

GRADING COUNTERTERRORISM COOPERATION WITH THE GCC STATES

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON TERRORISM,
NONPROLIFERATION, AND TRADE

AND THE

SUBCOMMITTEE ON
THE MIDDLE EAST AND NORTH AFRICA

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

APRIL 26, 2018

Serial No. 115-128

Printed for the use of the Committee on Foreign Affairs



Available: <http://www.foreignaffairs.house.gov/>, <http://docs.house.gov/>,
or <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

29-967PDF

WASHINGTON : 2018

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GRADING COUNTERTERRORISM COOPERATION WITH THE GCC STATES

THURSDAY, APRIL 26, 2018

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE
AND
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittees met, pursuant to notice, at 2:00 p.m., in room 2172 Rayburn House Office Building, Hon. Ted Poe (chairman of the subcommittee) presiding.

Mr. POE. The subcommittee will come to order.

Without objection, all members may have 5 days to submit statements, questions, extraneous materials for the record, subject to the length limitations in the rules.

Our historic relationship with the Arab Gulf states is crucial. The ties we maintain allow us to project power to certain threats like Iran and secure key shipping lanes for global commerce while providing stability in a chaotic region. Our Gulf partners have made clear that they value our strong alliance with the United States. And the United States values and wants to continue to be a partner with them.

But our relationship has not always been perfect. The 9/11 attacks were a tragic wake-up call to a dangerous idea that we had long ignored. Sunni extremism established strong roots across the Middle East, North Africa, and South Asia. The intolerant and violent strain of Islam was largely able to spread so widely because it was funded and supported by some of our Gulf allies. While GCC states were benefitting from security and stability provided by the U.S., they still fostered radical ideas that sought to target and kill Americans. It is no coincidence that among the 19 hijackers from the 9/11 attacks, 17 came from the United Arab Emirates and Saudi Arabia.

In part, al-Qaeda, led by Saudi, Osama bin Laden did this deliberately to damage the GCC alliance with the United States. The Saudi monarchy embraced—the embracement of Wahhabi ideology produced generations of young Saudis who despised the West and held hateful views of other religions. In fact, ISIS uses Saudi textbooks.

After 9/11, the Kingdom and the rest of the GCC states pledged cooperation with the U.S. to fight terrorism and, to Saudi Arabia's

credit, is doing more to stop terrorism. However, wealthy financiers and hateful preachers continued to operate across the GCC. For years, many of our Gulf allies tried to play both sides of the War on Terror. They acted both as arsonists and firefighters. While the U.S. military launched airstrikes against terrorists in the region from the Gulf air bases, money and recruits flowed to terrorists from the same Gulf countries.

Ultimately, not George Bush, nor Barack Obama, nor a Donald Trump can convince young Muslims that al-Qaeda or ISIS's version of Islam is the wrong one. An American President, regardless of their party affiliation, will not ever be able to effectively argue that jihad against the West is not the answer to the problems in the Middle East. It is only the leaders of the Muslim world who can make that argument.

In recent years, we have seen progress by the Gulf states toward tackling the sources of extremism within their borders. They have recognized this is not just the United States' first, but their own security is at stake. The Saudis have infiltrated terrorist groups to thwart attacks on the West and detained radical clerics who once incited thousands to join ISIS or al-Qaeda. The UAE is leading the region in developing messaging to counter violent extremism and has prioritized targeting al-Qaeda in Yemen. Bahrain is host to the region's Financial Action Task Force and amended its charity law to closely monitor terrorism and enact harsh penalties on violators.

Kuwait has intensified its charity monitoring and outlawed fundraising for terrorist organizations online. Meanwhile, Oman remains a haven for tolerance and moderate Islam, effectively preventing terrorists from using its territory for fundraising or recruitment. Even Qatar signed a memorandum of understanding with the U.S. last year to cooperate on counterterrorism and has created terrorist designation lists. Trust is finally being restored.

But there is a lot of work to be done. Qatar still harbors Hamas operatives and al-Qaeda fundraisers. The Saudis still publish intolerant material in their textbooks that glorify jihad and incite hatred and violence. Kuwait still has designated terrorists living freely in their borders. Oman remains suspiciously tied to the region's number one state sponsor of terrorism; of course, that is Iran. And reports of arms smuggling through Oman to Yemen's Houthi rebels persist. No GCC member is contributing enough to prevent ISIS from reemerging in Syria and Iraq. The Saudi-led coalition is overly focused, in my opinion, on Iran's meddling in Yemen while al-Qaeda in the Arabian Peninsula survives in the chaos.

So, we need our Gulf partners to aggressively and proactively combat extremism across the region, and not wait for the U.S. to take the lead. The region belongs to our Gulf partners, and they should be taking the lead in defeating terrorism. All the drones and special forces in the world cannot destroy an idea that is deeply rooted. The fight against terrorism must start and end with the ideals and not on the battlefield. Treating the symptoms is not enough to stop the underlying disease. And this hearing is a candid look at terrorism in the Gulf states. And that is just the way it is.

I will yield to the ranking member on the Terrorism, Non-proliferation, and Trade Subcommittee, Mr. Keating from Massachusetts.

Mr. KEATING. Chairs Poe and Ros-Lehtinen, Ranking Member Deutch, thank you for convening the hearing today and joining us.

We recently had a hearing in the Terrorism, Nonproliferation, and Trade Subcommittee on countering violent extremism and the role of women. Much of that hearing focused on the numerous ways that we can change how we empower communities and governments to get to the heart of violent extremism by capitalizing on the people and resources we have but, frankly, are not taking full advantage of.

We are presented with an exceedingly challenging environment for addressing terrorism threats in and emanating from the Gulf. However, I refuse to believe that we are helpless to do anything about it and that we are confined to the geopolitical maneuverings of foreign actors. We have far too long thought about terrorism in the traditional Whac-A-Mole sense. But as we learn more about the drivers of extremism I think we have actually come away with a better understanding of how many different ways we can positively impact this problem: By empowering women to be meaningful actors in identifying and addressing early signs of extremism and radicalization in their communities; by strengthening the rule of law and grievance mechanisms so that there are formal pathways for citizens to make their concerns heard; by improving information sharing at the local level through community policing, and at the regional and international levels so that the governments can work better together to eliminate terrorist financing, take down terrorist networks, stop foreign fighter travel. There are a lot of tools at our disposal. And it is sheer negligence not to use them.

This reality came into relief in the Boston Marathon bombing which this month marked the fifth anniversary of that attack. Terrorists don't emerge in these instances without external support, be it inspiration for an attack, training, financing, or involvement early on in the radicalization of vulnerable individuals. We need to do everything we can to stamp out all streams of support for terrorism because terrorist attacks do not happen in a vacuum.

The tragic deaths in Boston during the marathon, which is an inspiring and proud day every year for the runners, their families, and all those cheering them on the sidelines and watching them at home, these attacks don't happen in a vacuum. There were a lot of lessons learned that emerged from that attack and others that we need to be implementing fully today.

Combating terrorism abroad does mean saving lives at home. And while it is my hope that we have learned from the past, I think we can do much better. And we can encourage our allies in the Gulf to do much better. The Gulf is a serious threat environment for terrorism. The terrorist threats from al-Qaeda and ISIS operating in the Gulf is compounded by destabilizing engagement in the region by Iran and the dire conflict that exists in Yemen.

If we fail to work strategically with our allies and partners and with our own State Department, intelligence community, Treasury Department, and with all the relevant agencies and actors across our Government working in the region to mitigate these threats, the question of the next terrorist attack here at home will just be a question of when. And that is unacceptable because we can do

this work. We can support and invest in a strong State Department to navigate and negotiate the tensions in the region.

At the end of the day our counterterrorism efforts work best when everyone is focused and committed and not distracted by unproductive disputes. We can do more to mitigate the humanitarian crisis in Yemen and to do our part in welcoming refugees. With our robust State Department, and with our allies working around the world we can coordinate our response to the conflict in Yemen and act swiftly so we can finally move more aggressively toward stabilization efforts and eradicating the terrorist networks there.

Terrorists benefit from the ongoing chaos and conflict, And we are all ill-served by falling into the trap of thinking that the civil war and the humanitarian crisis on the other side of the world cannot hit us back here at home.

Across the region what can we do to shut down terrorist financing networks? How can we compel the best efforts by our partners in the region to once and for all track and eliminate these funding streams and hold all of those accountable for their crimes?

Lastly, one of the greatest assets we have are the programs being carried out by our State Department and USAID on better community policing, strengthening the rule of law and civil society, and expanding opportunities for economic empowerment, improving access to education and job training, turning down the incubators where the seeds of radicalization are sown. This is what we are here to discuss today.

I thank our witnesses for being here. And I look forward to hearing your recommendations going forward, how we can improve the situation, make the world safer, make our country safer.

With that, I yield back.

Mr. POE. I thank the gentleman from Massachusetts.

The Chair now recognizes the chairman emeritus, the professional Ileana Ros-Lehtinen in foreign affairs from Florida, the chair of the Middle East and North Africa Subcommittee. And she can speak as long as she wants to.

Ms. ROS-LEHTINEN. I won't take up that much time. But now that you have given me that opportunity.

But thank you, Chairman Poe. Thank you, Ranking Member Keating. Congressman Deutch and I want to thank both of you and your staff for working with us and our teams to hold this hearing jointly today.

As we know, the rift between Qatar and the other Gulf states has in many ways shined a necessary light on Doha's support for certain groups and ideologies in the region, many of which have ties to terrorist organizations. And to be sure, the criticism of Qatar is well deserved. As former Deputy CIA Director David Cohen said in 2014, Qatar has openly financed Hamas, is supporting extremist groups operating in Syria, is a permissive terrorist financing environment, and has actively undermined regional stability.

From Syria, to Libya, to Sudan, Qatar's support for the Muslim Brotherhood and other more extremist organizations is a driver of that instability, complicating and setting back much of what the United States and our partners are trying to achieve. To see how Qatar fuels extremist violence in the region one need only look at

its state-funded Al-Jazeera and the religious incitement that Qatar is condoning and broadcasting all over the Arab world. Understandably, Qatar's neighbors are upset with Doha's foreign policy and are pushing for change, which we have begun to address through our strategic dialogue and our memorandum of understanding with Qatar.

However, as much as the rest of the Gulf countries want to single out Qatar, it must be said that other GCC members, including some of our most trusted and important partners do not have the best record on these issues either. Our friends in Saudi Arabia, after years of cultivating the political favor of religious extremists within its borders, have now taken steps to moderate the brand of Islam that the Saudis are famous for.

But exactly how much the crown prince can or will reverse the behavior of Saudi citizens, including those in the royal family, remains to be seen. Never mind improving the Kingdom's still abhorrent human rights record and reforming an educational curriculum that still promotes intolerance of both Jews and Christians.

On a more practical level, all the GCC countries still have room to improve on fighting terrorist financing and money laundering, from Qatar and Kuwait, to Bahrain and Oman, to Saudi Arabia and the UAE. In the State Department's latest country report on terrorism not a single GCC country escapes criticism as terrorists' financiers continue to operate, charitable donations still reach terrorist groups, and religious incitement goes unaddressed.

The amount of work left to do on these issues highlights just how big the challenge is before us, no matter how much cooperation we are getting from GCC partners in other areas. Since 9/11 the United States has poured billions of dollars, billions into counterterrorism efforts. And for the most part, our national security agencies and their partners have been enormously successful shutting down operation after operation, many of which will never be reported.

What we have been less successful with is putting a stop to the root cause of terrorism, the violent ideologies, and associated economic factors that drive so many men and women to commit acts of terror in the first place. And when our partners are not fully committed, whether by failing to close gaps in their terrorist financing laws, or end religious incitement or reverse repression, both inside and outside their borders, then countering terrorism is made that much harder.

As we look to the future, I am encouraged by a lot of the progress, albeit slow, that we are seeing in our GCC partners. And I am hopeful that we are going to see even greater commitment by our partners in the years to come. Not just on a military level but by leading by example, by promoting the kind of human rights, the kind of tolerance, and economic well-being that are so desperately needed in the Middle East.

So, thank you, Chairman Poe. I look forward to hearing from our witnesses and any recommendations that they may have for increasing counterterrorism cooperation in the Gulf, and specifically what we can do in Congress to help. Thank you, Mr. Chairman.

Mr. POE. I thank the gentlelady.

The Chair now recognizes the ranking member on the Middle East, North Africa Subcommittee, Mr. Ted Deutch, also from Florida, for his opening statement.

Mr. DEUTCH. Thanks to Chairman Poe and to you and Chairman Ros-Lehtinen, and thanks for calling this hearing. This is an important issue and I look forward to the discussion. I also want to thank Ranking Member Keating for his leadership. And thanks to our panel of expert witnesses for your time and insight.

The threat of terrorism emanating from the Gulf states is clearly a very real concern. The high number of ISIS recruits and supporters in GCC countries demonstrates the seriousness of the radicalization in the region. However, we must remember that ISIS is only the most recent in a long line of radical Islamic terror groups.

ISIS's conventional defeat in Iraq and Syria will not stop support of its ideology around the world, especially in the Gulf region. Our counterterrorism efforts cannot focus on security cooperation alone. They are incomplete without a comprehensive effort to counter violent extremism and address the root causes, the drivers of terrorism. And while it is perhaps more difficult to measure success with these programs than it is to quantify territory controlled or number of fighters killed, they are a critical part of a counterterrorism strategy. And we have got to press our allies to work together on these efforts with the same commitment that they have to our security cooperation.

Terror groups are increasingly propagating their dangerous message to vulnerable individuals through social media and online platforms. Efforts in the realms of education, through religious institutions, and government outreach can be powerful in fighting dangerous ideologies and fighting back against terrorist recruitment. Populations in GCC countries are especially vulnerable to this online radicalization.

Fundraising and operational plotting go hand-in-hand with these online mechanisms, presenting what is a complex and fluid obstacle for GCC states to tackle. The GCC countries must be diligent in facing these challenges. However, counterterrorism and security concerns cannot be used by states as a reason to silence the voices of political opposition and curtail freedom of speech. Human rights and combating corruption must not be overlooked when applying the strongest counterterrorism policies.

Likewise, the Gulf states must ensure its official messaging is consistent with their stated commitment to countering violent ideologies. State-sponsored media, like Al-Jazeera, cannot be used to spread messages of violence. And speakers who endorse violent action wherever they speak, whether in the public square or the public mosque, any violent actions spoken against perceived enemies of Islam must not be tolerated by the GCC.

I am deeply concerned that U.S.-GCC counterterrorism has also been weakened by the current rift among the GCC countries. Unity in this region is critical to our efforts to counter Iran's destabilizing influence. And unity will be even more vital should the administration choose to walk away from the nuclear deal. The United States will need our partners to stand together to deter the Iranian aggression that threatens all of our interests.

It does the United States no good to choose sides in this rift. We must work to solve the current crisis, and, in the process, strengthen the efforts of all GCC countries to fight terrorism. The GCC countries host U.S. troops and critical security infrastructure. We are all safer when we are working together. I believe it is in the region's best interest to counter all brands of terrorism from Hamas to al-Qaeda, ISIS to Hezbollah. And I know that some of our allies view these groups differently. But we must be clear in our expectations of those who want to be partners with the United States.

The GCC countries should be working together, should find strength in unity in combating these violent ideologies that threaten long-term state stability. It does nothing to strengthen regional security to only point fingers and claim the terrorism supported by one country is worse than the terrorism supported by another country. Let's agree, terrorism is bad, period. And we expect our allies to fight it, not fund it.

Combating terror financing in the Gulf region is a key component of our counterterrorism strategy. There is substantial room for improvement in all of the Gulf countries. The United States has made clear that we will work with our allies to help them get their terror finance laws in line with ours, we will share technical expertise and information, but we expect the governments will pursue terror financiers to the full extent of the law.

I look forward to our witnesses addressing the terror finance piece in greater detail.

Finally, I hope that today will help us understand where the current gaps in our own counterterrorism programming as well as that of our allies exist, and just how we might strengthen our joint efforts to combat it.

I appreciate the time, Mr. Chairman. I yield back. Thank you.

Mr. POE. I thank the gentleman from Florida.

The Chair will recognize other members for 1 minute if they wish to make an opening statement. The Chair recognizes the gentlelady from Missouri, Ambassador Wagner, for 1 minute.

Mrs. WAGNER. I thank you, Mr. Chairman and Chairwoman, for your courtesy and for this hearing today.

I had the opportunity just last week to ask Ambassador Satterfield, Assistant Secretary for Near Eastern Affairs, how our diplomatic corps is strengthening our partnerships with Gulf states and working to resolve tensions between Qatar and its neighbors. I appreciate very much the chance to revisit this critical issue today. It behooves the United States to foster excellent working relationships with and among Arab states as we counter the threats from Iran, Syria, and terrorist groups.

And to add on to our colleague Mr. Deutch and what you had to say, I spent the better part of 4 years in a tiny little country as U.S. Ambassador of Luxembourg fighting directly terrorist financing that was being moved and laundered through and into this region. So I very much look forward to your thoughts and discussions on this area. So I thank you for your indulging me, Mr. Chairman.

Mr. POE. I thank the gentlelady.

The Chair recognizes the gentleman from Rhode Island, Mr. Cicilline.

Mr. CICILLINE. Thank you, Chairwoman Ros-Lehtinen and Ranking Member Deutch, and Chairman Poe and Ranking Member Keating for convening this important joint hearing on the Middle East, North Africa, and Terrorism, Nonproliferation, and Trade Subcommittees.

Particularly since the terrorist attack of September 11, 2001, we have relied on cooperation from our allies and partners throughout the world to work with us on counterterrorism operations through military support, intelligence sharing, and increased action against terrorist financing. Our partners in the Persian Gulf have played a critical role in these efforts in many areas. And in many of these nations, cooperation and partnership with the United States has continued to improve.

While I hope that this will be part of today's discussion, I also hope that we will be able to address ways in which Gulf Cooperation Council states can continue to improve counterterrorism activities, in ways in which we can combat the roots of extremism in the region, ways in which we can work together to prevent terrorist organizations from carrying out horrific acts around the world.

I look forward to today's discussion and to hearing from our witnesses today. And I yield back the balance of my time.

Mr. POE. I thank the gentleman. The Chair recognizes the gentleman from Pennsylvania, Mr. Boyle.

Mr. BOYLE. Thank you, Mr. Chairman.

I will just be brief. One of the things that I am most interested in this hearing today is the extent to which, if any, the intra-GCC rift that has emerged on the Arabian Peninsula affects our overall joint counterterrorism efforts. So if they weren't already planning to do so, perhaps our panelists might be able to address that point when they are speaking.

Thank you.

Mr. POE. I thank the gentleman.

The Chair will now introduce each of our witnesses and hear from them. And then the members will question them.

Ms. Katherine Bauer is the Blumenstein-Katz Family Fellow at The Washington Institute for Near East Policy, and former Treasury official who served as the Department's Financial Attache in Jerusalem and in the Gulf.

Dr. David Weinberg is the Anti-Defamation League's Washington representative for international affairs. Previously he was a senior fellow at the Foundation for Defense of Democracies studying the Gulf.

Mrs. Leanne Erdberg is the director of Countering Violent Extremism at the U.S. Institute of Peace. She previously served on the National Security Council and the State Department.

Ms. Bauer, we will start with you. You have 5 minutes. When the red light comes on you know the drill, stop. So you are recognized.

STATEMENT OF MS. KATHERINE BAUER, BLUMENSTEIN-KATZ FAMILY FELLOW, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Ms. BAUER. Thank you, Chairman Poe and Ros-Lehtinen, Ranking Member Keating and Deutch, distinguished members of the

subcommittee. Thank you for the opportunity to testify today on GCC States counterterrorism efforts.

The Arab Gulf States are important U.S. counterterrorism partners. Since 9/11, the United States has made great, albeit often uneven strides, in working with our various partners in the GCC. And counterterrorist financing has been at the heart of such cooperation. It remains essential today. The central role of counterterrorist financing is reflected both in the fact that it is among the grievances that has fueled the rift between Qatar on the one hand, and Saudi Arabia, the United Arab Emirates, Bahrain, and Egypt on the other, and because of the increasing complexity of the terrorist threat.

Years of conflict in Syria, Iraq, Yemen, and Libya have provided fertile ground for terrorist groups and extremist ideologies. Such groups have sought and achieved safe havens in weak and failed states from which to recruit, train, plot, and conduct attacks, as well as to extract resources and aggregate funds. Because of this evolution in terrorist financing methodologies, disrupting foreign sources alone will not bankrupt such groups.

In order to achieve durable counterterrorism successes, counterterrorist financing must proceed alongside efforts to counter extremist ideologies and promote good governance, areas where the GCC states also have an important role to play. Even, and especially so, continuing to build partner capacity to address systemic vulnerabilities to illicit finance will make it harder for terrorist organizations to move and store funds.

Some GCC states have taken greater ownership of such issues in recent years due to domestic and foreign threats, as well as changing dynamics in the global financial system. As they do, the United States should continue to press the GCC states to comply with international standards for anti-money laundering and counterterrorist financing, promulgated by the Financial Action Task Force, to include transparency and due process in the application of targeted financial sanctions.

Since the Gulf rift began 10 months ago, terror finance concerns have figured prominently. But it is unlikely that resolving these concerns alone would end the crisis. Nonetheless, the U.S. should continue to work with Qatar under the terms of the MOU on Counterterrorism Cooperation signed in July, as well as to work to mitigate the impact of the rift on counterterrorism and other security cooperation.

The rift has focused attention on Qatar's counterterrorist financing deficiencies, with the result that others in the region have arguably been given a pass. In particular, Kuwait, where a number of U.N.-designated terrorist financiers continue to operate according to the State Department's most recent country reports on terrorism. In reality, each Gulf state faces its own deficiencies, vulnerabilities, and barriers to action against terrorist financing.

These are hard and politically sensitive issues. The scope of the challenge facing Saudi Arabia is perhaps greater than any other Gulf state. Both ISIS and al-Qaeda continue to call for attacks against the Kingdom. And despite serious efforts on the counterterrorist financing front, Saudi individuals likely continue to serve as a source of funding for terrorist groups.

The UAE has inherent vulnerabilities to terrorist and other illicit financing due to its role as a regional commercial and financial hub.

Bahrain has among the most technically competent anti-money laundering and counterterrorist financing regimes in the Gulf. However, Manama is sometimes overzealous in its application of such laws and regulations against its local Shia population, risking the credibility of Bahrain's counterterrorism efforts overall.

Qatar does deserve its share of the blame. But the number of deep pocket terrorist financiers and facilitators in Qatar is ultimately relatively small. Qatar has taken some limited action against individual terrorist financiers, freezing assets, imposing travel bans, shutting down accounts, and even shutting down a charity tied to al-Qaeda in Syria.

But in all these instances the country acted only in response to considerable U.S. pressure and was remarkably reluctant to publicly take credit for successes. Other actions have mixed or unclear results, such as stalled prosecutions and the omission of U.N. designated Khalifa al-Subaiy from their first national terrorist list issued last month.

Taken together, one has to wonder, as the Treasury official did last fall, whether Qatar has made the kind of "fundamental decisions on combating terror finance that would make the country a hostile environment for terrorist financiers."

Before I conclude, I just want to recognize Congresswoman Wagner's intervention regarding the importance of diplomacy. I couldn't agree more. And I look forward to discussing the role of sanctions diplomacy in the Gulf in particular.

Thank you again for the opportunity to testify today. And I look forward to your questions.

[The prepared statement of Ms. Bauer follows:]



Grading Counterterrorism Cooperation with the GCC States

Katherine Bauer

Blumenstein-Katz Family Fellow, The Washington Institute for Near East Policy

Testimony submitted to the House Foreign Affairs Committee
Subcommittee on Terrorism, Nonproliferation, and Trade
Subcommittee on the Middle East and North Africa

April 26, 2018

Chairman Poe, Ranking Member Keating, Chairwoman Ros-Lehtinen, Ranking Member Deutch, and distinguished members of the subcommittees, thank you for the opportunity to testify today on Gulf state counterterrorism efforts. This hearing comes at a critical time. Years of conflict in Syria, Iraq and Yemen have proven fertile ground for terrorist groups and extremist ideologies. Terrorist groups have sought and achieved safe havens in weak or failed states from which to recruit, train, plot and conduct attacks, as well as to extract resources and aggregate funds.

The Gulf states have been important U.S. partners in countering these threats. Since 9/11, the United States has made great, albeit often unequal, strides in working with our various partners in the Gulf, and counterterrorist financing has been at the heart of such cooperation. Across the Gulf, alongside efforts to encourage the development of partner capacity, establish appropriate legal frameworks, and develop key agencies and personnel, the United States dramatically increased information sharing and sought to galvanize political will among Gulf partners to act both jointly with and independently of the United States to stymie terrorist financing.

Such cooperation remains essential today. Its importance is reflected in the fact that terrorist financing is among the grievances that has fueled the rift between Qatar on the one hand and Saudi Arabia, the United Arab Emirates, Bahrain and Egypt on the other. It is also important because of the evolution and increasing complexity of terrorist financing to involve more diverse sources of funds, as we have seen with the so-called Islamic State, among others.

My testimony today will focus on these counterterrorist financing issues. First, I will discuss the GCC rift. Next, I will look in detail at the records of Kuwait and Qatar on counterterrorist financing issues. Finally, I will look at the evolution of the terror finance threat, and offer a few recommendations on the way forward in working with all GCC states to strengthen their ability to respond to this complex threat.

THE GCC RIFT

In the ten months since the UAE, Saudi Arabia, Bahrain, and Egypt (the Arab Quartet) imposed a diplomatic embargo on their neighboring Arab Gulf state, prominent among their complaints has been Qatar's support for Islamist extremist groups, whether through media outlets, hosting senior officials, or funding by Qatari individuals. However, it is unlikely that resolving the Arab Quartet's concerns about Qatari counterterrorism financing deficiencies would end the rift. Rival media smear campaigns have targeted both foreign and domestic audiences further entrenching public opinion. As the rift has dragged on, parties on both sides appear to be only increasingly (and literally) dug in: Saudi media recently reported that the kingdom will dig a canal near the Saudi-Qatari border and place its nuclear waste dump in the Saudi land between the canal and Qatar to geographically isolate its neighbor.¹

Nonetheless, the United States should continue to work to alleviate the impact of the rift on counterterrorism and other security cooperation. Travel and port restrictions create logistical headaches for the U.S. military operating from the largest U.S. base in the Middle East, al-Udeid, as well as for other U.S. official efforts: a recent meeting of the U.S.-GCC Terrorist Financing Targeting Center (TFTC), established in Riyadh on the margins of President Trump's visit there just prior to the beginning of the rift, had to be held in Kuwait so that Qatar could attend.² The center's physical headquarters was inaugurated in Riyadh by Treasury Secretary Steven Mnuchin in October 2017.³

The rift is a distraction from the many pressing issues that face all parties involved. It takes up precious time of Gulf State officials. Given the Gulf states' small native populations and the necessity that national security positions be filled by citizens, they generally lack a deep bench of such officials. For example, Kuwait's role as mediator in the rift risks crowding out U.S. efforts to push Kuwait to remedy its own counterterrorist financing deficiencies. The blockade has arguably had some modest impact of pushing Qatar closer to Iran⁴, despite U.S. efforts to mount a joint U.S.-GCC effort to contain the Islamic Republic.

The rift has focused attention on Qatar's counterterrorist financing deficiencies with the result that others in the region—in particular Kuwait—have arguably been given a pass. In reality, each Gulf state faces its own deficiencies, vulnerabilities, and barriers to actions against terror finance. While I focus in this testimony on Qatar and Kuwait, largely out of a

¹ Brennan, David, "Saudi Arabia wants to dump nuclear waste on the Qatari border to make its arch enemy an island," Newsweek, 10 April 2018. Web. <http://www.newsweek.com/saudi-arabia-wants-dump-nuclear-waste-qatari-border-make-enemy-island-879072>

² "Qatar takes part in TFTC meet in Kuwait," The Peninsula, March 9, 2018. <https://thepeninsulaqatar.com/article/09/03/2018/Qatar-takes-part-in-TFTC-meet-in-Kuwait>

³ "Secretary Mnuchin Leads Middle East Trip Focused on Combatting Terrorist Financing," Press Center, U.S. Department of the Treasury, Oct. 20, 2017. Web. <https://www.treasury.gov/press-center/press-releases/Pages/SM0185.aspx>

⁴ While some reports have pointed out that goods from Iran have doubled as a share of Qatari imports, it remains at a very low level. "Qatar's non-oil exports in first 9 months of 2017 stand at QR13.3bn," Gulf Times, Oct. 22, 2017. Web. [http://www.gulf-times.com/story/568272/Qatar-s-non-oil-exports-in-first-9-months-of-2017-;Arefmanesh,Sepehr,`IranExports`to`Qatar`Up`17%,"](http://www.gulf-times.com/story/568272/Qatar-s-non-oil-exports-in-first-9-months-of-2017-;Arefmanesh,Sepehr,`IranExports`to`Qatar`Up`17%,) Financial Tribune, Nov. 19, 2017. Web. <https://financialtribune.com/articles/economy-domestic-economy/76398/irans-economic-ties-with-qatar-booming-exports-up-117>

desire to provide a complete picture that is often missing in the PR-fueled Gulf rift, the Gulf countries of the Arab Quartet have their own problems as well.

The scope of the challenge facing Saudi Arabia is perhaps greater than any other Gulf state, with more than two thousand Saudis fighting for terrorist organizations in foreign conflicts, largely in Syria.⁵ Both ISIS and al-Qaeda continue to call for attacks against the kingdom, and despite serious efforts on the counterterrorist financing front, Saudi individuals likely continue to serve as a source of funding for terrorist groups.⁶

The UAE has inherent vulnerabilities to terrorist and other illicit financing due to its role as a regional commercial and financial hub. The large number of exchange houses, general trading companies, and hawalas create “an environment susceptible to bulk cash smuggling, trade based money laundering, and the raising and transferring of funds for illicit activity.”⁷ With more than 15 million travelers to Dubai alone in 2017⁸, the UAE also faces challenges in identifying and acting against UN-designated terrorist financiers in its territory. According to the *Washington Post*, the United States and UAE missed an opportunity to detain UN-designated Taliban leader Akhtar Mohammad Mansour on a trip to Dubai in spring 2016.⁹ The UAE faces significant challenges in coordinating across a bifurcated regulatory setting between onshore and offshore financial activity, as well as between the country’s two security services, which respectively cover Dubai, the primary financial and commercial center, and Abu Dhabi, the capital.

Bahrain has zealously applied anti-money laundering and counterterrorist financing measures, notably against a Shia cleric for collecting *khums*, a sort of tax paid by Shia to be used by clergy to help the needy.¹⁰ Even before this specific instance, the State Department warned that Bahrain’s “potential politicization of terrorist finance and money laundering issues threatens to conflate legitimate prosecutions of militants with politically motivated actions against the mainstream, nonviolent opposition and Shia community.”¹¹

⁵ “Country Reports on Terrorism 2016: Middle East and North Africa,” U.S. Department of State. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

⁶ *Ibid.*

⁷ *Ibid.*

⁸ “15.8 million people visited Dubai in 2017,” Gulf News, Feb. 7, 2018. Web. <https://gulfnews.com/business/sectors/tourism/15-8-million-people-visited-dubai-in-2017-1.2169807>

⁹ Jaffe, Greg & Ryan, Missy, “A Dubai shopping trip and a missed chance to capture the head of the Taliban,” *The Washington Post*, Mar. 24, 2018. Web. https://www.washingtonpost.com/world/national-security/a-dubai-shopping-trip-and-a-missed-chance-to-capture-the-head-of-the-taliban/2018/03/24/0137dd66-2ba0-11e8-8ad6-fbc50284fce8_story.html

¹⁰ Reuters Staff, “Bahrain’s top Shi’ite cleric gets one year suspended jail sentence,” Reuters, May 21, 2017. Web. <https://www.reuters.com/article/us-bahrain-security-trial/bahrains-top-shiite-cleric-gets-one-year-suspended-jail-sentence-idUSKBN18H07C>

¹¹ “Country Reports on Terrorism 2016: Middle East and North Africa,” U.S. Department of State. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

The United States should continue to work both bilaterally and multilaterally to strengthen all Gulf states' capability and will to implement the appropriate legal, regulatory, and operational measures to counter these threats.

KUWAIT AND QATAR

In the past, Kuwait and Qatar were often lumped together when discussing terror finance in the Gulf. Kuwait was named alongside Qatar as a "permissive jurisdiction" for terrorist financing by a Treasury official in 2014.¹² The focus on Qatar of late has in effect given Kuwait a pass, and Kuwait's role as a mediator in the Gulf rift has likely crowded out U.S. efforts to pressure Kuwait to act. According to the most recent State Department Country Report on Terrorism, "a number of UN-designated terrorist financiers continued to operate in Kuwait."¹³

Underpinning Kuwait's inaction, Kuwait scholar Lori Plotkin Boghardt observed in 2014, is that "tightening the noose around local fundraising for Syria-based extremist groups would invite the wrath of powerful Salafist politicians and clerics who have been at the forefront of Kuwait's private fundraising scene."¹⁴ Indeed, in 2014, Kuwait's Minister of Justice and Awqaf (endowments), Nayef al-Ajmi, was forced to resign after being called out by a U.S. official for his association with fundraising efforts for "a prominent al-Nusra Front financier." Following Ajmi's appointment, according to the United States, "the Ministry of Awqaf announced it would allow non-profit organizations to collect donations for the Syrian people at Kuwaiti mosques, a measure we believe can be easily exploited by Kuwait-based terrorist fundraisers."¹⁵

In the interim, Kuwait has taken efforts to intensify charity supervision, including closing two domestic charities for "illegal fundraising for foreign beneficiaries."¹⁶ Notably, in 2016, Kuwait's Ministry of Social Affairs prohibited cash donations to charitable causes during Ramadan, insisting on credit card or other electronic funds transfer to enable financial authorities to monitor such transfers and prevent misuse.¹⁷

The United States continues to publicly identify Kuwait-based terrorist financiers. Most recently, in March 2017, the United States designated "prominent al-Nusra Front and al-Qaeda

¹² "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing,'" Press Center, U.S. Department of the Treasury, 03 April 2014. Web. <https://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>

¹³ "Country Reports on Terrorism 2016: Middle East and North Africa," U.S. Department of State. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

¹⁴ Lori Plotkin-Boghardt. "Policywatch 2247: The Terrorist Funding Disconnect with Qatar and Kuwait," Washington Institute for Near East Policy, May 2, 2014. <http://www.washingtoninstitute.org/policy-analysis/view/the-terrorist-funding-disconnect-with-qatar-and-kuwait>.

¹⁵ "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing,'" Press Center, U.S. Department of the Treasury, 03 April 2014. Web. <https://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>

¹⁶ "Country Reports on Terrorism 2016: Middle East and North Africa," U.S. Department of State. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

¹⁷ Ibid.

financier” Mohammad Hadi al-Anizi, discussed below for his ties to Abd al-Rahman al-Nuaymi.¹⁸ Anizi, according to Treasury, is based in Kuwait, from which he has “provided extensive material and financial support to ANF since at least 2014.” The press statement, however, traces Anizi’s ties to AQ back to 2007 and adds that, in mid-to-late 2014, Anizi was “appointed as AQ’s representative in Syria by AQ senior leadership.”¹⁹ Taken together, one has to wonder if Anizi only recently returned to Kuwait from Syria.

With regard to ISIS, which has been the primary terrorist threat to Kuwait, a number of cases have been prosecuted with mixed success under Kuwait’s anti-money laundering and counterterrorist financing law, which was only adopted in 2014.²⁰ In 2016, Kuwait tried twelve citizens charged with providing support to ISIS. Of the twelve, Kuwait “abstained from punishing” seven of them resident in Kuwait. The other five, tried in absentia, were sentenced to ten years’ hard labor.²¹

Qatar’s record leaves much to be desired as well. For a number of years, a Treasury official revealed in 2014, “several major Qatar-based fundraisers [have acted] as local representatives for larger terrorist fundraising networks that are based in Kuwait.”²²

While Qatar took a number of limited actions against individual terrorist financiers during this period—freezing assets, imposing travel bans, shutting down accounts, and pursuing a number of prosecutions²³—implementation has been thoroughly mixed, as my colleague Matthew Levitt detailed in his July testimony in front of the House Foreign Affairs Committee, and as we have written about jointly.²⁴ Qatar has been reluctant to take credit publicly for the steps they have taken—which is not uncommon across the Gulf—and largely in response to considerable U.S. pressure.

¹⁸ “Treasury Sanctions Prominent Al-Nusra Front and Al-Qa’ida Facilitator,” Press Center, U.S. Department of the Treasury, March 14, 2017. Web. <https://www.treasury.gov/press-center/press-releases/Pages/sm0027.aspx>

¹⁹ Ibid.

²⁰ “Country Reports on Terrorism 2016: Middle East and North Africa,” U.S. Department of State. <https://www.state.gov/j/ct/rls/crt/2016/272232.htm>

²¹ Al-Enezi, Meshaal, “Dozen sentenced of supporting IS,” Kuwait Times, Jan. 10, 2016. Web. <http://news.kuwaittimes.net/website/dozen-sentenced-of-supporting-is/>

²² “Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on “Confronting New Threats in Terrorist Financing,” Press Center, U.S. Department of the Treasury, 03 April 2014. Web. <https://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>

²³ “Readout of Secretary Tillerson’s Meeting with Qatari Foreign Minister Al Thani,” News & Events, U.S. Embassy Doha, 09 May 2017. Web. <https://qa.usembassy.gov/secretary-tillersons-meeting-qatari-foreign-minister-al-thani/>

²⁴ United States. Cong. House. Committee on Foreign Affairs, Subcommittee on the Middle East and North Africa. Hearing on Assessing the U.S.-Qatar Relationship Jul. 26, 2017. 113th Cong. Washington: GPO, 2017 (statement of Dr. Matthew Levitt, Director and Fromer-Wexler Fellow, Stein Program on Counterterrorism and Intelligence, The Washington Institute for Near East Policy). <https://docs.house.gov/meetings/FA/FA13/20170726/106329/HHRG-115-FA13-Wstate-LevittM-20170726.pdf>; Levitt, Matthew & Bauer, Katherine, “Qatar Doesn’t Need a Blockade. It Needs an Audit,” Foreign Policy, June 15, 2017. Web. <https://foreignpolicy.com/2017/06/15/qatar-doesnt-need-a-blockade-it-needs-an-audit-al-qaeda/>

For example, although the 2014 State Department Country Report on Terrorism credited Qatar with shutting down Saad al-Kaabi's online fundraising platform, Madad Ahl al-Sham, which was "suspected of sending funds to violent extremist elements in Syria,"²⁵ a 2017 Treasury designation of Kuwait-based financier Muhammad Hadi al-Anizi noted that Kaabi was still actively involved in financing AQ in Syria at least a year later in 2015.²⁶ The U.S. Treasury designated Kaabi as a financial supporter of al-Qaeda and ANF in 2015.²⁷ Kaabi was found responsible for raising funds for ANF to purchase weapons and food, as well as facilitating the ransom payment for a hostage held by ANF in early 2014. Kaabi worked for ANF in Syria since at least late 2012.²⁸

In another case, the U.S. Treasury sanctioned 'Abd al-Malik 'Abd al-Salam (aka Umar al-Qatari), a Jordanian with Qatari residence.²⁹ In 2011 and 2012, he worked with associates in Turkey, Syria, Lebanon, Qatar, and Iran to raise and move funds, transfer weapons, and facilitate travel for fighters. For example, in 2012, he gave thousands of dollars and material support to an al-Qaeda associate in Syria, intended to assist ANF operatives. That same year, he also assisted with ANF recruitment in Turkey. He has used online sites to raise funds for al-Qaeda, and in 2011 he was part of an attack against U.S. forces in Afghanistan.³⁰ In 2014, the State Department's Country Reports said that the Qatari government had deported a Jordanian terrorist financier living in Doha and employed by a Qatari charity.³¹ The report did not name the Jordanian deported, but it may have been referring to Umar al-Qatari. If it was in fact him, it is possible he continued to engage in terrorist financing for at least two years after he was designated by Treasury.

Doha has been less than forthcoming on the issue of prosecuting terrorism financiers in Qatari courts. To be fair, the universe of deep pocket terrorist financiers in Qatar is a small one. According to the State Department's 2015 Country Reports, Doha had "made efforts to prosecute significant terrorist financiers."³² As of 2016, Qatar had prosecuted five terrorist

²⁵ "Country Reports: Middle East and North Africa Overview," U.S. Department of State, 2014, <https://www.state.gov/j/ct/rls/crt/2014/239407.htm>.

²⁶ "Treasury Sanctions Prominent Al-Nusrah Front and Al-Qa'ida Facilitator," U.S. Department of the Treasury, March 14, 2017, <https://www.treasury.gov/press-center/press-releases/Pages/sm0027.aspx>

²⁷ "Treasury Designates Financial Supporters of Al-Qaida and Al-Nusrah Front," U.S. Department of the Treasury, August 5, 2015, <https://www.treasury.gov/press-center/press-releases/Pages/j10143.aspx>.

²⁸ *Ibid.*

²⁹ "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," U.S. Department of the Treasury, <https://www.treasury.gov/press-center/press-releases/Pages/j12651.aspx>.

³⁰ *Ibid.*

³¹ "Country Reports: Middle East and North Africa Overview," U.S. Department of State, 2014, <https://www.state.gov/j/ct/rls/crt/2014/239407.htm>.

³² "Country Reports: Middle East and North Africa Overview," U.S. Department of State, 2015, <https://www.state.gov/j/ct/rls/crt/2015/257517.htm>.

financiers: Ibrahim al-Bakr,³³ Saad al-Kaabi,³⁴ Abd al-Latif al-Kawari,³⁵ Abd al-Rahman al-Nuaymi,³⁶ and Khalifa al-Subaiy.³⁷ It is now clear that of these, two were acquitted, one was convicted but then acquitted on appeal, and one was convicted in absentia. As a result, none were in jail when the current intra-Gulf spat broke out, though the ones still resident in Qatar were reportedly under surveillance.

Despite shutting down Kaabi's fundraising platform in 2014, Qatar acquitted him in 2016, along with Nuaymi.³⁸ Both were designated by the Treasury for providing support to al-Qaeda.³⁹ According to his Treasury designation, Nuaymi ordered the transfer of almost \$600,000 to al-Qaeda through one of the organization's representatives in Syria. He also assisted with the financing of al-Qaeda in Iraq and was the middle man between Qatari-based donors and the group.⁴⁰

The three other individuals that Qatar prosecuted include Bakr, Kawari, and Subaiy. Bakr and Kawari were convicted in 2016, and Subaiy was convicted in 2008. This was the second time that Bakr was convicted, following his 2000 arrest in which he was subsequently "released from prison after he promised not to conduct terrorist activity in Qatar."⁴¹ In his latest case, he was convicted in absentia and remains at large outside of Qatar. According to the 2008 Treasury designation, in 2006 Bakr assisted a terrorist cell that was plotting attacks against U.S. military bases in Qatar. Additionally, beginning in 2012, Bakr worked for al-Qaeda, serving as the link between Gulf-based al-Qaeda financiers and Afghanistan.⁴²

Kawari, arrested in 2016 in Qatar and supposedly serving his sentence under house arrest, was designated in 2015 by the U.S. Treasury for coordinating the funding between Qatari financiers and al-Qaeda. He also served as an al-Qaeda security official.⁴³

³³ "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," U.S. Department of the Treasury, September 24, 2014, <https://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>.

³⁴ "Treasury Designates Financial Supporters of Al-Qaida and Al-Nusrah Front," U.S. Department of the Treasury, August 5, 2015, <https://www.treasury.gov/press-center/press-releases/Pages/jl0143.aspx>.

³⁵ *Ibid.*

³⁶ "Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen," U.S. Department of the Treasury, December 18, 2013, <https://www.treasury.gov/press-center/press-releases/Pages/jl2249.aspx>.

³⁷ "Treasury Designates Gulf-Based al Qaida Financiers," U.S. Department of the Treasury, June 5, 2008, <https://www.treasury.gov/press-center/press-releases/Pages/hp1011.aspx>.

³⁸ "Counter Terrorism Designations," U.S. Department of the Treasury, August 5, 2015, <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150805.aspx>.

³⁹ "Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen," U.S. Department of the Treasury, December 18, 2013, <https://www.treasury.gov/press-center/press-releases/Pages/jl2249.aspx>.

⁴⁰ *Ibid.*

⁴¹ "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," U.S. Department of the Treasury, September 24, 2014, <https://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>.

⁴² *Ibid.*

⁴³ "Treasury Designates Financial Supporters of Al-Qaida and Al-Nusrah Front," U.S. Department of the Treasury, August 5, 2015, <https://www.treasury.gov/press-center/press-releases/Pages/jl0143.aspx>.

Lastly, Subaiy was originally arrested in January of 2008 in Bahrain for “financing terrorism, undergoing terrorist training, facilitating the travel of others abroad to receive terrorist training, and for membership in a terrorist organization.”⁴⁴ He was arrested again in March 2008 by Qatar and served a six-month term in prison. He is supposedly under surveillance; however, in 2015 the UN Committee on al-Qaeda sanctions updated his listing with new information—which is no small matter because it required a new vote of the full UNSC—and reported that Subaiy had resumed terrorist activity. According to the committee, Subaiy reconnected with al-Qaeda financiers and facilitators in the Middle East after his release and resumed organizing funds in support of the organization. Moreover, “his involvement with Iran-based facilitators continued” in 2009, 2011, and 2012, with money flowing to al-Qaeda leaders in Pakistan.⁴⁵ If he is in fact under Qatari surveillance, the Qatari authorities do not appear to be very vigilant.

Systemic Reforms

Kuwait came late to counterterrorist financing: it did not pass its first terror financing law until 2013, after a long battle in the country’s majlis, which counts among its elected representatives members of Kuwaiti Muslim Brotherhood and hardline Salafi Islamist parties. The law allows for asset freezing and creation of a financial intelligence unit, which was stood up not long after. Since then, Kuwait has implemented bylaws that mandate reporting suspicions of terrorist financing; it has also stood up an intergovernmental counterterrorism committee headed by the Ministry of Foreign Affairs to implement UN-level obligations and domestic regulations.⁴⁶

Qatar took a number of systemic steps as well, including adopting new laws on charitable sector regulation and prohibitions on online fundraising in 2014.⁴⁷ In 2017, Qatar updated a 2004 counterterrorism law to allow the establishment of domestic terrorism designation capability. This deficiency had been among the concerns that kept Qatar on the Financial Action Task Force’s ongoing monitoring list after its first mutual evaluation by the international standard setter in 2008.⁴⁸ Qatar was removed from the list in 2010 after enacting a

⁴⁴ “Treasury Designates Gulf-Based al Qaeda Financiers,” U.S. Department of the Treasury, June 5, 2008, <https://www.treasury.gov/press-center/press-releases/Pages/hp1011.aspx>.

⁴⁵ “Narrative Summaries of Reasons for Listing,” United Nations, February 19, 2015, https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/khalifa-muhammad-turki-al-subaiy.

⁴⁶ “Money Laundering and Financial Crimes Country Database,” United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, June 2015. Web. <https://www.state.gov/documents/organization/239329.pdf>

⁴⁷ United States. Cong. House. Committee on Foreign Affairs, Subcommittee on the Middle East and North Africa. Hearing on Assessing the U.S.-Qatar Relationship Jul. 26, 2017. 113th Cong. Washington: GPO, 2017 (statement of Dr. Matthew Levitt, Director and Fromer-Wexler Fellow, Stein Program on Counterterrorism and Intelligence, The Washington Institute for Near East Policy). <https://docs.house.gov/meetings/FA/FA13/20170726/106329/HHRG-115-FA13-Wstate-LevittM-20170726.pdf>

⁴⁸ “Mutual Evaluation Report of Qatar,” Middle East and North Africa Financial Action Task Force, April 9, 2008. PDF. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/MER%20Qatar.pdf>

new AML/CFT law, issuing revised regulations and providing guidance on suspicious transaction monitoring requirements to obligated entities.⁴⁹ However, despite Qatar's efforts to implement the appropriate legal infrastructure, the State Department noted in its 2015 INCSR report: "The exploitation of charities and private donations to finance terrorism continues to be a concern, as does the ability of individuals to bypass the formal financial sector for illicit financing."⁵⁰

Despite the above legislative efforts, according to former senior U.S. Treasury official Daniel Glaser, U.S.- and UN-designated terrorist financiers continue to operate "openly and notoriously" in Qatar.⁵¹ In February 2017, Glaser lamented that Qatar had not yet made the kind of "fundamental decisions" on combating terror finance that would make the country a hostile environment for terror financiers, concluding that the positive steps Qatar had taken were "painfully slow."⁵²

Since the beginning of the GCC rift, the United States has redoubled efforts to galvanize Qatari action on terror finance. In July 2017, the United States and Qatar signed a memorandum of understanding "outlining future efforts Qatar can take to fortify its fight against terrorism and actively address terrorism funding issues," according to a U.S. State Department official.⁵³ Although the contents of the MOU have not been made public, it is reported to focus on increased information sharing and capacity building related to prosecutions. On the terror finance side, in a statement following his October 2017 visit to Doha, Treasury Secretary Mnuchin enumerated additional areas of cooperation, including: "placing a greater emphasis on charitable and money service business sectors in Qatar to prevent terrorists from continuing to use those sectors for illicit financing purposes, developing a Qatari domestic designations regime in line with international standards, and taking joint actions against terrorist financiers."⁵⁴

Mnuchin's visit came days after Qatar had joined the United States and other GCC states in their first joint designation under the TFTC. Among those targeted was one individual with significant ties to Qatar: Yemeni Abd al-Wahab al-Humayqani. He was previously designated by the United States in 2013. According to the Treasury, in 2012, Abd al-Rahman al-

⁴⁹ "Improving Global AML/CFT Compliance: update on-going process – June 2010," Financial Action Task Force, June 25, 2010. <http://www.fatf-gafi.org/countries/d-i/greece/documents/improving-globalamlcftcomplianceupdateon-goingprocess-june2010.html>

⁵⁰ "Money Laundering and Financial Crimes Country Database," United States Department of State Bureau for International Narcotics and Law Enforcement Affairs. June 2015. Web. p 363. <https://www.state.gov/documents/organization/239329.pdf>

⁵¹ Daniel Glaser, Foundation for Defense of Democracies, February 7, 2017, <https://www.youtube.com/watch?v=OXSMKYr-SFI&feature=youtu.be&t=34m18s>.

⁵² Ibid.

⁵³ "U.S., Qatar sign MOI on combatting terrorism, financing," Reuters, July 11, 2017. <https://www.reuters.com/article/us-gulf-qatar-usa-mou/u-s-qatar-sign-mou-on-combatting-terrorism-financing-idUSKBN19W1JX>.

⁵⁴ "Joint Statement Following U.S. Treasury Secretary Steven Mnuchin's Meetings with His Highness Shiekh Tamin bin Hamad Al Thani, Emir of Qatar, and Qatari Officials," Press Center, U.S. Department of the Treasury, October 20, 2017. <https://www.treasury.gov/press-center/press-releases/Pages/smo196.aspx>.

Nuaymi provided financial support to a charity headed by Humayqani.⁵⁵ Humayqani was also named in the list promulgated by the UAE, Saudi Arabia, Bahrain, and Egypt in May 2017. According to the Emirati information, Humayqani had previously worked for Qatar's Ministry of Endowments.⁵⁶ Considering that Qatar has previously rejected the Arab Quartet list "as baseless allegations that hold no foundation in fact,"⁵⁷ just the recognition alongside its GCC neighbors of Humayqani's role in terrorist financing and others represents a significant step.

In March, Qatar released its first national terrorist list, based on capabilities it gained when it bolstered its terror finance law in summer 2017.⁵⁸ The list named twenty individuals and eight entities, including a number of Qatari nationals already designated by the UN, United States, and Arab Quartet.⁵⁹ The list did not include many of those on the boycotting nations' list of eighty-one issued in June 2017. Nonetheless, it represents a significant step by Qatar in line with its commitments made to the United States as part of an MOU signed in July 2017 and through its involvement in the TFTC, as Qatar claimed in its official announcement. The announcement also noted Qatar's commitment to implementing UN obligations since the establishment of its National Counter-Terrorism Committee in 2007.⁶⁰ However, markedly absent from the list was UN-designated Khalifa al-Subaiy, who after being sanctioned in 2008 remained an active facilitator for al-Qaeda as of 2015, according to the UN.

Qatari officials continue to demonstrate a tone deafness on these issues: just two days after Emir Tamim bin Hamad al-Thani met with President Trump in Washington and promised that Qatar "will not tolerate people who fund terrorism,"⁶¹ his prime minister attended the wedding of the son of UN-, U.S.-, and Qatari-designated terrorist financier Nuaymi.⁶² (Another notable guest was former Hamas leader Khaled Meshaal.) It is worth noting that

⁵⁵ "Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen," Press Center, U.S. Department of the Treasury, December 18, 2013. <https://www.treasury.gov/press-center/press-releases/Pages/j12249.aspx>.

⁵⁶ "43 new designations specifically address threats posed by Qatar linked and based Al Qaida Terrorism Support Networks," Emirates New Agency (WAM), June 9, 2017. <http://wam.ae/en/details/1395302618259>.

⁵⁷ Associated Press, "Arab nations add names to terror list amid Qatar dispute," YNet News, Jun. 9, 2017. Web. <https://www.ynetnews.com/articles/0,7340,L-4973564,00.html>

⁵⁸ "Qatar publishes National List of Terrorist Classification," The Peninsula, March 24, 2018. <https://thepeninsulaqatar.com/article/24/03/2018/Qatar-publishes-National-List-of-Terrorist-Classification>

⁵⁹ "Qatar puts 28 people and entities on new terrorism list," Reuters, March 22, 2018. <https://www.reuters.com/article/us-gulf-qatar-security/qatar-puts-28-people-and-entities-on-new-terrorism-list-idUSKBN1GY222>

⁶⁰ "Statement by the Qatar National Counter-Terrorism Committee on the Issuance of National Lists of Terrorist Classifications," Qatar Tribune, March 23, 2018. <http://www.qatar-tribune.com/Latest-News/ArtMID/423/ArticleID/17882>

⁶¹ "Remarks by President Trump and Qatar Amir Tamim bin Hamad al Thani of the State of Qatar before bilateral meeting," White House, April 10, 2018. <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-amir-tamim-bin-hamad-al-thani-state-qatar-bilateral-meeting/>

⁶² "Al-Arabiya expose sheds light on Qatar regime's open ties with terror financiers," Al-Arabiya, April 17, 2018. <https://english.alarabiya.net/en/News/gulf/2018/04/17/Al-Arabiya-expose-sheds-light-on-Qatar-regime-s-open-ties-with-terror-financiers.html>

Nuaymi was reportedly acquitted of terror finance charges in Qatari courts prior to his inclusion on the country's inaugural national terrorist list. Such a designation even by the UN, which includes an asset freeze and travel ban, would not prohibit Nuaymi from attending his son's wedding. However, Nuaymi had been subject to pretrial detention for several months, pending a government appeal in his case, which appears to be stalled. A statement released by the Qatari government said that Nuaymi was released in March. It also confirmed that the prime minister had attended the event at the invitation of the groom, who it described as "a government employee of the state of Qatar, and an upstanding young man," adding that the prime minister would not "avoid a family affair because a defendant standing trial may possibly be in attendance."⁶³

EVOLUTION OF THE TERROR FINANCE THREAT

The nature of the terrorist threat is that it will continue to evolve and develop ways to finance and otherwise resource themselves, and our responses must also be geared to these evolving threats. Since 9/11, as a result of efforts to detect, disrupt, and dissuade donors from contributing to terrorist organizations, as well as improved oversight of charitable organizations that are often used as cover to move funds, terrorist organizations increasingly sought more diverse sources of funding. The proliferation of un- and under-governed spaces also made it easier for groups to raise funds locally through extortion and taxation, as well as kidnapping for ransom and other criminal activity.

Al-Qaeda

With the beginning of the conflict in Syria, there was a resurgence of traditional means of funding, especially from the Gulf. Fundraisers and facilitators in the Gulf have long supported AQ core as well as its affiliates in Iraq and more recently Syria, including by facilitating the movement of people and funds from Southeast Asia to the Levant. U.S.- and UN-designated Qatari Ibrahim al-Bakr, for example, served as a link between Gulf-based AQ financiers and Afghanistan. Kuwaiti Muhsin al-Fadhli was sanctioned in 2005 for financing aspects of the Iraqi insurgency, including "the Zarqawi Network" and al-Qaeda. In 2012, as part of a Justice Department "Rewards for Justice" announcement, U.S. officials detailed Fadhli's role as AQ's senior facilitator in Iran, leading a network that the State Department described as "a core facilitation pipeline through Iran, enabling AQ to move funds and fighters to South Asia and to Syria."⁶⁴

⁶³ Edward Malnick. "Qatar PM went to wedding hosted by 'one of the world's most prolific terrorist financiers,'" *The Telegraph*, March 21, 2018. <https://www.telegraph.co.uk/news/2018/04/21/qatar-pm-went-wedding-hosted-one-worlds-prolific-terror-financiers/>

⁶⁴ Muhsin al Fadhli was killed by a U.S. airstrike in Syria on July 8, 2015, where he was reportedly leading a group of seasoned al-Qaida operatives working with al Nusrah Front in hopes of recruiting Europeans and Americans to conduct attacks in the West. (Schmitt, Eric. 2015. "Leader of Qaeda Cell in Syria, Muhsin al-Fadhli, is Killed in Airstrike, U.S. Says," *The New York Times*, July 21, https://www.nytimes.com/2015/07/22/world/middleeast/leader-of-qaeda-cell-in-syria-muhsin-al-fadhli-is-killed-in-airstrike-us-says.html?_r=0.)

While most AQ affiliates have diversified their methods of fundraising⁶⁵ away from foreign sources, al-Qaeda in Syria had been the major exception. As of 2014, AQ in Syria may have received as much as few million dollars a year from private donors in the Gulf.⁶⁶ According to a 2016 UN Security Council report, the group has continued to derive its income “mainly from external donations,” along with criminal sources of funding such as kidnapping for ransom, extortion, and war spoils.⁶⁷

Some of this fundraising went on in plain sight on online platforms such as social media. Hajjaj al-Ajmi, a Kuwaiti who was sanctioned by the UN in 2014, used Twitter to solicit donations for AQ in Syria.⁶⁸ Ajmi and others, such as Qatari national Saad al-Kaabi, who posted solicitations on Facebook and WhatsApp accounts for “arming, feeding, and treating” fighters in Syria, openly crowd-sourced donations for AQ and other jihadist groups in Syria.⁶⁹ Fundraisers have also used social media to thank and confirm to donors the delivery of funds and material support to jihadist groups. In a video uploaded to YouTube in October 2016, U.S.-designated AQ in Syria financier and Saudi national Abd Allah al-Muhaysini thanked Gulf donors for supporting jihadists in Syria: “As for the businessmen, and I will mention some of them, the ones who prepared these hundred rockets, may Allah reward them. One hundred Elephant rockets...some from a group of brothers in Islam from al-Riyadh, some from our brother Abu Ahmed from Kuwait, some from our brother Abu al-Joud from Qatar, and some from some brothers I have not mentioned...I tell all the businessmen of the Muslims, this is your money now, fighting in the path of Allah.”⁷⁰ According to the U.S. Treasury, between 2013 and 2015, Muhaysini raised millions of dollars for AQ in Syria, claiming himself that he had secured \$5 million in donations to arm fighters.⁷¹

⁶⁵ Levitt, Matthew & Bauer, Katherine, “Qatar Doesn’t Need a Blockade. It Needs an Audit,” *Foreign Policy*. June 15, 2017. Web. <https://foreignpolicy.com/2017/06/15/qatar-doesnt-need-a-blockade-it-needs-an-audit-al-qaeda/>

⁶⁶ “Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on ‘Confronting New Threats in Terrorist Financing,’” Press Center, U.S. Department of the Treasury, 03 April 2014. Web. <https://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>

⁶⁷ “Nineteenth Report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2253(2015) concerning ISIL (Da’esh), Al-Qaida and associated individuals and entities,” United Nations Security Council, December 30, 2016. http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2017/35

⁶⁸ “Narrative Summaries of Reasons for Listing: Hajjaj bin Fahd al Ajmi,” United Nations, August 15, 2014 (updated December 11, 2017). https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/hajjaj-bin-fahd-al-ajmi

⁶⁹ Erin Burnett. “Are Terrorists Raising Money in Qatar?” CNN. https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/hajjaj-bin-fahd-al-ajmi

⁷⁰ al-Muhaysini, Abdullah. “Sheikh al-Muhaysini Announces Beginning of Breaking Siege of Aleppo and Fires 100 Elephant Rockets”. YouTube video, 12:02. Posted October 2016, since removed date unknown. See Zelin, Aaron Y, “Policy Focus 153:How Al-Qaeda Survived Drones, Uprisings, and the Islamic State: The Nature of the Current Treat,” *The Washington Institute for Near East Policy*, June 2017. PDF. <http://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus153-Zelin.pdf>

⁷¹ “Treasury Designates Key al-Nusra Front Leaders,” Press Center, U.S. Department of the Treasury, November 10, 2016. <https://www.treasury.gov/press-center/press-releases/Pages/j10605.aspx>

As the conflict in Syria has continued, however, al-Qaeda's Syrian affiliate, al-Nusra Front (ANF), has become increasingly entrenched in Syria's Idlib Province, participating in governance, controlling territory and taking or sharing resources with other extremist groups present there. According to the UN monitoring team's most recent report, published in February 2018, ANF now appears to be "largely self-sufficient." That ANF is no longer reliant on foreign sources does not necessarily mean that the group no longer receives such support. However, it does likely mean that even if we are able to disrupt financing from foreign sources such as those in the Gulf, that alone will not bankrupt the group. What is needed is a multi-faceted approach. Disrupting foreign donations to terrorist groups alone will not solve the problem.

Islamic State

Foreign donations consistently made up only a small share of ISIS funding, especially after the group took over vast swaths of territory in Syria and Iraq in the spring and summer of 2014.⁷² The same year, the organization's budget was estimated to be close to \$2 billion, derived primarily from the resources and people in the territory it controlled. ISIS did not develop this expertise overnight. For more than a decade, its predecessors al-Qaeda in Iraq and the Islamic State in Iraq acted under the strategic decision to derive revenues locally to avoid foreign dependence and direction.⁷³

Alongside efforts to isolate ISIS from the global financial system and cut off its access to locally-derived revenue, the United States acted to expose ISIS funders in the Gulf and elsewhere, as well as to share information related to ISIS fundraising bilaterally and under the auspices of the Counter ISIL Finance Group (CIFG), a subgroup of the Global Coalition to Defeat ISIS, founded in March 2015 and co-chaired by the United States, Italy, and Saudi Arabia.⁷⁴

⁷² "Islamic State and the crisis in Iraq and Syria in maps," BBC News, last updated March 28, 2018. Web. <http://www.bbc.com/news/world-middle-east-27838034>; "Assessment by the Analytical Support and Sanctions Monitoring Team of the impact of the measures imposed in Security Council resolution 2199 (2015), pursuant to paragraph 30 of the resolution: Chair's summary," United Nations Security Council, September 25, 2015. PDF. https://www.un.org/en/ga/search/view_doc.asp?symbol=S/2015/739

⁷³ "Foundations of the Islamic State: Management, Money and Terror in Iraq, 2005-2010," Patrick B. Johnston, et al, Rand Corporation, 2016. https://www.rand.org/pubs/research_reports/RR1192.html

⁷⁴ "Establishment of the Counter ISIL Finance Group in Rome, Italy," Press Center, U.S. Department of Treasury, March 20, 2015. <https://www.treasury.gov/press-center/press-releases/Pages/j110004.aspx>

Gulf states have universally responded to the threat of ISIS financing, as most have faced domestic threats from the group as well. Most have prosecuted ISIS supporters and financiers.⁷⁵ All of the Gulf states also signed on to the first joint action of the TFTC, which targeted a number of ISIS financiers in Yemen.⁷⁶

KEY ISSUES TO ADDRESS GOING FORWARD

Using the TFTC Effectively

When the TFTC was announced during Trump's visit to Riyadh in May 2017, it was not the first time the idea of establishing a multilateral body in the Gulf to address terrorist financing had been considered.⁷⁷ In both concept and implementation, the TFTC faces a number of challenges, such as the difficulty in sharing robust, actionable intelligence in a multilateral setting, and the differing interests of the member states across a wide scope of targets – Shia and Sunni – under consideration. However, given the events following the Riyadh Summit, the TFTC may have a second life as it offers the opportunity for joint action among arguing neighbors and dialogue to address some of the underlying grievances of the dispute. The TFTC has issued its inaugural set of designations in October 2017 and all members have attended at least one meeting.⁷⁸ These are no small feats. However, officials should be careful to not let the desire to use the TFTC as a bridge for the GCC states' differences in the exclusion of bilateral or even unilateral action.

Exchange Houses

As it has become harder for illicit actors to exploit the financial sector, they have turned to informal methods such as money exchanges houses, hawalas and new payment methods. In a recent report on emerging terrorist financing typologies, the intergovernmental Financial Action Task Force highlighted the vulnerability of exchange companies and other remitters to terrorist financing where they are not regulated.⁷⁹

⁷⁵ Lori Plotkin Boghardt. "Policywatch 2773: Gulf Support to the Counter-ISIS Campaign," Washington Institute for Near East Policy, March 21, 2017. <http://www.washingtoninstitute.org/policy-analysis/view/gulf-support-to-the-counter-isis-campaign>

⁷⁶ "Treasury and Terrorist Financing Targeting Center Partners Issue First Joint Sanctions Against Key Terrorist and Supporters," Press Center, U.S. Department of the Treasury, October 25, 2017. <https://www.treasury.gov/press-center/press-releases/Pages/smo187.aspx>

⁷⁷ Levitt, Matthew, "Policywatch 2881: How a New Initiative Could Pave the Way to Gulf Reconciliation," The Washington Institute For Near East Policy, Oct. 30, 2017. Web. <http://www.washingtoninstitute.org/policy-analysis/view/how-the-tftc-could-pave-the-way-to-gulf-reconciliation>

⁷⁸ "Meeting of the Terrorist Financing Targeting Center Member States Convened in Kuwait," U.S. Department of State, Mar. 6, 2018. Web. <https://translations.state.gov/2018/03/06/meeting-of-the-terrorist-financing-targeting-center-member-states-convenes-in-kuwait/>

⁷⁹ "FATF Report: Emerging Terrorist Financing Risks," Financial Action Task Force, October, 2015. <http://www.fatf-gafi.org/media/fatf/documents/reports/Emerging-Terrorist-Financing-Risks.pdf>

This trend has posed a particular threat across the GCC given its large expatriate population and sizeable remittance flows. But nowhere more so than the UAE, with its large number of exchange houses, general trading companies and hawalas.

Over the past few years, the UAE has taken a number of joint actions with the United States against exchange houses involved in illicit activity, including closing Al Zarooni Exchange, which the United States tied to a global money laundering organization⁸⁰ and cutting off a Yemen-based exchange house that was providing financial services to Al Qaeda in the Arabian Peninsula (AQAP).⁸¹

In late March 2018, the UAE also promulgated new exchange house regulations aiming to raise industry standards. The rules include requiring exchange houses to appoint a compliance officer and shore up customer identification requirements. They also put in place restrictions on trade-related and charitable transactions – two areas that have proven to be vulnerabilities to illicit finance in the past. In 2014, the Central Bank of the UAE had increased capital requirements for exchange houses in their jurisdiction, hoping to spur consolidation in the sector and ease the regulatory burden.⁸² There are signs that the CBUAE has also improved cooperation with company registrars, an important step in identifying and acting against unregistered money service businesses.⁸³

Other GCC states have committed to shoring up exchange house regulation. In September 2017, the Saudi Arabian Monetary Authority (SAMA), the kingdom's central bank, suspended the operations of three of the country's four exchange houses licensed to make cross-border payments due to regulatory breaches.⁸⁴ Qatar has also committed to address vulnerabilities related to its exchange house sector as an area of cooperation announced by Secretary Mnuchin.

Deploying Targeted Financial Measures

Amid the Arab Spring, Gulf states began to see the value of having the sanctions tool in their national security tool kit more acutely. In 2011, the Arab League adopted sanctions against

⁸⁰ "Treasury Sanctions The Khanani Money Laundering Organization," Press Center, U.S. Department of the Treasury, November 12, 2015. Web. <https://www.treasury.gov/press-center/press-releases/Pages/j1o265.aspx>

⁸¹ "Treasury Designated Financial Supporters of Al Qaida in the Arabian Peninsula," Press Center, U.S. Department of Treasury, November 1, 2016. <https://www.treasury.gov/press-center/press-releases/Pages/j1o601.aspx>

⁸² Tom Arnold. "UAE money exchange houses ordered to raise standards by regulators," Reuters, March 29, 2018. <https://www.reuters.com/article/emirates-regulations/uae-money-exchange-houses-ordered-to-raise-standards-by-regulator-idUSL8N1RA2EC>

⁸³ "UAE Central Bank orders closure of money exchange," Gulf News, May 30, 2017. <https://gulfnews.com/news/uae/crime/uae-central-bank-orders-closure-of-money-exchange-1.2035736>

⁸⁴ "Saudi Central Bank cracks down on exchange bureaus," Arabian Business, September 26, 2017. <http://www.arabianbusiness.com/industries/banking-finance/379524-saudi-central-bank-cracks-down-on-exchange-bureaus>

Syrian president Bashar al-Assad⁸⁵, and in 2016, the GCC designated Hezbollah as a terrorist organization.⁸⁶ Around the same time, the UAE adopted its own national lists of designated terrorist organizations and individual supporters.⁸⁷

This shift reflected a number of dynamics in the region at the time. These included perceived domestic threats by Gulf states during the Arab Spring, increasing concern among the Sunni-ruled states about the expansion of Iranian influence, as well as U.S. pressure and designations targeting those in their jurisdictions.

Dynamics in the financial system were also changing—both in the region and globally. That is, the trend of so-called “de-risking,” in which global banks have pulled out of what they perceive as high-risk jurisdictions or lines of business, has been in part a reaction to large fines brought against global banks for violations of U.S. sanctions. As such, the onus was placed on financial institutions in the Gulf, among a number of other regions globally, to demonstrate that they took combatting financial crimes seriously. Upward pressure from banks on regulators met with downward pressure from security-minded leaders in the Gulf resulting in a number of Gulf states taking ownership of counter-illicit finance issues in a way they had not previously.

As Gulf states increasingly develop and implement their own domestic targeted financial sanctions capability, it will be important to press them to meet relevant FATF standards, especially those that relate to transparency and due process. Designation lists should be public, include a statement of the case, be based on an evidentiary standard of proof of “reasonable grounds,” and include delisting procedures. According to guidance issued by the FATF: “In determining the limits of, or fostering widespread support for, an effective counter-terrorist financing regime, countries must also respect human rights, respect the rule of law, and recognize the rights of innocent third parties.”⁸⁸

⁸⁵ Bakri, Nada & MacFarquhar, Neil, “Isolating Syria, Arab League Imposes Broad Sanctions,” *The New York Times*, Nov. 27, 2011. Web. <https://www.nytimes.com/2011/11/28/world/middleeast/arab-league-prepares-to-vote-on-syrian-sanctions.html>

⁸⁶ Ballout, Dana & Fitch, Asa, “Gulf Cooperation Council Labels Hezbollah a Terrorist Group,” *Wall Street Journal*, Mar. 2, 2016. Web. <https://www.wsj.com/articles/gulf-cooperation-council-labels-hezbollah-a-terrorist-group-1456926654>

⁸⁷ “UAE publishes list of terrorist organisations,” *Gulf News*, Nov. 15, 2014. Web.

<https://gulfnews.com/news/uae/government/uae-publishes-list-of-terrorist-organisations-1.1412895>

⁸⁸ “International Best Practices: Targeted Financial Sanctions Related to Terrorism and Terrorist Financing (Recommendation 6),” *Financial Action Task Force*, June 2013, p. 4. PDF. <http://www.fatf-gafi.org/media/fatf/documents/recommendations/BPP-Fin-Sanctions-TF-R6.pdf>

Mr. POE. Thank you, Ms. Bauer.

Dr. Weinberg, welcome back. You have 5 minutes for your opening statement.

STATEMENT OF DAVID ANDREW WEINBERG, PH.D., WASHINGTON REPRESENTATIVE FOR INTERNATIONAL AFFAIRS, ANTI-DEFAMATION LEAGUE

Mr. WEINBERG. Chairman Poe and Ros-Lehtinen, Ranking Members Keating and Deutch, and distinguished members of the subcommittees, thank you on behalf of the ADL for this chance to testify here today. I will present an abridged version of my written remarks.

Nearly all six monarchies of the Gulf Cooperation Council have been victims of terrorist attacks, and each one hosts U.S. bases. Because this region is of particular importance for terror finance, I will focus on that issue, along with how well the GCC states are doing at publicly designating terrorist groups for financial and other countermeasures.

This area is home to roughly half the Middle East's super rich, as well as Wahhabism, an austere brand of Islam with historically intolerant teachings about non-Muslims. Thus, the majority of the millions of dollars raised by al-Qaeda's core leadership and deep-pocket donors appears to have come from the Gulf. Likewise, Hamas operatives in the GCC have raised or laundered tens of millions. And South Asian terror groups such as the Taliban have also raised any millions in the Gulf.

Early last year a just-retired U.S. Treasury official confirmed the presence of designated terror financiers operating openly in Qatar and Kuwait. Then, last June, Saudi Arabia, the UAE, Egypt, and Bahrain sanctioned Qatar for supporting Islamist extremists, including tolerating terror financiers. At that time, as Ms. Bauer here has written, Qatar had prosecuted just five terror funders, and not a single one was serving time on a conviction in Qatar as yet.

Compare that with Saudi Arabia, which has convicted hundreds for funding terrorist groups, primarily al-Qaeda, and frozen over 30 million Euros in suspect funds. Since then, Qatar says it re-arrested most of these men and is retrying them. Yet, one was spotted just this month at his son's wedding, along with Qatar's Prime Minister.

Meanwhile, the Web site of Kuwait's top public university appears to list three men as faculty members who are under U.S. sanctions on charges of funding al-Qaeda, one of whom even used students to courier funds to al-Qaeda according to the U.S. Treasury.

There is much the U.S. can do to address these problems: First, the U.S. needs Ambassadors in Saudi Arabia, Qatar, and the UAE. The U.S. should also seek to resolve the Gulf standoff, but only on terms that verifiably help to end the impunity of terror financiers. In part, that means greater transparency about the U.S.-Qatar Terror Finance Agreement, including its shortcomings.

Second, U.S. officials should work with our Gulf allies to publicly designate all terrorist groups. Oman and Kuwait have not even issued public lists of this sort. Qatar issued its closest thing to such

a public list last month, but it omitted Hamas, al-Qaeda, most of the Islamic State, and a major local al-Qaeda financier. Saudi Arabia, the UAE, and Bahrain have all issued public lists but with a few shortcomings. Not a single GCC state has publicly designated Hamas or Palestinian Islamic Jihad as terrorists.

Just as the House unanimously passed Ranking Member Deutch's bill urging the EU to sanction Hezbollah, Congress should do the same with the Gulf states and Hamas. Similarly, the U.S. must persuade more Gulf allies to publicly ban the main South Asian terrorist groups.

Third, the U.S. should encourage and advise the GCC states on imposing sanctions to deter foreign countries from enriching Iran's terror-sponsoring IRGC.

Fourth, Congress can urge Foggy Bottom and the new Secretary of State to weigh naming Qatar under Section 6(j) of the Export Administration Act as tolerating terrorist operatives on its soil. This would require licenses for sensitive exports that must be kept from terrorists' hands.

Likewise, Congress should pass Congressman Mast's Palestinian International Terrorism Support Prevention Act which ADL endorsed last year.

Fifth, the U.S. should indict more terrorists and seek their extradition. Last year, the U.S. unsealed charges against an accomplice of the Sbarro Pizzeria bombing in Jerusalem that killed or injured nine Americans in 2001. Qatar is evidently hosting a mastermind of that attack, Hussam Badran, who could be targeted for singular U.S. legal action. You could write the Justice Department a letter on this tomorrow.

Sixth, the U.S. should do more to discourage government ransoms to terrorists, including, time and again, reportedly by Qatar, and to a lesser extent, in the past by Oman. As Chairman Poe has written, a year has passed since the Executive Branch missed a legal deadline to report which governments are believed to have facilitated terrorist ransoms. Congress should keep pressing this point and pass legislation making this reporting regular.

Lastly, the U.S. must work intensively with Gulf partners to end incitement in state-backed media outlets, by state-backed religious officials, and in state textbooks. Incitement of this sort is particularly problematic in broadcasts by the state-backed Qatari television network Al-Jazeera; in sermons at Qatar's state-controlled Grand Mosque, carried on official Qatari media; and in current Saudi state textbooks.

ADL is, therefore, endorsing judicious legislation by Chairman Poe and Ranking Member Keating on addressing Saudi textbooks.

Additionally, I can provide detailed examples for any of these kinds of state-backed incitement during Q&A if that would be helpful.

Thank you. I look forward to your questions.

[The prepared statement of Mr. Weinberg follows:]

Congressional Testimony

**Grading Counterterrorism
Cooperation with the G.C.C. States**

David Andrew Weinberg, Ph.D.
Washington Representative for International Affairs
Anti-Defamation League

Hearing before the
House Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade
Subcommittee on the Middle East and North Africa

Washington, D.C.
April 26, 2018
2:00 pm



*Working to stop the defamation of the
Jewish people and to secure justice and
fair treatment for all since 1913*

Chairmen Poe and Ros-Lehtinen, Ranking Members Keating and Deutch, and distinguished Members of the Subcommittees: thank you on behalf of the Anti-Defamation League for the opportunity to testify before you again on Gulf counterterrorism cooperation. As a former staffer for this Committee, I particularly appreciate the chance to discuss this important topic with you here today.

The Anti-Defamation League was founded in 1913 “to stop the defamation of the Jewish people and to secure fair treatment for all.” Today, a major component of that mission involves monitoring extremism across the ideological spectrum, tracking incitement and terrorism trends both at home and abroad. As we have learned, where anti-Semitism flourishes, no society is safe from extremism.

Part I. General Overview

In many ways, the Arab Gulf monarchies are on the front lines in the fight against terrorism. Saudi Arabia previously faced down a sustained al-Qaeda insurgency within its borders, and the other four Sunni-ruled Gulf monarchies have similarly been the target of significant terrorist plots. Thousands of Saudi citizens have gone to fight for extremists in Syria, and hundreds have returned.¹ With Iraq to the north, Yemen to the south, and Iran just across the pond, the threats posed by terrorism to the six monarchies of the Gulf Cooperation Council (G.C.C.) are all too real.

Because this region is of especially paramount importance for the fight against terrorist finance, I will be focusing the bulk of my testimony on that issue. This includes the related question of how well the various G.C.C. states are doing at acknowledging the threat posed by specific terrorist groups and designating them as such, for the purposes of financial and other countermeasures.

However, before exploring this topic, it is important to note the relevance of the G.C.C. states for several other dimensions of U.S. efforts against terrorism. First, all of the Gulf monarchies have opened up their territory to U.S. military bases that are central to our efforts against terrorism. Second, several the Gulf monarchies have had a significant impact through their foreign policies on terrorism trends in Mideast conflict zones, such as in Yemen and Syria. Third, the Gulf monarchies have had a problematic, mixed record regarding ideological incitement, which has fed radicalism and enabled recruiting by terrorist groups in the region and beyond.

1. American Bases:

¹ Richard Barrett, *Beyond the Caliphate: Foreign Fighters and the Threat of Returnees*, Soufan Group, October 2017, page 13. (<http://thesoufancenter.org/wp-content/uploads/2017/11/Beyond-the-Caliphate-Foreign-Fighters-and-the-Threat-of-Returnees-1-SC-Report-October-2017-v3.pdf>)

As of 2014, the U.S. had 35,000 military personnel at over a dozen bases in the Gulf.² Kuwait served as a major stopping point for U.S. forces moving in and out of Iraq during the height of Operation Iraqi Freedom.³ Qatar hosts America's Combined Air and Space Operations Center that coordinates U.S. air operations throughout the broader Middle East. Bahrain hosts America's main naval base in the region, and the U.A.E.'s harbor at Jebel Ali is the U.S. Navy's busiest foreign port of call.⁴

These bases serve an important function for U.S. counterterrorism operations, but the fact that the Combined Air and Space Operations Center was moved from Saudi Arabia to Qatar in 2003 is a reminder that sometimes other security priorities may override this benefit.⁵ Indeed, critics of Qatari or Bahraini policies have called for contingency planning to explore the possibility of moving those bases.⁶

2. Foreign Policies toward Conflict Zones:

After Iranian-backed Houthi extremists overthrew the legitimately elected government of Yemen, Saudi Arabia assembled a coalition including all of the other G.C.C. states to intervene militarily in Yemen against the rebels. Many of these governments characterize the Houthis as a terrorist group, and the insurgents have launched repeated missile attacks against civilian areas in Saudi Arabia, including as deep into the kingdom as Riyadh. Saudi-led forces have been criticized for civilian casualties from poorly targeted airstrikes, as well as for exacerbating Yemen's humanitarian crisis by strictly stalling imports to inspect for smuggled Iranian arms.

Al-Qaeda capitalized on the resulting chaos in Yemen, including by conquering and enriching itself off of the Yemeni port city of al-Mukalla.⁷ After a delay of roughly a year, Saudi Arabia did eventually launch airstrikes in Yemen against al-Qaeda,⁸ and

² William J. Burns, "A Renewed Agenda for U.S.-Gulf Partnership," February 19, 2014. (<https://2009-2017.state.gov/s/d/former/burns/remarks/2014/221809.htm>)

³ Kenneth Katzman, *Kuwait: Governance, Security, and Policy*, Congressional Research Service, February 6, 2018, page 11. (<https://fas.org/sgp/crs/mideast/RS21513.pdf>)

⁴ Rajiv Chandrasekaran, "In the UAE, the United States has a Quiet, Potent Ally Nicknamed 'Little Sparta'," *Washington Post*, November 9, 2014. (https://www.washingtonpost.com/world/national-security/in-the-uae-the-united-states-has-a-quiet-potent-ally-nicknamed-little-sparta/2014/11/08/3fc6a50c-643a-11e4-836c-83bc4f26eb67_story.html?utm_term=.b9ce37f51ea7)

⁵ Jim Garamone, "Saudi Base to Close, Ops Center Moves to Qatar," *American Forces Press Service*, April 29, 2003. (<http://archive.defense.gov/news/newsarticle.aspx?id=29047>)

⁶ Cole Boeckfeld, "Human Rights in Bahrain: Next Steps," *Testimony before the Tom Lantos Human Rights Commission*, September 9, 2016. (https://humanrightscommission.house.gov/sites/humanrightscommission.house.gov/files/documents/Boeckfeld%20-%2011.HRC%20Bahrain%20Testimony_0.pdf); Charles Wald and Michael Makovsky, "The Two Faces of Qatar, a Dubious Mideast Ally," *Wall Street Journal*, April 24, 2017. (<https://www.wsj.com/articles/the-two-faces-of-qatar-a-dubious-mideast-ally-1493075654>)

⁷ Yara Bayoumi, Noah Browning, and Mohammed Ghobari, "How Saudi Arabia's War in Yemen Has Made al Qaeda Stronger – and Richer," *Reuters*, April 8, 2016. (<https://www.reuters.com/investigates/special-report/yemen-aqap/>)

⁸ Akbar Shahid Ahmed, "Saudis Try to Sell Washington on Controversial Obama-Backed War in Yemen," *Huffington Post*, February 8, 2016. (https://www.huffingtonpost.com/entry/saudi-arabia-defend-yemen_us_56b9163de4b08069c7a87da0)

the United Arab Emirates led a Yemeni ground campaign in 2016 with limited U.S. support that retook al-Mukalla from terrorists.⁹ In 2017, all six G.C.C. states recently joined with the U.S. in a historic joint designation of terrorist finance targets in Yemen linked to al-Qaeda or the Islamic State.¹⁰ However, more sustainable and effective efforts to combat al-Qaeda's dangerous Yemeni branch depend upon the resolution of Yemen's war and the establishment of some central authority there.

In Syria, several of the Gulf monarchies played a dangerous game, backing jihadist insurgents in hopes they would be the most effective fighting force against Damascus's Assad regime. However, that strategy backfired, alienating Western support for the increasingly radicalized rebel forces and contributing to the rebellion's apparent failure, as well as feeding the global terrorist threat. Several Gulf monarchies did participate in the U.S.-led airstrikes in Syria that started in 2014 against I.S., but those contributions fell off after the G.C.C. shifted its focus to Yemen.

In Iraq, the G.C.C. states are finally coming around to the importance of investing in a relationship with Baghdad. By opening new diplomatic facilities, engaging Iraqi officials, and supporting reconstruction in newly-liberated Sunni areas of Iraq, the Gulf monarchies hope to create a bulwark in Iraq against both Iranian hegemony and a resurgence of the Islamic State.¹¹

In Libya, division among the Gulf states has unfortunately contributed to that country's fragmentation. After an electoral outcome in 2014 that Islamists did not like, Qatar and Turkey backed an Islamist-oriented claimant government in Libya's west, while the United Arab Emirates, Egypt, and Saudi Arabia supported the more secular, elected government in Libya's east. The resulting vacuum allowed the Islamic State to capture significant territory in Libya, which was only rolled back thanks to Western military intervention and an uneasy Gulf state détente.

Although most of the Gulf monarchies have sought to bolster Mahmoud Abbas's Palestinian Authority in the West Bank, Qatar has instead supported the Hamas regime in Gaza.¹² As I argue below, there is much more the G.C.C. states can do to help the U.S. and Israel combat Palestinian terrorist groups such as Hamas.

3. Gulf Incitement:

⁹ Kristina Wong, "Pentagon Reveals US Forces in Yemen," *The Hill*, May 6, 2016.

(<http://thehill.com/policy/defense/279045-pentagon-says-us-forces-are-helping-fight-al-qaeda-in-yemen>)

¹⁰ U.S. Treasury Department, "Treasury and Terrorist Financing Targeting Center Partners Issue First Joint Sanctions against Key Terrorists and Supporters," October 25, 2017. (<https://www.treasury.gov/press-center/press-releases/Pages/sm0187.aspx>)

¹¹ See, for example, Hussein Ibish, *The Power of Positive Diplomacy: Saudi Outreach in Iraq since 2014*, the Arab Gulf States Institute in Washington, April 19, 2018. (http://www.agsiaw.org/wp-content/uploads/2018/04/Ibish_Saudi-Iraq_ONLINE-1.pdf)

¹² Tangentially, the U.A.E. has recently supported efforts by Abbas's rival Mohammed Dahlan to boost his influence in Gaza. See Dov Lieber, "UAE, Other Countries Pledge \$15 Million Per Month in Gaza," *Times of Israel*, August 17, 2017. (<https://www.timesofisrael.com/uae-other-countries-pledge-15-million-per-month-to-gaza/>)

A 2016 investigation of Wahhabism and terrorism by the *New York Times* called Saudi Arabia “both the arsonists and the firefighters,” crediting the kingdom with fighting terrorist groups while criticizing it for feeding the ideological extremism that bolsters terrorism’s appeal.¹³ On the other hand, the kingdom has recently adopted some notable reforms in this regard, including new restrictions on its austere religious police, a pledge to grant women the right to drive later this year, a superb statement on Holocaust remembrance, and jailing some hardline clerics.¹⁴

Yet it is important to evaluate the extent to which some of the Gulf monarchies still contribute to the extremism that complicates our shared fight against terrorism. Some G.C.C. states continue to enable incitement through state-backed educational materials, by state-backed religious officials, or in state-backed media outlets.

I testified before this Committee last year on incitement in Saudi Arabia’s government-published school textbooks, but on these matters I unfortunately do not have good news to report to you today. I have since examined Saudi Arabia’s new textbooks for the 2017-2018 school year and found that virtually all of the problematic material still remained.¹⁵

These current books call for the execution of people who engage in anal sex, commit adultery, or convert away from Islam. They call Christianity “an invalid, perverted religion,” call Christians and Jews “who disbelieved... the worst of creatures,” and falsely claim the goal of Zionism is a “global Jewish government.”¹⁶ The Anti-Defamation League is therefore endorsing the Saudi Educational Transparency and Reform Act (H.R. 4549), judicious and important legislation by Chairman Poe and Ranking Member Keating that gives this urgent problem the priority it deserves.

Hateful incitement by Gulf media outlets is all too present a problem today. For example, anti-Semitic incitement in Qatar’s press is unfortunately the norm rather than the exception to the rule.¹⁷ This is also often the case with certain other media

¹³ Scott Shane, “Saudis and Extremism: ‘Both the Arsonists and the Firefighters,’” *New York Times*, August 25, 2016. (<https://www.nytimes.com/2016/08/26/world/middleeast/saudi-arabia-islam.html>)

¹⁴ David Ignatius, “Are Saudi Arabia’s Reforms for Real? A Recent Visit Says Yes,” *Washington Post*, March 1, 2018. (https://www.washingtonpost.com/opinions/global-opinions/are-saudi-arabias-reforms-for-real-a-recent-visit-says-yes/2018/03/01/a11a4ca8-1d9d-11e8-9de1-147dd2df3829_story.html?utm_term=.89bca368fdd3)

¹⁵ David Andrew Weinberg, “Congress Must Act to End Incitement in Saudi Textbooks,” *Huffington Post*, December 5, 2017. (https://www.huffingtonpost.com/entry/congress-must-act-to-end-incitement-in-saudi-textbooks_us_5a26b5bbe4b0e383e63c3cae)

¹⁶ *Ibid.*

¹⁷ See, for example, Anti-Defamation League, “Qatar Media Publish Conspiratorial Cartoons Suggesting Israel Behind Gulf Diplomatic Crisis,” *ADL Blog*, June 28, 2017. (<https://www.adl.org/blog/qatari-media-publish-conspiratorial-cartoons-suggesting-israel-behind-gulf-diplomatic-crisis>); Anti-Defamation League, “Qatari Media Propagates Anti-Semitic Cartoons in Criticizing Bahraini Delegation to Jerusalem,” *ADL Blog*, December 18, 2017. (<https://www.adl.org/blog/qatari-media-propagates-anti-semitic-cartoons-in-criticizing-bahraini-delegation-to-jerusalem>)

outlets in the Gulf as well.¹⁸ The Qatari state-backed television network Al Jazeera continues to be a particularly egregious source of such incitement. For example, Al Jazeera provides unfettered airtime to terrorists and terror financiers,¹⁹ and it regularly lionizes Palestinian terrorists as “martyrs.”²⁰

Likewise, religious incitement in the Gulf states continues to be a problem today, including by state-backed religious officials.

For example, this past December Qatar hosted a sermon at its state-controlled Grand Mosque broadcast on state television, in which the speaker sought to tell the world’s Muslims that Jews have “enmity and hatred to you in their blood and their veins.” The preacher further described the Jewish people as “your deceitful, lying, treacherous, fornicating, intransigent enemy.” He even claimed that Israel received its weapons from Satan in an apparent derogatory reference to the United States.²¹ Another sermon delivered in July at the Qatari Grand Mosque and on Qatari state television described Christians and Jews as dangerous enemies to Muslims and falsely accused Jews of defiling the Temple Mount / Noble Sanctuary in Jerusalem.²²

State media in Abu Dhabi broadcast remarks this past year by an imam of Abu Dhabi’s state-controlled grand mosque in which he decried “the wickedness of the Jews” and their supposed “control of the media... for the destruction of the Islamic nation.”²³ He was reportedly reprimanded by Abu Dhabi’s authorities for anti-Hindu

¹⁸ See, for example, Anti-Defamation League, “Arabic Language Media Propagate Anti-Semitic Cartoons in Wake of President Trump’s Recognition of Jerusalem as Israel’s Capital,” *ADL Blog*, December 11, 2017. (<https://www.adl.org/blog/arabic-language-media-propagate-anti-semitic-cartoons-in-wake-of-president-trumps-recognition>); Anti-Defamation League, “Anti-Semitic Cartoons in Arabic-Language Media Allege Israeli/Jewish Domination of U.S.,” *ADL Blog*, December 19, 2017. (<https://www.adl.org/blog/anti-semitic-cartoons-in-arabic-language-media-allege-israelijewish-domination-of-us>)

¹⁹ See, for example, David Andrew Weinberg, Oren Adaki, and Grant Rumley, “The Problem with Al Jazeera,” *National Interest*, September 10, 2014. (<http://nationalinterest.org/feature/the-problem-al-jazeera-112339>); Al Jazeera Arabic, “Episode Title: Abu Muhammed al-Jolani, Emir of Jabhat al-Nusra,” *Program Title: Without Borders*, May 27, 2015. (<http://www.aljazeera.net/reportslibrary/pages/0ff4461d-72aa-4d5e-bb79-2e05ed15e559>); Al Jazeera Arabic, “Episode Title: Muthanna Al-Dhari,” *Program: Without Borders*, October 26, 2016. (<https://goo.gl/A7i38G4>); Al Jazeera Arabic, “Episode Title: Saleh al-Aroui,” *Program Title: Without Borders*, January 3, 2018. (<https://goo.gl/Yq4V2h>)

²⁰ @DavidAWeinberg, “Search: martyr and #AlJazeera,” *Twitter*. (<https://goo.gl/vB6DLh>)

²¹ David Andrew Weinberg, “Qatari Backing for Extremist Preachers and Anti-Semitic Incitement,” *ADL Blog*, April 10, 2018. (<https://www.adl.org/blog/qatari-backing-for-extremist-preachers-and-anti-semitic-incitement>)

²² *Ibid.*

²³ Middle East Media Research Institute (MEMRI) TV Monitor Project, “U.A.E. Cleric Wassim Yousef: The Media was the Jews’ First Weapon against Islam,” *Middle East Media Research Institute (MEMRI)*, clip no. 6091, June 13, 2017. (<https://www.memri.org/tv/uac-cleric-wicked-jews-control-the-media/transcript>); Profile of Wascem Yousef, Emirates Center for Strategic Studies and Research, accessed April 23, 2018.

(http://www.ecssr.com/H/CSSR/appmanager/portal/ecssr?_nfpb=true&_nfls=false&_pageLabel=profiles?age&_event=CustomEventViewPro&prfid=%2FProfile%2FProfiles_3065.xml&lang=en)

remarks in 2015,²⁴ and my understanding is that he was privately reprimanded again for these anti-Semitic remarks but still retains his post at the Grand Mosque.

Part II. Terror Finance Trends

How Significant Is Gulf Terror Finance?

The Persian Gulf region is the world's hotbed for terrorist finance. On one side of the Gulf is Iran, the world's biggest state sponsor of terror and the patron of radical Shi'ite Islamist groups worldwide. At the top of the Gulf is Iraq, which is still struggling to consolidate its authority over territory retaken from the Islamic State. And on the other side of the Gulf are the six Arab monarchies of the G.C.C.

The G.C.C. states are home to roughly half of the Mideast's "ultra high net worth" individuals.²⁵ Nearly all of these countries also have religious environments shaped at least in part by Wahhabism, a brand of Islam so austere that its historically intolerant teachings about non-Muslims have become pivotal to the ideologies of al-Qaeda and the Islamic State.²⁶ Thus, it should come as little surprise that in 2014 the U.S. reported al-Qaeda's core leadership in Pakistan had raised millions of dollars from deep pocket donors, mostly from sympathizers in this part of the Gulf.²⁷

As secretary of state, Hillary Clinton signed a 2009 memo outlining concerns about private terrorist financing in Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar (in addition to Pakistan). The memo asserted that "donors in Saudi Arabia constitute the most significant source of funding to Sunni terrorist groups worldwide."²⁸ By 2014, however, U.S. officials reportedly concluded that donors in tiny Qatar may have surpassed Saudi Arabia as the largest source of such funds.²⁹ That year the top U.S. official for combating terrorist finance praised Saudi Arabia

²⁴ Shubhajit Roy, "TV Cleric Fired after he Slams UAE Grant for Temple during Modi Visit," *The Indian Express*, September 25, 2015. (<http://indianexpress.com/article/india/india-others/tv-cleric-fired-after-he-slams-uae-grant-for-temple-during-modi-visit/>)

²⁵ "Saudis Top Middle East Ultra Rich List," *Arab News*, October 7, 2015. (<http://www.arabnews.com/featured/acws/816391>)

²⁶ David Andrew Weinberg, "Don't Let Wahhabism Off the Hook," *The Weekly Standard*, October 26, 2016. (<https://www.weeklystandard.com/dont-let-wahhabism-off-the-hook/article/2005069>)

²⁷ U.S. Treasury Department, "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing,'" March 4, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>)

²⁸ Douglas C. Hengcl, "US embassy cables: Hillary Clinton says Saudi Arabia 'a critical source of terrorist funding,'" *The Guardian*, Dec 5, 2010. (<https://www.theguardian.com/world/us-embassy-cables-documents/242073>)

²⁹ Robert Windrem, "Who's Funding ISIS? Wealthy Gulf 'Angel Investors,' Officials Say," *NBC News*, September 21, 2014. (<https://www.nbcnews.com/storyline/isis-terror/who-s-funding-isis-wealthy-gulf-angel-investors-officials-say-n208006>)

and the U.A.E. for efforts to crack down on terror financiers but called out Kuwait and Qatar in comparison as “permissive jurisdictions” for terrorist finance.³⁰

The U.S. Policy Record:

In September 2014, the Obama administration persuaded all six Gulf monarchies to join in an initiative called the Jeddah Communiqué, which laid out the steps they committed to take in the fight against the Islamic State. They agreed to stop the flow of foreign fighters, repudiate the hateful ideology of I.S. and other violent extremists, to combat terrorist finance, and to end the impunity of its practitioners.³¹ As I testified before this Committee in 2015³² and wrote in subsequent articles,³³ the implementation of these commitments by the Gulf states has varied considerably.

When President Trump visited Riyadh as the first stop on his first official foreign trip, he urged over fifty heads of state from the Arab and Muslim worlds to do more to tackle terrorism and the extremism that fuels it. In what was considered possibly the top achievement of that visit,³⁴ America and the G.C.C. states also signed a deal to establish a Terrorist Financing Targeting Center (T.F.T.C.) in Riyadh, which the U.S. has used to coordinate joint terrorist designations with all six G.C.C. states.³⁵

However, terror finance in the region is still a serious concern. In February 2017, the Obama administration’s Assistant Treasury Secretary for Terrorist Financing revealed immediately after stepping down that “there continue to be designated terrorist financiers operating openly and notoriously “in both Qatar and Kuwait.³⁶ The State Department’s latest Country Reports on Terrorism, which were published

³⁰ Robert Mendick, “Terror financiers are living freely in Qatar, US discloses,” *The Telegraph*, November 16, 2014. (<https://www.telegraph.co.uk/news/worldnews/islamic-state/11233407/Terror-financiers-are-living-freely-in-Qatar-US-discloses.html>)

³¹ U.S. State Department, “Jeddah Communiqué,” September 11, 2014. (<https://2009-2017.state.gov/r/pa/prs/ps/2014/09/231496.htm>)

³² David Andrew Weinberg, “Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations,” Testimony before the House Foreign Affairs Committee’s Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/IIIRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

³³ David Andrew Weinberg, “Obama is Right: The Gulf Arabs Ride Free on Terrorism,” *National Interest*, April 26, 2016. (<http://nationalinterest.org/feature/obama-right-the-gulf-arabs-ride-free-terrorism-15945>); David Andrew Weinberg, “Qatar Is Worst In The Region On Counterterrorism, But Other Gulf Monarchies Are Not Off The Hook,” *Huffington Post*, August 3, 2017. (https://www.huffingtonpost.com/entry/qatar-is-worst-in-the-region-on-counterterrorism-but_us_598236b7e4b03d0624b0abce)

³⁴ Michael Warren, “One of Trump’s Top Foreign Trip Achievements? An Agreement to Stop Financing Terror, Says White House,” *The Weekly Standard*, March 31, 2017. (<https://www.weeklystandard.com/one-of-trumps-top-foreign-trip-achievements-an-agreement-to-stop-financing-terror-says-white-house/article/2008268>)

³⁵ U.S. Treasury Department, “U.S. and Saudi Arabia to Co-Chair New Terrorist Financing Targeting Center,” May 21, 2017. (<https://www.treasury.gov/press-center/press-releases/Pages/sm0092.aspx>)

³⁶ David Andrew Weinberg, “Terror Financiers “Operating Openly” in Qatar and Kuwait,” *Foundation For Defense of Democracies*, February 14, 2017. (<http://www.defenddemocracy.org/media-hit/david-weinberg-terror-financiers-operating-openly-in-qatar-and-kuwait/>)

in July 2017 and cover the year 2016, stated that “terrorist financiers within the country are still able to exploit Qatar’s informal financial system.” and that “a number of U.N.-designated terrorist financiers continue to operate in Kuwait.”³⁷

The Qatar Crisis:

In June 2017, Saudi Arabia, the United Arab Emirates, Egypt, and Bahrain imposed trade and travel sanctions on Qatar over its support for Islamist extremists throughout the region, including Qatar’s record of turning a blind eye to local terror financiers. This Arab quartet also imposed sanctions on dozens of individuals and organizations it accused of funding terrorism with links to Qatar.³⁸

Under pressure, Qatar then signed a U.S. memorandum of understanding (M.o.U.) in July on combating terrorist financing.³⁹ The text of the memorandum has been withheld from the public by both governments, making it next to impossible for outside observers to evaluate how credible it is and whether or not Doha is honoring its terms.⁴⁰ It is reported that Qatar agreed to place U.S. Justice Department officials inside its Office of Public Prosecution, which had historically failed to effectively prosecute and convict local terror financiers.⁴¹ At least some of the al-Qaeda financiers who had previously enjoyed legal impunity in Doha were rearrested and are now being retried.⁴²

³⁷ U.S. State Department, “Chapter 2: The Middle East and North Africa,” *Country Reports on Terrorism 2016*, July 2017 (<https://www.state.gov/jct/rls/crt/2016/272232.htm>)

³⁸ Emirates News Agency “43 New Designations Specifically Address Threats Posed by Qatar Linked and Based Al Qaeda Terrorism Support Networks,” *Emirates News Agency*, September 6, 2017. (<http://vam.ac/en/details/1395302618259>)

Al Arabiya English, “Arab Powers List 59 Individuals as Qatar-linked Terrorism Supporters,” *Al Arabiya English*, June 9, 2017. (<https://english.alarabiya.net/en/News/gulf/2017/06/09/Arab-countries-release-list-of-terrorist-financiers-supported-by-Qatar.html>)

Saudi Press Agency, “Kingdom, UAE, Bahrain, Egypt Add 9 Entities, 9 Individuals to Lists of Terrorist Groups,” *Saudi Press Agency*, July 25, 2017.

(<http://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=1650830>)

³⁹ U.S. State Department, “Press Availability With Qatari Foreign Minister Sheikh Mohammed bin Abdulrahman al-Thani,” July 11, 2017.

(<https://www.state.gov/secretary/20172018/tillerson/remarks/2017/07/272522.htm>)

⁴⁰ Josh Rogin, “Congress demands clarity on Trump administration’s dealings with Qatar,” *Washington Post*, December 20, 2017. (<https://www.washingtonpost.com/news/josh-rogin/wp/2017/12/20/congress-demands-clarity-on-trump-administrations-dealings-with-qatar/>)

⁴¹ Tom Finn, Sylvia Westall “U.S. to Deploy Officials in Qatar in Counter-terrorism Accord: Sources,” *Reuters*, July 20, 2017. (<https://www.reuters.com/article/us-gulf-qatar-usa/u-s-to-deploy-officials-in-qatar-in-counter-terrorism-accord-sources-idUSK13N1A5171D>)

Matthew Levitt, Katherine Bauer, “Qatar Doesn’t Need a Blockade. It Needs an Audit,” *Foreign Policy*, June 15, 2017. (<http://foreignpolicy.com/2017/06/15/qatar-doesnt-need-a-blockade-it-needs-an-audit-al-qaeda/>)

⁴² *Inter alia*, Declan Walsh, “Tiny, Wealthy Qatar Goes Its Own Way, and Pays for It,” *New York Times*, January 22, 2018. (<https://www.nytimes.com/2018/01/22/world/middleeast/qatar-saudi-emir-boycott.html>); Sigurd Neubauer, “The Rift between Qatar and the GCC Could Threaten Trump’s Foreign Policy,”

National Interest, August 8, 2017. (<http://nationalinterest.org/feature/the-rift-between-qatar-the-gcc-could-threaten-trumps-foreign-21829?page=4>)

Days after the M.o.U., Qatar's emir issued a decree specifying the sanctions his government would impose on terrorist entities and finally authorizing the creation of public lists for those terrorist actors and organizations who would be subject to these penalties.⁴³ Qatar's first such public designation happened jointly under the new U.S.-G.C.C. targeting center in Riyadh.

That designation happened in October, and it was the largest multilateral designation of terrorist entities in the Middle East.⁴⁴ It targeted eleven individuals and organizations linked to operations in Yemen by al-Qaeda or the Islamic State.⁴⁵ The fact these designations went ahead at all in spite of the ongoing Gulf crisis was a surprising but positive development.

Qatar then issued its closest thing yet to a global list of banned terrorist entities immediately after a visit by the U.S. Treasury Department's Assistant Secretary for Terrorist Financing Marshall Billingslea last month.⁴⁶ However, the list still has enormous – and inexcusable – gaps.⁴⁷

On the plus side, Qatar's list included some of its own citizens for the first time. However, at least one Qatari local under U.S. and U.N. sanctions on charges of funding to al-Qaeda, Khalifa al-Subaiy, was conspicuously left off of Qatar's list.⁴⁸ The new Qatari list targeted the Islamic State's branch in Egypt but left off I.S.'s central branch in Syria and Iraq, as well as the rest of its branches around the world. Al-Qaeda financiers were targeted on Qatar's list, but al-Qaeda itself was not.

Part III. The Major Terrorist Groups

Six major terrorist entities that seek to conduct financial operations in the Gulf or have financial vulnerabilities there are the Islamic State, al-Qaeda, Hamas, Hezbollah, Iran's Islamic Revolutionary Guard Corps, and the Taliban. The following section proceeds group by group, noting recent efforts by G.C.C. governments to combat terrorist finance and related activities by these six organizations.

⁴³ Deutsche Welle "Qatar changes anti-terror legislation amid Gulf crisis," *Deutsche Welle*, July 21, 2017. (<http://www.dw.com/en/qatar-changes-anti-terror-legislation-amid-gulf-crisis/a-39783146>)

⁴⁴ U.S. Treasury Department, "Remarks of U.S. Treasury Secretary Steven Mnuchin at the Future Investment Initiative Conference in Riyadh, Saudi Arabia," October 25, 2017. (<https://www.treasury.gov/press-center/press-releases/Pages/sm0188.aspx>)

⁴⁵ U.S. Treasury Department, "Treasury and Terrorist Financing Targeting Center Partners Issue First Joint Sanctions Against Key Terrorists and Supporters," October 25, 2017. (<https://www.treasury.gov/press-center/press-releases/Pages/sm0187.aspx>)

⁴⁶ Qatar Central Bank, "Qatar Central Bank Governor Meets US Assistant Secretary of Treasury for Counterterrorism Financing," March 20, 2018.

(<http://www.qcb.gov.qa/English/News/Pages/news19032018.aspx>); Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (3/21/2018)" March 21, 2018, accessed April 23, 2018. (<https://nctc.moi.gov.qa/list2.html>)

⁴⁷ David Andrew Weinberg, "Qatar's Swiss Cheese Terrorism List," *Anti-Defamation League*, April 11, 2018. (<https://www.adl.org/news/op-ed/qatars-swiss-cheese-terrorism-list>)

⁴⁸ My thanks to Katherine Bauer for this insight.

The Islamic State

The G.C.C. states are generally doing an excellent job in the fight against Islamic State finance. All six Gulf monarchies are members of the Global Coalition against Daesh, and Saudi Arabia co-chairs the coalition's Counter ISIL Finance Group along with Italy and the United States. Bahrain, Saudi Arabia, and the U.A.E. have each conducted airstrikes in Syria against the Islamic State⁴⁹ and sanctioned the Islamic State on their public lists of banned terrorist organizations.⁵⁰ Kuwait, Oman, and Qatar have not done either, except for Qatari sanctions on I.S.'s Egyptian affiliate.⁵¹

All five of the Sunni-ruled Gulf countries have done a relatively good job since 2014 at cracking down on their foreign fighters going to or coming back from Syria and Iraq. They have also taken decisive legal action against a number of I.S. supporters.

All of the G.C.C. states consider themselves threatened by the Islamic State, and at least two of them have been victims of successful attacks by the group. In June 2015, an I.S. suicide bomber who had transited from Saudi Arabia through Bahrain killed 27 and injured over 200 at the Shi'ite Imam Sadeq Mosque in Kuwait City.⁵² Saudi Arabia reported in 2017 that it had suffered over 60 attacks on its soil by I.S. or al-Qaeda, 34 of which were carried out the previous year.⁵³ Among the attempted targets of those I.S. attacks included the U.S. consulate in Jeddah, the Prophet's Mosque in Medina, Shi'ite mosques, and Saudi security forces.

As of 2016 Saudi Arabia had already arrested and was pursuing legal action against over 500 individuals on suspicion of terrorist activity on behalf of the Islamic State.⁵⁴ That year Bahrain convicted 24 citizens, 16 of whom in absentia, for forming

⁴⁹ Michael Lipin, Laila Azimi, "Saudi Arabia Touts Closer US Cooperation Against IS as Pressure Mounts," *VOA News*, April 4, 2017. (<https://www.voanews.com/a/saudi-arabia-touts-closer-us-cooperation-against-is-as-pressure-mounts/3795238.html>)

⁵⁰ Saudi Press Agency, "Ministry of Interior: Injunctions on Security and Ideology for Citizens and Residents," *Saudi Press Agency*, March 7, 2014. (<http://www.spa.gov.sa/viewstory.php?newsid=1206762>)
 Emirates News Agency, "UAE Cabinet Approves List of Designated Terrorist Organizations, Groups," *Emirates News Agency*, November 16, 2014. (<http://wam.ae/en/details/1395272478814>)
 Bahrain News Agency, "Cabinet Approves Terrorist Organizations List," *Bahrain News Agency*, November 4, 2016. (<http://www.bna.bh/portal/en/news/721645>)

⁵¹ David Andrew Weinberg, "Qatar's Swiss Cheese Terrorism List," *Anti-Defamation League*, April 11, 2018. (<https://www.adl.org/news/op-ed/qatars-swiss-cheese-terrorism-list>)

⁵² Shams Ilwazer, Hamdi Alkshali and Don Melvin, "Kuwait government says mosque suicide bomber was Saudi national," *CNN*, June 29, 2015. (<https://www.cnn.com/2015/06/28/middleeast/kuwait-mosque-suicide-bombing/index.html>)

⁵³ Embassy of the Kingdom of Saudi Arabia, "Saudi Arabia and Counterterrorism," *Embassy of the Kingdom of Saudi Arabia*, April 2017. (http://ksamissioncnrct/vp-content/uploads/2017/04/White-Paper_Counterterrorism_April2017.pdf) (page 7).

⁵⁴ Lori Plotkin Boghardt, "From ISIS to Activists," *The Washington Institute for Near East Policy*, May 2016. (<http://www.washingtoninstitute.org/uploads/Documents/pubs/ResearchNote33-33oghardt-6.pdf>)

an Islamic State cell.⁵⁵ The U.A.E. convicted 34 individuals as part of an I.S. copycat cell,⁵⁶ sentenced a self-proclaimed local I.S. chief to life in prison, and executed his wife for stabbing to death an American teacher in Abu Dhabi.⁵⁷ According to Sigurd Neubauer, Qatar has convicted 25 Islamic State sympathizers, although public details on their cases have been scarce.⁵⁸ Kuwait convicted 15 individuals on charges related to the Imam Sadeq Mosque bombing⁵⁹ and sentenced another I.S.-supporter to life in prison for ramming his truck into a vehicle carrying U.S. troops.⁶⁰

Al-Qaeda:

Al-Qaeda capitalized on its prominent role in the fight against Syria's Assad regime, as well as on its differentiation from the Islamic State, to revitalize its appeal to Gulf private donors. In 2016, the Nusra Front tried to capitalize on this advantage by rebranding itself as distinct from al-Qaeda, but the U.S. government appropriately rejected this fiction, updating its terrorist designation of Nusra to reflect that "whether it calls itself Jabhat Fath al Sham or al-Nusrah Front, the group remains al-Qa'ida's affiliate in Syria."⁶¹

This shift on the part of al-Qaeda reportedly happened following input from more than one Gulf government. According to *Reuters*, Gulf intelligence officials, including from Qatar, met with Nusra's leader to urge him to make this name change in hopes of securing outside support.⁶² According to Western and Middle Eastern government officials cited in a number of news reports, Al-Qaeda in Syria allegedly has also benefitted from numerous ransom payments from the government of Qatar.⁶³ Similarly, al-Qaeda in Yemen reportedly received roughly \$20 million in ransom payments in 2012 and 2013 from the governments of Qatar and Oman.⁶⁴

⁵⁵ U.S. State Department, "Chapter 2: The Middle East and North Africa," *Country Reports on Terrorism 2016*, July 2017 (<https://www.state.gov/j/ci/rls/crt/2016/272232.htm>)

⁵⁶ Mustafa Al Zarooni, "34 found guilty of setting up Daesh-style group in UAE," *Khaleej Times*, March 28, 2016. (<https://www.khaleejtimes.com/nation/crime/34-found-guilty-of-bid-to-set-up-daesh-style-caliphate>)

⁵⁷ Nasr Al Remeithi, "Husband of Recm Island Killer Sentenced to Life in Prison for Terror Charges," *The National*, May 9, 2016. (<https://www.thenational.ae/uac/husband-of-recm-island-killer-sentenced-to-life-in-prison-for-terror-charges-1.211891>)

⁵⁸ Sigurd Neubauer, "The Rift between Qatar and the GCC Could Threaten Trump's Foreign Policy," *National Interest*, August 8, 2017. (<http://nationalinterest.org/print/feature/the-rift-between-qatar-the-gcc-could-threaten-trumps-foreign-21829>)

⁵⁹ "Seven Sentenced to Death Over Kuwaiti Mosque Bombing - News Agency," *Reuters*, September 14, 2015. (<https://uk.reuters.com/article/uk-kuwait-security/seven-sentenced-to-death-over-kuwaiti-mosque-bombing-news-agency-idUKKCNORF0JN20150915>)

⁶⁰ AFP, "Kuwait Gives Jihadist Life for Attack on US Troops," *The Daily Mail*, June 11, 2017. (<http://www.dailymail.co.uk/wires/afp/article-4593386/Kuwait-gives-jihadist-life-attack-US-troops.html>)

⁶¹ U.S. State Department, "State Department Amendments to the Terrorist Designation of al-Nusrah Front," November 10, 2016. (<https://20092017.state.gov/r/pa/prs/ps/2016/11/264230.htm>)

⁶² David Andrew Weinberg, "Analysis: Detering Gulf States from backing the new Al Nusrah Front," *Long War Journal*, July 29, 2016. (<https://www.longwarjournal.org/archives/2016/07/analysis-detering-gulf-states-from-backing-the-new-al-nusrah-front.php>)

⁶³ David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism,

U.S. officials described Kuwait in 2014 as “the epicenter of fundraising for terrorist groups in Syria.”⁶⁵ They noted that many Kuwait-based financiers hired local fundraising captains in Qatar and solicited online donations from individuals in Saudi Arabia.⁶⁶ At the start of the 2017 Gulf crisis, there was no public proof of legal action having been taken against even a single al-Qaeda financier in Qatar,⁶⁷ although it later turned out limited and ineffective legal action had been pursued in private. Compare that with Saudi Arabia, for example, which has convicted hundreds of individuals on charges of supporting terrorist groups, primarily al-Qaeda.⁶⁸ In so doing, Riyadh has frozen over €30 million in suspect funds.⁶⁹

Impunity in Qatar:

Katherine Bauer and Matthew Levitt of the Washington Institute for Near East Policy discovered some worrisome information last year about Qatar's judicial efforts against terror finance.⁷⁰ On the plus side, they did find that Doha had privately prosecuted five individuals who had previously been enjoying Qatari legal impunity despite being under U.S. and U.N. terror finance sanctions. However, they noted that by the start of the 2017 Gulf crisis not a single one of the five was actually serving time in Qatari prison as a result of those charges: two had been acquitted, one was convicted *in absentia* because he had been released and left the country, one had been freed in 2008 (only to resume funding al-Qaeda, according to the

Nonproliferation, and Trade, November 17, 2015.

(<http://docs.house.gov/incomings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

⁶⁵Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. (<https://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html>); Ellen Knickmeyer, “Al Qaeda-Linked Groups Increasingly Funded by Ransom,” *Wall Street Journal*, July 29, 2014. (<https://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

⁶⁶Karen DeYoung, “Kuwait, Ally on Syria, is also the Leading Funder of Extremist Rebels,” *Washington Post*, April 25, 2014. (https://www.washingtonpost.com/world/national-security/kuwait-top-ally-on-syria-is-also-the-leading-funder-of-extremist-rebels/2014/04/25/10142b9a-ca48-11e3-a75c-463587891b57_story.html?utm_term=.5596d1d0e87d)

⁶⁷U.S. Treasury Department, “Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on Confronting New Threats in Terrorist Financing,” March 4, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>)

⁶⁸David Andrew Weinberg, “Qatar and Terror Finance: Part II: Private Funders of al-Qaeda in Syria,” *Foundation for Defense of Democracies*, January 2017. (http://www.defenddemocracy.org/content/uploads/documents/11717_Weinberg_Qatar_Report.pdf)

⁶⁹FATF, “Terrorist Financing FATF Report To G20 Leaders,” *FATF*, November 2015. (<http://www.fatf-gafi.org/media/fatf/documents/reports/Terrorist-financing-actions-taken-by-FATF.pdf>)

Lori Plotkin Boghardt, “From ISIS to Activists,” *The Washington Institute for Near East Policy*, May 2016. (<http://www.washingtoninstitute.org/uploads/Documents/pubs/ResearchNote33-Boghardt-6.pdf>)

⁷⁰FATF, “Terrorist Financing FATF Report To G20 Leaders,” *FATF*, November 2015. (<http://www.fatf-gafi.org/media/fatf/documents/reports/Terrorist-financing-actions-taken-by-FATF.pdf>)

⁷¹Matthew Levitt, Katherine Bauer, “Qatar Doesn’t Need a Blockade. It Needs an Audit,” *Foreign Policy*, June 15, 2017. (<http://foreignpolicy.com/2017/06/15/qatar-doesnt-need-a-blockade-it-needs-an-audit-al-qaeda/>)

U.N.)⁷¹ and one was allowed to serve time under house arrest.⁷² Since the U.S.-Qatar M.o.U. was signed, all four of the five still in Qatar have apparently faced new trials.⁷³

However, the effectiveness of even these new measures by Qatar is now in question. Qatar told the *New York Times* earlier this year that it had rearrested 'Abd al-Rahman al-Nu'aymi pending a new trial.⁷⁴ The U.S. government had sanctioned Nu'aymi in 2013, stating that he had given millions of dollars to al-Qaeda over a decade,⁷⁵ and he was subsequently sanctioned by the United Nations, U.K., E.U., Turkey, and even by his own government last month.⁷⁶

Yet Nu'aymi was spotted in public again just two weeks ago, on the very same day the Emir of Qatar was telling President Trump that "we do not tolerate with [sic] people who support and fund terrorism."⁷⁷ Nu'aymi was free to pose for pictures at his son's wedding standing next to the Hamas arch-terrorist Khaled Meshal.⁷⁸ The wedding was blessed by a broadcaster for Qatari state media⁷⁹ and attended by none other than Qatar's prime minister,⁸⁰ a fact now confirmed by the Qatari state.⁸¹

⁷¹ United Nations Security Council, "Narrative Summaries of Reasons for Listing," March 9, 2009, accessed April 24, 2018.

(https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/khalifa-muhammad-turki-al-subayy)

⁷² For more on these individuals, see David Andrew Weinberg, "Qatar and Terror Finance," *Foundation for Defense of Democracies*, December 2014.

(http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf); David Andrew Weinberg, "Qatar and Terror Finance: Part II: Private Funders of al-Qaeda in Syria," *Foundation for Defense of Democracies*, January 2017.

(http://www.defenddemocracy.org/content/uploads/documents/11717_Weinberg_Qatar_Report.pdf)

⁷³ *Inter alia*, Declan Walsh, "Tiny, Wealthy Qatar Goes Its Own Way, and Pays for It," *New York Times*, January 22, 2018. (<https://www.nytimes.com/2018/01/22/world/middleeast/qatar-saudi-emir-boycott.html>); Sigurd Neubauer, "The Rift between Qatar and the GCC Could Threaten Trump's Foreign Policy," *National Interest*, August 8, 2017. (<http://nationalinterest.org/feature/the-rift-between-qatar-the-gcc-could-threaten-trumps-foreign-21829?page=4>)

⁷⁴ Declan Walsh, "Tiny, Wealthy Qatar Goes Its Own Way, and Pays for It," *New York Times*, January 22, 2018. (<https://www.nytimes.com/2018/01/22/world/middleeast/qatar-saudi-emir-boycott.html>)

⁷⁵ U.S. Treasury Department, "Treasury Designates Al-Qaeda Supporters in Qatar and Yemen," December 18, 2013. (<https://www.treasury.gov/press-center/press-releases/Pages/j12249.aspx>)

⁷⁶ David Andrew Weinberg, "Qatar and Terror Finance: Part II: Private Funders of al-Qaeda in Syria," *Foundation for Defense of Democracies*, January 2017, page 6.

(http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf);

Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (3/21/2018)" March 21, 2018, accessed April 23, 2018. (<https://note.moi.gov.qa/list2.html>)

⁷⁷ White House, "Remarks by President Trump and Amir Tamim Bin Hamad Al Thani of the State of Qatar Before Bilateral Meeting," April 10, 2018. (<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-amir-tamim-bin-hamad-al-thani-state-qatar-bilateral-meeting/>); "Qatar Government Communications Office Statement in Response to The Telegraph Article," *The Peninsula*, April 22, 2018, accessed April 24, 2018. (<https://thepeninsulaqatar.com/article/22/04/2018/Qatar-Government-Communications-Office-statement-in-response-to-The-Telegraph-article>)

⁷⁸ "Wedding.. Abdullah Abd al-Rahman Umayr al-Jaber al-Nu'aymi," April 15, 2018, accessed April 23, 2018. (<http://www.rava.com/news/pages/575edebd-0b86-48fb-9bab-6c574abb2e32>)

⁷⁹ @DavidAWeinberg, "It's hard to know what's worse: that Nuaymi was free to attend his son's wedding weeks after being designated a terrorist by his even own govt & months after #Qatar told NYT he was in

As I have documented in two separate monographs about Qatar and terrorist finance, Doha has repeatedly assured the U.S. in past years that it would henceforth keep specific local terror financiers under control, only to have it later emerge that those individuals then reengaged in funding al-Qaeda.⁸² Doha has yet to demonstrate how this time is different.

Impunity in Kuwait:

Despite having a record at combating terror finance that in some ways is just as spotty as Qatar's, Kuwait has dodged similar scrutiny in the past year; it has even been thanked by the U.S. for mediating the Gulf dispute.⁸³ Since the start of last year, the Trump State Department and Obama administration's last Treasury Assistant Secretary for Terrorist Financing each confirmed that internationally-designated terror financiers have been operating with impunity in Kuwait.⁸⁴

In 2014 Kuwait even went so far as to let the fox guard the henhouse in this regard, appointing a justice minister who appeared to have endorsed several fundraising campaigns for Syrian jihadists, one of which the U.S. said was funding al-Qaeda.⁸⁵ He resigned under U.S. pressure but appears to remain on faculty at Kuwait's flagship

jail, or that it seems the party was attended & blessed by a top religion anchor for state media" *Twitter*, April 13, 2018. (<https://twitter.com/DavidAWeinberg/status/984970913631391749>)

⁸⁰ "Al Arabiya Expose Sheds Light on Qatar's Open Ties with Terror Financiers," *Al Arabiya*, April 17, 2018. (<https://english.alarabiya.net/en/News/gulf/2018/04/17/Al-Arabiya-expose-sheds-light-on-Qatar-regime-s-open-ties-with-terror-financiers.html>)

⁸¹ "Qatar Government Communications Office Statement in Response to The Telegraph Article," *The Peninsula*, April 22, 2018, accessed April 24, 2018. (<https://thepeninsulaqatar.com/article/22/04/2018/Qatar-Government-Communications-Office-statement-in-response-to-The-Telegraph-article>)

⁸² David Andrew Weinberg, "Qatar and Terror Finance: Part I: Negligence," *Foundation for Defense of Democracies*, December 2014.

(http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf); David Andrew Weinberg, "Qatar and Terror Finance: Part II: Private Funders of al-Qaeda in Syria," *Foundation for Defense of Democracies*, January 2017.

(http://www.defenddemocracy.org/content/uploads/documents/11717_Weinberg_Qatar_Report.pdf)

⁸³ White House, "Remarks by President Trump and Emir Sabah al-Ahmed al-Jaber al-Sabah of Kuwait in Joint Press Conference," September 7, 2017. (<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-emir-sabah-al-ahmed-al-jaber-al-sabah-kuwait-joint-press-conference/>)

⁸⁴ U.S. State Department, "Chapter 2: The Middle East and North Africa," *Country Reports on Terrorism 2016*, July 2017 (<https://www.state.gov/j/ct/rls/crt/2016/272232.htm>); David Andrew Weinberg, "Terror Financiers 'Operating Openly' in Qatar and Kuwait," *Foundation For Defense of Democracies*, February 14, 2017. (<http://www.defenddemocracy.org/media-hit/david-weinberg-terror-financiers-operating-openly-in-qatar-and-kuwait/>)

⁸⁵ David Andrew Weinberg, "New Kuwaiti Justice Minister Has Deep Extremist Ties," *The National Interest*, January 16, 2014. (<http://nationalinterest.org/commentary/new-kuwaiti-justice-minister-has-deep-extremist-ties-9719/>); David Andrew Weinberg, "Kuwait's Embattled Justice Minister Part of Deeper Terror Finance Problem," *The National Interest*, April 10, 2014. (<http://nationalinterest.org/commentary/kuwait-embattled-justice-minister-part-deeper-terror-finance-10225>)

public university, Kuwait University,⁸⁶ as do several Kuwaiti preachers who are currently under international terror finance sanctions.

As of this week, the website of Kuwait University's College of Sharia and Islamic Studies appears to list three separate individuals as faculty members who are currently under U.S. sanctions on charges of funding al-Qaeda.⁸⁷ Those individuals are Abd al-Muhsin al-Mutayri, Shafi al-Ajmi, and Hamid Hamad Hamid al-Ali.⁸⁸

In addition to being under sanctions by the U.S., the latter two preachers are also sanctioned by the United Nations, which means that they should be subject in Kuwait to a travel ban and asset freeze.⁸⁹ According to the U.S. Treasury Department, al-Ali has described himself as an "al-Qaeda commando" and "used students in Kuwait to courier funds" to al-Qaeda's Syrian branch.⁹⁰ One year after being sanctioned by the U.S. in 2014, al-Ali was reportedly also given his old job back as a mosque preacher by order of the Kuwaiti government.⁹¹

Hamas:

In private settings, some Gulf officials acknowledge the obvious truth that Hamas is a terrorist organization. However, not a single one of America's G.C.C. allies has yet shown the courage to formally designate Hamas as such.

Saudi Arabia's Approach to Hamas:

⁸⁶ "Faculty Members – Department of Jurisprudence and its Origins," accessed April 23, 2018. (<http://www.shariakuniv.com/members4>)

⁸⁷ "Faculty Members – Department of Tafsir and Hadith," accessed April 23, 2018. (<http://www.shariakuniv.com/members1>) Archived versions of this webpage also list two middle names for both Shafi al-Ajmi and Abd al-Muhsin al-Mutayri, each of which matches the full names in their U.S. sanctions designations. See Internet Archive Wayback Machine, "Faculty Members – Department of Tafsir and Hadith," archived April 9, 2014. (<http://web.archive.org/web/20140409143113/http://www.shariakuniv.com/members1>)

⁸⁸ U.S. Treasury Department, "Treasury Designates Additional Supporters of the Al-Nusra Front and Al-Qaida," August 22, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/i12613.aspx>); U.S. Treasury Department, "Treasury Designates Al-Qaida, Al-Nusra Front, AQAP, and ISH. Fundraisers And Facilitators," May 19, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/i10462.aspx>); U.S. Treasury Department, "Treasury Designates Three Key Supporters of Terrorists in Syria and Iraq," August 6, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/i12605.aspx>)

⁸⁹ United Nations Security Council, "Narrative Summaries of Reasons for Listing: Shafi Sultan Mohammed al-Ajmi," April 20, 2016, accessed April 24, 2018.

(https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/shafi-sultan-mohammed-al-ajmi); United Nations Security Council, "Narrative Summaries of Reasons for Listing: Hamid Hamad Hamid Al-Ali," August 15, 2014, accessed April 24, 2018. (https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list/summaries/individual/hamid-hamad-hamid-al-%E2%80%99ali)

⁹⁰ U.S. Treasury Department, "Treasury Designates Additional Supporters of the Al-Nusra Front and Al-Qaida," August 22, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/i12613.aspx>)

⁹¹ Turki al-Mughames, "I amid al-Ali again... as an Imam for al-Adsani Mosque," *al-Rai Media*, April 21, 2015. (<http://www.alraimedia.com/Home/Details?id=a03d4fb1-f47b-4acf-a0d5-496f887ee717>)

At the end of the reign of Saudi Arabia's late King Abdullah, the kingdom arrested several Hamas financiers and coerced Qatar into doing the same. However, with his passing in January 2015, the pressure to keep those terror financiers in custody dissipated, and in both countries they were set free.⁹²

In Saudi Arabia, the most prominent of these Hamas operatives released from prison in 2015 was Mahir Salah. According to the U.S. Treasury Department, he "led the Hamas Finance Committee in Saudi Arabia, the largest center of Hamas's financial activity" and oversaw the transfer of tens of millions of dollars to Hamas's military wing in Gaza.⁹³

Mahir Salah has since reemerged for public appearances in Lebanon,⁹⁴ Turkey,⁹⁵ Egypt,⁹⁶ and Malaysia, including with the Malaysian premier.⁹⁷ He enjoys the title of Hamas's "ra'ees" abroad, meaning president, boss, or chief.⁹⁸ Although it is possible that Mahir Salah may have left the kingdom for good, another senior Hamas financial official designated by the U.S. at the same time as him, Abu Ubayda al-Agha, apparently remains a free man in the Saudi city of Jeddah.⁹⁹ Al-Agha is under U.S. sanctions on charges of transferring millions of dollars to Hamas in Gaza.¹⁰⁰

Qatar's Approach to Hamas:

⁹² David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

⁹³ U.S. Treasury Department, "Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company," September 10, 2015. (<https://www.treasury.gov/press-center/press-releases/Pages/j10159.aspx>)

⁹⁴ "Hamas Official Abroad: Jerusalem is Indivisible United and Whoever Ignites War against it Must Bear the Consequences," *al-Mayadeen*, December 17, 2017; (<http://www.almayadeen.net/news/politics/846285/details>); "Leadership Delegation from Hamas Headed by Abu Marzouq Meets Shalah," *Hamas website*, December 18, 2017, accessed April 23, 2018. (<http://hamas.ps/ar/post/8342/>); "Pictures: Hamas Official Abroad: United Jerusalem Cannot Be Divided," *Hamas website*, December 17, 2017, accessed April 23, 2018. (<https://goo.gl/1f755w>); "Leadership Delegation from Hamas Visits the President of the Lebanese Chamber of Deputies," *Hamas website*, December 19, 2017, accessed April 23, 2018. (<https://goo.gl/91ln2gd>)

⁹⁵ "Document: Speech by Leader Mahir Salah at al-Quds Pioneers Forum 9 in Istanbul," *Palestinian Media Center*, October 21, 2017. (<https://goo.gl/nHTGnZ>)

⁹⁶ "Al-Nunu: New Delegation of Hamas Leaders Arrives to Cairo," *Palestinian Media Center*, February 22, 2018. (<https://goo.gl/kFvAFa>)

⁹⁷ "Pictures: Leadership Delegation from Hamas Meets the Malaysian Prime Minister," *Palestinian Media Center*, December 6, 2017. (<https://goo.gl/Pj6rN4>)

⁹⁸ "Text of Speech by Hamas Movement President Abroad the Brother Mahir Salah at 30th Anniversary Festival in Lebanon," *Hamas website*, December 17, 2017, accessed April 23, 2018. (<http://hamas.ps/ar/post/8341/>)

⁹⁹ "Jeddah – Dinner Party for Pilgrims to the House of Allah, the Haram," *Date Tree – The al-Agha Family website*, August 22, 2017, accessed April 23, 2018. (<http://elagha.net/13731>)

¹⁰⁰ U.S. Treasury Department, "Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company," September 10, 2015. (<https://www.treasury.gov/press-center/press-releases/Pages/j10159.aspx>)

There is really no comparison between Saudi Arabia and Qatar's current policies toward Hamas. Saudi Arabia condemns the group for its extremism, seeks its marginalization,¹⁰¹ and has generally eschewed meetings with the group since hosting Khalid Meshal for meetings in 2015 and hosting Meshal and Ismail Haniyeh at a reception by the Saudi Embassy in Doha in 2016.¹⁰²

Meanwhile, Qatar actively promotes Hamas and praises it as a "legitimate resistance movement."¹⁰³ Qatar funds Hamas development projects in the Gaza Strip so lavishly that the U.S. condemned it in 2014 for "openly financ[ing] Hamas."¹⁰⁴

Although U.S. and Israeli officials are more precise in their terminology these days, crediting Doha with limiting those funds to relief and development initiatives,¹⁰⁵ the timing and allocation of these disbursements are clearly designed to bolster Hamas.¹⁰⁶ Qatar has also reportedly provided funding for the living expenses and organizational activities of Hamas operatives living in Doha.¹⁰⁷ At the height King Abdullah of Saudi Arabia's pressure on Qatar over Hamas in late 2014, for example, Hamas official Hussam Badran declared that "there is no suspension of the Qatari financial support for the movement, since their relationship is ongoing."¹⁰⁸

Qatar has hosted Hamas leaders on and off for decades. The United States allegedly granted its permission for Qatar to host Hamas leader Khaled Meshal when he left

¹⁰¹ John Irish, "Saudi minister says Qatar must end support for Hamas, Muslim Brotherhood," *Reuters*, June 6, 2017. (<https://www.reuters.com/article/us-gulf-qatar-saudi-fm/saudi-minister-says-qatar-must-end-support-for-hamas-muslim-brotherhood-idUSKBN18X2CR>)

¹⁰² Fahd al-Otaibi, "Has Hamas completely forgotten Saudi Arabia?," *Al Monitor*, 2016. (<http://web.archive.org/web/20170502041800/http://www.al-monitor.com/pulse/originals/2017/02/hamas-relations-iran-saudi-arabia-military-wing.html>)

¹⁰³ "Qatari FM insists Hamas 'a legitimate resistance movement,'" *The Times of Israel*, June 10, 2017. (<https://www.timesofisrael.com/qatari-fm-insists-hamas-a-legitimate-resistance-movement/>)

¹⁰⁴ U.S. Treasury Department, "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on "Confronting New Threats in Terrorist Financing," March 24, 2014. (<https://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>)

¹⁰⁵ Armin Rosen, "Bipartisan Congressional Letter Questions Nikki Haley's Stance on Hamas," *Tablet Magazine*, April 21, 2017. (<http://www.tabletmag.com/scroll/249951/bipartisan-congressional-letter-questions-nikki-haleys-stance-on-hamas>); "Israeli minister: Qatar making true effort to stop Gaza aid from boosting Hamas," *The Times of Israel*, March 16, 2018. (<https://www.timesofisrael.com/israeli-minister-qatar-making-true-effort-to-stop-gaza-aid-from-boosting-hamas/>)

¹⁰⁶ See, for example, Adam Rasgon, "Haniyeh: Qatar To Send \$100 Million In Aid To Gaza," *The Jerusalem Post*, February 12, 2017. (<http://www.jpost.com/Middle-East/Haniyeh-Qatar-to-send-100-million-to-Gaza-481335>)

¹⁰⁷ Michael Buchanan, "Freed Palestinian Prisoners Adapt to Qatar Exile," *BBC*, February 1, 2012. (<http://www.bbc.com/news/world-middle-east-16638652>); "Qatar Asks Hamas Elements to Leave its Territory, which Israel Considers a Positive Step," *al-Mayadeen*, June 3, 2017, archived on June 9, 2017 by Internet Archive Wayback Machine, (<http://web.archive.org/web/20170609092519/http://www.almayadeen.net/news/politics/58225>)

¹⁰⁸ Adnan Abu Amer, "Egypt-Qatar rapprochement rattles Hamas," *Al-Monitor*, December 30, 2014. (<http://web.archive.org/web/20170208155649/http://www.al-monitor.com/pulse/originals/2014/12/egypt-qatar-rapprochement-hamas.html>)

Syria in 2012.¹⁰⁹ However, Hamas activities in Qatar since then have exceeded anything the U.S. might have authorized at the time or should tolerate now, going so far as to include money laundering, recruitment, directing West Bank terror cells,¹¹⁰ and apparently cyberterrorism as well.¹¹¹

It is also true that some of the Hamas operatives in Qatar made their way there after being released and deported as part of a deal with Israel for the release of the hostage Gilad Shalit. However, several of those individuals have reengaged in plotting terrorist attacks against Israeli citizens from Qatari territory, clearly something that Israel and the U.S. do not and should not tolerate.¹¹²

Hamas's Base in Qatar Remains:

Hamas lists thirteen individuals on its website as members of the group's top decision-making body, the Hamas political bureau (also known as its politburo).¹¹³ Of those thirteen, most have been spotted in Qatar during the last year, and a sizeable plurality of them are still appear to be based there today.

Under heavy pressure at the start of the Gulf crisis last summer, Qatar is reported to have asked several Hamas commanders who were most heavily involved in military and financial operations to leave the country.¹¹⁴ Among those who left were Salah al-Arouri and Musa Dudin.¹¹⁵

However, others Hamas operatives have remained, including even some who have themselves engaged in such problematic activities.

¹⁰⁹ Dexter Filkins, "A Saudi Prince's Quest to Remake the Middle East," *The New Yorker*, April 9, 2018. (<https://www.newyorker.com/magazine/2018/04/09/a-saudi-princes-quest-to-remake-the-middle-east>)
Qatar Tribune, "Qatar hosted Hamas, Taliban delegations at the request of US," *Qatar Tribune*, July 4, 2017. (<http://www.qatar-tribune.com/news-details/id/73511>)

¹¹⁰ David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

¹¹¹ David Shamah, "Qatari tech helps Hamas in Tunnels, Rockets: Expert," *The Times of Israel*, July 31, 2014. (<http://www.timesofisrael.com/qatari-tech-helps-hamas-in-tunnels-rockets-expert/>)

¹¹² David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

¹¹³ "Members of the Political Bureau," *Hamas website*, accessed April 23, 2018. (<http://hamas.ps/ar/politicalofficemembers>)

¹¹⁴ "Qatar Asks Hamas Elements to Leave its Territory, which Israel Considers a Positive Step," *al-Mayadeen*, June 3, 2017, archived on June 9, 2017 by Internet Archive Wayback Machine. (<http://web.archive.org/web/20170609092519/http://www.almayadeen.net/news/politics/58225>)

¹¹⁵ Jack Khoury, "Palestinians Confirm: Top Hamas Officials Have Left Qatar at Country's Request," *Haaretz*, June 5, 2017. (<https://www.haaretz.com/middle-east-news/palestinians/palestinians-confirm-hamas-officials-left-qatar-at-country-s-request-1.5480301>)

Most obviously, Khaled Meshal remains in Qatar,¹¹⁶ where he has been described by the government as a “dear guest”.¹¹⁷ Meshal led Hamas as its longtime politburo chief until last year, but despite being succeeded in that role by Ismail Haniyeh, he remains a member of that senior body to this day.¹¹⁸ According to his personal U.S. sanctions designation, Meshal has been responsible for Hamas terrorist attacks as well as the financing of terror.¹¹⁹ Qatar downplays his presence, claiming inaccurately that he is not personally under U.S. sanctions and that he is “retired.”¹²⁰

Hussam Badran:

The one name I most want for you to come away from this hearing remembering, however, is Hussam Badran. Badran is an infamous terrorist commander who appears to be enjoying safe haven in Qatar today despite allegedly engaging in a broad range of terrorist activity there.

In 2002, Israel announced Hussam Badran’s arrest, describing him as the head of Hamas’s military wing in the northern half of the West Bank. As such, it identified him as a mastermind of many of the most horrible terrorist attacks of the Second Intifada, stating the following:

“Badran was responsible for the following terror attacks: The attack in the Dolphinarium, the Sbarro restaurant in Jerusalem, the Nahariya train station, Matza restaurant in Haifa, the bus in Haifa, the bus near Emmanuel, the village of Hamra and the Park Hotel in Netanya. In these terror attacks, directed by Badran, over 100 people were killed and hundreds were wounded.”¹²¹

¹¹⁶ “Wedding.. Abdullah Abd al-Rahman Umayr al-Jaber al-Nu’aymi,” April 15, 2018, accessed April 23, 2018. (<http://www.rava.com/news/pages/575edebed-0b86-48fb-9bab-6c574abb2e32>)

¹¹⁷ Peter Kovessy, “Qatar FM: Hamas leader to remain in Doha as ‘dear guest’,” *Doha News*, January 13, 2015. (<https://dohanews.co/qatar-fm-hamas-leader-remain-doha-dear-guest/>)

¹¹⁸ “Members of the Political Bureau,” *Hamas website*, accessed April 23, 2018. (<http://hamas.ps/ar/politicaloffice/members>)

¹¹⁹ U.S. Treasury Department, “U.S. Designates Five Charities Funding Hamas and Six Senior Hamas Leaders as Terrorist Entities,” August 22, 2003. (<https://www.treasury.gov/press-center/press-releases/Pages/ps672.aspx>)

¹²⁰ “Qatar Government Communications Office Statement in Response to The Telegraph Article,” *The Peninsula*, April 22, 2018, accessed April 24, 2018. (<https://thepeninsulagatar.com/articles/22/04/2018/Qatar-Government-Communications-Office-statement-in-response-to-The-Telegraph-article>)

¹²¹ IDF Spokesman, “Arrest of Husam Ataf Ali Badran- Head of the Hamas military wing in Samaria,” *Israel Ministry of Foreign Affairs*, April 18, 2002. (<http://mfa.gov.il/MFA/PressRoom/2002/Pages/Arrest%20of%20Husam%20Ataf%20Ali%20Badran-%20Head%20of%20the%20Hamas.aspx>)

Among the 600+ casualties of those attacks included three American citizens who were killed and seven who were physically injured.¹²² Although Badran served some time in Israeli prison for these crimes, Israel prematurely released him under duress as part of an exchange for the release of the hostage Gilad Shalit. According to Israel he has resumed operational terrorist activities since moving to Qatar.

In 2013, the Israel Defense Forces (I.D.F.) announced the capture of a Hamas cell in Hebron that it said was stockpiling assault weapons for a plot to kidnap Israeli soldiers; Israel revealed that “their primary contact person abroad was Husam Badran” in Qatar.¹²³ Then, in 2015, the I.D.F. exposed that Hussam Badran “led the establishment” of a sprawling Hamas terror cell and command center in Nablus and that he “transferred hundreds of thousands of dollars” to it with gold and jewelry smuggled through Jordan.¹²⁴

Many do not realize that this Qatar-based individual has such direct blood on his hands because he also serves a more visible role as a spokesperson for Hamas. As far back as the 1990s, Badran melded his role as a terrorist commander with a day job directing Hamas’s press office in Nablus.¹²⁵ In more recent years, he has served as a senior spokesperson for Hamas and was elected to its politburo last year.¹²⁶

Other Hamas Operatives Still in Qatar:

Additional Hamas operatives who serve in a variety of terrorist roles continue to be based in Qatar.

Along with Khaled Meshal and Hussam Badran, other members of the Hamas politburo also appear to have remained behind in Qatar since Arouri’s departure, including Sami Khater and Izzat al-Risheq.¹²⁷ Ismail Haniyeh and Mousa Abu

¹²²Osen Attorneys at Law, LLC, “United States District Court Eastern District of New York,” *Osen Attorneys at Law*, LLC, June 17, 2016. (https://www.osenlaw.com/sites/default/files/06-17-16_Strauss_Fifth_Amended_Complaint_ECF.pdf); Michael Goldblatt, Morton A. Klein, Susan B. Tuchman, “ZOA to Jordan’s King: Honor Extradition Treaty – Send Jew Killer Tamimi to U.S.,” *Zionist Organization of America*, April 7, 2017. (<https://zoa.org/2017/04/10358941-zoa-to-jordans-king-honor-extradition-treaty-send-jew-killer-tamimi-to-u-s/>)

¹²³ Israel Defense Forces, “IDF & ISA Uncover Hamas Terrorist Assets in Hebron,” *Israel Defense Forces*, January 31, 2013. (<http://web.archive.org/web/20170315033248/https://www.idfblog.com/2013/01/31/idf-isa-uncover-hamas-terrorist-assets-in-hebron/>)

¹²⁴ Israel Defense Forces, “When Hamas Tries to Establish a Terror Network – We Stop Them,” *Israel Defense Forces*, March 7, 2015. (<https://www.idf.il/en/minisites/hamas/when-hamas-tries-to-establish-a-terror-network-we-stop-them/>)

¹²⁵ IDF Spokesman, “Arrest of Husam Ataf Ali Badran- Head of the Hamas military wing in Samaria-18-Apr-2002,” *Israel Ministry of Foreign Affairs*, April 18, 2002. (<http://mfa.gov.il/MFA/PressRoom/2002/Pages/Arrest%20of%20Husam%20Ataf%20Ali%20Badran-%20Head%20of%20the%20Hamas.aspx>); “Hussam Badran,” *Hamas website*, accessed April 23, 2018. (<http://hamas.ps/ar/politicalofficemembers/37>)

¹²⁶Ibid.

¹²⁷ “Members of the Political Bureau,” *Hamas website*, accessed April 23, 2018. (<http://hamas.ps/ar/politicalofficemembers>)

Marzouq, senior Hamas leaders who like Meshal are personally under U.S. sanctions for their role in terrorist attacks and/or terrorist finance, have been known to spend extensive time in Qatar as well, although Haniyeh is clearly based now in Gaza.¹²⁸

Other senior Hamas officials who reportedly may still be spending time in Qatar during this period include Maher Obeid and Mohammed Nasr.¹²⁹ Obeid served as a major Hamas money launderer¹³⁰ and was identified by Israel as the new external head of Hamas military operations for the West Bank after Arouri's 2017 departure from Doha.¹³¹ Mohammed Nasr is responsible for managing the terrorist group's relationship with its Iranian sponsor and visited Tehran as recently as October.¹³²

There is also no specific indication that Doha has deported or constrained several other Hamas officials who have been named by Israel or in press reports as Qatar-based terrorist operatives or financiers aiding Hamas cells in the West Bank. Those individuals include Mohamed al-Qawasmī, Talal Shareem, and Hisham Hejazi.¹³³

Even though Qatar accepted a terror finance M.o.U. with the United States last year, it clearly continues to provide a safe haven to Hamas terrorist operatives – far beyond any token political presence for the group that may have been intentionally tolerated in the past by the United States. Until Qatar expels all Hamas terrorist operatives, it should face consequences in its relationship with Washington.

Hezbollah:

America's Gulf allies have all done a relatively more consistent job combating Hezbollah, the terrorist group responsible for killing the most American citizens prior to 9/11. Their willingness to do so is largely attributable to events in Syria and

¹²⁸U.S. State Department, "State Department Terrorist Designations of Ismail Haniyeh, Harakat al-Sabireen, Lisa al-Thawra, and Harakat Sawa'd Misr (HASM)," July 31, 2018. (<https://www.state.gov/r/pa/prs/ps/2018/07/277792.htm>); U.S. Treasury Department, "U.S. Designates Five Charities Funding Hamas and Six Senior Hamas Leaders as Terrorist Entities," August 22, 2003. (<https://www.treasur.gov/press-center/press-releases/Pages/pr03672.aspx>)

¹²⁹"Palestinian Sources: Leaders from Hamas Left Doha," *Al-Ghad (Jordan)*, June 8, 2017. (<http://www.alghad.com/articles/1657732>)

¹³⁰David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

¹³¹Elior Levy, "New Head of Hamas Terror Operations in West Bank Revealed," *Ynet News*, January 10, 2018. (<https://www.ynetnews.com/articles/0,7340,L-5069099,00.html>)

¹³²"Hamas Delegation Arrives in Tehran to Meet Iranian Officials," *Asharq Al-Awsat*, October 21, 20017. (<https://aawsat.com/english/home/article/1059346/hamas-delegation-arrives-tehran-meet-iranian-officials>)

¹³³David Andrew Weinberg, "Terrorist Financing: Kidnapping, Antiquities Trafficking, and Private Donations," Testimony before the House Foreign Affairs Committee's Subcommittee on Terrorism, Nonproliferation, and Trade, November 17, 2015. (<http://docs.house.gov/meetings/FA/FA18/20151117/104202/HHRG-114-FA18-Wstate-WeinbergD-20151117.pdf>)

more recently in Yemen, where the G.C.C. states find themselves on the opposite side of two civil wars from Hezbollah.

Following Bahrain's lead, the Gulf Cooperation Council declared Hezbollah as a terrorist group in 2016, suggesting that its other member states intended to do the same.¹³⁴ Saudi Arabia has gone one step further, sanctioning a number of individual Hezbollah operatives already on the U.S. sanctions list¹³⁵ and even issuing new joint designations with the U.S. on other Hezbollah operatives.¹³⁶

Hezbollah's Gulf branch was responsible for the 1996 Khobar Towers bombing in Saudi Arabia that killed 19 American service members and a Saudi national, as well as injuring nearly 500.¹³⁷ Saudi Arabia captured the mastermind of that attack in 2015 with help from American intelligence.¹³⁸ Bahrain has identified Hezbollah backing for numerous terrorist plots inside its territory.¹³⁹ Kuwait recently convicted over 20 individuals¹⁴⁰ on charges related to an enormous weapons cache hidden by a Hezbollah terrorist cell in its territory that included 40,000 pounds of ammunition and 300 pounds of explosives.¹⁴¹ Most G.C.C. states have expelled purported Hezbollah supporters in recent years,¹⁴² and the U.A.E. sentenced seven individuals on charges related to forming a Hezbollah cell in the country in 2016.¹⁴³

¹³⁴ "Gulf Arab states label Hezbollah a terrorist organization," *Reuters*, March 2, 2016.

(<https://www.reuters.com/article/us-gulf-hezbollah/gulf-arab-states-label-hezbollah-a-terrorist-organization-idUSKCN0W40XF>)

¹³⁵ David Andrew Weinberg, "Saudi Arabia Sanctions Hezbollah Officials," *Foundation for Defense of Democracies*, December 3, 2015. (<http://www.defenddemocracy.org/media-hit/david-weinberg-saudi-arabia-sanctions-hezbollah-officials/>)

¹³⁶ U.S. Treasury Department, "Treasury Sanctions Hizballah Financiers and Operatives," October 20, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/j10587.aspx>)

U.S. State Department, "State Department Terrorist Designations of Hashem Safieddine and Muhammad al-Isawi," May 19, 2017. (<https://www.state.gov/r/pa/prs/ps/2017/05/270982.htm>)

¹³⁷ U.S. Justice Department, "'Attorney General Statement' regarding Khobar indictment," June 21, 2001. (<https://www.justice.gov/archive/opa/pr/2001/June/275ag.htm>)

¹³⁸ Ali Hashem, "With Khobar bomber's arrest, Saudi Arabia deals blow to Iran," *Al-Monitor*, August 31, 2015. (<http://web.archive.org/web/20171130230035/https://www.al-monitor.com/pulse/originals/2015/08/lebanon-saudi-arrest-mughassil-assir.html>)

¹³⁹ Ismaeel Naar, "Bahrain Says Hezbollah Backs Terrorist Cells Targeting its Security," *Al Arabiya*, January 22, 2018. (<https://english.alarabiya.net/en/News/gulf/2018/01/22/Bahrain-1-Hezbollah-supports-terror-cells-targeting-our-security.html>)

¹⁴⁰ "Kuwaiti court upholds death sentence for member of alleged Iran spy cell," *Reuters*, July 21, 2016. (<https://www.reuters.com/article/us-kuwait-security/kuwait-court-upholds-death-sentence-for-member-of-alleged-iran-spy-cell-idUSKCN1011MY>)

¹⁴¹ "Kuwait seizes arms, holds suspects in militant plot - local media," *Reuters*, August 13, 2015. (<https://uk.reuters.com/article/uk-kuwait-security/kuwait-seizes-arms-holds-suspects-in-militant-plot-local-media-idUKKCN0Q12DX20150813>)

¹⁴² Sami Aboudi, "Lebanese expats fearful as Gulf expels dozens accused of Hezbollah links," *Reuters*, April 8, 2016. (<https://www.reuters.com/article/us-gulf-hezbollah-lebanon/lebanese-expats-fearful-as-gulf-expels-dozens-accused-of-hezbollah-links-idUSKCN0X51R2>); "Qatar expels Lebanese after GCC Hezbollah decision," *Khaleej Times*, June 20, 2013.

(<https://www.khaleejtimes.com/article/20130620/ARTICLE/306209877/1010>); "Report: Lebanese Businessman Deported from Saudi Arabia Over Hezbollah Ties," *Naharnet*, July 26, 2013. (<http://www.naharnet.com/stories/en/92113>); Barbara Surk, "Lebanon Shiites ousted from Gulf as

According to the *New York Times* and *FT*, last year Qatar's government allegedly paid part of an enormous ransom to Hezbollah's Iraqi offshoot and potentially to its central leadership in Lebanon as well. The elaborate purported accord, which has been called one of the "world's largest" ransom deals,¹⁴⁴ allegedly totaled up to a billion dollars in exchange for the release of a royal Qatari hunting party that had been taken hostage in southern Iraq.¹⁴⁵

Iran's Islamic Revolutionary Guard Corps:

Iran is the world's largest state sponsor of terrorism, and it perpetrates those actions by means of its Islamic Revolutionary Guard Corps (I.R.G.C.). Many of the I.R.G.C.'s clients are designated as terrorist entities by the United States and several Gulf states. The I.R.G.C. itself was finally sanctioned by the United States as a Specially Designated Global Terrorist in October,¹⁴⁶ although its Quds Force division has been sanctioned as such for over a decade.¹⁴⁷ The I.R.G.C. has also been responsible for major acts of subversion in nearly every Arabian country.

Although several Gulf governments have imposed limited diplomatic or direct trade sanctions against Iran, they have done remarkably little to force third-country companies in places like Europe or Asia to avoid enriching businesses controlled by the I.R.G.C., which holds sway over a major share of Iran's economy.¹⁴⁸

Iranian sanctions-busting networks have also exploited lax financial oversight in some parts of the Gulf, an ongoing U.S. concern that these host governments should do more to address.

Hezbollah fans," *The San Diego Union-Tribune*, July 11, 2013. (<http://www.sandiegouniontribune.com/sdut-lebanon-shiites-ousted-from-gulf-as-hezbollah-fans-2013jul11-story.html>)

¹⁴³ "UAE court sentences Hezbollah cell," *Al Arabiya*, October 31, 2016. (<https://english.alarabiya.net/en/News/middle-east/2016/10/31/UAE-court-sentences-homegrown-Hezbollah-cell.html>)

¹⁴⁴ Patrick Cockburn, "Iraq considers next move after intercepting 'world's largest' ransom for kidnapped Qataris," *The Independent*, April 26, 2017. (<https://www.independent.co.uk/news/world/middle-east/qatari-royals-kidnapped-iraq-ransom-half-billion-shia-militia-syria-saudi-hunters-baghdad-a7703946.html>)

¹⁴⁵ Robert F. Worth, "Kidnapped Royalty Become Pawns in Iran's Deadly Plot," *New York Times*, March 14, 2018. (<https://www.nytimes.com/2018/03/14/magazine/how-a-ransom-for-royal-falcons-reshaped-the-middle-east.html>); Erika Solomon, "The \$1bn Hostage Deal that Enraged Qatar's Gulf Rivals," *FT*, June 5, 2017. (<https://www.ft.com/content/dd033082-49e9-11e7-a3f4-c742b9791d43>)

¹⁴⁶ U.S. Treasury Department, "Treasury Designates the IRGC under Terrorism Authority and Targets IRGC and Military Supporters under Counter-Proliferation Authority," October 13, 2017. (<https://www.treasury.gov/press-center/press-releases/Pages/sm0177.aspx>)

¹⁴⁷ U.S. Treasury Department, "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," October 25, 2007. (<https://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>)

¹⁴⁸ David Andrew Weinberg & Mark Dubowitz, "Where Obama Fails on Iran Sanctions, the Gulf States Can Step In," *Wall Street Journal*, February 21, 2016. (<https://www.wsj.com/articles/where-obama-fails-on-iran-sanctions-the-gulf-states-can-step-in-1456096639>)

Although the U.A.E. has made some improvements, more must be done to boost oversight of economic free zones in the U.A.E.'s smaller emirates, whose lax regulatory environments have been a frequent target for Iranian sanctions busters. Oman was reported to have turned a blind eye to Iranian weapons smuggling to Yemen through its land and sea territory,¹⁴⁹ and it is unclear whether the Trump administration has been satisfied by Omani efforts since then.¹⁵⁰ Additionally, Kuwait and Dubai should permanently cease any and all business in their territories by Iran's Mahan Air,¹⁵¹ an airline that is under U.S. sanctions for deceptive financial practices and smuggling arms and fighters for the Quds Force and Hezbollah.¹⁵²

On the positive side of the ledger, it is now being reported that Bahrain's 2015 closure of Future Bank, a major local financial institution linked to Tehran, halted a sanctions-busting scheme involving billions of dollars of deceptive financial transactions enabling Iranian terror finance in the region.¹⁵³

The Taliban:

Neither the United States nor any of its Gulf allies formally designate the Afghan Taliban as a terrorist group, despite the fact that the Taliban is responsible for the vast majority of attacks against civilians in Afghanistan¹⁵⁴ and coordinates extensively on the battlefield and organizationally with al-Qaeda.¹⁵⁵

Although the United States has refrained from sanctioning the Afghan Taliban for utilitarian reasons in hopes of reaching a political accord with the group, such an accord remains elusive. Furthermore, doing so has arguably made it harder for the

¹⁴⁹ Yara Bayoumy, Phil Stewart, "Exclusive: Iran steps up weapons supply to Yemen's Houthis via Oman – officials," *Reuters*, October 19, 2016. (<https://www.reuters.com/article/us-yemen-security-iran/exclusive-iran-steps-up-weapons-supply-to-yemens-houthis-via-oman-officials-idUSKCN12K0CX>)

Ashraf al-Falahi, "Just how neutral is Oman in Yemen war?," *Al-Monitor*, October 12, 2016. (<http://web.archive.org/web/20170408225539/https://www.al-monitor.com/pulse/originals/2016/10/oman-neutral-saudi-war-iran-houthis.html>)

¹⁵⁰ David Welna, "Mattis Aims To Curb Iran's Influence On The Arabian Peninsula," *NPR*, March 12, 2018. (<https://www.npr.org/2018/03/12/592823591/mattis-middle-east-priority-curb-irans-influence-on-the-arabian-peninsula>)

¹⁵¹ "Int. Route Network," *Mahan Air website*, accessed April 24, 2018. (<https://www.mahan.aero/en/#intRouteMap>)

¹⁵² U.S. Treasury Department, "Treasury Designates Iranian Commercial Airline Linked to Iran's Support for Terrorism," October 12, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1322.aspx>)

¹⁵³ Souad Mekhennet & Joby Warrick, "Billion-dollar sanctions-busting scheme aided Iran, documents show," *Washington Post*, April 3, 2018. (https://www.washingtonpost.com/world/national-security/billion-dollar-sanctions-busting-scheme-aided-iran-documents-show/2018/04/03/37be988a-3356-11e8-94fa-32d48460b955_story.html?utm_term=.25b476d1b7b4)

¹⁵⁴ U.S. State Department, "National Consortium for the Study of Terrorism and Responses to Terrorism: Annex of Statistical Information," *Country Reports on Terrorism 2016*, July 2017. (<https://www.state.gov/jct/rts/crt/2016/272241.htm>)

¹⁵⁵ Bill Roggio, "Designations highlight Taliban's longstanding ties to al Qaeda," *Long War Journal*, February 26, 2018. (<https://www.longwarjournal.org/archives/2018/01/designations-highlight-talibans-longstanding-ties-to-al-qaeda.php>)

U.S. to take a hard line against the group's operations in the Gulf, which is home to an enormous South Asian expatriate community in addition to the region's significant terror finance trends.

The Taliban has sought to exploit Saudi, Emirati, and Qatari territory over the years in order to help fund its operations.¹⁵⁶ For years the Saudi government allegedly turned a blind eye to Taliban fundraising in its territory,¹⁵⁷ but the kingdom has laudably taken a more assertive approach in recent years, undertaking joint designations with the U.S. of South Asian terror finance targets associated with the Taliban, Lashkar-e-Taiba, and al-Qaeda.¹⁵⁸

The Taliban's deceased leader Mullah Akhtar Mansour reportedly traveled to the U.A.E. eighteen times in the past decade or so on false papers, despite being on a U.N. watch list.¹⁵⁹ However, the U.A.E. has shown a very tangible commitment to fighting the Taliban, deploying its own special forces to Afghanistan for over a decade as well as close air support.¹⁶⁰ A terrorist bombing attributed to the Taliban last year took the life of the U.A.E. ambassador to Kabul and five other Emirati officials.¹⁶¹

Qatar hosts a Taliban political office in its territory as well as the Guantanamo Five, a group of senior Taliban commanders released by the U.S. in exchange for the hostage Bowe Bergdahl. Although Qatar was reportedly allowed to host the Taliban's embassy on its territory with U.S. permission,¹⁶² its broader approach to the group would seem to exceed what the U.S. would have allowed or what it should still be tolerating. For example, last year the *New York Times* quoted an Afghan official who indicated that Qatar is "home to about 100 Taliban officials and their

¹⁵⁶ The Guardian, "US embassy cables: Hillary Clinton says Saudi Arabia 'a critical source of terrorist funding,'" *The Guardian*, December 30, 2009. (<https://www.theguardian.com/world/us-embassy-cables-documents/242073>)

¹⁵⁷ Carlotta Gall, " Saudis Bankroll Taliban, Even as King Officially Supports Afghan Government," *New York Times*, December 6, 2016. (<https://www.nytimes.com/2016/12/06/world/asia/saudi-arabia-afghanistan.html>)

¹⁵⁸ U.S. Treasury Department, "United States and Saudi Arabia Designate Terrorist Fundraising and Support Networks," March 31, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/j10400.aspx>); U.S. Treasury Department, "The U.S. and Saudi Arabia Take Joint Action Against Terrorist Financing Entity Attempting to Evade U.S. and UN Sanctions and Violate Saudi Laws," April 7, 2015. (<https://www.treasury.gov/press-center/press-releases/Pages/j110019.aspx>)

¹⁵⁹ Eltaf Najafzada, "Taliban Says Ex-Leader Often Visited United Arab Emirates, Iran," *Stars and Stripes*, May 26, 2016. (<https://www.stripes.com/news/middle-cast/afghanistan/taliban-says-ex-leader-often-visited-united-arab-emirates-iran-1.411510>)

¹⁶⁰ Rajiv Chandrasekaran, "In the UAE, the United States Has a Quiet, Potent Ally Nicknamed 'Little Sparta,'" *Washington Post*, November 9, 2014. (https://www.washingtonpost.com/world/national-security/in-the-uae-the-united-states-has-a-quiet-potent-ally-nicknamed-little-sparta/2014/11/08/3fc6a50e-643a-11e4-836e-83bc4f26cb67_story.html?utm_term=.e442449e1d61)

¹⁶¹ Ahmed Rashid, "UAE's relationship with Taliban questioned after Afghanistan bomb," *FT*, February 3, 2017. (<https://www.ft.com/content/981e4e76-ed31-3afd-9057-05da796a7bfb>)

¹⁶² Catherine Philip, "Taliban office in Qatar approved by US," *The Weekend Australian*, September 13, 2011. (<https://www.theaustralian.com.au/news/world/taliban-office-in-qatar-approved-by-us/news-story/13a00bc252d21e54bf9d82e8e6c107f4?sv=e31506763129bfd821e360023fc76e>)

relatives, who live comfortably at Qatari state expense.¹⁶³ In addition, two senior Haqqani Group officials, including a top-tier fundraiser, were allegedly able to travel to Qatar, visit a member of the Taliban Five, and depart Qatar before being captured in Bahrain.¹⁶⁴ The Afghan government seeks the closure of the Taliban's Doha office based on its view the office has had "no positive consequence in terms of facilitating the peace talks" and has taken no meaningful steps toward peace negotiations.¹⁶⁵

In the G.C.C., only the U.A.E. publicly designates the Taliban-linked Haqqani Group as a terrorist organization.¹⁶⁶ Only the U.A.E., and Bahrain publicly designate the Taliban's Pakistani offshoot.¹⁶⁷ These are also the only G.C.C. countries that publicly designate Lashkar-e-Taiba, the terrorist group responsible for the 2008 Mumbai attacks that killed 166 people, including six Americans.¹⁶⁸

Part IV. Policy Recommendations:

1. Work with Gulf Allies to Publicly Designate All Terrorist Groups

Two G.C.C. states – Oman and Kuwait – do not have public lists of banned terrorist organizations. One G.C.C. state, Qatar, has a public list that is astonishingly inadequate. And three G.C.C. states – Saudi Arabia, the U.A.E., and Bahrain – are using public lists that still fall short in some key regards.

¹⁶³ Declan Walsh, "Qatar Opens Its Doors to All, to the Dismay of Some," *New York Times*, July 16, 2017. (https://www.nytimes.com/2017/07/16/world/middleeast/doha-qatar-blockade.html?_r=0)

¹⁶⁴ <https://www.wsj.com/articles/haqqani-leaders-detained-in-persian-gulf-not-inside-afghanistan-1413733878>

¹⁶⁵ Karim Amini, "Afghan Govt To Close Taliban Qatar Office," *Tolo News*, February 23, 2018. (<https://www.tolonews.com/index.php/afghanistan/afghan-govt-close-taliban-qatar-office>)

¹⁶⁶ "Ministry of Interior: Injunctions on Security and Ideology for Citizens and Residents," *Saudi Press Agency*, March 7, 2014. (<http://www.spa.gov.sa/viewstory.php?newsid=1206762>)
<http://wam.ae/en/details/1395272478814>; "Cabinet Approves Terrorist Organizations List," *Bahrain News Agency*, November 4, 2016. (<http://www.bna.bh/portal/en/news/721645>); Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (10/25/2017)" October 25, 2017, accessed April 23, 2018. (<https://nctc.moi.gov.qa/list.html>); Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (3/21/2018)" March 21, 2018, accessed April 23, 2018. (<https://nctc.moi.gov.qa/list2.html>)

¹⁶⁷ "Ministry of Interior: Injunctions on Security and Ideology for Citizens and Residents," *Saudi Press Agency*, March 7, 2014. (<http://www.spa.gov.sa/viewstory.php?newsid=1206762>)

"UAE Cabinet Approves List of Designated Terrorist Organizations, Groups," *Emirates News Agency*, November 16, 2014. (<http://wam.ae/en/details/1395272478814>)
 "Cabinet Approves Terrorist Organizations List," *Bahrain News Agency*, November 4, 2016. (<http://www.bna.bh/portal/en/news/721645>); Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (10/25/2017)" October 25, 2017, accessed April 23, 2018. (<https://nctc.moi.gov.qa/list.html>); Qatar National Counterterrorism Committee, Qatar Ministry of the Interior, "Terrorist Designations List (3/21/2018)" March 21, 2018, accessed April 23, 2018. (<https://nctc.moi.gov.qa/list2.html>)

¹⁶⁸ *Ibid.*; U.S. State Department, "Amendments to the Terrorist Designation of Lashkar e-Tayyiba," April 2, 2018. (<https://www.state.gov/r/pa/prs/ps/2018/04/280125.htm>)

The U.S. should work intensively to convince these governments to all issue such lists, to post and update them publicly, and to harmonize them with the American understanding of terrorist organizations, as represented by the U.S. government's lists of Foreign Terrorist Organizations and Specially Designated Global Terrorists.

Most notably, the continued absence of any Palestinian terrorist groups from all of these lists is inexcusable. Hamas and Palestinian Islamic Jihad are Iranian-sponsored terrorist groups that intentionally and admittedly target civilians. Our true allies against I.R.G.C. aggression must be persuaded to acknowledge the terrorist nature of these Palestinian terror groups in public and not just in private, and to act against these organizations accordingly.

Additionally, we should work with our Gulf allies to ensure that they designate more South Asian terrorist groups in order to stem the flow of funding from private Gulf donors to these groups. Thus, the U.S. must persuade the majority of our Gulf allies to publicly ban as terrorist groups Lashkar-e-Taiba, the Haqqani Group, the Pakistani Taliban, and, yes, even the Afghan Taliban. That means the U.S. must seriously consider finally designating the Afghan Taliban as the terrorist group that we all know it is. Given Lashkar-e-Taiba's repeated efforts to rebrand itself,¹⁶⁹ members of the G.C.C. should also outlaw that group's aliases and affiliates.

The U.S. could also garner appreciation by designating certain groups that our Gulf allies consider terrorists but that we have not yet designated as such. The U.S. has not designated Saraya al-Ashtar, an I.R.G.C.-sponsored terrorist group that seeks to overthrow the government of Bahrain. Since the U.S. has already designated individual leaders of Saraya al-Ashtar, this should not be too difficult a step.¹⁷⁰

The U.S. should also consider whether the Iranian-backed Houthi movement in Yemen meets the criteria for designation as a terrorist group. Not only does the group's motto include the phrase "death to America, death to Israel, damn the Jews," but it has also been firing rockets at civilian areas deep into Saudi territory as well as at civilian ships in the Red Sea.¹⁷¹

2. Find Additional Ways to Combat Iran's Sponsorship of Terror

The U.S. should also seek other ways to cooperate financially with our Gulf allies against Iranian terror sponsorship.

¹⁶⁹ U.S. State Department, "Amendments to the Terrorist Designation of Lashkar e-Tayyiba," April 2, 2018. (<https://www.state.gov/r/pa/prs/ps/2018/04/280125.htm>)

¹⁷⁰ Tzvi Kahn & David Andrew Weinberg, "U.S. Sanctions Bahrainis Linked to Iran-Backed Group," *Foundation For Defense of Democracies*, March 22, 2017. (<http://www.defenddemocracy.org/media-hit/tzvi-kahn-us-sanctions-bahrainis-linked-to-iran-backed-group/>)

¹⁷¹ Bruce Riedel, "What You Need to Know About the Latest Houthi Attack on Riyadh," *Brookings*, March 27, 2018. (<https://www.brookings.edu/blog/order-from-chaos/2018/03/27/what-you-need-to-know-about-the-latest-houthi-attack-on-riyadh/>)

Most notably, the Chairman and Ranking Member of this full Committee have introduced legislation that should be a model for joint action against Iran's I.R.G.C. The Iranian Revolutionary Guard Corps Economic Exclusion Act (H.R. 5132) would broaden U.S. sanctions against economic entities controlled by Iran's I.R.G.C. and the foreign entities with whom they do business.

The Anti-Defamation League endorses this legislation and will be lobbying for it when we bring volunteers to Capitol Hill next month.

America's Gulf allies have economic leverage that they could use to dissuade companies in Europe and East Asia from enriching companies that are controlled by the I.R.G.C.¹⁷² The U.S. can encourage Gulf governments to use this influence in such areas as the energy and petrochemical industries, construction contracting, and sovereign wealth fund investments to impose effective secondary sanctions of this sort. Further, the U.S. can help the G.C.C. states implement such sanctions by identifying those I.R.G.C.-controlled entities that international firms should avoid.

The U.S. should also urge Dubai and Kuwait to stop granting access to Iran's terrorist-enabling Mahan Airlines, not least because failing to do so has already exposed service-providers in those locations to the possible risk of U.S. sanctions.

The U.S. should also clear up existing uncertainty about whether or not Oman is permitting Iranian weapons smuggling across its land and sea borders. If so, then transparency would create added urgency to resolve the issue. And if not, then Muscat deserves a clean bill of health.

Lastly, the U.S. should work with Abu Dhabi to limit opportunities for Iranian sanctions-busting via Emirati territory, subjecting economic free zones in the U.A.E.'s smaller emirates to stronger federal or international oversight.

3. Dry Up Terrorist Safe Havens

Terrorists continue to enjoy safe havens in several U.S. allied countries. America can and should do more to persuade these governments to turn over a new leaf.

One natural tool U.S. officials have at their disposal is the bully pulpit. They can highlight and condemn terrorist safe havens in public remarks and to the press. They can do so through international forums, such as the Trump administration's recent efforts to place Pakistan on a watch list of the Financial Action Task Force for

¹⁷² David Andrew Weinberg & Mark Dubowitz, "Where Obama Fails on Iran Sanctions, the Gulf States Can Step In," *Wall Street Journal*, February 21, 2016. (<https://www.wsj.com/articles/where-obama-fails-on-iran-sanctions-the-gulf-states-can-step-in-1456096639>)

terror finance negligence.¹⁷³ The U.S. can also declassify intelligence to expose embarrassing details about the activity of terrorist operatives in these safe havens.

The next secretary of state is unlikely to designate such countries as state sponsors of terrorism, but he or she can still do a more honest and accurate job in providing annual evaluations as to which foreign governments are in violation of Section 6(j) of the Export Administration Act. This statute requires the secretary to identify any foreign government that tolerates part of its territory being used by terrorist operatives to conduct training, recruitment, financing, or other terrorist activities.

With regard to Hamas safe havens, there is clearly one G.C.C. state that should be listed by Foggy Bottom. Listing Qatar as the law requires under Section 6(j) of the E.A.A. would impose licensing for exporting certain dual use goods the U.S. wouldn't want falling into hands of terrorists anyway, such as advanced rocket equipment, cyberattack technology, and precursors for weapons of mass destruction.

Finally, Congress should pass the Palestinian International Terrorism Support Prevention Act (H.R. 2712), which A.D.L. endorsed last year. With this bill, Congress would be authorizing additional penalties against those governments that provide material support to Hamas or Palestinian Islamic Jihad.

Members of Congress from both parties have written at least six separate letters to the executive branch or the Qatari embassy in Washington since 2013 raising concern about Hamas's operational presence in Qatar, including as recently as two such letters in November.¹⁷⁴ U.S. concern over this issue will not – and should not – go away, and action is needed now more than ever.

¹⁷³ Salman Masood, "At U.S. Urging, Pakistan to Be Placed on Terrorism-Financing List," *New York Times*, February 23, 2018. (<https://www.nytimes.com/2018/02/23/world/asia/pakistan-terror-finance-list.html>)

¹⁷⁴ Letter led by Reps. Peter Roskam and John Barrow to Qatari Ambassador to Washington Mohamed al-Rumaihi, August 2, 2013, accessed April 23, 2018. (https://roskam.house.gov/sites/roskam.house.gov/files/roskam_qatar.pdf); Letter from Rep. Peter Roskam to Secretary of State John Kerry and Treasury Secretary Jack Lew, July 31, 2014, accessed April 23, 2018. (<https://roskam.house.gov/sites/roskam.house.gov/files/Roskam%20Qatar.pdf>); Letter led by Reps. Ros-Lehtinen, Deutch, Poe, and Sherman to Treasury Under Secretary for Terrorism and Financial Intelligence David Cohen, December 9, 2014, accessed April 23, 2018. (https://ros-lehtinen.house.gov/sites/ros-lehtinen.house.gov/files/12_09_14%20-%20Joint%20MENA_%20TNT%20Letter%20to%20Treasury%20-%20Iamas.%20Turkey.%20Qatar%20Designations.pdf); Letter from Reps. Peter Roskam and Brad Sherman to Treasury Secretary Jack Lew, December 10, 2014, accessed April 23, 2018. (https://roskam.house.gov/sites/roskam.house.gov/files/RoskamSherman_Letter%20to%20SecLew%20re%20Qatar.pdf); Letter led by Reps. Josh Gottheimer and Ron DeSantis to Treasury Secretary Steven Mnuchin, November 20, 2017, accessed April 23, 2018. (<https://gottheimer.house.gov/uploads/files/201711201638.pdf>); Letter led by Reps. Brad Schneider and Robert Pittenger to U.S. Ambassador to the United Nations Nikki Haley, November 21, 2017, accessed April 23, 2018. (<https://schneider.house.gov/sites/schneider.house.gov/files/letter%20to%20Ambassador%20Haley%20on%20US%20Policy%20Toward%20Qatar.pdf>)

4. End the Impunity of Violators

Related to the issue of drying up terrorist safe havens is the imperative of ending the impunity of terror financiers throughout the Gulf, something all six G.C.C. states already pledged under the 2014 Jeddah Communiqué. In those instances in which Gulf governments provide no evidence they plan to bring local terror financiers to justice, it is up to the U.S. and the international community to act.

Just as the U.S. pursues legal action against other kinds of terrorist operatives, the U.S. should identify those cases in which it can indict senior terror financiers who enjoy legal impunity abroad and seek their extradition. Doing so may help punish violators, deter future crimes by them or by others, and can add pressure on permissive jurisdictions to fix their conduct, all while bolstering the rule of law.

Members of this Committee have previously written that the U.S. uses this tool far too rarely with regard to the dozens of instances in which Palestinian terrorists have killed or wounded American citizens,¹⁷⁵ albeit with some recent exceptions.¹⁷⁶ For example, last year the U.S. unsealed criminal charges filed in 2013 against an accomplice to the 2001 Hamas bombing of a Sbarro pizzeria in Jerusalem that killed two U.S. citizens and injured seven U.S. citizens, among the many other victims.¹⁷⁷ The U.S. added that woman to the F.B.I.'s list of Most Wanted Terrorists and filed a warrant for her arrest. Like Hussam Badran, she was freed as part of the Gilad Shalit prisoner deal and reportedly resumed her support for Hamas from abroad.¹⁷⁸

As one of the alleged masterminds of that Sbarro pizzeria attack, Hussam Badran could also be a natural target for such public U.S. legal action. According to the Israeli government, he also directed the 2002 Passover bombing at the Park Hotel in

¹⁷⁵ United States House of Representatives: Committee on Foreign Affairs, "Reps. Walsh and Berman Send Bipartisan Letter," *United States House of Representatives: Committee on Foreign Affairs*, March 1, 2012. (<https://democrats-foreignaffairs.house.gov/news/press-releases/rep-walsh-and-berman-send-bipartisan-letter>)

¹⁷⁶ Office of Public Affairs, "Individual Charged in Connection With 2001 Terrorist Attack in Jerusalem That Resulted in Death of Americans," *The United States Department of Justice*, March 14, 2017. (<https://www.justice.gov/opa/pr/individual-charged-connection-2001-terrorist-attack-jerusalem-resulted-death-americans>)

Office of Public Affairs, "Two Terrorists Charged in Connection With the 2010 Murder of a U.S. National in Israel," *The United States Department of Justice*, April 13, 2017. (<https://www.justice.gov/opa/pr/two-terrorists-charged-connection-2010-murder-us-national-israel>)

¹⁷⁷ Office of Public Affairs, "Individual Charged in Connection With 2001 Terrorist Attack in Jerusalem That Resulted in Death of Americans," *The United States Department of Justice*, March 14, 2017. (<https://www.justice.gov/opa/pr/individual-charged-connection-2001-terrorist-attack-jerusalem-resulted-death-americans>)

¹⁷⁸ Khaled Abu Toameh, "Female Terrorist Hosts Talk Show on Hamas TV," *Jerusalem Post*, March 1, 2012. (<http://www.jpost.com/Middle-East/Female-terrorist-hosts-talk-show-on-Hamas-TV>)

Netanya, which killed another American citizen.¹⁷⁹ In addition, he may be vulnerable to civil suits by the families of these victims.

Similarly, it could make sense for U.S. officials to file indictments and seek the extradition of some of those U.S.-designated al-Qaeda financiers who are enjoying legal impunity in the Gulf.

However, the challenge in those cases would be to identify instances in which the crimes of these terrorist facilitators are subject to U.S. jurisdiction. Yet even in the absence of U.S. legal standing, Washington can take other steps to build pressure for legal action against these individuals, not least by drawing public attention to such cases and by issuing forceful U.S. condemnations of their legal impunity more often.

5. Stop State Ransoms to Terrorists

The money that foreign terrorist organizations are making from ransoms payments has skyrocketed in the past decade, and state ransoms from some governments in the Gulf and in Europe have played a large part. Yet when the Obama administration updated its strategy for hostage recovery last year, it did not articulate a matching strategy for deterring these foreign government payments of terrorist ransoms.¹⁸⁰

As such, there is more that can be done in this regard. Most notably, the U.S. should shine a bright light on those governments that engage in this understandable but destructive and illegal practice.

For example, Section 709 of Public Law 114-323 (the Department of State Authorities Act Fiscal Year 2017, which was passed in December 2016) required the executive branch to submit a report within 90 days indicating “which foreign governments are believed to have facilitated, directly or indirectly, the payment of ransoms” in the last year as well as details about those suspected transactions.¹⁸¹

Yet a year has elapsed without the administration fulfilling its obligation under this law. Chairman Poe, your letter last month to Treasury Secretary Mnuchin urging him to explain why this deadline was not met and to give a timeline for its submission was an important action that deserves more attention.¹⁸² Congress should keep urging the administration to fulfill this obligation and should pass new legislation to make such reporting a regular requirement instead of a one-time duty.

¹⁷⁹ Olsen Attorneys At Law, L.L.C., “United States District Court Eastern District of New York,” *Olsen Attorneys At Law*, June 17, 2016. (https://www.osenlaw.com/sites/default/files/06-17-16_Strauss_Fifth_Amended_Complaint_ECF.pdf)

¹⁸⁰ David Andrew Weinberg, “What To Do About the Kidnapping For Ransom Problem,” *The Hill*, November 17, 2015. (<http://thehill.com/blogs/congress-blog/foreign-policy/260374-what-to-do-about-the-kidnapping-for-ransom-problem>)

¹⁸¹ S.1635 - Department of State Authorities Act, Fiscal Year 2017, (<https://www.congress.gov/bills/114th-congress/senate-bill/1635/text>)

¹⁸² Letter from Representative Ted Poe to Secretary of the Treasury Steven Mnuchin, March 13, 2018.

6. Boost Government Capacity

The United States cannot effectively quarterback its policies in the Gulf without ambassadors on the ground. As such, the administration must finally nominate ambassadors to fill longstanding vacancies in Saudi Arabia and Qatar, as well as the new vacancy that recently opened up in the United Arab Emirates.

The U.S. should also continue technical assistance to boost the counter terror finance capacities of our Gulf allies. That includes bilateral and multilateral training programs, helping to boost the authorities of local counter terror finance institutions, and even embedding U.S. officials in relevant local institutions when permitted. But we should never confuse a lack of capacity in some instances in the Gulf with a lack of will, which is so obviously manifest in some others.

7. While Addressing the Gulf Standoff, Prioritize U.S. interests

Undoubtedly, the U.S. should exert some degree of effort to heal the rift that has emerged among our Gulf partners. But a diplomatic solution for its own sake is not in U.S. interests. Rather, the U.S. should make sure that any steps it takes in addressing the Gulf standoff also address key U.S. concerns about terrorist safe havens and terrorist finance. That was one of the main reasons this crisis erupted in the first place, and if these problems are not resolved now, they may never be.

As such, the executive branch should give the public and the press a more transparent assessment of what Qatar has and has not pledged under its bilateral terror finance M.o.U., as well as the extent to which it is or is not implementing those commitments. None of the other participants in this dispute should get a free pass, either. Kuwait, the dispute's main mediator, should be held accountable for allowing U.S.- and U.N.-designated terror financiers to operate openly or to work in public sector positions of authority. Saudi Arabia, the U.A.E., and Bahrain should be urged to further differentiate themselves from other countries in their neighborhood by improving their terrorist designation lists, including by outlawing Hamas.

The U.S. should also review the designations of individual terror financiers issued by the anti-Qatar quartet over the last year to assess whether any of those individuals not under U.S. sanctions should also be designated by the United States. Although some of the more politicized entries on this list certainly do not meet U.S. legal standards for designation, some other entries might. Even Qatar itself has recently sanctioned several of its own citizens who had been designated by the Arab quartet but are not currently under U.S. sanctions.

Lastly, the U.S. should take steps to insulate counter terror finance cooperation from the ongoing Gulf standoff, which could linger on for years to come. For example, the

U.S. should work toward ensuring that Qatari officials are finally permitted to take their seats at the joint Terror Finance Targeting Center in Riyadh.¹⁸³

8. Address The Ideological Underpinnings of Terror Finance

The U.S. government's first terrorist finance czar Stuart Levey wrote in 2010 that stopping terrorist finance requires not just ending the impunity of violators but also preventing people from embracing such support for terrorism in the first place. He explained that "unless the next generation of children is taught to reject violent extremism, we will forever be faced with the challenge of disrupting the next group of terrorist facilitators and supporters."¹⁸⁴

As such, the U.S. government must work intensively with its Gulf partners to end incitement in state-backed media outlets, by state-backed religious officials, and in state-sponsored school textbooks. Doing so is a crucial part of achieving the goal President Trump identified during his speech to Arab and Islamic leaders last year in Riyadh: combating terrorism and the extremism that inspires it.¹⁸⁵

¹⁸³ Ian Talley & Gordon Lubold, "The Real Danger in Qatar-Gulf Feud is Iran, U.S. Officials Say," *Wall Street Journal*, April 10, 2018. (<https://www.wsj.com/articles/u-s-worries-qatar-rift-is-pushing-empire-toward-iran-1523391182>)

¹⁸⁴ Stuart A. Levey, "Loss of Moneyman a Big Blow for Al-Qaeda," *The Washington Post*, June 6, 2010. (<http://www.washingtonpost.com/wp-dyn/content/article/2010/06/04/AR2010060404271.html>)

¹⁸⁵ White House "President Trump's Speech to the Arab Islamic American Summit," May 21, 2017. (<https://www.whitehouse.gov/briefings-statements/president-trumps-speech-arab-islamic-american-summit/>)

Mr. POE. Thank you, Dr. Weinberg.
 Ms. Erdberg, the Chair recognizes you for 5 minutes.

STATEMENT OF MS. LEANNE ERDBERG, DIRECTOR, COUNTERING VIOLENT EXTREMISM, U.S. INSTITUTE OF PEACE

Ms. ERDBERG. Thank you, subcommittee Chairs Poe and Ros-Lehtinen, Ranking Members Keating and Deutch, and members of the subcommittees. Thank you for the opportunity to testify.

I will summarize my remarks, which cover two main themes: The first, GCC progress to date; and the second, future recommendations.

Since the September 11 attack, GCC counterterrorism efforts, as my co-panelists have noted, have been varied. But that should not discount the sincere progress in several key areas that I hope will continue.

The first is on rehabilitation and reintegrating former terrorists back into society. This has long been a focus notably of Saudi Arabia, but also Bahrain, Kuwait, and the UAE. Disengagement and deradicalization programs are only growing in importance as countries grapple with the return of foreign terrorist fighters.

The second is on religious engagement. Religious clerics in Saudi Arabia and other GCC nations have issued numerous fatwas denouncing terrorism and condemning ISIS. Ministries of religion are actively reducing the reach of hardline clerics. And GCC countries sponsor several initiatives on religious topics, such as the UAE's support for the Forum for Promoting Peace in Muslim Societies.

The third concerns counterterrorism finance, which has been well covered by my co-panelists.

The fourth is on military operations. As part of the Coalition to Defeat ISIS, as well as independently, GCC militaries capture and kill terrorists on the battlefield, and they provide training to other nations.

And lastly, GCC countries are participating in leading several international counterterrorism and CVE efforts. To name a few, the UAE helped to establish the Hedayah Center, a CVE Center of Excellence located in Abu Dhabi.

Qatar has donated generously to the Global Community Engagement and Resilience Fund, which is a public-private partnership devoted to funding community-level initiatives that address violent extremism.

And Saudi Arabia's voluntary contribution has enabled the United Nations to launch its own counterterrorism center devoted to these topics.

But these discrete areas of progress have been unable to stem the tide of terrorism. Every day terrorists take innocent lives, they spew a hateful, violent vision of this world, and yet they have new recruits that are willing to die for their cause. That is precisely why we of the United States and GCC countries must do more to prevent young people from turning to terror in the first place. I would like to focus on a couple concrete, practical areas that are in deep need of future progress.

The first, how do we know what works? We have to turn to research. It can provide outsiders and locals alike with the data and information they need to make meaningful progress.

The second area starts with recognizing that we cannot simply message away the attraction of belonging to a community, and the commitment to be on a moral mission to resist injustice. What we can do is give people an opportunity to be part of a larger cause, create meaningful social bonds in service of a mission, and give them the dignity of ownership through the proven power of non-violent action and organizing.

The third is to unleash the power of religious figures far beyond merely challenging religious discourse. Instead, we need to start seeing them as key contributors to addressing community needs that may not be—appear to be religious in nature.

The fourth concerns the security sector. When security forces fail to protect their citizens from threats, perpetuate cycles of abuse and corruption, or act with impunity, terrorists take these injustices to sow distrust and radicalize new recruits. On the other hand, police can be incredibly valuable in preventing radicalization by strengthening the trust of the people they serve, and tangibly improving the security and circumstances of their communities.

The last, and the subject of the subcommittee's hearing last month, is to empower women and encourage their participation more fully as contributors to efforts that counter violent extremism.

In sum, preventing the advent of the next ISIS must go beyond countering the propaganda-filled messages, killing terrorist leaders, and addressing financial flows. The United States should encourage GCC partners to empower the communities, civil society, municipal authorities, and local practitioners that are on the front lines of this challenge every day. And it is time to demonstrate to the generations of youth across the Middle East that they have a stake in their future and their human dignity matters.

We can build our collective success through sustained U.S. leadership, close partnership with allies, and a shared commitment to end this scourge together.

Thank you for the opportunity to testify. And I look forward to your questions.

[The prepared statement of Ms. Erdberg follows:]



United States Institute of Peace

**“Grading Counterterrorism Cooperation with
the GCC States”**

**Testimony before the House Foreign Affairs Subcommittee on
Terrorism, Nonproliferation and Trade and the Subcommittee on
the Middle East and North Africa**

**Leanne Erdberg
Director, Countering Violent Extremism
United States Institute of Peace
April 26, 2018**

Introduction

Subcommittee Chairs Poe and Ros-Lehtinen, Ranking Members Keating and Deutch, and members of the Subcommittees, thank you for the opportunity to testify on “Grading Counterterrorism Cooperation with the GCC States.” Your attention to the issues of terrorism and violent extremism in the Arabian Peninsula is appreciated.

I am the Director for Countering Violent Extremism (CVE) at the United States Institute of Peace, although the views expressed here are my own. USIP was established by Congress over 30 years ago as an independent, national institute to prevent and resolve violent conflicts abroad, in accordance with U.S. national interests and values. The rise and expansion of violent extremism continue to pose a significant threat to global peace and stability. Understanding what drives violent extremism and how to address it is a USIP priority.

I worked, earlier in my career, at the State Department and at the National Security Council staff at the White House where I focused on counterterrorism in the Middle East and Africa. My testimony is informed by these experiences as well as USIP’s work in conflict zones.

For this joint subcommittee hearing, I have been asked to comment on the progress America’s GCC partners have made in combating violent extremism and where countries could continue to show progress to confront violent extremism and terrorists in the region. My testimony will cover the following questions: (1) How have GCC countries addressed violent extremism and terrorism within their own national borders; (2) How have GCC countries addressed violent extremism and terrorism regionally and internationally; and, (3) What recommendations can enable future GCC efforts to go beyond eliminating today’s terrorists and prevent terrorism from emerging in the first place?

Overview

The fragile and complicated geopolitical realities throughout the GCC countries cannot be easily separated – stances on Iran, Israel, Syria, and Yemen – complicate the threat landscape, efforts to assess counterterrorism success, and potential multilateral partnership opportunities. The dynamic and fluid political situations in the greater Middle East, including Qatar-GCC dynamics, varying support mechanisms in Iraq, and the ongoing war and ensuing humanitarian crisis in Yemen, will likely continue to take up much of the top-level attention of GCC leaders.

Therefore, the U.S. should widen its outreach beyond governments and GCC countries should share responsibility and enable additional support to those best equipped to focus on countering the next generation of violent extremism – communities, civil-society, municipal authorities, and local practitioners. Radicalization and recruitment are often local, individually detailed, or contextually distinctive, so national-level efforts should include creating operating space for local action for combating extremism.

1. How have GCC countries addressed violent extremism and terrorism within their own national borders?

There are three key areas where GCC countries have made some contributions within their own national contexts to address terrorism since the attacks of September 11, 2001: (A) rehabilitation and reintegration; (B) religious leader engagement; and, (C) countering the financing of terrorism.

A. Rehabilitation and Reintegration Programs

GCC countries, most notably Saudi Arabia, realized early in the War on Terror that those incarcerated for terrorism-related crimes would eventually be released back to their home communities. Saudi Arabia's programs, the most well-known and documented in the international press, focus on providing incentives to offenders to give up previously held behaviors and beliefs – including education, counseling, financial incentives, monitoring, and reintegration. Other GCC countries, including Bahrain, Kuwait, and the UAE, have also invested in rehabilitation programs for terrorist offenders. That said, there is ongoing debate over whether such programs should focus on “disengagement” – no longer undertaking violent activities – or on “deradicalization” – rejecting previously held radical ideological views – or which is more effective or even plausible. While improvements can be made, the use of rehabilitation and reintegration programs to reintroduce former terrorist offenders back into society is an important step forward for GCC states. Addressing rehabilitation and reintegration is likely to increase in importance as countries grapple with the return of foreign fighters where GCC countries have relevant experience to share.

B. Religious Engagement

Given the centrality of religion for the communities within the GCC countries, it is unsurprising that religious engagement has been a part of most, if not all, GCC countries' efforts to counter terrorism. This is against the backdrop of the consistent propaganda from terrorist groups that use religiosity to justify their barbaric and nihilistic objectives. Some of the highest religious clerics in Saudi Arabia and other GCC nations have issued numerous fatwas denouncing terrorism, contesting ISIS and al-Qaeda's interpretation of Islam. Saudi Arabia has also recently modernized education curricula, including textbooks; though reversing the harms from past teachings containing intolerance and violence will take some time. The Kingdom has also established several institutions dedicated to countering violent extremism. The UAE provides support to the Forum for Promoting Peace in Muslim Societies, a group of prominent Sunni and Shia scholars from across the Muslim world led by the renowned Sheikh Abdallah bin Bayyah. The Forum seeks to address the root drivers of violent extremism, advance protection for religious minorities, and support Muslim peacebuilders in countries experiencing violent extremism. These efforts, and others at the local level, that encourage (or at times monitor) local religious leaders to ensure they denounce terrorism and terrorist groups have been welcome additions to the counterterrorism arena. However, the religious landscape is far from simple. In some cases, research shows that state-led efforts that restrict religious spaces can actually fuel extremism. Additionally, state-endorsed messaging on religious matters that ignores state failures to meet citizens needs can come off as hollow and meaningless to at-risk audiences.

C. Countering the Financing of Terrorism

Following the attacks of September 11, 2001, the international community built up significant infrastructure, laws, and policies to deny terrorists the use of international financial systems. GCC countries responded by creating financial intelligence units (FIUs), affirming international commitments [such as membership in the Middle East and North Africa Financial Action Task Force (MENAFATF)], and disrupting terrorism finance with criminal justice operations within the Gulf region. Ministries began providing specialized training programs – with assistance from the U.S. and other international partners – to ensure that for financial institutions, criminal justice officials, and even customs and border officials, had training and were able to curb terrorist financing within national borders and transnationally. While institutional vulnerabilities and weaknesses endure, increasing state capacity led to significant improvement in curbing some terrorist financing. That said, choices by certain GCC governments or individuals living in those countries (who may or may not be known to governments) often call into question GCC commitment and dedication to stemming the flow of funding to all terrorist groups.

2. How have GCC countries addressed violent extremism and terrorism regionally and internationally?

International political pressure and security realities have spurred action by the GCC and member governments to address violent extremism through a variety of international avenues of cooperation mainly focused outside their own borders. These regional and international efforts take on new significance to reassure partners that counterterrorism efforts can and will persist even as questions of GCC cohesion and bilateral uncertainties remain.

A. Militarily

A primary way in which GCC countries are countering terrorism are their military efforts to capture and kill terrorists, deny the groups safe haven, and liberate populations from terrorist rule. GCC countries participate in the Coalition to Defeat ISIS; they also train and equip other nation's militaries to gain new counterterrorism skills, understanding, and assistance. While the outputs of eliminating terrorists from the battlefield are obvious, the lasting outcomes of these efforts are fleeting if the next pipeline of recruits are not stopped.

B. International Cooperation

Less apparent, but important have been the strides that GCC countries have made to cooperate and lead international efforts globally focused on counterterrorism and violent extremism. For instance, the UAE, Qatar, and Saudi Arabia are all members of the Global Counterterrorism Forum (GCTF), an informal, multilateral counterterrorism platform that promotes sharing good practices, experiences, expertise, and tools to promote a long-term counterterrorism approach. Borne out of the GCTF, the UAE helped establish the Hedayah Center, which “aims to be the premier international center and operational platform for expertise and experience to counter violent extremism by promoting understanding and sharing of good practices.” Hedayah’s work spans from training officials to producing research. Given that mandate, starting in 2013, USIP

helped build the capacity of Hedayah on community-oriented policing for CVE. USIP focused on helping Hedayah train institutional-level law enforcement and concentrated on enabling police academies to adopt content that enhanced the capacity of the police to develop partnerships with the community and respond professionally, in order to gain credibility and legitimacy as service providers, a key CVE imperative.

In addition to contributing to Hedayah, the UAE also contributed to an international effort to counter ISIS's attacks in the digital sphere with the Sawab Center Digital Communications Hub to Counter Extremist Propaganda (Sawab Center). Sawab Center, co-established by the UAE and U.S., is used and staffed by several nations participating in the Coalition to Defeat ISIS, and focuses on producing counter and alternative narratives to prevent youth from joining ISIS. Qatar has donated generously to the Global Community Engagement and Resilience Fund (GCERF), a public-private partnership devoted to funding community-level initiatives to address violent extremism and resilience. This burden sharing effort continues to be of significant importance. GCC countries have also participated substantially in UN efforts to counter terrorism and violent extremism, including, Saudi Arabia's voluntary contribution to enable the United Nations Secretariat to launch the United Nations Counter-Terrorism Centre (UNCCT).

3. What recommendations can enable future GCC efforts to go beyond eliminating today's terrorists and prevent terrorism from emerging in the first place?

The sudden rise of ISIS was perhaps the starkest example of how terrorism had metastasized in innumerable ways post-9/11. It clarified for many national security experts that decapitation of terrorist leaders and the networks that supported them did not preempt new permutations of terror groups from emerging. With the acute problem of ISIS in focus, new policy recommendations emerged, and international consensus strengthened around the need to address the conditions conducive to the spread of terrorism. From the United States' Gulf allies to NATO allies, all agreed that today's terrorist networks had reached a level of pervasion and sophistication that required concerted, long-term action beyond security measures. Terrorist groups' violent acts, intolerance, and aggravation of existing conflicts must be met with helping vulnerable communities resist terrorist recruitment and insisting that governments do more to meaningfully address the underlying grievances violent extremists continually exploit. It also requires GCC partners avoiding counterproductive actions, such as using anti-terror legislation to silence critics and suppress dissent or engaging in military actions that result in unnecessary civilian casualties.

To improve and expand upon their current activities, GCC countries can devote additional attention and resources to preventing and countering violent extremism (P/CVE) efforts to stem the emergence of tomorrow's terrorists. Governments can do much more to enable individuals in civil society – who are often better able to understand local vulnerabilities and perform the actions necessary to address such conditions – to support their full participation in the solution. Nations can take systematic steps that address the underlying social, political, economic, governance, cultural, and development-related conditions that contribute to individuals radicalizing and communities joining violent extremist groups. Many of the mechanisms needed to craft and implement these improved practices already exist. From examining the sources of radicalization to helping civil society leaders address violent extremism in their own

communities, progress can be made to reduce the highly dynamic and constantly evolving threat of violent extremism.

A. Research

Empirical research, locally driven and contextualized, provides a foundation for building effective and targeted policies or programs to prevent and address violent extremism and terrorism. It can provide outsiders and local citizens alike with the data and information they need to make decisions. Research can help distinguish when to use a scalpel and when to use a hammer. For its part, starting in 2016, USIP partnered with the State Department to incubate the RESOLVE Network, which stands for “Researching Solutions to Violent Extremism.” Today, RESOLVE is assisting researchers and policymakers to uncover and analyze which factors and trends contribute to the growth and spread of violent extremist groups. RESOLVE helps put locally-driven research and empirically sound insights into the hands of national and international policymakers to enable the development of actionable policy recommendations capable of improving counterterrorism and CVE practices.

B. Enable Nonviolent Action

Prevailing thinking on radicalization and recruitment is mostly deductive – the premise being, if experts know what the terrorists use in recruitment efforts, and then governments or others address those grievances, then individuals and communities will be less likely to join terrorist groups. An inductive lens leaves open the possibility that being part of a terrorist group is more complex than the reasons a member said he joined. If group identity and the perception of power are part of what makes terrorist groups attractive, alternatives should give young people vehicles to fill those needs positively. Engaging in nonviolent campaigns and movements gives people an opportunity to be part of a larger cause, create meaningful social bonds in service of a mission, and have the power to address concerns collectively. Nonviolent resistance using methods like strikes, boycotts, demonstrations, and satire has been shown empirically to be twice as effective as armed struggle in achieving major political goals.

Nonviolent movements empower their participants – including disenfranchised youth – and build bonds of trust between groups in society and between citizens and their governments. They help pull away extremist recruits by offering an effective alternative for communities to combat corruption, exclusion, and other injustices that fuel violent extremism. They give dignity of ownership – they are not premised on waiting for governments to help address grievances or outside actors to counter narratives. They give people the ability to act for themselves and see the results of their actions. Investing in the transfer of knowledge and skills in community organizing and strategic nonviolent action is an under-appreciated but potent way to stem violent extremism.

C. Engage Religious Figures Beyond Ideology

While religion is extremely significant in today’s most virulent terrorist groups, it interacts with a wide range of other factors. The causality between religion and violent extremism is far from linear. What remains clear is that formal and informal religious leaders are integral members of civil society and key contributors to public and political discourse. They should be included in

efforts to address violent extremism. Partnering with religious leaders and faith communities to impact this challenge is critical. Religious leaders are already engaging on the religious topics distorted and twisted by terrorist ideologies, but room remains for them to engage on addressing the broader swath of conditions conducive to the spread of terrorism. Religious figures are well placed to – and often already are – connecting state policies to community needs and responding to the broader economic, social, and psychological drivers of violent extremism that may not appear to be “religious” in nature. In other words, their effectiveness as agents to prevent or counter violent extremism goes far beyond their ability to challenge violent religious discourse. Religious figures could play a leading role in promoting nonviolent alternatives to combatting the injustices that fuel violent extremism; however, support by national and foreign governments and international organizations to religious figures doing this work must advance with an understanding for their legitimacy, security, and concern about co-optation for it to be credible.

D. Security Sector Improvements

Security forces can help prevent and counter radicalization if they tangibly improve security for civilians they are charged with protecting. They can do so by responding to violent extremist threats and by working with communities based on transparent partnerships to solve concrete security problems in ways that respect human rights. But in many countries around the world, including some GCC countries, governments use people’s fear of their security forces to maintain power. Where trust between police and the people they serve is weak, few mechanisms exist to bring security officials and civilians together to address security challenges. Working with the security sector to help build skills that allow them to know what to look for and earn the public’s confidence and then bringing them together with communities to build cooperation enables communal progress on urgent security concerns.

When security forces fail to protect citizens from security threats, including terrorist violence, or perpetuate cycles of abuse and corruption and act with impunity, violent extremists take these deficits to sow distrust and radicalize individuals and communities. Abuses and mistreatment by state sanctioned officials – from the humiliation of paying corrupt officials to victimization from sexual violence that scars for generations – generate fear, distress, and disable meaningful cooperation between the citizens and the state.

Moreover, during significant military operations, states must take care to respond effectively and avoid responses that may end up being counterproductive. The responsibility to prevent civilian casualties during state-led operations undertaken by GCC countries must be a priority. All partners, including the U.S., should insist on this imperative. Beyond the reality that certain behaviors are outside of norms, laws, and moral standards, they also play into the hands of terrorists who exploit such abuses in their efforts to recruit and radicalize.

E. Enable the Population to have a Stake in Their Future

Cultural and political biases and past practices often constrain women from being fully engaged as positive contributors to efforts that prevent and counter radicalization to violence and extremism. Failing to leverage the role of women and girls in peace and security is simply inadequate, especially given women’s primary stake in countering the terrorist narratives that often target their rights. Meaningful women’s participation in security approaches, deepens

understanding of the threat and leverages the unique roles and voices of women in the context of preventing violent extremism locally, and must be further embraced by GCC countries for them to achieve sustainable progress against terrorism.

Conclusion

The complexity associated with being able to uncover, understand and address the dozens of factors that contribute in differing ratios to every individual that joins a terrorist organization is astonishing. However, that does not mean that states cannot be motivated to make progress.

In 2016, the Community of Democracies published an empirical study examining terrorism and liberal democracies and found that weak institutional capacity, weak political legitimacy, and breakdowns in the social contract between citizens and governments are all related to the underlying drivers of violent extremism. Indeed, preventing radicalization, recruitment, and the advent of the next ISIS must go beyond countering propaganda-filled messages and addressing financial flows. Nations can empower their civil society, take on governance reforms, make their politics more inclusive, and respect human rights – all ways that demonstrate to generations of youth that they have a stake in their own future and their human dignity matters. Despite important progress on aspects of counterterrorism such as military efforts, religious engagement, and international cooperation, GCC partners have room for improvement on overall scores.

From the GCC to countries across the globe, there is much room for improvement in countering terrorism. Progress is possible, however. Through sustained U.S. leadership and concerted efforts to promote good governance and civil society partnerships, we can build our collective success.

Thank you for your continued focus and attention to this critical issue. I look forward to answering your questions.

The view expressed in this testimony are those of the author and not the U.S. Institute of Peace.

Mr. POE. Thank you for your testimony. I thank all of the panelists for your excellent insight.

Now we will allow members to ask questions. The Chair will yield its time, without objection, to the gentlelady from Florida and recognize her for her questions.

Ms. ROS-LEHTINEN. Thank you so much. I don't know why you are buttering me up. I fear, I fear tomorrow. But thank you, Chairman Poe.

In my opening statement I mentioned that despite a lot of success in stopping terrorist operations since 9/11 we still have a long way to go in getting at the root causes of terrorism. And I am hopeful that we are going to start seeing more of a commitment from the Gulf in that to this end.

Two questions. Can you share some specific examples of our Gulf partners tackling the root causes of terrorism?

And, secondly, how can Congress push the Gulf to take more of a leadership role in this area? Or is that something that we should not be involved in doing and let our partners do the pushing?

Ms. ERDBERG. I would be happy to start with the first one particularly.

So, I think that each and every one of the GCC partners has taken internal national efforts to try and address the root causes. Although we know that this phenomenon is very global, and so addressing only their own home communities is only part of the challenge.

But, for instance, Kuwait has prepared a national plan to reinforce moderation, which is a collective interagency effort among many Kuwaiti parts of their executive branch, the Ministry of Education and Information, of Islamic Affairs and Youth. And they are initiating—I think it is dozens of initiatives at the local level that are designed to try and prevent youth from joining violent extremist networks.

Oman, which doesn't get a lot of air time in this place, but in 2014 the Grand Mufti had published an essay calling for tolerance and rejecting extremism. And he has had in his weekly televised program, reference to those same themes pretty regularly.

Qatar, as I mentioned, is a generous donor to the Global Community and Engagement and Resilience Fund, which is a really interesting way to get money into the hands of communities that are doing local level initiatives related to violent extremism. They also have instituted a number of CVE programs that are directed at its own citizens, particularly through the vector of education.

I think that is a start on the horizon.

Ms. ROS-LEHTINEN. Thank you. And I will ask the other panelists. Thank you, Doctor.

Mr. WEINBERG. So there are a couple of interesting examples of Gulf states trying to tackle what we might consider root causes of terrorism. I think the UAE-backed Forum for Promoting Peace in Muslim Societies, and related Muslim Council of Elders is in part a sort of state rivalry thing with Qatar relative to Qatar's International Union of Muslim Scholars. But, it is also a countering violent extremism, countering extremist ideology effort.

I mean, if you look at the Qatari-backed IUMS, this is Yusuf al-Qaradawi, who has previously authorized in fatwas attacks against

Americans in Iraq. He has wished—he has described the Holocaust as divine punishment, and wishing for more of that against the Jews, but truly horrible stuff.

The Forum for Promoting Peace in Muslim Societies had a Jewish-Christian-Muslim religious leaders' dialog in Washington a couple months ago on exactly sort of the opposite of that: How we can all work together in promoting more tolerant messaging within religious communities.

The U.S.-UAE joint Sawab Center is specifically an initiative as part of the U.S.—as part of the Global Coalition Against ISIS. It is a center for countering the messages that ISIS has online.

And if you look more broadly at Saudi Arabia's Vision 2030 Modernization Program, I mean the general idea behind this is to give the youth a greater stake in their societies and greater opportunities to have a vibrant economic future.

Ms. ROS-LEHTINEN. Thank you, sir.

Mr. WEINBERG. Yes.

Ms. ROS-LEHTINEN. And, Ms. Bauer?

Ms. BAUER. Thank you.

Ms. ROS-LEHTINEN. Should we do more or do we let others push?

Ms. BAUER. So, countering violent extremism in the Gulf isn't a specific area of my research. But I have spent time in the Gulf. Lived there for 2½ years and also traveled there recently. And I would say that, that just in observation I have seen a difference in the recent efforts the Gulf states are taking compared to just a few years ago.

In a recent trip to Saudi Arabia I had a chance to tour the ETIDAL Center with a delegation. And noticed, noted really, that their rhetoric had shifted to much more focus on the ideology as the underpinning of the issue. And really the violence is just a symptom of—

Ms. ROS-LEHTINEN. Moving in the right direction.

Thank you. Excellent panelists, Mr. Poe. Thank you.

Mr. POE. I thank the gentlelady.

The Chair recognizes the ranking member, Mr. Keating, from Massachusetts for his questions.

Mr. KEATING. Thank you, Mr. Chairman.

You know, a person I am impressed with greatly in terms of his wisdom on these matters is Secretary Mattis. Recently in a group meeting that we had he really impressed upon all of us there his view of military. His view of the military is to be there as a foundation, a framework, and support for our diplomatic efforts. That it is diplomacy first, and the military's place is just to provide incentive and support for that. And that is coming from our Secretary of Defense.

We have work to do in that regard, I believe, in our own country. But can you comment on that philosophy with the GCC states, is there any progress with recognizing the diplomatic side first and the military side second? Jump in anyone.

Ms. ERDBERG. I think the challenge is bigger than words. And I think with our defense sector, and as well as many of the other GCC defense sectors, the scalability of the amount of personnel and resources that they have devoted to the counterterrorism challenge is so far outweighing the amount of diplomats, development profes-

sionals, peace builders, and others who are also committed to this challenge.

And so I absolutely agree with the Secretary on this premise that diplomacy first and defense second. But, when you look at the amount of people who are putting their brains toward solving this challenge, we need a little bit more of a right sizing in that approach as well.

Mr. KEATING. Thank you. Anyone else want to jump in?

I will, if you are not willing, I just had another question. We spoke, I did my remarks, Ms. Erdberg did too, I think Ms. Ros-Lehtinen did too, about the role of women. Now, this presents a great challenge culturally in many of these countries, too. What progress has been made to advance that role, given the cultural challenges and limitations among those countries?

Ms. ERDBERG. I think you hit the nail on the head in your assessment of the challenge. I think we have seen with the new crown prince and the Vision 2030 in Saudi Arabia at least the right first steps in this direction to try and enable more of the population to have a stake in their own future.

I think in other GCC partner countries, we have seen, again, I would characterize it as mixed progress for the role of women. But I think, as my co-panelist was saying in her most recent visit, that things are changing in terms of the discourse. And I think that we are hopeful to see more positive steps in the role of women in this discourse as well.

I would also just add to that that, the role of women in national security positions in these countries would make a big difference into showcasing how there is a different gender role in the decision making apparatus as well.

Mr. KEATING. Yes. I recall being in Afghanistan and being part of the training for women in security and witnessing that.

One of the concerns, though, and it was mentioned in testimony, is government failings, you know, really being incubators for unrest and terrorist activities, becoming real incubators, and whether it is a security failure or the inability to police financing, private financing for terrorism. How are we doing against corruption practices in that regard? Because that would be simply one area where that would be a real roadblock to better enforcement on both of those counts.

Ms. ERDBERG. On the illicit finance issue more broadly, one of the obstacles to acting sometimes for states is that greater transparency in the financial system inevitably uncovers corruption as well. And so, in certain countries if you are asking counterparts to take steps against terrorist financing, or money laundering, or anything else, that is one of the problems is that corruption can be underlying it.

But positive steps on these issues as a whole help, you know, help all, raise all of the boats. So it is a worthwhile effort.

Mr. KEATING. Thank you. Yes, Mr. Weinberg.

Mr. WEINBERG. One of the challenges with governments in this region is that these are all monarchies. Right? And so there is a tendency to make decisions from the top down without a lot of regard for institutions. So in Saudi Arabia we saw a massive campaign against corruption in the last year. But it was, you know,

really in a way that raised concerns about the extent to which there is rule of law and concerns from investors.

So this is, you know, an ongoing challenge in the Gulf, as is the broader human rights question and the extent to which the U.S. is talking even about human rights as opposed to, say, arms sales when the President goes to the Gulf.

Mr. KEATING. Thank you for that comment. Thank all the witnesses for their comments. I yield back.

Mr. POE. I thank the gentleman from Massachusetts.

The Chair recognizes the gentleman from Pennsylvania, Mr. Perry, for 5 minutes.

Mr. PERRY. Thank you, Mr. Chairman.

Dr. Weinberg, I had signed a letter sometime back asking for the declassification of the MOU. And I am just wondering what your thoughts are regarding whether that is problematic, and why it is problematic, or if it should be done?

Mr. WEINBERG. Ms. Bauer, did you have anything you wanted to—

Ms. BAUER. This is your, you are talking about the MOU with—

Mr. PERRY. Regarding Qatar.

Ms. BAUER. Regarding Qatar. So, so I don't—to my knowledge it is not necessarily classified. And, in fact, I had a meeting with Qatari officials. They invited a number of people working on these issues to sit down and talk with one of them. And there was a memorandum from that meeting that was by one of the Qatari consultancies that was working for them that was submitted as part of the FARA filing. And so there is actually details in there of a Qatari official describing the contents of the MOU.

Mr. PERRY. Have you seen our MOU?

Ms. BAUER. I have not seen it. But as it was described to me by a Qatari official, it focuses primarily on increasing intelligence.

Mr. PERRY. Do you know anybody in Congress that has seen the MOU?

Ms. BAUER. Not to my knowledge. But as I was going to say, my understanding is it is primarily intelligence information sharing and prosecutorial capacity building are the two primary focuses of that, and under which the idea is to forward deploy, you know, U.S. Government personnel who can work with Qatar to build their capacity to prosecute, you know, these—

Mr. PERRY. That sounds great. I just wonder if the United States Government, the State Department, the administration's concerned about, about Members of Congress divulging classified information in that regard because I haven't seen it and I don't know anybody in this place that has.

But that having been said, let me, let me ask you this. Why just, why just Qatar's been singled out by its neighbors? In some testimony in the beginning here you talked about Kuwait and their harboring of terrorists. Why not Kuwait as well?

Mr. WEINBERG. Well, as you noted, you know, Qatar and Kuwait are the two Gulf states that have been identified as having the most problematic records in this regard in recent years. The top U.S. official for combating terror finance in 2014 called them both out as relatively permissive jurisdictions for terror finance.

In 2017, a top U.S. official, who had just retired, again said there were terror financiers operating openly and notoriously in both countries.

And as Ms. Bauer noted in her testimony, the Kuwaitis have basically been able to sidestep some of this scrutiny because of the pressure on Qatar. The—

Mr. PERRY. Do you know how much the United States taxpayer spends in Kuwait? How many people, how many boots on the ground we have in Kuwait?

Mr. WEINBERG. I believe we have over 10,000 troops in Kuwait currently. It is primarily an Army access point for Iraq, as well as a lot of other U.S. military operations in the region. But that is no excuse for Qatari failure to prosecute terror finance using their territory.

I mean, if you wanted to write a letter to the Embassy of Kuwait on this issue I think you would be free to raise some of these concerns.

Mr. PERRY. But why have the neighbors seemed to be reluctant?

Mr. WEINBERG. So, a lot of this I think comes down to Qatari support for the Muslim Brotherhood and related Islamic extremists, something that Kuwait hasn't done to such an extent. And something that Qatar's neighbors understandably view as a threat to their own national security.

Mr. PERRY. Let me ask you this, we talked at least in here a fair amount about countering violent extremism as it relates to the GCC partners or countries. Other than Islamist extremism what other violent extremism do they experience in their countries?

Mr. WEINBERG. I mean, that is, that is the main one.

Mr. PERRY. Yes. That is what my thought was. So I wonder why we call it violent extremism instead of Islamist extremism, because that is what it is. You know, they don't, they don't have the Ku Klux Klan there, they don't have white supremacist organizations, they have Islamist extremism. And I think it is important that we call it what it is because it is important to recognize the problem if you are going to solve the problem.

I would just beseech everybody in the room that that is what we are dealing with here, folks. That is what it is, unfortunately. Nobody likes it but it is the reality of the matter.

Mr. Chair, I yield.

Mr. POE. The Chair recognizes the gentleman from Florida, Mr. Deutch.

Mr. DEUTCH. Thank you, Mr. Chairman.

As I said in my opening remarks, I don't see how it is helpful to heal the rift in the GCC if the United States takes sides in this conflict to say that one form of terrorism is worse than another. But I do think it will be helpful in the midst of this ongoing dispute to understand some of the accusations that we hear, like the Qataris are funding al-Qaeda-affiliated groups. Or the Saudis are exporting Wahhabism around the world.

What do each of those mean for our security interests? And are both accusations accurate? Ms. Bauer?

Ms. BAUER. So, starting with the issue of Qatari individuals financing al-Qaeda, I think in the oft-cited speech that Chairman Ros-Lehtinen cited as well by David Cohen in 2014, where he

called Kuwait and Qatar a permissive jurisdiction, that was an interesting point in time where someone like me who follows very closely the changes in terrorist financing methodologies, there was a real resurgence in traditional forms of financing and donations coming from the Gulf. And these were from individuals. And they were coming via online platforms. This was the next generation, of kind, of the abuse of charities that we saw before.

Going forward, I think that there has been an evolution not necessarily in the Gulf, but if you look at the recent indicators of the financial strength and the way that they are funding themselves of the downstream groups, you see that al-Qaeda in Syria has become more self-reliant. It has embedded itself into the society there. And so I think that is an important, important point to emphasize, that even that the most recent U.N. report said that al-Qaeda in Syria, where a lot of this money was flowing, was self-sufficient. That doesn't mean they are not getting the funds, it just means that it is a different picture perhaps than it was in 2014.

Mr. WEINBERG. Okay. So, with regard to the Saudi question first, and the Qatari one second, so the Saudi religious tradition is an evangelical one. It is a proselytizing tradition that seeks to spread its view of a purer, more proper Islam. And, you know, as a country here that is founded on religious liberty, you know, it doesn't seem like our place to say whether one should or should not share their religious beliefs.

But where U.S. national interests are involved is when Saudi religious proselytization overseas involves spreading of religious incitement or ideas tolerating violent extremism. Saudi textbooks are where that ideological challenge is most explicitly articulated today. So if you look at this current year's Saudi Government-published textbooks they teach that major Jewish organizations are trying to destroy—most major Jewish organizations are trying to destroy the Al-Aqsa Mosque and trying to—that Jews are trying to destroy Islam; that Christianity and Jews who disbelieve are the worst of all creatures; and that gay people, people who commit adultery, or people who convert away from Islam should be executed.

So these are areas where, you know, Saudi teachings should probably be challenged by the U.S.

On the Qatari question there are two parts. One is private—

Mr. DEUTCH. By the way, it is not probably. No need to modify that. Go on.

Mr. WEINBERG. By all means.

Mr. DEUTCH. Yes.

Mr. WEINBERG. So, you know, part of that is that legislation on this issue should be marked up by this committee. Right? On the Qatari question there are two parts really. One of them is private terror financing, whether the government is continuing to turn a blind eye to some of these terror financiers or finally cracking down on them and putting them in jail with convictions.

The other part is reports of government-provided terror financing.

So, case after case after case after case after case, government officials have been quoted in major news reports claiming that the Qatari Government has paid multi-million ransoms to al-Qaeda.

Last year there was a reported case of an alleged Qatari Government ransom of nearly \$1 billion between a Hezbollah offshoot, al-Qaeda, and other extremist groups.

And so, you know, the biggest thing that the U.S. Government can do is to shine a light on this. And that means—

Mr. DEUTCH. Dr. Weinberg, I appreciate it.

Mr. WEINBERG. Yes.

Mr. DEUTCH. I want to give Ms. Erdberg just one, one—just if you could answer this question. Shouldn't we be equally concerned about anything happening in the Gulf, isn't it, that threatens our security interests? Shouldn't that be the approach no matter what country, instead of getting involved in the middle of this dispute, why not, why not work to protect our interests first?

Ms. ERDBERG. I would align myself with that. I think we need to be working to protect our interests first. I also think that a lot of the international efforts that the GCC countries have, have generated independently really give us a little bit more latitude to not have to only look at things through a bilateral lens.

So I think there are over half a dozen CVE and CT cooperation mechanisms that involve the GCC countries, and they allow us to be able to work with each of the countries beyond just our national borders.

Mr. DEUTCH. Thank you, Mr. Chairman.

Mr. POE. I thank the gentleman from Florida.

The Chair recognizes the gentleman from Illinois, Mr. Kinzinger.

Mr. KINZINGER. Thank you, Mr. Chairman. And thank you all for being here today on these important issues.

Look, American leadership in the Middle East is extremely important, especially when it comes to things like combating terrorism. And I believe, as I have said repeatedly, that we are in a generational fight against terrorists. It probably honestly could take as long as it took to win the Cold War because it is going to take new generations within Islam, frankly, rejecting that ideology. And I believe that is it.

But also a part of that, though, is understanding of tyrannical regimes like Syria. When you have an oppressive dictator, he actually creates an environment for terrorism to thrive because people feel like they don't have a voice and they turn to what they see as the alternative, which is, in many cases, radicalism. And while many of the GCC countries have taken steps to fight terrorism and its support at home, there remain a few countries who are hesitant to combat some of that deep-rooted terrorism.

I do have a couple of questions if you all want to answer, whoever can take them, about Qatar. I spent a little time there as a military pilot in that base. It is an extremely important base for us in terms of the war. But it is well known that Qatar is willing to turn a blind eye to some of the nefarious activities in their country, in many places playing both sides, such as some of the fundraising networks that benefit Hamas and the Taliban.

2017 some of the countries severed diplomatic ties with Qatar over their willingness to host Islamic scholars and embrace the Muslim Brotherhood movement. In response, the administration in Qatar signed a MOU to fight support of terrorism within the Qatari society.

What should Congress and the administration be willing to do to ensure that the Qatari Government is upholding the MOU? Anybody can start.

Mr. WEINBERG. Well, it has been reported that that MOU is not classified. So, you know, there is—there doesn't seem to be a sources and methods question about whether that can be made public. So, instead, it is a political question.

And, you know, if we are going to see this Gulf crisis resolved on terms that address some of the core concerns, if we are going to see terror finance effectively combated in the Gulf, a key part of that is having Congress and the public be able to debate and know whether the terms of that MOU are being implemented and whether the term—and what those terms cover and don't cover.

I have written two monographs on Qatar and its record on terror finance over the years, and I can tell you case after case after case after case the Qataris have said to the U.S. Government, we are going to do things better. We are really serious now. We are monitoring these people. We are going after them. We are doing serious things.

And then those individuals have been free again and re-engaged in terror finance.

So, public scrutiny and congressional accountability on this issue are crucial.

Mr. KINZINGER. And so if they fail to meet the standards, you know, that we kind of set forth with them or in these agreements are we limited in our response due to the strategic importance of Al Udeid, or are there other options?

Mr. WEINBERG. Well, it is an excellent question. It is very tempting to think in all or nothing terms, to think, oh, well, we don't have leverage, they have leverage over us because this base is there and we need this base. It is an important base. But no base is permanent. And Al Udeid is actually a perfect example of that.

Mr. KINZINGER. And it is not the only game in town now.

Mr. WEINBERG. Right. The Combined Air and Space Operations Center that is based at Al Udeid, the most important part about that base was in Saudi Arabia until 2003. And then for strategic other reasons we moved it.

For those same reasons, the U.S. can keep that there, or, it can look at alternatives. It can move some forces out, or keep some forces in. And so it doesn't have to be all or nothing and it doesn't have to be permanent. It should be as long as this base is serving U.S. interests.

Mr. KINZINGER. So, earlier this week the Saudi Foreign Minister said that Qatar needed to pay for American presence in Syria and needed to contribute forces because "if the U.S. pulled out from its military base in Qatar the Doha regime will fall in less than a week." What do you make of that statement? Anybody?

Mr. WEINBERG. I mean that was clearly, you know, throwing a little bit of shade at his neighbor across the way. Right?

Mr. KINZINGER. They like to do that sometimes.

Mr. WEINBERG. Yeah. I mean, the U.S. spoke out for Qatari national sovereignty at the start of the Gulf dispute last year. And without it there might have been concern about the stability or about the safety of the Qatari regime.

Look, as you know better than most Members of Congress, Syria is a really, really complicated, but really important military problem. And this is not something that should be treated as a political football by actors in the region, it is something where we should work with them to see what they can do, as well as, perhaps through the Saudi Islamic military lines to combat terrorism, to build a legitimate, multilateral military contribution to help the U.S. in combating terrorism in Syria and beyond.

Mr. KINZINGER. Excellent.

Well, given my time, I will yield back. And thank you all for being here.

Mr. POE. The Chair thanks the gentleman.

The Chair recognizes the gentleman from New York, Mr. Donovan, for his questions.

Mr. DONOVAN. Thank you, Mr. Chairman. I just want to continue what Mr. Deutch was saying about protecting U.S. interests first.

What is our leverage in these countries? And we are talking about very wealthy countries. And many times the United States uses things like sanctions as leverage to get other countries to act in a certain way. What is our leverage when you are talking about people or countries of such great wealth? And I would like to ask everyone just their opinion.

Ms. BAUER. I would just say that we have used sanctions in this case to try to create leverage. And that is part of the popular—the public exposure of those individuals who are operating there who have also been—a number of whom have also been designated at the U.N. The idea is to build pressure on Qatar to act.

And think, as the congressman was asking about the terms of the MOU and how to, how to hold them accountable to that, this list of entities or individuals that the Qataris themselves put out last month as part of fulfilling that MOU, it is imperfect, and they need to continue to work on that, and we need to continue to pressure them to do that.

They also are supposed to be pursuing a number of prosecutions which may or may not result in convictions eventually. We need to help build that prosecutorial capacity. And we need to tell them if they are not going to result in convictions, that they have some other plan in order to be able to monitor and make sure that these individuals who have been identified and they no longer possibly—I don't know—be able to operate in, you know, in a clandestine way, that others don't follow behind them. But they need to build their capacity to do that.

So there are things that we can pressure them to do.

Mr. DONOVAN. Right. Those are great goals but how do we pressure them to do those things? How do we pressure them to do those prosecutions? How do we pressure them after those prosecutions to impose some type of penalty for that conduct?

Ms. BAUER. I think that they have responded to U.S. pressure. My primary critique would be that they, others in the region have taken these issues on themselves and taken ownership of them. Qatar has responded to U.S. pressures. Some of these prosecutions were being pursued before the rift started. This isn't all in response to the rift. It is in response to being called out starting in 2014

when they were called a permissive jurisdiction for terrorist financing.

Mr. DONOVAN. Doctor?

Mr. WEINBERG. Yeah. I think the U.S. legitimacy to speak about good or bad conduct in the region shouldn't be underestimated. The U.S. did a lot of this, especially in 2014, and you saw Qatar and Kuwait took notice and they started trying to take steps to at least make the situation look better.

But, additionally, you see the importance, as Chairman Ros-Lehtinen noted, of the State Department CT reports every year of country reports on what these countries are or are not doing. It is important information that shines light on good or bad practices.

Members of Congress have also played an important role, in this regard, with letters. By my count, there are, I think, six letters from Congress to either the Executive Branch or to the Qatari Embassy on Hamas operations in Qatar, including signed by many of the members who are or have been in this room today. That is attention that can be helpful.

The Export Administration Act, Section 6(j), does have legal requirements for dual licensing, for licensing of dual lease exports that these countries don't want to see themselves listed under. And State is legally required to list countries every year that allow terrorists in their territory.

Mr. DONOVAN. Wonderful. Ms. Erdberg?

Ms. ERDBERG. I don't know that I have that much to add. But I would say that there is also some encouragement that can be very, very powerful, both behind closed doors through the means of diplomacy, but also in the types of joint military exercises, joint police exercises. The ways in which we interact with officials at all levels of government can start to create more of a space for holistic conversation on some of these issues that sometimes is able to see behavioral change at the same level, if not more levels, than just the transactional leverage and sanctions that we have.

So I hope that we are using all of, all of the tools at our disposal to try and change the bad behaviors that we seek to correct.

Mr. DONOVAN. And for some of those we would like to see improvement in activity, any of our allies have influence on them, so if they are not heeding to our demands or our requests, or whatever we want to phrase them as, some of our allies have influence on those countries that can maybe encourage better behavior?

Mr. WEINBERG. Absolutely. And, you know, the more the U.S. speaks in concert, for example, with our European allies on this issue it can be very effective. Additionally, international fora are important.

So, if you look at U.S. designations with statements of the case about what terror financiers are doing in the Gulf, those are important, but so are U.N. terror finance designations. Those carry even greater authority. And the U.S. has been effective at getting joint designations in that regard, as well as joint designations with the Gulf governments.

Additionally, the Financial Action Task Force is an important venue in this regard. The Trump administration is reportedly pressing for Pakistan to be put on a watch list for negligence on terror finance. That is something where U.S. partnership with

other allies could create pressure on some Gulf governments as well.

Mr. DONOVAN. Before my time has expired, and just for the record, I always take notice of what Chairwoman Ros-Lehtinen says.

Mr. POE. As you should.

The Chair recognizes the gentleman from Virginia, Mr. Garrett.

Mr. GARRETT. Thank you, Mr. Chairman. And thank the members of the panel.

Mr. Weinberg, is it Weinberg, pronounced correctly? You spoke in verbatim earlier saying that it might help moving forward with GCC states to give the youth, and I quote, "a greater say in their societies." The curriculum under which these young people are educated, can you speak to the secular or non-secular nature of that and whether or not it is inherent in that curriculum that biases against non-prevalent denomination, states, et cetera might be common?

Mr. WEINBERG. I will speak to Saudi Government-published textbooks in this regard because that is the one where I have actually read a fair number of the books.

Mr. GARRETT. That is where I am going.

Mr. WEINBERG. Yes. It is a serious, serious problem.

The Islamic State in Syria actually was using Saudi Government-published textbooks until, I believe, it was 2014 or 2015 when they published some of their own. I mean, this is—

Mr. GARRETT. And who is—I know I am interrupting you, and not to be rude.

Mr. WEINBERG. No, by all means.

Mr. GARRETT. By the way, welcome back to the Foreign Affairs Committee.

Who is the number one exporter of Arabic language textbooks on the planet Earth?

Mr. WEINBERG. You know that, that is a particular figure I am not familiar with. Saudi textbooks have—

Mr. GARRETT. Well, how about would you believe that it might possibly be Saudi Arabia?

Mr. WEINBERG. Yeah.

Mr. GARRETT. And is the curriculum in these books driven by Wahhabiist sentiment in general speaking terms?

Mr. WEINBERG. Yes. And the Saudi Government has also published I think it is something like 300 million copies of their particular commentary on the Quran, which has problematic language that is not necessarily in there about Christians and Jews.

Mr. GARRETT. Sure. And we could do this all day long but I have a finite amount of time.

I spent a little bit of time in the Balkans and had occasion to become good friends with some local national Muslims who had siblings who were in schools. And primarily when we saw a place of worship destroyed it was an Eastern Orthodox or Catholic church that lay in rubble. But if it was a mosque, very, very frequently there was a green and white sign in four languages that said, "This mosque rebuilt by the generous and benevolent peoples of the Kingdom of Saudi Arabia."

And one of my good friends, who is a local national, who is Muslim, said what they are teaching my little brothers and sisters is frightening. Right? And what terrible tragedy we witnessed in that civil war that arose in a society that was certainly secular enough wherein they used to hang out together, date, and, you know, spend time socially together. And this rift was created.

My fear is that moving forward we can do all—and we need to do things like integrate young women into the opportunity network. Right? But where these things are taught professionally, what is the hope that in 30 years we aren't still encountering violent extremism emanating from GCC countries? It is open-ended.

Mr. WEINBERG. The first U.S. Undersecretary for Terrorism and Financial Intelligence wrote that capturing and going after terror financiers and terrorist operatives is great, but far more important is ending the stream of the ideology, ending the incitement, including in education of this sort.

On the positive side there is a relatively new Secretary of the Saudi Muslim World League, which plays a big part in this propagation of Saudi Islamic teachings, who does seem to be more focused on stopping some of the radical incitement, hopefully. He has talked a good game on some issues.

But on textbooks in particular, you are right, it needs to stop. And this is an area where, hopefully, the Saudi crown prince and king are moving to curtail this stuff. But until they do there is important legislation that—

Mr. GARRETT. Right.

Mr. WEINBERG [continuing]. You and your colleagues can co-sponsor.

Mr. GARRETT. And I want to reiterate comments that I have made in this committee and other places publicly as it relates to arms deals between the United States and our allies, the Saudis, and that is that I think there is a time line that says 2030 is the magic year in which they will have hoped to have addressed these problems.

And I don't think, you know, candidly, that we need to be placing arms in the hands of individuals who are having an antithetical upbringing as it relates to the practices and beliefs of their neighbors. I understand that political consequences creates strange bedfellows, and that certainly there is a threat emanating from the nation of Iran, not the people thereof, but I would be clear on that. But that the Saudis need to put their proverbial money where their mouth is before we start sending advanced armaments to the tune of billions and billions of dollars.

And that is just me editorializing.

You spoke also to, Mr. Weinberg, "Kuwaiti support for the Muslim Brotherhood," and this is a quote, "and other related extremist organizations." There has obviously been some back and forth as it relates to the designation of the Muslim Brotherhood as a foreign terrorist organization, and I can certainly see both sides of that.

Brookings suggests that perhaps it might make sense to address Muslim Brotherhood elements locally as extremist foreign terrorist organizations. Thoughts on that in my last 10 seconds?

Mr. WEINBERG. So Qatar is in support of the Muslim Brotherhood more than Kuwait.

Mr. GARRETT. I am sorry, I may have gotten that wrong.

Mr. WEINBERG. But there is no doubt that the Muslim Brotherhood is an extremist group, arguably in many institutes, a hate group. Some of its branches have been terrorist groups.

So it may be a lot easier to go after some of these where we can meet U.S. legal criteria easily, rather than this global, variegated network.

Mr. GARRETT. Right. There is a theory that we—and I understand that I am over. I will try to wrap up as quickly as I can.—that we shouldn't engage the Muslim Brother as a foreign terror organization for two reasons: Number one, they are so disparate in their chapters; number two, they are too big.

It is exactly—that is crazy counter-logic; right? That there are too many adherents to the Muslim Brotherhood philosophy, so identifying them as an FTO would be bad. I just think it is interesting to flesh out with you all here today. And I don't want to throw out proverbial babies with the bath water, but I don't think we should be having this conversation either.

Thank you.

Mr. POE. I thank the gentleman. The Chair recognizes itself for 5 minutes.

Dr. Weinberg, you pointed out the big picture. We don't have Ambassadors in three countries that we are talking about: The UAE, Qatar, and Saudi Arabia. We have got to have Ambassadors there. It is hard to deal with another country if you don't have American Ambassadors.

I have met with the Ambassadors from these three countries here and we have discussed many of the things that you are talking, or you all have been talking about. But we have got to have Ambassadors in these countries.

And, of course, I am not in charge, but if I had my way we would have three Ambassadors in waiting right here and we could point you to the three countries that we have been talking about, and—anyway, that is not my choice. But I am just, just suggesting that to those who decide.

Anyway, the countries that we are talking about, and we are talking about several in the Gulf, I think because they are now experiencing terrorist activities in their own countries they may see the light to coming to the table about stopping terrorist groups.

The gentleman from Virginia mentioned the phrase “hate groups.” The terrorist groups we are talking about are hate groups. I think that is just another name for them is terrorist hate groups.

To me, it is all about the money. Let's find the money.

Now, do we know, does the United States have at its disposal the names, rank, and serial number of these people who are millionaires, bazillionaires that are sending their money all over the world to terrorist groups to promote hate? Do we know who these people are? Do we know who these people are? Do we know their names?

Ms. BAUER. Yes, Mr. Chairman, the U.S. has designated as terrorist financiers and facilitators a number of individuals in Qatar, Kuwait, a number of, you know, Saudi individuals. Saudi Arabia has many—

Mr. POE. So to answer the question, we do know their names?

Ms. BAUER. Yes.

Mr. POE. And we know the names that haven't been designated, too. There are probably other people who we know are involved in terrorism, we just haven't designated them yet.

So, wouldn't it be wise that we zero in on those people, no matter what country they are coming from or what country they are being harbored in, and stop the money train from them? I mean, is that an unrealistic thing that we can do, Dr. Weinberg?

Mr. WEINBERG. You know, I think that is what the U.S. Treasury Department aims to do.

Mr. POE. But is it doing it?

Mr. WEINBERG. I think so. I will defer to the former Treasury official here to, you know, to give the insider outsider perspective though.

Ms. BAUER. Thank you, David.

There is a lot of challenges to doing it because there is a lot of different—it is a complex issue. You know, one of the false assumptions I think is that this money primarily flows through the financial system. And—

Mr. POE. A lot of it is cash.

Ms. BAUER. A lot of it is cash.

Mr. POE. It is just being taken across the border all over the world and it is just hard, hard cash. Isn't that right?

Ms. BAUER. It is either cash or some of it comes in through some money service businesses, kind of remittance shops, hawalas, exchange houses that may be—

Mr. POE. Fronts.

Ms. BAUER [continuing]. Unregulated or—

Mr. POE. Fronts.

Ms. BAUER [continuing]. Regulated, and it makes its way into the financial system that way.

Mr. POE. But we know that that occurs and we know who these people are?

Ms. BAUER. I think there are a lot of people in the U.S. intelligence community and the U.S. Treasury Department focused on this issue and engaging in information sharing with, with partners in the Gulf on these issues as well.

Mr. POE. And let me just ask one of you, all three of you just one question. And, Dr. Weinberg, you have given us some ideas on legislation. And I think we will discuss this among the two committees. We may file the legislation calling these countries to designate certain groups like Hamas as a foreign terrorist organization.

The question is, name one thing you would like to see Congress do about what you all have been talking about? Cut to the chase, Ms. Bauer.

Ms. BAUER. So if there were one thing, okay, I will, I will take this opportunity to talk about the value, I think, of sanctions diplomacy. And I am not sure if you are aware of this. The Treasury Financial Attache corps is actually pretty small. It is usually about nine or ten people; very zero sum. Three of those positions right now are based in the Gulf, which is—

Mr. POE. Basically what?

Ms. BAUER. Three of those positions, three out of the nine or ten Treasury attaches for the whole department are in the—

Mr. POE. The Gulf. Okay.

Ms. BAUER [continuing]. Gulf states. One in Saudi Arabia, one in UAE, and one in Qatar. It is a reflection, I think, of the priority that is placed on this issue. But I think it is also an opportunity to highlight how important those relationships are.

And I think that is something that Congress needs to know, that having people forward deployed who can engage in technical conversations with counterparts at central banks and ministries of finance is incredibly important. And I think there, there was addition—there were additional funds given to the Treasury Department this year to go toward the Terror Financing Targeting Center, which is the U.S.-GCC initiative. And some of that I think can be used to shore up the attache program as well.

Mr. POE. Okay. More money. More money to fight money.

Ms. BAUER. Yes.

Mr. POE. Thank you. Dr. Weinberg, one thing?

Mr. WEINBERG. The one thing is to legislate penalties that will motivate governments to not host terror financiers and terrorist operatives. There have been some U.S. books, laws on the books to this effect, such as the Export Administration Act provision that I cited. So in those regards, pressing the administration to enforce the law. But also legislating in ways that motivate these governments to realize that it is not okay to host terrorists.

Mr. POE. Ms. Erdberg?

Ms. ERDBERG. I would say a more cohesive interagency approach to research. We still don't have enough empirical or locally based information that is getting from the hands of academics and research organizations into the hands of development practitioners, diplomats, and defense officials to understand how radicalization is happening and what prevents against it.

Now, at USIP we host the Resolve Network, which is an incubated network to try and connect all these research pieces together. But there are huge amounts of information across the U.S. Government that are still not being widely shared. It is the completely non-classified realm. This is all about academic, social science, and other types of research getting into the hands of decision makers.

Mr. POE. Thank you very much. I thank all three of you for being here.

I think it is imperative that the United States work with the Gulf states in solving this problem because we are all in this together.

And I also want to thank both committees and the members that were here to enlighten Congress, but also the American public, about what is going on in the Gulf states. So this, these two subcommittees are adjourned.

[Whereupon, at 3:36 p.m., the subcommittees were adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE RECORD

JOINT SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Terrorism, Nonproliferation, and Trade
Ted Poe (R-TX), Chairman

Subcommittee on the Middle East and North Africa
Ileana Ros-Lehtinen (R-FL), Chairman

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held jointly by the Subcommittee on Terrorism, Nonproliferation, and Trade and the Subcommittee on the Middle East and North Africa in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

DATE: Thursday, April 26, 2018

TIME: 2:00 p.m.

SUBJECT: Grading Counterterrorism Cooperation with the GCC States

WITNESSES: Ms. Katherine Bauer
Blumenstein-Katz Family Fellow
The Washington Institute for Near East Policy

David Andrew Weinberg, Ph.D.
Washington Representative for International Affairs
Anti-Defamation League

Ms. Leanne Erdberg
Director
Countering Violent Extremism
U.S. Institute of Peace

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.



COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON Terrorism, Nonproliferation, and Trade & Middle East and North Africa HEARING

Day Thursday Date 04/26/2018 Room 2172

Starting Time 2:10pm Ending Time 3:36pm

Recesses (to) (to)

Presiding Member(s)

Representative Poe

Check all of the following that apply:

Open Session

Executive (closed) Session

Televised

Electronically Recorded (taped)

Stenographic Record

TITLE OF HEARING:

"Grading Counterterrorism Cooperation with the GCC States"

SUBCOMMITTEE MEMBERS PRESENT:

Rep. Poe, Keating, Ros-Lehtinen, Deutch, Cook, Cicilline, Perry, Boyle, DeSantis, Schneider, Kinzinger, Zeldin, Donovan, Wagner, Mast, Garrett

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not members of full committee.)

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

QFR submitted by Rep. Titus

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 3:36pm

Frank Wallace
Subcommittee Staff Associate

Questions for the Record of Representative Titus

House Foreign Affairs Joint Subcommittee Hearing TNT and MENA
 “Grading Counterterrorism Cooperation with the GCC States”

Question for the Record from Representative Titus to Ms. Erdberg

You mention in your testimony that the U.S. should widen its outreach beyond governments, including to civil society, educational institutions, and cultural groups. This is indeed the goal of many USAID-funded programs, like IRI and NDI, which I strongly support. Would you further elaborate on how the U.S. can work with civil society groups in GCC countries to counter violent extremism, and how could widening outreach to women and youth help in addressing the root causes of extremism that lead to radicalization in the Gulf?

Ms. Erdberg’s Response:

With the support of the Congress and many of the programs mentioned, civil society organizations (CSOs) and individuals – notably women, youth, religious figures and faith based organizations – are actively working with donor governments such as the U.S., UN entities, as well as with national and local governments, on topics related to preventing and countering violent extremism. In differing contexts around the world, local communities are demonstrating the courage and long-term commitment to change on-the-ground circumstances. They engage in many activities: conduct research and analysis, design and deliver programs, and they monitor and evaluate efforts. The U.S. can further this work in several key ways:

A. Promote the role of CSOs in government only discussions – Civil society organizations may not have security clearances, but they do have a lot to add to the local understanding of a threat picture. Over the last several years, the U.S. and various UN actors have advocated for more room in policy conversations for civil society to help prevent and counter violent extremism. This cooperation is happening but can be expanded beyond conferences, formal diplomatic discussions, and site visits to projects. There is value to be gained by connecting civil society actors to a host of other counterterrorism and countering violent extremism activities – from inviting civil society organizations to present during military exercises to including them in brainstorming and future planning sessions about terrorist threats between allies– they can bring additional understanding, awareness, and problems solving to this collective challenge if they are connected to more actors operating in the same ecosystem.

B. Empowering civil society, especially women and youth, and advocating for human rights in the places where CSOs need additional safeguards for their civic space– Ensuring that civil society - women, youth and religious figures - have the civic space to do their best work in their own communities, and be part of the decision making that impacts them disproportionately must be part of the equation. By using diplomatic capital to promote

civic space and participation (especially by marginalized groups), the U.S. can help groups and individuals not only carry out the good work that they want to be engaging in to keep their communities safe, and we can help imbue groups with a sense of ownership to address local level grievances through action. Additionally, our support for civil society and the inclusion of youth and women leaders is useful (and stronger) when we engage with them across a broader perspective than just violent extremism and terrorism. Given that both government corruption and human rights violations feature so prominently in the rhetoric that terrorists use to radicalize recruits, programs focused on civil society capacity building are key to enabling communities to engage meaningfully with their governments for preservation of their own rights. For example, programs like the Human Rights and Democracy Fund and State/INL's anticorruption efforts provide some avenues for the U.S. to engage broadly across subjects that matter to citizens. The U.S. can also continue to invest in the long-term security of CSOs by investing in digital security, data protection, and legal protection – particularly given the challenges of working in the CVE space. Additionally, beyond bilateral programs, the U.S. should continue to support and encourage GCC governments and civil society participation in networks, such as the Open Government Partnership (OGP) and the Global Anticorruption Consortium. Lastly, the U.S. could encourage more civil society participation in exchange programs – like the IVLP. These are all tools that we can leverage and could be expanded to support reforms in the region, particularly with new potential openings, such as in Saudi Arabia.

C. Expand support and scale up initiatives, with a focus on achieving goals, and flexibility on activities and approaches – When it comes to violent extremism, there is no single play book on what works and what doesn't; several experiments are ongoing in contexts that are constantly changing, all with interconnected theories of change that intend to impact behavior, circumstances, and structural factors. Countering and preventing violent extremism is an ambitious objective – and even with large injections of resources, we cannot assume straightforward outcomes. Managing confusion and uncertainty in these contexts is critical and inevitable, but oftentimes overlooked in favor of the certain comfort of tactical level activities and outputs. Rulebooks, tool boxes, and step-by-step plans are only as useful as the outcomes they can achieve – when it comes to challenges as complex as violent extremism, we should build in more flexibility to shift away from international static plans and over to investing in local change agents that can develop innumerable means to improve local circumstances. This agility could also include enhanced U.S. assistance coordination efforts, including using interagency transfer authorities for joint programing - for example between the military and USAID - to enable security and development officials to do more together to support good governance and strong civil societies.

May 14, 2018

Question for the Record from Representative Titus to Ms. Erdberg

The President still has not presented Congress with a long-term strategy for U.S. engagement in Syria, and I have continued concerns about the complexity of this crisis and the fact that this Administration does not seem to have a coherent plan. How is the ongoing crisis in Syria affecting the security environment in the Gulf or counterterrorism cooperation among the GCC countries?

Ms. Erdberg's Response:

As you noted, the complexity of the conflict in Syria is one of today's most confounding. Adding to that, the geopolitical realities between GCC countries when it comes to how each national-level government views the crisis in Syria is not uniform. And political objectives are not separable from counterterrorism successes. Further, overall security and stability is not merely a function of counterterrorism successes. And counterterrorism cooperation between nations is not the sole determinative factor when it comes to the spread of violent extremism because throughout Syria, radicalization and recruitment into terrorist groups is often hyper local, individually detailed, or contextually distinctive.

Recognizing the localized nature of the post-ISIS challenge in Syria highlights the critical role played by local Syrian partners on ground in eastern and northeast Syria. Further, the U.S. can be catalytic in helping build the capacity of local actors in the short to medium term to help Syrians ensure against the return of extremism in their communities. Today, the stabilization and governance challenges that remain are daunting; nonetheless, the role that effective stabilization and good governance can play is a critical hedge against extremism. It is one of many important lessons learned from Anbar and the rise of ISIS from the ashes of al-Qaeda in Iraq (AQI).

While remarkable military gains have removed ISIS from controlling territory and liberated civilians, it is worth noting that just as AQI's transformation into ISIS was not linear, it is still unclear what the next permutation of ISIS will look like. Most experts agree that there will be some remnants of the terrorist group in the region for some time to come. That said, gains on the ground in Iraq and Syria have had an impact not just on ISIS's territorial control, but on ISIS recruitment throughout the world, including in the GCC; the absence of a consistent, territorial caliphate induces less foreign fighters to join. This is coupled with improvements to border security and information sharing that has prevented individuals from getting to Syria. While the pipeline of foreigners joining ISIS has not completely dried up, it has lessened.

Question for the Record from Representative Titus to Ms. Erdberg

Can you discuss U.S. engagement in rehabilitation and reintegration programs in GCC countries? Should the U.S. increase its attention to these efforts?

May 14, 2018

Ms. Erdberg's Response:

Several U.S. agencies are involved in rehabilitation and reintegration efforts – and U.S. diplomacy, programmatic interventions, capacity building for foreign partners (government and non-government), and information sharing between governments are used to strengthen efforts to promote the rehabilitation and reintegration those charged with terrorist offenses. Specific U.S. engagement with individual GCC countries on rehabilitation and reintegration programs is not widely available, likely due to sensitivities and the niche nature of these efforts; thus, I would suggest asking the Departments of State, Justice, and Defense, as well as the Intelligence Community, for more fulsome answers that include analysis of government sensitive engagements (and possibly classified information) in addition to what is available.

Multilaterally, the information is much more readily available. For example, through the Global Counterterrorism Forum (GCTF), GCC countries belonging to the GCTF (Qatar, Saudi Arabia, the United Arab Emirates) participate in a working group focused on "Detention and Reintegration" whereby the group publishes globally relevant good practices documents (such as the Rome Memorandum on Good practices for Rehabilitation and Reintegration of Violent Extremist Offenders¹ and its addendum²) which are widely shared beyond GCTF members. Additionally, in 2015 and 2016, the GCTF released a "Lifecycle Initiative" co-led by Turkey and the United States, which provided six updated good practices documents for practitioners that they "can apply at various points of the life cycle of radicalization to violence: from prevention, to intervention, to rehabilitation, and reintegration."³ Those included: (1) the role of families in identifying and intervening with members at risk of radicalization; (2) identifying and countering terrorist recruiters and facilitators; (3) comprehensive reintegration programs for returning foreign terrorist fighters; (4) juvenile justice in a counterterrorism context; (5) appropriate alternative measures for terrorism-related offences; (6) and guidelines for legal frameworks for rehabilitation and reintegration. The good practice documents 3-6 all have applicable, practical guidance to rehabilitation and reintegration activities.

Question for the Record from Representative Titus to Ms. Erdberg

You discuss in your testimony the importance of nonviolent resistance and action. What is the climate for nonviolent action in GCC countries? Do people feel this is an empowering alternative to violent extremism?

Ms. Erdberg's Response:

For a quick snapshot, there is a history of nonviolent protest and resistance in GCC countries, led by both Sunni and Shi'a populations. One of the most famous of these, the 2006 "Orange

¹ <https://www.thegctf.org/Portals/1/Documents/Tramework%20Documents/A/GCTF-Rome-Memorandum-ENG.pdf>

² <https://www.thegctf.org/Portals/1/Documents/Toolkit-documents/Englist-Addendum-to-the-Rome-Memorandum-on-Legal-Frameworks.pdf>

³ From the State Department's 2016 Country Reports on Terrorism <https://www.state.gov/documents/organization/272488.pdf>

May 14, 2018

Movement” in Kuwait (also known as the Nabiha 5 or “We Want it Five” campaign), was a nonviolent campaign led by youth and backed by legislators and other societal groups, that put pressure on the Kuwaiti government to enact positive electoral reforms.⁴ In Saudi Arabia, women have actively protested the monarchy’s ban on women drivers – including by taking to the streets while in defiance of the ban. Last summer the Saudi government announced that the ban would be lifted, and the new policy will take effect in June 2018.

Some of the longest-standing nonviolent protests have occurred in Bahrain, led by the majority Shi’a population that has been marginalized economically, politically, and religiously by the minority Sunni government. Human rights groups widely condemned the government’s repression of mass nonviolent protests in 2011 (known as the February 14th uprising). As recently as February 2018, Shi’a-led protests marking the seventh anniversary of the February 14th uprising were met with live bullets and tear gas.⁵

While there have been protests across GCC countries targeting certain government policies, these protests often have not coalesced into coherent, disciplined nonviolent campaigns and movements that are able to achieve their stated outcomes. So while protests can be inherently empowering, their chances of leading to meaningful changes that address the drivers of violent extremism (corruption, exclusion, and marginalization) would be enhanced if activists in those countries had greater knowledge and skills in nonviolent organizing and movement-building. NED and Freedom House are organizations that provide such trainings and skills-building opportunities, and USIP offers an online course on Civil Resistance and the Dynamics of Nonviolent Movements.⁶

At the same time, the U.S. has leverage to press GCC governments and their security forces to respect their citizens’ rights to freedom of expression and of peaceful assembly and association. This would support an enabling environment for nonviolent civic action and discourage recourse to arms and terrorist activities. Admiral Dennis Blair’s handbook on *Military Engagement* provides tools that the U.S. military can use to encourage democratic behaviors in the armed forces of non-democratic countries, like the GCC.⁷

Research and experience supports the notion that people, particularly alienated youth, when part of a grassroots resistance movement, have found an avenue to be a part of a moral cause, feel the validation of social bonds, and concretely redress the ills that energized them through collective action. And they work - more than a century’s worth of struggles worldwide have shown that peaceful resistance movements are twice as likely as armed struggles to achieve their objectives.⁸

⁴ Ihamd Albloshi and Faisal Alfahad, “The Orange Movement of Kuwait: Civic Pressure Transforms a Political System,” in Maria J. Stephan (ed), *Civilian Jihad: Nonviolent Struggle, Democratization, and Governance in the Middle East*, Palgrave Macmillan, 2009.

⁵ <https://www.aljazeera.com/news/2018/02/clashes-mark-anniversary-bahrain-2011-uprising-180214075612644.html>

⁶ <https://www.usipglobalprograms.org/training-overview/civil-resistance/>

⁷ Dennis Blair (ed), *Military Engagement: Influencing Armed Forces Worldwide to Support Democratic Transitions*, Brookings Institution Press, 2013.

⁸ Why Civil Resistance Works. <https://cup.columbia.edu/book/why-civil-resistance-works/9780231156820>

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Many GCC countries have well documented systems where people are denied self-rule, justice, and fairness under the rule of law.⁹ The environments for alternative forms of non-violent mass struggle are not necessarily conducive in the GCC. But that may be precisely the reason that it is most needed. Governments have a security imperative to improve the conditions that terrorist prey upon for new recruits to deny terrorists the powerful rhetoric that they readily exploit.

⁹ From the State Department's 2017 Human Rights Report <https://www.state.gov/dhr/is/hrpt/2017/index.htm>

