would create even more economic and political uncertainty – an opportunity, they believed, to capitalize on people’s grievances and drive them toward more extreme political positions.¹² As state officials implemented lockdown measures in early 2020, extremists attended “ReOpen” rallies across the country to further inflame antigovernment sentiment. In April, several hundred protesters – many of them unmasked and armed – invaded the Michigan state capitol to protest the state’s stay-at-home orders. The protests helped build extremist networks. Two men who met at a Lansing demonstration helped design a plot to kidnap Michigan Governor Gretchen Whitmer. The six men police arrested in October in connection with the plot “practiced assaulting a building in teams and discussed tactics for fighting the governor’s security detail with improvised explosive devices, a projectile launcher, and other weapons,” according to an indictment.¹³

When the BLM movement mobilized millions of people in opposition to racist policing, far-right groups like the Oath Keepers demonized activists as “domestic enemies.” They appeared at protests across the country to patrol the streets. Kyle Rittenhouse, a 17-year-old from Antioch, Illinois, traveled to Kenosha, Wisconsin in August, where he paced the streets with an automatic rifle and allegedly murdered two protesters. He is now hailed as a hero by many far-right extremists. Many on the far right welcomed the rising political tension, which they hoped would lead to violent confrontations with BLM activists, leftists, people of color, and members of law enforcement. The year saw the rise of the “Boogaloo boys,” a movement united in a belief that access to firearms should be completely unregulated and a prediction that the nation is on the

⁹ Eli Watkins and Abby Phillip, “Trump Decries Immigrants from ‘Shithole Countries’ Coming to US,” *CNN*, January 12, 2018, at <https://www.cnn.com/2018/01/11/politics/immigrants-shithole-countries-trump/index.html>.

¹⁰ Marina Pitofsky, “Trump Rips Black Lives Matter Protesters in Pittsburgh: ‘Thugs!’,” *The Hill*, Sept. 8, 2020, <https://thehill.com/homenews/administration/515414-trump-rips-black-lives-matter-protesters-in-pittsburgh-thugs>.

¹¹ Amy Sherman, “A Timeline of What Trump Said Before Jan. 6 Capitol Riot,” *Politifact*, <https://www.politifact.com/article/2021/jan/11/timeline-what-trump-said-jan-6-capitol-riot/>.

¹² Cassie Miller, “White Supremacists See Coronavirus as an Opportunity,” *Hatewatch*, <https://www.splcenter.org/hatewatch/2020/03/26/white-supremacists-see-coronavirus-opportunity>

¹³ John Flesher, “6 Men Indicted in Alleged Plot to Kidnap Michigan Governor,” *Associated Press*, Dec. 17, 2020, <https://apnews.com/article/gretchen-whitmer-michigan-indictments-coronavirus-pandemic-traverse-city-10f7e02c57004da9843f89650edd4510>.

precipice of “the boogaloo,” a term used to refer to a second civil war. Three members of the movement face state terrorism charges and federal conspiracy charges after law enforcement foiled a plot to spark violence at a BLM rally in Nevada last May.¹⁴ Another member of the movement was charged in June in the murders of a federal security officer in Oakland and a Santa Cruz County sheriff’s deputy in two separate attacks.¹⁵

The Internet and Decentralization: How extremists are exploiting internet technology to create a broader, more loosely affiliated movement

The recent drop in the number of hate groups should not be taken as a sign of declining strength within their movement – or in the threat this movement poses. The fact is, the proliferation of numerous internet platforms has allowed individuals to engage with potentially violent movements like QAnon and Boogaloo without being card-carrying members of a particular group. While some of these platforms either cater to extremists or engage in limited content moderation, it is important to recognize that these groups have benefited tremendously from their time on mainstream social media sites as well. This phenomenon has blurred the boundaries of hate groups and far-right ideologies, helping coalesce a broader but more loosely affiliated movement of white nationalists and other far-right extremists who reject the country’s democratic institutions and pluralistic society. It signals a shift in the movement away from structured groups and toward diffuse extremist communities.

Trump undoubtedly emboldened the white nationalist movement. But nothing has helped facilitate the process of connecting far-right extremists to one another like the internet. Long before Trump entered office, white supremacists around the world began constructing a robust, online ecosystem that indoctrinates people – especially young white men – into the world of hate. The dramatic rise in white nationalist hate groups and white supremacist killers in recent years is a testament to its effectiveness. Indeed, in the manifesto he posted online prior to murdering 51 Muslim worshipers in Christchurch, New Zealand, in March 2019, the killer posed a question to himself: “From where did you receive/research/develop your beliefs?” He answered thusly: “The internet, of course. You will not find the truth anywhere else.”

The Christchurch killer’s online radicalization narrative is now a terrifyingly common one. Before the days of the internet, far-right extremists typically had to publish and disseminate propaganda in printed form. Most Americans were simply never exposed to this material. Now, white nationalists commonly develop their views by coming into contact with extremist content online – either on social media or other sites that are fine-tuned to encourage young men to

¹⁴ Jack Date, “Feds Charge 3 Self-Identified ‘Boogaloo’ Adherents Plotting Violence at Black Lives Matter Protest,” *ABC News*, June 3, 2020, <https://abcnews.go.com/ABCNews/feds-charge-identified-boogaloo-adherents-plotting-violence-black/story?id=71059377>.

¹⁵ Richard Winton, Maura Dolan, and Anita Chabria, “Far-Right ‘Boogaloo Boys’ Linked to Killing of California Law Officers and Other Violence,” *Los Angeles Times*, June 17, 2020, <https://www.latimes.com/california/story/2020-06-17/far-right-boogaloo-boys-linked-to-killing-of-california-lawmen-other-violence>.

blame their real and perceived grievances on racial and religious minorities, immigrants, women, and others.

The shift toward decentralization of the movement is recent and partially a response to the tactics employed by those working to counter the far right. Antifascists, journalists, researchers, and law enforcement have infiltrated groups that recruited online, gathered in online group-chatting platforms like Wire, Discord, Matrix, or Telegram, or met in real life – leading to exposure, embarrassing leaks, and prosecutions. Leaders of groups that helped to plan and facilitate the white supremacist Unite the Right rally in Charlottesville are still entangled in lawsuits thanks to these actions. As a result, extremist leaders have become increasingly wary of the traditional group organizing style. A number of arrests, including members of white power groups including The Base and Atomwaffen Division, have further discouraged extremists from joining groups. “There is no reason to have a flag or a name. That’s putting a target on your back for the system,” the administrator of an “accelerationist”¹⁶ Telegram channel wrote in July 2020 after police arrested a Virginia man for posting stickers promoting The Right Stuff, a white nationalist group. “That’s how you get infiltrated and set up for RICO or worse. Dont [sic] join groups. Stop making it easy for the enemy to hunt you down and lock you up.”¹⁷

Decentralization has also been driven by a wave of “deplatforming” – a term used to refer to the actions taken by tech companies to prevent an individual or group from using their internet products. Individual far-right extremists, ranging from neo-Nazis and white nationalists to QAnon supporters, have found themselves locked out of major social media platforms like Twitter, Facebook, and YouTube as a result of these efforts.

As extremists were booted off major tech platforms and social media sites after Charlottesville, a slew of new services arose. These companies, often referred to as “alt tech,” are not simply alternatives to mainstream sites. Rather, their platforms are often governed by minimalist terms-of-service agreements, crafted by individuals committed to limited intervention, and built with decentralized technologies, such as cryptocurrency, in mind. Some of the lesser-known platforms sought to mimic more mainstream ones and have become alternatives to social media sites such as Facebook, YouTube, and Twitter. There were also companies that sought to provide the basic digital infrastructure, such as hosting, that some Unite the Right organizers lost after the riot. “We need parallel everything. I do not want to ever have to spend a single dollar at a non-movement business,” wrote Pax Dickinson, a far-right activist and founder of a now-defunct fundraising platform catering to right-wing extremists, on Twitter in June 2017.

Parts of this “parallel” web were short-lived and have been taken offline. Still others, such as Gab, have continued on. Indeed, Gab has been home to a range of far-right extremists,

¹⁶ Within the radical right, accelerationism refers to the strategy of using violence to bring about the collapse of the political and economic order, leading to the end of a multicultural, democratic society. See Cassie Miller, “At the End of the Trump Era, White Nationalists Increasingly Embrace Political Violence,” *The Year in Hate and Extremism*, Southern Poverty Law Center, Feb. 16, 2021. <https://www.splcenter.org/news/2021/02/16/end-trump-era-white-nationalists-increasingly-embrace-political-violence>.

¹⁷ Cassie Miller and Hannah Gais, “Capitol Insurrection Shows How Trends on the Far-right’s Fringe Have Become Mainstream,” *Hatewatch*, January 22, 2021. <https://www.splcenter.org/hatewatch/2021/01/22/capitol-insurrection-shows-how-trends-far-rights-fringe-have-become-mainstream>.

including Robert Bowers, who has been charged in the 2018 massacre of 11 people and the wounding of six others at the Tree of Life synagogue in Pittsburgh.

Successive waves of deplatforming have contributed to an ever-fluctuating and growing alt-tech landscape. As mainstream tech companies have expanded their crackdown to include QAnon, militias, and other assorted far-right groups, an array of new “clones” of mainstream social media sites have gained traction. Today, far-right users can choose from a variety of platforms where content moderation is limited. Users who have been deplatformed from Facebook, Twitter, or YouTube can find safe haven at a growing constellation of sites with names like MeWe, Rumble, Minds, Bitchute, CloutHub, and Parler.

In the aftermath of the January 6 insurrection, as *The Guardian* and others reported, some of these sites rose quickly to the top of both Apple’s app store and Google Play’s most downloaded apps list. One exception was Parler, a social media platform partially funded by conservative megadonor Rebekah Mercer. Parler was removed from both the Apple and Google app stores in the days following the attack after numerous outlets, including the SPLC, reported on the central role the site played in promoting and coordinating the insurrection.¹⁸

These efforts have also contributed to the push to spawn alternative technologies, such as hosting services that could provide a home not just for websites trafficking in hate, but also entire social media platforms. Epik, for example, is a domain name registrar and hosting service founded in 2009. The company has come to support large swaths of the far-right web. Its roster of clients includes Gab and Parler, as well as a number of prominent hate and conspiracy websites.

Such developments have not been limited to parallel infrastructure. Far-right extremists have seized upon new technologies – especially encrypted, decentralized, and peer-to-peer services – to organize, spread propaganda, and recruit new members.

As the SPLC noted in our *Year in Hate and Extremism 2020* report, far-right extremists’ reliance on some of these platforms for recruiting, organizing, and propagandizing is profound.¹⁹ Unlike the clones of mainstream social media sites that cater either explicitly or implicitly to extremists, the user base of these encrypted and decentralized technologies is far more diverse.

The popular encrypted messaging app known as Telegram has become a favorite of neo-Nazis, white nationalists, and other far-right extremists, due in part to its limited content moderation policies. Telegram offers a one-stop shop for extremists. Its file storage features allow them to store and share massive libraries of multimedia propaganda, including livestreams of white supremacist terrorists, such as the perpetrators of the 2019 terrorist attack in Christchurch, New Zealand, and Halle, Germany, that had been removed from other platforms. Meanwhile, its public facing channels allow extremists to blast propaganda, while its private chats provide a space for them to chat and plan. Using bots, Telegram has now expanded its

¹⁸ Hannah Gais, “Has Accountability for Big Tech Come Too Late?,” Southern Poverty Law Center, Feb. 16, 2021, <https://www.splcenter.org/news/2021/02/16/has-accountability-big-tech-come-too-late>.

¹⁹ “The Year in Hate and Extremism 2020,” Southern Poverty Law Center, Feb. 1, 2021, <https://www.splcenter.org/year-hate-and-extremism-2020>.

services to allow in-app purchases as well, thereby allowing users to pay for goods and services from within the app.

The use, or rather abuse, of these encrypted apps is not an indictment of encryption but of poor moderation. Millions of average Americans use encrypted technologies to communicate. Major human rights organizations, such as Human Rights Watch²⁰ and Amnesty International²¹, have cited encryption as crucial to protecting the rights of all people in the digital age. People living under both democratic and repressive regimes use encrypted technologies to communicate and exchange information while preserving their privacy.

These structural transformations affecting the radical right have also worked hand-in-glove with a reimagining of far-right extremists' goals. After Unite the Right, white nationalists and neo-Nazis who were no longer satisfied with trying to attain their goals through traditional political channels turned toward explicitly violent and revolutionary means. As a result, the mobilization and collective organizing on display in Charlottesville gave way to a more radical cohort of fascists. This cadre turned to neo-Nazi polemics – such as James Mason's "Siege," which espouses the benefits of leaderless, cell-structured terrorism – for guidance. They encouraged terrorism and insurrectionary violence, seizing upon the motto in online forums that "there is no political solution." This strand of the far right gathers on largely unmoderated social media platforms, where they have built diffuse, leaderless extremist communities. Telegram is their platform of choice, and they have harnessed its public channels and large file-sharing abilities.

The belief that "political solutions" are no longer viable has burrowed deeply into the political right, especially since Trump's election loss. The former president told his followers that he was their sole representative in the halls of power. With Trump's loss in the presidential race, which many of his followers erroneously believed was the result of election fraud, many on the right have lost faith in the political system and democracy itself. In this landscape – to them – intimidation, force, and violence seem like increasingly appropriate political tools.

This militant and violence-oriented political bloc is helped immeasurably by the growth of alternative social media platforms, including Telegram, that have lax or nonexistent content moderation policies.

The Funding of Hate: How domestic extremists are raising money

The funding and financing of hate groups in this increasingly decentralized landscape is also changing in important ways.

²⁰ Kenneth Roth, "The Battle Over Encryption and What It Means for Our Privacy," Human Rights Watch, <https://www.hrw.org/news/2017/06/28/battle-over-encryption-and-what-it-means-our-privacy>.

²¹ "Easy Guide to Encryption and Why It Matters," Amnesty International, Oct. 21, 2016, <https://www.amnesty.org/en/latest/campaigns/2016/10/easy-guide-to-encryption-and-why-it-matters/>.

In the past, hate groups raised money by charging dues, selling products, or requiring the purchase of uniforms. These funds were then used to pay for the distribution of propaganda and more recruitment materials. Anti-government groups such as the Oath Keepers still use this model; the group has thousands of dues-paying members, including those arrested for their role in the January 6 insurrection.

Today, some white power groups and personalities are raising funds through the distribution of propaganda itself. The solicitation of donations during live video streaming, for example, is emerging as a major source of revenue for some of these groups. This “monetized propaganda” is particularly concerning in online environments because the audiences are large, anonymous, and geographically dispersed.

New internet platforms not only allow extremists to spread propaganda, gain followers, and build their personal profiles, but to monetize hateful and dangerous content, crowdfund to support their activities, and turn hate into profitable full-time jobs. Indeed, crowdfunding and online content monetization allowed the extremists behind the Stop the Steal movement to make anti-democratic organizing their livelihood. Ali Alexander has relied on sites like GiveSendGo to fund his activities. Nick Fuentes has long earned his income from monetizing livestreams on YouTube and DLive. Vincent James Foxx of Red Elephants has used the same livestreaming platforms, as well as the mobile payment service Cashapp and content monetization platform SubscribeStar. Some extremists who stormed the Capitol actually made money from their activities. Tim Gionet, a longtime far-right personality who streams under the moniker “Baked Alaska” and who was arrested for his role in the Capitol riot, made roughly \$2,000 from his January 6 livestream, while his followers commented, “HANG ALL CONGRESSMEN.”

In November, SPLC researchers reported on the alarming amount of money that hate groups and far-right extremists were earning using a popular livestreaming platform called DLive.²² Our reporting showed that dozens of extremist figures were each earning thousands of dollars per month on the service. As the post-election period became dominated by Trump’s false assertion that the election was fraudulent, these DLive streamers shifted to video streaming at in-person events branded with the slogan “Stop the Steal.” Not surprisingly, boosted by this new mission and purpose, streaming donations shot through the roof, and some DLive streamers received nearly \$44,000 from donations during November and December alone. Some of those same individuals ended up being featured by House impeachment managers as key perpetrators of the violence on January 6²³ when they once again used DLive to livestream the events inside the Capitol and on the grounds.²⁴

Even when mainstream social media companies block extremists from using their services to finance their operations, the decentralized technology landscape too often fills the

²² Hannah Gais and Michael Edison Hayden, “Extremists are Cashing in on a Youth-Targeted Gaming Website,” Hatewatch, Southern Poverty Law Center, Nov. 17, 2020.

<https://www.splcenter.org/hatewatch/2020/11/17/extremists-are-cashing-youth-targeted-gaming-website>

²³ Transcript of Feb. 11, 2021, U.S. House impeachment proceedings, CNN, <http://www.cnn.com/TRANSCRIPTS/2102/11/se.06.html>.

²⁴ Michael Edison Hayden, “Meet DLive: The Livestreaming Platform Used by Trump’s Capitol Insurgents,” Hatewatch, Southern Poverty Law Center, Jan. 7, 2021. <https://www.splcenter.org/hatewatch/2021/01/07/meet-dlive-livestreaming-platform-used-trumps-capitol-insurrectionists>.

gap. YouTube, for example, has many such deplatforming strategies at its disposal, including account time-outs, removal of chat features, and disallowing bad actors to take donations or profit from advertising revenue. However, some newer, smaller companies have seen a market in re-monetizing and re-platforming such groups. The Entropy suite of services from Cthonic Software, for example, allows extremists who have been de-monetized on YouTube to embed their video streams on its site instead. It takes a smaller percentage of the cut from donations and provides a “censorship-free” (read: free-for-all) chat service. It currently provides chat and financing services to numerous radical right video streamers, including many of the ones who had been banned previously for inciting violence and engaging in hateful conduct on more mainstream services.

Crowdfunding is also being exploited by hate groups to earn money in this new decentralized landscape. It allows extremists to fund travel to attend demonstrations, purchase “protective gear” and weapons, and raise legal defense funds. Extremists and their supporters post crowdfunding campaigns across social media sites, reaching a wide audience and, in some cases, raising hundreds of thousands of dollars.

The initial wave of alt-tech clones developed after Unite the Right in 2017 also included alternatives to popular online fundraising platforms. Instead of Patreon, a crowdfunding site popular with artists, journalists, musicians, and other creators, extremists could use sites like Hatreon, a crowdfunding site founded by antigovernment extremist Cody Wilson.²⁵ WeSearchr, a site founded by far-right extremist and Holocaust denier Charles C. Johnson, helped white nationalists, neo-Nazis, and other extremists by providing a service similar to the more project-oriented crowdfunding site Kickstarter.²⁶

Crowdfunding sites can also act as a buffer between extremists and banks or online payment systems, allowing them to use their services even if they have been banned. For example, PayPal banned the Proud Boys from using its services in late 2018 after members of the group assaulted a group of antifascist activists in New York City.²⁷ However, members of the group were able to use the crowdfunding site GiveSendGo, which calls itself a “Christian fundraising site” – and which used PayPal as its payment processor – in the leadup to the siege at the Capitol. PayPal terminated GiveSendGo’s account in the aftermath of the January 6 attack, but the damage was already done.²⁸ The example demonstrates how crowdfunding sites can help

²⁵ “Cody Rutledge Wilson,” Extremist Files, Southern Poverty Law Center. <https://www.splcenter.org/fighting-hate/extremist-files/individual/cody-rutledge-wilson>.

²⁶ Luke O’Brien, “The Making of an American Nazi,” *The Atlantic*, Dec. 2017.

<https://www.theatlantic.com/magazine/archive/2017/12/the-making-of-an-american-nazi/544119/>; Michelle Castillo, “The Far Right Uses this Site to Fund its Favorite Causes – and its Founder Hopes to Build a ‘Very Profitable Business’,” *CNBC*, June 24, 2017, <https://www.cnbc.com/2017/06/24/wesearchr-charles-johnson-alt-right-causes.html>; Michael Edison Hayden, “Donald Trump Jr. Pictured at ‘We Build the Wall’ Event with Neo-Nazi Collaborator Jack Posobiec,” *Hatewatch*, Southern Poverty Law Center, Aug. 24, 2020, <https://www.splcenter.org/hatewatch/2020/08/24/donald-trump-jr-pictured-we-build-wall-event-neo-nazi-collaborator-jack-posobiec>.

²⁷ Colin Lecher, “PayPal is Canceling Accounts Used by the Proud Boys, Gavin McInnes, and Antifa Groups,” *The Verge*, Nov. 9, 2018, <https://www.theverge.com/2018/11/9/18079880/paypal-proud-boys-gavin-mcinnnes-antifa>.

²⁸ Alexis Benveniste, “PayPal Ditches Christian Crowdfunding Site Used by Proud Boys,” *CNN Business*, Jan. 12, 2021, <https://www.cnn.com/2021/01/12/business/paypal-proud-boys-crowdfunding-trend/index.html>.

to remonetize an extremist group or individual even after they have been banned from payment processors or banking services for violating terms of service agreements.

Crowdfunding sites played a critical role in the Capitol insurrection, providing monetary support that allowed people to travel to Washington, D.C. BuzzFeed identified more than a dozen GoFundMe campaigns looking to cover travel expenses for the January 6 rally. One campaign, which promised to “build an army to march into DC,” raised \$21,548 from nearly 300 donors.²⁹ GiveSendGo hosted “more than two dozen fundraisers related to protesting the outcome of the presidential election, raising travel funds to attend the January 6 protest in Washington and other right-wing causes,” according to a CNN review.³⁰ Ali Alexander, who organized the Stop the Steal movement, started a fundraiser on the site on January 12, 2021, to build a “security and administrative team,” amassing more than \$30,000 from 332 donors. “You are a threat to the powerful. We need you to help save the republic,” one donor posted on the site.³¹

GiveFundGo has provided hundreds of thousands of dollars to extremists’ legal defense funds. The site raised more than \$500,000 for Kyle Rittenhouse, the 17-year-old charged with murdering two protesters at a BLM demonstration in Kenosha, Wisconsin.³² After Proud Boys leader Enrique Tarrío, along with other members of the group, destroyed two BLM signs that belonged to historic black churches at a Stop the Steal protest in Washington, D.C., in December, the site raised more than \$100,000 to fund his legal defense.³³

These are just a few examples of the online campaigns that have collectively raised millions to fund extremism. A platform created by American Wolf, an Olympia, Washington-based armed far-right group, is currently hosting a campaign for Alan Swinney, a Proud Boys member with a long history of violence who is facing charges for allegedly shooting protesters with a paintball gun, spraying another with mace, and drawing a firearm during demonstrations in Portland over the summer. Bellingcat, an online investigative site, uncovered videos of Swinney discussing his activities at demonstrations, including one in which he describes how he wants to raise funds to buy bear mace and distribute it to his compatriots in order to attack antifascists. In one video, he says, “People like knowing that something they donated for is the reason why those Antifa are laying on the ground and choking. They get a lot of satisfaction knowing they were responsible for that pain. There’s not too many places where you can donate

²⁹ Vanessa Wong, “Trump Supporters Used GoFundMe to Get to DC – Now the Pages Have Been Removed,” *BuzzFeed News*, Jan. 8, 2021, <https://www.buzzfeednews.com/article/venessawong/trump-gofundme-dc-january-6>.

³⁰ Majlie de Puy Kamp and Scott Glover, “Right-Wing Extremists and Their Supporters Use Christian Website to Raise Funds,” *CNN*, Jan. 20, 2021, <https://edition.cnn.com/2021/01/19/us/give-send-go-extremism-invs/index.html>.

³¹ “Protection and Team for Ali Alexander,” GiveSendGo, <https://www.givesendgo.com/ali>.

³² Kaelan Deese, “Christian Crowdfunding Site Raises \$500K for Rittenhouse Legal Defense,” *The Hill*, Sept. 29, 2020, <https://thehill.com/homenews/state-watch/518752-christian-crowdfunding-site-raises-500k-for-rittenhouse-legal-defense>.

³³ Cassie Miller, “Proud Boys Destroy Churches’ Black Lives Matter Signs During Protest in Washington, D.C.” *Hatewatch*, Southern Poverty Law Center, Dec. 16, 2020, <https://www.splcenter.org/hatewatch/2020/12/16/proud-boys-destroy-churches-black-lives-matter-signs-during-protest-washington-dc>; Roxanne Stone, “‘Christian’ Crowdfunder Hosts Campaigns for Tarrío and Other Proud Boys,” *Religion News Service*, Jan. 5, 2021, <https://religionnews.com/2021/01/05/christian-crowdfunding-site-give-send-go-hosts-multiple-proud-boys-campaigns-including-for-leader-enrique-tarrio/>.

and Antifa will directly feel it.” He has raised roughly \$1,500 on American Wolf’s crowdfunding platform.³⁴

We are concerned that the monetization of propaganda through single platform micro-donations provides extremists and their supporters a “one-stop shop” for financing hate, and without oversight the companies providing these services will continue to profit from it.

Another example of how decentralization is changing hate group financing is the continued proliferation of cryptocurrencies, and changes in behavior when using cryptocurrencies. Not only are groups and individuals involved in the hate landscape readily adopting cryptocurrencies, but they are implementing techniques to use cryptocurrencies covertly.

In terms of tracking this threat, we are particularly concerned about the volume of cryptocurrency data and the velocity of its growth, both of which present a challenge. Being able to track cryptocurrency use by hate groups today requires more technical expertise than it did several years ago. Not only is the number of coins needed to be tracked increasing, but the number of transactions is increasing. The increase in the number of transactions is partially due to an increased user base, and partially due to the proliferation of mixing services designed to obscure donation trails. In addition to mixing services, U.S.-based hate groups and extremists have also started using other obfuscation techniques previously tested by foreign terror organizations.³⁵ An example of this is the neo-Nazi National Justice Party’s acceptance of money through dynamically generated Bitcoin addresses rather than static addresses. Relatedly, the Daily Stormer has recently decided that concerns about anonymity justified switching to “privacy coin” Monero rather than staying with Bitcoin³⁶, even though the latter is more familiar to its users.³⁷

Separating hate groups from their online funding sources will prevent their ideas from reaching a wider audience, and it will disrupt their networks. Some technology companies have taken steps in the right direction, but both government and internet companies must do far more to combat extremism and hate.

Policy Recommendations

The values that drive our financial policy recommendations are based on respect for human rights and an expectation that people deserve:

³⁴ Alan Swinney, “Official Alan Swinney Financial Support,” American Wolf, <https://funding.americanwolf689.org/product/alan-swinney/>.

³⁵ U.S. Department of Justice press release, “Global Disruption of Three Terror Finance Cyber-Enabled Campaigns,” Aug. 13, 2020, <https://www.justice.gov/opa/pr/global-disruption-three-terror-finance-cyber-enabled-campaigns>.

³⁶ Michael Edison Hayden, “White Supremacists are Investing in a Cryptocurrency That Promises to Be Completely Untraceable,” *Newsweek*, March 27, 2018, <https://www.newsweek.com/white-supremacists-cryptocurrency-monero-bitcoin-861104>.

³⁷ Andrew Anglin, “They’re Getting Weird With This ‘Bitcoin Tracking’ Stuff,” Daily Stormer, Jan. 16, 2021, <https://dailystormer.su/theyre-getting-weird-with-this-bitcoin-tracking-stuff/>.

- a. protection from harms online,
- b. freedom of legal expression and access to commerce online, and
- c. transparency in decision-making by governments and technology companies.

Recommendations for Tech Companies

1. Most tech companies have their own Terms of Service, essentially rules of the road. The SPLC encourages corporations to create – and enforce – policies and terms of service to ensure that social media platforms, payment service providers, and other internet-based services do not provide platforms where hateful activities and extremism can grow and lead to domestic terrorism.
2. When tech companies do decide to act against hate, it is too often only after a violent attack has occurred. They need to proactively address the problem of extremist content on their platforms rather than simply react after people have been killed. Tech companies must commit to **being proactive in taking financial harms seriously**. Terrorists and hate groups using their platforms to raise money is a serious problem that is causing real harms to real people. Companies should commit to **regular outside audits** to measure the financial harms caused by their platforms. These audits should also include an evaluation of how their systems are being abused, whether their Terms of Service are being enforced equally, and so on. Critically, the companies must commit to hearing – and acting on – the results of these audits.
3. Tech companies of all sizes should **coordinate** to understand how the impact of one company’s actions affects the others. For example, when one platform removes a problematic individual, group, or network, what happens then? The troublemaker goes to another platform and continues their bad behavior. Company A washes its hands of the matter, but the problem is simply transferred to Company B. Companies must coordinate to **anticipate and measure this phenomenon** as it happens. This must be done within and across sectors – banking companies, social media companies, device manufacturers, infrastructure providers – and should include both large and small companies.
4. Tech companies must understand and **appreciate their unique position** as the single largest storehouses of human knowledge about complex socio-technical problems, including terrorist funding. Tech companies store vast quantities of invaluable, irreplaceable data, and currently they are the sole arbiters of who gets to use that data and for what purpose. Tech companies should be encouraged and rewarded for **using their data for good**. They should proactively engage outside research partners to put their vast quantities of data to work to understand terrorist funding. These efforts must go beyond just providing pre-curated data sets to the same preferred university partners.
5. Tech companies must **redesign their “Trust and Safety” systems** to reward people who want to do the right thing. Why does it take 10 clicks to report content on Platform X? Why does Platform X remove content when a journalist questions them but not when Sally from Indianapolis clicks the “flag” button? Just as tech companies have “bug bounty” programs to allow outside cybersecurity researchers to get paid for reporting software flaws, people who point out platform weaknesses should be rewarded, not

punished or ignored. At the same time, services must not solely rely on users to report content. Small companies should be financially rewarded for building powerful, proactive teams that keep their services safe and abuse-free.

Recommendations for the Biden Administration and Congress

1. **Words matter.** It is impossible to overstate the importance of civic and military leaders using their public platforms and bully pulpits to condemn hate and extremism. Failure to do so emboldens extremists – as we saw dramatically demonstrated during the Trump administration. There is an urgent need for governors, mayors, police executives, and federal, state, and local legislators to speak out – and to act – against bias-motivated criminal activity and violent extremism.

2. Government should require regular, mandatory reporting by technology service providers to document abuse of their systems including financial support of violence, harassment, and terrorism.

- a) This includes implementation of **mandatory financial abuse reporting requirements** for internet services operating in the United States, including social media services, infrastructure providers, banking institutions, cryptocurrency exchanges, crowdfunding sites, gaming sites, video streaming platforms, and the like.
- b) These reporting requirements should extend to entities providing **any financial services** – whether profit-making or not, virtual currency-based, cryptocurrency-based, decentralized, or otherwise.
- c) Internet services should be required to investigate and report the details of harms and abuse of their service. There should be **support** provided to smaller companies to do this work, and **penalties** applied to services that refuse these tracking and reporting responsibilities.
- d) Penalties and support should be proportional to the size and capabilities of each service. Critically, small and not-for-profit services should be afforded financial and operational assistance in tracking, reporting, and remediating the financial harms perpetuated by their platforms.

3. Government should **invest in basic and applied research.** Many thorny issues – such as how financial exploitation can be tracked on encrypted platforms, for example, or how cryptocurrency transactions can be tracked at scale – may have technology-based solutions.

- a. We urge lawmakers to **prioritize funding programs for research into technologies that can be used to detect and prevent online financial harms** while preserving human rights.

- b. This is especially critical as we anticipate a gradual move to a more decentralized technology landscape that, as we discussed earlier, presents many more challenges for tracking and stopping financial abuse.
 - c. Government should ensure better training at the state and local levels to better enable detection of fraud that could have federal implications.
4. Government should **increase the number and quality of cryptocurrency data sources** available for public consumption and analysis. For example, the FRED data service currently only includes exchange rates and only for five cryptocurrencies. What if FRED included transaction data, information about ownership of mixing services and wallet companies, and mining and visualization tools as well? The FRED cryptocurrency exchange data was initially obtained from Coinbase, and this new data could be similarly acquired from private industry if necessary
5. There should be a government-wide initiative to share and coordinate data on cryptocurrency, which is made a priority by nominating a high-level position and coordination center, at the NSC and with Treasury, to function as a central coordination node.
6. Congress should **enact the Domestic Terrorism Prevention Act**, which would establish offices within the Department of Homeland Security (DHS), the Department of Justice, and the FBI to monitor, investigate, and prosecute cases of domestic terrorism – and require these offices to regularly report to Congress. Passed overwhelmingly by the House of Representatives last September, this legislation would also provide resources to strengthen partnerships with state and local law enforcement authorities to confront far-right extremism and create an interagency task force to explore white supremacist activities within the U.S. armed services and federal law enforcement.
7. Congress should **reject efforts to create a new criminal domestic terrorism statute** – or the creation of a listing of designated domestic terrorist organizations. A new federal domestic terrorism statute or list would adversely impact civil liberties and could be used to expand racial profiling or be wielded to surveil and investigate communities of color and political opponents in the name of national security.
8. The Biden administration and Congress should make concerted efforts to **improve federal hate crime data collection, training, and prevention**. Data drives policy. We cannot address what we are not accurately measuring. The FBI’s annual Hate Crime Statistics Act (HCSA) report is the best national snapshot of hate violence in America, but data received from the 18,000 federal, state, local, and tribal law enforcement agencies is vastly underreported – in part because reporting is not mandatory. In 2019 (the most recent report), 86% of police agencies either affirmatively reported that they had zero hate crimes or did not report any data to the FBI at all.

Congress should mandate hate crime data reporting. Meanwhile, Congress should enact the Khalid Jabara and Heather Heyer National Opposition to Hate, Assault, and Threats

to Equality Act of 2019 (NO HATE Act), which would authorize incentive grants to spark improved local and state hate crime training and data collection initiatives, as well as state-based hotlines to connect victims with support services.

9. Government should **promote anti-bias education programs that help steer individuals away from hate and extremism.** The law is a blunt instrument to confront hate and extremism; it is much better to prevent these criminal acts in the first place. Since it is not possible to legislate, regulate, or tabulate racism, hatred, or extremism out of existence, we need federal and state government leadership to promote anti-bias, anti-hate, and democracy-building education programs – such as the SPLC’s Learning for Justice resources – in our nation’s schools. Especially in these divided and polarized times, every elementary and secondary school should promote an inclusive school climate and activities that celebrate our nation’s diversity.

Programs and processes that intervene ethically in the lives of individuals – often called “deradicalization” efforts – should also be promoted. More than 70 million children and young adults, for example, have been learning primarily at home. They experienced a summer vacation with no camps, employment, or other structured activities. Extremists and hate groups see this as an ideal time to exploit youth grievances about their lack of agency, their families’ economic distress, and their intense sense of disorientation, confusion, fear, and anxiety. In the absence of their usual social support systems and networks of trusted adults and peers, young people can become targets of far-right extremists, who promise easy answers online about who they can blame for their plight.

Last June, the SPLC and American University’s Polarization and Extremism Research and Innovation Lab (PERIL)³⁸ released a guide to help parents and caregivers understand how extremists are exploiting this time of uncertainty and unrest by targeting children and young adults with propaganda. The guide, *Building Resilience & Confronting Risk in the COVID-19 Era*,³⁹ is designed for caregivers, parents, educators, and others who are on the front lines of recognizing and responding to radicalization in the COVID-19 era. Our new SPLC/PERIL guide provides parents and caregivers with tangible steps to confront and counter this threat.

Thank you for holding this important hearing. We deeply appreciate the Subcommittee’s continued leadership in working to address the financing of domestic terrorism and extremism in a constitutional and effective manner. We look forward to working with you as you continue to focus your urgent attention on this important issue.

³⁸ Polarization and Extremism Research and Innovation Lab (PERIL), American University, <https://www.american.edu/centers/university-excellence/peril.cfm>.

³⁹ “Building Resilience & Confronting Risk in the COVID-19 Era: A Parents & Caregivers Guide to Online Radicalization,” Southern Poverty Law Center/American University’s Polarization and Extremism Research and Innovation Lab (PERIL), https://www.splcenter.org/sites/default/files/splc_peril_covid_parents_guide_jan_2021_1.pdf.