



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

**“MOVING THE MONEY PART 2: GETTING ANSWERS FROM THE BIDEN  
ADMINISTRATION ON THE IRANIAN REGIME’S SUPPORT OF TERRORISM”**

**HEARING BEFORE:  
THE HOUSE FINANCIAL SERVICES COMMITTEE SUBCOMMITTEE ON  
OVERSIGHT AND INVESTIGATIONS**

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## WRITTEN TESTIMONY

Chairman Huizenga, Ranking Member Green, and Distinguished Members of the Committee, thank you for the opportunity to speak on what the U.S. Department of the Treasury is doing to combat terrorist financing. October 7 was a day of horror. The brutality of the terrorist attacks carried out by Hamas against Israel—killing indiscriminately, sparing neither children nor the elderly—was an affront to our shared humanity, and a stark and somber reminder of the constant threat posed by terrorist organizations like Hamas. Along with the rest of the Biden Administration, I am dedicated to doing all I can, together with members of this Committee and others, to prevent such events from reoccurring.

The Administration is also firmly resolved in support of Israel's right to defend itself and committed to working with our Israeli partners to identify and disrupt terrorist financing. As the members of this Committee know well, terrorist organizations are sustained by financial support. They require a source of income to purchase the instruments of terror, to recruit and train individuals, and ultimately to carry out their attacks all over the world. It is my responsibility as the Assistant Secretary for Terrorist Financing and Financial Crimes to identify and disrupt terrorist financing in the United States and abroad.

Since the attacks, Treasury has redoubled its efforts to identify and freeze the finances of Hamas and other Iran-backed terrorist groups. We have prioritized investigating the specific financial flows that enabled Hamas to carry out its attacks, and work to strengthen a global coalition to counter terrorist financing, in no small part because Hamas now will be more dependent than before on financing from outside of Gaza. My purpose today is to give an account of Treasury's goals and actions, including our efforts to engage allies and partners in the private and public sectors, to close off the financial systems from abuse by terrorists.

As background, reports have indicated Hamas has an annual budget of around \$500 million. Hamas has traditionally been able to raise funds for its terrorist activities from an array of sources, including taxation and extortion of trade and economic activity in Gaza, donations both large and small, a portfolio of corporate investments across Africa and the Middle East, and direct support from Iran. Alongside fiat currency, Hamas uses virtual assets and virtual asset service providers as a store of value and means to launder funds. Virtual assets represent a relatively modest portion of its overall financial picture but are still a cause for serious illicit finance concerns.

The financial facilitators of Hamas spend their money purchasing weapons and munitions, covering operational expenses, broadening their regional influence, and enriching their elite leaders, who live in luxury abroad. At the same time, Gaza struggles economically and hundreds of thousands of its people remain impoverished.<sup>1</sup>

The U.S. Treasury Department has historically used the full scope of its authorities to impede Hamas's funding, developing expertise to identify and track Hamas financial flows, through targeted financial sanctions, and by engaging international partners on these efforts. The State Department designated Hamas both as a Foreign Terrorist Organization and a Specially

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<sup>1</sup> <https://www.undp.org/arab-states/publications/gaza-war-expected-socio-economic-impacts-state-palestine>

Designated Global Terrorist in 1997 and 2001, respectively, making it subject to blocking sanctions by Treasury's Office of Foreign Assets Control. Sanctions designations of the group's leaders, financial facilitators, investments, entities, and instrumentalities span over two decades, and have blocked tens of millions of dollars linked to Hamas from transiting the U.S. financial system.<sup>2</sup> Recognizing the dangerous role that Iran plays, both in funding Hamas specifically, and in destabilizing the region more broadly, Treasury has sanctioned nearly one thousand individuals and entities connected to the Iranian regime and its proxies to date.<sup>3</sup>

As the U.S. Treasury and other partners have applied pressure on the group over years, Hamas has innovated and adapted its financial strategy. It has kept its accounts in plain sight and in the shadows and systematically manipulated deficiencies in financial crime regimes across jurisdictions to its financial benefit. The most recent attacks and war with Israel should be seen as a particular call to action to truly starve Hamas of funding for terror, enhance international financial institutions' vigilance to identify these illicit funds, and to expand the international community's tough targeted measures to arrest terrorist assets.

As a strategic matter, Treasury sanctions have targeted the full scope of how Hamas raises and moves funds to include financial facilitators, revenue generators, and even virtual asset exchanges that enable acts of terror by Hamas, its Iranian patron, and its counterpart regional terrorist proxies that seek to advance the violent agenda of destabilization and harm to Israel.

Since the October 7 attacks, Treasury has released 3 separate sanctions tranches focused on Hamas, designating over 50 additional individuals and entities linked to Hamas and Iran, across multiple jurisdictions. Tomorrow, Treasury will announce another tranche of sanctions on Hamas entities. Moreover, Treasury's recent enforcement action against Binance, the largest virtual asset exchange in the world, included charges based on its failure to prevent and report suspicious transactions with terrorists, including Hamas' militant wing Al-Qassam Brigades, Palestinian Islamic Jihad (PIJ), Al Qaeda, and ISIS.<sup>4</sup>

Furthermore, over the last few months Treasury has maintained its careful scrutiny over funds linked to Iran, including funds restricted overseas for humanitarian purposes. We have announced new designations targeting Iran's support for terrorist proxies, including on those linked to Hizballah and Houthi financial facilitators.

These targeted measures will continue, Treasury's vigilance will continue, and Treasury will maintain a forward-leaning sanctions posture to uncover the financial networks supporting Hamas. It is Treasury's responsibility to do so to ensure that the U.S. and global financial systems do not enable or are not abused by groups conducting these heinous terrorist attacks.

Disrupting Hamas's international financial networks requires international action, and to this end we need sustained action from our foreign counterparts. Treasury's actions to designate entities, freeze funds, and exert targeted financial pressure are only the start of our overall strategic work.

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<sup>2</sup> See: Annual OFAC Terrorist Assets Report available here: <https://ofac.treasury.gov/sanctions-programs-and-country-information/counter-terrorism-sanctions>

<sup>3</sup> <https://home.treasury.gov/news/press-releases/jy1816>

<sup>4</sup> <https://home.treasury.gov/news/press-releases/jy1925>

In the wake of the Hamas attacks, Treasury reached out to our foreign counterparts to share information and press them to expand their efforts. Two of the earliest calls I made were to my counterparts in Israel and in the Palestinian Authority to convey my horror at the attacks and offer our support to investigate and disrupt terrorist financing. I and other leaders at the Treasury Department engaged directly with counterparts across the Middle East and Europe to convey the Administration's support for Israel and the intent to use all the tools at our disposal to expose and disrupt Hamas's money for terror. Treasury has in place a formal network to work with regional counterparts to share information and target terrorist leaders and entities, referred to as the Terrorist Financing Targeting Center, which we promptly convened in Riyadh, Saudi Arabia in October following the attack to closely examine Hamas' terrorist attacks and to discuss with our Gulf partners the need to intensify efforts to investigate and prosecute terrorist financing.

Additionally, Treasury Under Secretary Nelson recently traveled to Türkiye to discuss the urgent need for Turkish efforts to freeze Hamas funds. We have pointed out explicitly to Türkiye instances in which Hamas's activities violate their own domestic securities and financial auditing laws. Hamas leaders live and move freely in Türkiye<sup>5</sup> Qatar<sup>6</sup>, and elsewhere, publicly solicit funds, and enjoy financial services and the ability to collect commercial revenue on investments. In Deputy Secretary Adeyemo's recent travel to Europe in late October, he pressed partners to investigate entities with possible ties to Hamas and ensure no funds can move from European jurisdictions to the terrorist group.<sup>7</sup>

My team also followed up with substantive, technical outreach to our partners in Australia, Japan, Canada, and throughout Europe, which has led to complementary sanctions actions by Australia, the European Union, Japan, and the United Kingdom to designate Hamas-related targets through their own domestic authorities. Treasury's Financial Crimes Enforcement Network (FinCEN) engaged financial intelligence unit (FIU) counterparts across the world to enhance and expedite information sharing efforts. This has led to the formation of an international task force of FIUs from Australia, Canada, Estonia, France, Germany, Israel, Liechtenstein, Luxembourg, the Netherlands, New Zealand, Switzerland, the United Kingdom, and others that will enable partners to better work with their respective domestic law enforcement authorities to identify and stop terrorist funding channels.<sup>8</sup>

In addition to direct outreach to foreign governments, Treasury has also directly engaged the private sector both in the United States and abroad to refine the red flags and indicators of terrorist financing and underscore the imperative to report and freeze terrorist funds. On October 20, FinCEN issued an alert providing financial institutions with red flag indicators of terrorist financing, as well as a new Suspicious Activity Report (SAR) key term specifically for Hamas to encourage more and better SAR filings to FinCEN related to Hamas. These filings assist in deepening Treasury's analysis of Hamas financing and its ability to expose and disrupt it through sanctions, law enforcement action, or concerted work with foreign counterparts. Treasury has

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<sup>5</sup> <https://www.reuters.com/world/middle-east/erdogan-meets-palestinian-president-hamas-leader-haniyeh-2023-07-26/>

<sup>6</sup> <https://apnews.com/article/hamas-gaza-israel-persian-gulf-istanbul-317bba74211a70a4d09db127992bd847>

<sup>7</sup> [Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the Royal United Services Institute in London, the United Kingdom | U.S. Department of the Treasury](#)

<sup>8</sup> [https://www.fincen.gov/sites/default/files/shared/CTFTI\\_Public\\_Statement\\_Final\\_508.pdf](https://www.fincen.gov/sites/default/files/shared/CTFTI_Public_Statement_Final_508.pdf)

also engaged multiple financial institutions and money services businesses (MSBs), including those who focus on cash, currency exchange, remittance and virtual asset transfer, to highlight our increased concern and compliance expectations.<sup>9</sup>

Additionally, Treasury announced a Notice of Proposed Rule Making on October 19 that identifies international convertible virtual asset mixing as a class of transactions of primary money laundering concern, including because of the ability of terrorist groups like Hamas and PIJ to use such services to obscure and launder illicit funds.<sup>10</sup> My team is also in the final stages of preparing the 2024 National Money Laundering and Terrorist Financing Risk Assessments, which will include specific analysis of the financing for Hamas and other Iran-aligned terrorist groups, and the risk they pose to our financial system. These assessments will be published early next year and will provide a basis for U.S. financial institutions to evaluate and update their own risk-based approach to their anti-money laundering/countering the financing of terrorism (AML/CFT) programs.

Alongside these counter-illicit finance activities, Treasury has a significant role to play in addressing the ongoing humanitarian crisis in Gaza to ensure that our financial measures do not negatively impact legitimate aid going to the people of Gaza. The United States is the largest provider of humanitarian assistance to the Palestinian territories and is rigorously focused on this aid being able to flow, while guarding against risks of finance diversion. Accordingly, Treasury has had direct, regularized, and close engagement with representatives of non-governmental organizations, international organizations, and U.S. government implementers of humanitarian assistance. In convening these discussions, Treasury's goal is to understand the challenges that these organizations face, address these challenges, and raise awareness about those who are seeking to abuse charities and the non-profit sector to gather and launder funds for terrorism.

In sum, Treasury's response to Hamas and its funders over decades has been broad and aggressive. Indeed, it is the core mission of my office to focus on terrorist financing and innovating to adapt to the evolving ways terrorist make and spend money. As this Committee fully appreciates, Hamas's attacks, and their relationship with Iran, pose a threat to the safety and stability not only of Israel, but to the region more broadly, and to American interests.

Although we have different roles to play, all of us here share a common interest: preventing acts of terror. Secretary Yellen and Deputy Secretary Adeyemo have previously spoken about how to confront these challenges—by maintaining U.S. leadership abroad, meeting all our financial commitments, and adapting our laws to meet the challenges posed by new and emerging financial technologies. On these issues and more, I look forward to working with the members of this committee and taking any questions you may have for me today.

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<sup>9</sup> <https://home.treasury.gov/news/press-releases/jy1894>

<sup>10</sup> <https://www.fincen.gov/news/news-releases/fincen-proposes-new-regulation-enhance-transparency-convertible-virtual-currency>