

**THE STATE DEPARTMENT'S COUNTERTERRORISM
BUREAU: BUDGET, PROGRAMS, AND EVALUATION**

HEARING

BEFORE THE

SUBCOMMITTEE ON TERRORISM,
NONPROLIFERATION, AND TRADE

OF THE

COMMITTEE ON FOREIGN AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

—————
JUNE 10, 2014
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Serial No. 113-163

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Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/> or
<http://www.gpo.gov/fdsys/>

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U.S. GOVERNMENT PRINTING OFFICE

88-288PDF

WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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**THE STATE DEPARTMENT'S
COUNTERTERRORISM BUREAU: BUDGET,
PROGRAMS, AND EVALUATION**

TUESDAY, JUNE 10, 2014

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:04 p.m., in room 2200, Rayburn House Office Building, Hon. Ted Poe (chairman of the subcommittee) presiding.

Mr. POE. The subcommittee will come to order.

Terrorism remains one of the most of the most dangerous threats to U.S. national security and our interests worldwide. A recent study by the RAND Corporation found that from 2010 to 2013, the number of jihadist groups worldwide grew 58 percent. The number of jihadist fighters doubled to a high estimate of over 100,000. The number of attacks by al-Qaeda affiliates increased from 390 to 1,000 attacks.

Al-Qaeda remains a central part of this fight. Despite the death of Osama bin Laden, the group operates in more territory and has more safe havens than it did just 5 or 10 years ago. On this map to my right shows the global threat of al-Qaeda, the red being al-Qaeda and the blue being other terrorist groups, the territory generally that they control in the regions.

Some estimates—well, in Syria, al-Qaeda affiliates have grown by huge numbers, with jihadists from all over the world coming to fight. It now appears that on the government side, there are about 3,000 so-called terrorists, and on the so-called rebel side there are about 8,000 fighters. Some estimates put the number of foreign jihadists who have traveled to Syria up to 11,000. These fighters may return home to wreak havoc both in the United States and other Western countries.

In Iraq, ISIL seems to take over more cities and towns by the day, carving out a terrorist ministate in the middle of the chaos. Al-Qaeda affiliates in Yemen and Somalia remain focused on U.S. interests. Some say AQAP is the strongest of all the affiliates.

Boko Haram is on the rise in Nigeria, as seen through their recent kidnappings and mass slaughter of innocent civilians that the world knows about.

Al-Qaeda in Afghanistan and Pakistan remains determined to make a comeback despite the erosion of the so-called al-Qaeda core.

The five senior Taliban leaders that we just exchanged for Sergeant Bergdahl will not make Afghanistan a nicer place to live.

This subcommittee has explored these issues in great detail over the last 18 months, and it seems to me the situation is getting worse, not better. The facts suggest that the fight against al-Qaeda and their affiliates has gotten worse as well.

I added two amendments to the defense and intelligence authorizations this year on this issue. The Director of the National Intelligence must report back to Congress with a comprehensive strategy to combat al-Qaeda and its affiliates, including detailed definitions of how the administration views these groups. The Secretary of Defense is also required to contract out an independent assessment of U.S. Government's efforts to combat al-Qaeda and their affiliates. This was necessary because the administration's rhetoric on al-Qaeda has been all over the map, literally ranging from nearly defeated to a growing threat.

GAO will also be taking a much closer look at the CT Bureau itself. I look forward to reading its findings sooner than later.

Today we will hear from Ambassador Tina Kaidanow, the new Coordinator for Counterterrorism at the U.S. Department of State. The administration says counterterrorism is one of the top foreign policy goals. If that is true, then it does not make much sense to me that it left the Coordinator position vacant for over a year. But now we have an Ambassador, and I am glad to see that that position is filled.

The mission of the State Department's Counterterrorism Bureau is to develop coordinated strategies to defeat terrorists abroad and secure the cooperation of international partners. It is an important mission, but it is not clear to me that the Bureau and what it is doing are accomplishing it. That is because very few of its resources are being spent on evaluating taxpayer dollars.

Just three outside evaluations have been done since GAO first pointed out the need for evaluations to then the Office of Counterterrorism in 2008. The Bureau has yet to complete a single impact evaluation, the most rigorous of evaluations to truly measure whether or not money is making any difference. It is not clear why it took the office so long to get those three evaluations, and it is not clear to why the Bureau is still underfunding evaluations, with only one external evaluation currently on the docket.

So we are going to have plenty to talk about with our Ambassador. Terrorism is an enemy that we cannot afford to ignore or underestimate.

I now turn to the ranking member from California Mr. Sherman for his opening statement.

Mr. SHERMAN. Thank you, Mr. Chairman, for holding these hearings. I want to thank our witness for coming, and I know that she has to leave at 3:30 for an important international trip.

Our efforts against terrorism can be divided into five general categories: Military force and the threat of military force, which is the responsibility chiefly of the Pentagon; our sanctions activity, which the State Department is very involved in, but is the focus of the Treasury Department; and our Intelligence Community's efforts, both in terms of gathering and analyzing intelligence, which, of

course, the State Department does as well; but also whatever black ops or whatever that our Intel Community may engage in.

Finally, there are two areas where the State Department takes the lead. One of those is assistance to our allies abroad in terms of training, grants, et cetera; and the other is our outreach on the ideological front, public diplomacy.

We are here today to focus on the Bureau of Counterterrorism within the State Department, which directs U.S. Government efforts to improve counterterrorism operation with foreign governments and coordinates our overall U.S. counterterrorism policy. This agency has its history going back to 1972 after the Munich massacre of Israeli Olympic athletes.

The budget has declined over the last few years, and I believe the President's request is \$22.65 million. Its key programs include the Antiterrorism Assistance Program, which trains foreign law enforcement in counterterrorism and offers assistance to foreign governments on effective counterterrorism techniques. I would hope that the Government of Nigeria, for example, would be more anxious to take advantage of our efforts in this area. And there is the Regional Security Initiative, which strengthens the capacity of foreign governments to combat terrorism through regional cooperation. Finally, there is the Countering Violent Extremism Office that is part of our public diplomacy efforts, and I would hope that the State Department would have on staff and have consulting relationships with Muslim scholars so that we are in a position to argue hadith for hadith and Koranic verse for Koranic verse that such actions as abducting hundreds of girls from a school is not consistent with the teachings of the Muslim Prophet.

The Government Accountability Office has been critical to monitoring our counterterrorism efforts as has the State Department Inspector General. Currently 2 percent of the Bureau's budget is spent on monitoring and evaluation.

Finally, I want to focus on the importance of sanctions, which I realize may not be directly applied by your office. If we don't take our own sanctions laws seriously and enforce them, we can't expect the rest of the world to do the same. The fact that Iran has been brought to the table is as a result of sanctions policy. Now we have the French Banque Paribas, which has been accused of a host of actions in violation of U.S. sanctions law, particularly acting as the banker for the Khartoum regime, a regime in Sudan that is a state sponsor of terrorism.

One would hope that the State Department and your office, Ambassador, would be pushing Treasury to be as tough as possible in this instance and every instance. I know that they are getting pushback from the French Foreign Ministry, and the State Department should not be acting as the agent, as an ambassador, for the French Ambassador or for French commercial interests, but rather should, and hopefully with your voice, be a strong voice for tough sanctions actually applied to those who intentionally violate the law.

With that, Mr. Chairman, I yield back.

Mr. POE. Thank the gentleman.

The Ambassador Tina Kaidanow is the Ambassador-at-Large and Coordinator for Counterterrorism in the U.S. Department of State.

She previously served in various roles at the State Department including assignments abroad in Afghanistan, Kosovo, Bosnia and Herzegovina, Macedonia and Serbia.

As the ranking member mentioned, the Ambassador is on a tight schedule, so I will dispense with the rest of the introduction, although the resume is quite long and good, and I will go straight to the witness for her statement.

STATEMENT OF THE HONORABLE TINA KAIDANOW, AMBASSADOR-AT-LARGE AND COORDINATOR FOR COUNTERTERRORISM, U.S. DEPARTMENT OF STATE

Ambassador KAIDANOW. Thank you very much, Mr. Chairman, Ranking Member Sherman. It is actually up to you gentlemen since there is so little time left, if you prefer it, I have already submitted the testimony for the record, the longer testimony; so if you care to, we can go straight into questions. It is really your choice. I have some comments, and I can certainly make some introductory remarks, but it is your choice.

Mr. POE. The Ambassador is correct. We have your written statement, and it is filed. If you wish to go ahead and summarize it and maybe mention some things that are not in it, that is fine, and then we will go straight to questions.

Ambassador KAIDANOW. Okay. I think the thing I would highlight probably the most from the written testimony and what I was prepared to present today is precisely what you highlighted at the outset of your comments, and that is that this really is an opportune moment for a hearing because it is an incredibly important time in our counterterrorism efforts. The changing and evolving nature of the threat that you spoke about, I think, is really one that I would also highlight.

The threat that we face really continues to evolve from something that was more centralized and hierarchical in terms of the structure of the network toward something that is far more diverse and diffuse in terms of its structure and its components. I think we recognize, certainly in my Bureau, but more broadly within the U.S. Government, that to succeed against a more decentralized structure among the terrorists, we also have to adapt our own approach; and we have to be flexible, and we have to be nimble. That has become clearer over time.

So I would just say that, you know, all the things that you mentioned—you discussed an array of threats and a variety of groups that concern us. You also mentioned Syria, which is something, obviously, that continues to build as an issue and that we are paying close attention to, but a whole variety of affiliates of al-Qaeda, as well as what we call like-minded groups. Not everyone is formally affiliated with al-Qaeda, but a number of groups have expressed at least some sort of institutional—affiliation is really too strong a word, but they have indicated their sympathy. Let us put it that way.

So as I said, to succeed against a decentralized network, but one that is geographically diffuse, we have implemented a number of things programmatically but also in terms of our policy that we believe address this threat as time goes on.

We can talk a little bit about the resources that we are dedicating to this. You mentioned some of the programmatic issues that relate to my Bureau, the kinds of programs that we are putting forward. We have a whole array of programs that we try and levy with our partners. I should say that, you know, what the President has articulated is a model in which we are moving from a very direct action-oriented kind of an approach; in other words, where the United States was really doing the bulk of the work on counterterrorism. We will continue, obviously, to defend our interests robustly. We must.

With that said, what we are finding all across the globe is that these groups, as I said, that are now more diverse and diffuse are also posing challenges in local areas to local partners that we have. We need to be working very closely with them in order to find a commonality of interest and to give them the skills, the capacity and the kinds of resources that they need in order to address that threat effectively, which is really in their interest, but it is also in ours. I think that by doing that, what we do is we position ourselves well down the road so that we don't have to take on large military efforts. We have ways of addressing that before we ever get to that.

So, again, I am happy to talk about any of those things, including some of the issues that you raised about the actual implementation of our programs, depending on what your interests are.

[The prepared statement of Ambassador Kaidanow follows:]

STATEMENT FOR THE RECORD

**AMBASSADOR TINA KAIDANOW
COORDINATOR FOR COUNTERTERRORISM**

**THE STATE DEPARTMENT'S BUREAU OF COUNTERTERRORISM:
BUDGET, PROGRAMS, AND POLICIES**

**HOUSE FOREIGN AFFAIRS COMMITTEE
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION,
AND TRADE**

**June 10, 2014
Time 2:00 pm**

Chairman Poe, Ranking Member Sherman, and Distinguished Members of the Committee:

Thank you very much for the opportunity to appear before this Committee.

This hearing comes at a critical time in our counterterrorism efforts. The threat we face continues to evolve rapidly from one posed by a centralized, hierarchical command structure towards more diverse, dispersed terrorist networks. We recognize that to succeed against this more decentralized structure, we must adapt our approach as well, and we are making the changes we need to do this effectively.

I'd like to begin by providing a brief overview of the threat, and how it is changing.

The international community's successful efforts to degrade al-Qa'ida (AQ) senior leadership in Pakistan, coupled with weak governance and instability in the Middle East and northwest Africa, has accelerated the decentralization of what we refer to as the "AQ core." We remain committed to rooting out what remains of AQ's senior leadership from Pakistan, and we will continue our efforts to prevent the organization from reconstituting its safe haven and operational base in Afghanistan.

The increased isolation of AQ's senior leadership has led the group's affiliates in other countries to become more operationally autonomous from AQ core and increasingly focused on local and regional objectives. The past several years have seen the emergence of a more aggressive set of AQ affiliates and like-minded groups, most notably in Yemen, Syria, Iraq, northwest Africa, and Somalia.

In the last week of May alone, we saw terrorist attacks by AQ and others in Djibouti, Kenya, and Nigeria. This is in addition to the kidnapping of over 250 girls from the school in Chibok, Nigeria, which recently focused the world's attention on Boko Haram. Also in late May, al-Qa'ida in the Arabian Peninsula, one of the most active AQ affiliates, responded to an offensive by the Government of Yemen with a series of hit-and-run attacks across the country.

These incidents continue a trend we have seen during the last year of increasingly violent attacks by AQ affiliates against civilian targets ranging from religious pilgrims in Iraq to hospital staff and convalescing patients in Yemen, and families at a shopping mall in Kenya. Additionally, numerous violent extremist actors and organizations have been able to establish a presence across broad sections of Libya, with the threat that these areas could turn into established safe havens from which AQ and affiliated organizations can move weapons and personnel, and plan for and conduct attacks.

Another concerning trend that will affect the CT landscape for years to come is that of foreign fighters who are traveling to Syria. Syria continues to be a major battleground for terrorism and remains a key area of longer-term concern. The conflict is attracting thousands of fighters from around the world, particularly from North Africa, the Gulf, Central Asia, and Europe, who are traveling there to join the fight against the Assad regime, with some joining violent Islamist extremist groups. We and a number of our partners overseas are concerned that citizens who obtain battlefield experience in Syria will bring back violent extremist connections and battlefield experience when they return home.

Al-Qa'ida, its affiliates, and other like-minded groups are not the only terrorist threats we face. Iran's state sponsorship of terrorism and Lebanese Hizballah's (LH) activities are also of significant concern. Interdictions in the past year have disrupted Iranian attempts to smuggle arms and explosives to Syria, Yemen, and Shia opposition groups in Bahrain. Most recently, in March of this year, Israel interdicted the Klos C, an Iranian cargo ship smuggling advanced rockets and other weapons to Sudan, likely destined for Palestinian militants in Gaza. Iran's Islamic Revolutionary Guard Corps, LH, and Iraqi Shia militant and terrorist groups have

all provided a broad range of critical support to the Asad regime since the start of the conflict. Even as we continue efforts to resolve our concerns over Iran's nuclear program through diplomacy, we continue to counter Iranian support for terrorism – in coordination with our partners and allies – and make clear to Iran's leaders that its government's sponsorship of illicit and destabilizing actions are unacceptable to the international community. Further, we continue to work with our partners to expose and counter LH's activities around the world, including its terrorist activities and its intervention in Syria, which contravenes Lebanon's stated policy of disassociation.

To meet the challenges posed by these evolving threats, we must redouble our efforts where we have been successful and innovate in areas where we can do more. As President Obama articulated in his recent West Point speech on May 28, we are prioritizing the development of key counterterrorism partnerships across the globe, so that the counterterrorism burden does not fall on the United States alone.

Leveraging partnerships is absolutely vital to the success of our counterterrorism efforts. The response of the African Union Mission to Somalia to the instability in Somalia is an example of this approach – troops from Uganda, Burundi, Kenya, Djibouti, Sierra Leone, and Ethiopia have, working together and with our support, made a measurable difference in challenging AQ-affiliate al-Shabaab. Regional assistance from the Gulf Cooperation Council states, as well as strong bilateral assistance by the United States, has been essential in helping the Government of Yemen in its efforts to roll back al-Qa'ida in the Arabian Peninsula, known as AQAP. In northwest Africa, al-Qa'ida in the Islamic Maghreb and its offshoot al-Murabitun have been temporarily degraded following losses inflicted by France, Chad, and other African partners in northern Mali. However, small-scale attacks continue in northern Algeria and northern Mali, and the groups are leveraging the lack of governance and abundant terrorist networks in Libya to regroup. The groups also probably are positioning for a resurgence in Mali as the French drawdown troops from Operation Serval.

The broader counterterrorism approach articulated by the President includes training, building capacity, and facilitating partner countries on the front lines. The United States needs law enforcement partners around the world that have the capability to manage security challenges within their borders, defend against threats to national and regional stability, and deter terrorist operations across borders. Counterterrorism and rule of law goals are closely aligned and reinforce one another. Our goal is to increase the ability of partners to address threats to public security by improving security sector capabilities, reforming the justice

sector, strengthening regional linkages, facilitating compliance with international standards, and connecting these efforts to existing multilateral initiatives and forums. To meet this goal, we assist countries as they develop law enforcement and legal institutions capable of tracking, apprehending, prosecuting, and incarcerating terrorists, while at the same time respecting human rights and securing borders.

In his West Point speech, the President announced that he would seek Congressional support for a Counterterrorism Partnerships Fund (CTPF) designed to provide the flexibility and resources required to respond to emerging needs as terrorist threats around the world continue to evolve. The aim is to pursue a more sustainable and effective approach to combating terrorism that focuses – as I have already elaborated – on empowering and enabling partners facing terrorist threats.

Before I outline our priorities for 2015 funding, I would like to note that we are strongly committed to improving the monitoring and evaluation of CT activities and have made important strides to manage for results as effectively as possible. In FY 2013, the Counterterrorism Bureau at the State Department established a Monitoring and Evaluation (M&E) team to expand our Results-Based Management approach to CT programs.

Let me turn to priorities for 2015 funding.

Building Partner Capacity

Increasing the ability of our partners to address terrorist threats within their borders and regions is crucial. Building partner capacity in law enforcement, countering terrorism finance, and travel interdiction programs is at the heart of our civilian counterterrorism efforts.

Though our Antiterrorism Assistance (ATA) program, implemented through the State Department's Bureau of Diplomatic Security, we help partner nations build capacity across a wide spectrum of counterterrorism law enforcement skills, offering courses, consultations, training, and equipment relevant to investigations, border security, protection of critical targets, leadership and management, regional coordination and cooperation, critical incident management, and cyber security. ATA is central to our capacity building effort, and it is by far the largest program CT manages as the U.S. government's primary tool for promoting effective counterterrorism partnerships in the law enforcement realm. As terrorist networks continue to adjust their tactics and strategies, ATA will continue to adapt and

refine its training initiatives to meet evolving threats. We have seen our investments pay off in places like Jordan, Nigeria, and Lebanon, among many others. In Lebanon, for example, an ATA-trained Explosive Ordnance Disposal unit worked quickly and effectively to gather evidence, sweep, sketch, and secure the crime scene following the 2012 car bombing that killed Brigadier General Wissam al-Hasan, the Commander of the Internal Security Forces (ISF). The unit's work has been hailed by both the FBI and Lebanese Attorney General as technically superior, and the evidence collected will be critical to prosecution efforts.

Denying terrorists access to money, resources, and support is also a vital component of our counterterrorism strategy. Through our efforts to counter the financing of terrorism, we assist our partners in disrupting financial flows as they build and strengthen effective legal frameworks and regulatory regimes; establish active and capable Financial Intelligence Units; strengthen the investigative skills of law enforcement entities; bolster prosecutorial and judicial development; and sustain designated training and technical assistance programs to build anti-money laundering and counterterrorist financing capacity. The Counterterrorist Finance program supports the placement of advisors such as Department of Justice Resident Legal Advisors (RLAs) and Department of Homeland Security mentors in key partner nations to advise host nation authorities and build the capacity of priority countries to detect, disrupt, and dismantle terrorist financing networks. Funds are targeted specifically at those countries whose financial systems are considered most vulnerable to exploitation by terrorist groups and their financiers. We presently have RLAs in Algeria, Kenya, Malta, Mauritania, Niger, Bangladesh, Panama, Turkey, and United Arab Emirates; we also have plans to place RLAs in Iraq, Senegal, and Ethiopia later this year.

Enhancing border security through terrorist travel interdiction is another priority. The Terrorist Interdiction Program provides 22 partner countries with the Personal Identification Secure Comparison and Evaluation System known as PISCES to identify, disrupt, and deter terrorist travel. In FY 2013, approximately 300,000 passengers per day were processed through PISCES systems around the world (a record for the program). A majority of Ports of Entry are now using upgraded biometric PISCES systems to process travelers for the first time. The increased use of biometrics has enabled PISCES partner countries to improve exponentially their ability to detect terrorists traveling under assumed identities with sophisticated false documentation.

Countering Violent Extremism (CVE)

CVE funding focuses on denying terrorist groups their most precious resource – new recruits – by reducing sympathy and support for violent extremism. Such efforts are a vital complement to our other CT work. They seek to build resilience against violent extremist narratives and support targeted counter-recruitment interventions for at-risk communities in priority countries. Our budget request will be used for purposes such as developing the connection between CVE and community-oriented policing; it will also support the rehabilitation and reintegration of incarcerated violent extremist offenders and broader prison counter-radicalization efforts. Other community-based interventions to reduce support violent extremist may be supported to amplify the impact of these efforts.

CVE programming requires knowledge of where at-risk populations are most susceptible to radicalization to violence. We ensure that our areas of focus overseas align with the areas of greatest risk by working with foreign partners and other U.S. government agencies, such as USAID, the intelligence community, and DoD, to identify hotspots of radicalization and to design relevant programming that counters drivers of extremism in those locales.

To counter terrorist propaganda, the CT Bureau helped establish the Center for Strategic Counterterrorism Communications (CSCC) in 2011, an interagency operation housed under the State Department's Office of the Under Secretary for Public Diplomacy and Public Affairs. CSCC counters terrorist propaganda in the social media environment on a daily basis, contesting space where AQ and its supporters formerly had free rein. In 2013, CSCC produced over 10,000 postings and 138 videos. CSCC also engages in a variety of projects directly supporting U.S. government communicators working with overseas audiences, as well as amplifying credible CVE voices and supporting local initiatives in critical parts of the Middle East and Africa, such as Yemen, Syria, Somalia, Mali, and Nigeria.

In addition to our own programming, we must also build the capacity of our partners to counter radicalization to violence on their own. In this vein, the CT Bureau is sponsoring an initiative that will help combat prison radicalization via the rehabilitation and reintegration of violent extremists, an effort led by the UN Interregional Crime and Justice Research Institute (UNICRI) and the International Center on Counterterrorism - The Hague (ICCT). This initiative provides a forum where policymakers, practitioners, independent experts, and multilateral organizations can share best practices. Through this initiative, countries can also request technical assistance from UNICRI in addressing issues of violent extremism within their prisons.

Counterterrorism Engagement funding

Counterterrorism Engagement (CTE) funding helps the United States strengthen political will for common counterterrorism objectives with our partners. It promotes U.S. engagement through the UN and other multilateral and regional organizations and encourages other donor nations to increase their engagement. CTE-funded activities have included such diverse projects as a partnership with the Asia-Pacific Economic Cooperation (APEC) forum on a program focused on countering attacks against mass transportation systems; the drafting of an OSCE-developed guide on protecting non-nuclear energy infrastructure from terrorist cyber-attacks; and development of an OAS-developed mobile cyber laboratory that is being used throughout the Western Hemisphere.

CT Engagement funding also supports activities of the multilateral Global Counterterrorism Forum, including for example the establishment of an International Institute for Justice and the Rule of Law in Malta, with its core mission of building the capacity of police, prosecutors, parliamentarians, judges, and prison officials to prevent and respond to terrorist activity. Another recently launched GCTF initiative is a Foreign Terrorist Fighters project led by the Netherlands and Morocco. Practitioners are meeting this spring and summer to develop good practices for addressing the entire spectrum of the foreign terrorist fighters problem, including law enforcement, countering violent extremism, and reintegration. Overall, working through the GCTF, we have mobilized over \$230 million from partners to support capacity-building efforts in priority regions.

Countering terrorist safe havens via the Regional Strategic Initiative

Denying terrorists safe havens – shrinking the space in which they operate – is a key element of our counterterrorism effort. The Regional Strategic Initiative was developed for this purpose. It fosters regional cooperation, deepens U.S. relationships with allies and partners, and helps them build regional capacity to stop terrorists who recognize no borders. To this end, the CT Bureau recently hosted a series of events on strengthening border security capabilities and cooperation in the Maghreb and the Sahel, where CT-related border security issues are pervasive. The events helped partner nations develop comprehensive approaches to border security in the region, specifically in the realm of cross-border hot pursuit of suspected terrorists and other criminals.

Conclusion

Evolving terrorist threats require innovative strategies, creative diplomacy, and even stronger partnerships. The threat is formidable, but we are taking our efforts forward to meet these challenges. I firmly believe that countering violent extremism, multilateral engagement, and building local capacity and political will – through our various programs and with our Department and interagency partners – will provide us the tools to make lasting progress in our fight against terrorism. We are requesting your support to make sure that these tools are fully funded at the level requested. Our terrorist adversaries are nimble, and given the vitally important imperative to protect the United States and to stay “one step ahead,” we should ensure that the tools of civilian power continue to adapt to serve national security. As I hope you will agree, we have focused and sharpened our efforts, but there remains much to do.

I look forward to answering your questions and working closely with you in making the United States safer, in conjunction with our friends and allies across the globe.

Mr. POE. All right. A few questions. The ranking member alluded to this during his opening statement directly about sanctions, having them are only as good as the sanction themselves. Haqqani network, how much money has the United States Government frozen regarding their network? Do we know?

Ambassador KAIDANOW. Well, the last published report that we have is the terrorist asset report that we put out on an annual basis. The last one we have is actually published as of 2012. It is retrospective, so unfortunately we don't have figures that would encompass the latest.

As of the end of 2012, we had not frozen physically any assets from the Haqqani network, at least not insofar as the report details, but there are a couple things to bear in mind. One is that that report tends to focus pretty heavily on the state sponsors of terrorism. Of course, the Haqqani group is not a state sponsor of terrorism; it is a different kind of group, and it also operates pretty much outside the realm of the United States banking system and those areas where we might expect to find funds that we would either freeze or seize.

That said, I really want to highlight something; I think the ranking member kind of alluded to this. The power of our sanctions and the power of our designations lies not so much always in how much money we freeze or we seize as assets here in the United States. What it allows us to do is oftentimes we take that designation, we move it to the U.N. We are able then to mobilize a whole series of efforts that brings in the entire international financial community, raises the cost to that group or that entity or that individual so that no one is doing business with them. And these are the kinds of things both from a moral standpoint, but also from a very pragmatic standpoint that we are able to do through our sanctions.

We regard them very seriously. I think our Treasury colleagues would say the same. We are constantly talking to our partners overseas in order to get them to take those obligations seriously, and we also, through my Bureau in particular, we put a lot of effort against giving countries the skill set and the institutional structures they need to combat terrorist finance.

Mr. POE. Based on what you said, do you know if any nation, organization, international organization has seized any assets of the network?

Ambassador KAIDANOW. You know, Congressman, I don't have that information with me now. It may be hard to track, to be honest with you, because I don't know that I have access to every country's seizing or freezing of assets. As I said, we will come back to you with as full an answer—

Mr. POE. How about Boko Haram, same question.

Ambassador KAIDANOW. Same question and a similar answer in that because the information we have is as of 2012, and Boko Haram was designated as an organization in 2013, I don't have that information for you. But that said, again, we can try and look and see whether certainly within the U.S. context or outside of it we can provide you with that.

Mr. POE. When will that report be updated?

Ambassador KAIDANOW. It is done on an annual basis usually in May, but for the preceding calendar year. Similar to the Country Reports on Terrorism.

Mr. POE. What does the money in your budget go for?

Ambassador KAIDANOW. The money in the budget that we ask for out of the CT Bureau? It goes for an array of programming. We manage—and I just wanted to correct one thing that Congressman Sherman had said. I am not sure where the 22-million figure came from. For Fiscal Year 2015, we will be asking for a total of around \$221 million. We, the CT Bureau ourselves, we manage roughly or we would manage out of the request about \$104 million. The rest of that is put through regional bureaus and both regional and bilateral lines of activity.

Mr. POE. Ambassador, where does the money go? What does it do? What does that money do? Taxpayer wants to know where that \$20 million, \$21 million goes. They ask us. What do we say?

Ambassador KAIDANOW. Absolutely. What it does is it builds capacity among our counterterrorism partners all over the globe to do the things we need them to do.

Mr. POE. What does “capacity” mean?

Ambassador KAIDANOW. It means a variety of things.

Mr. POE. I am from Texas. Would you just keep it simple for us? Tell us what “capacity” is.

Ambassador KAIDANOW. It means that we have prosecutors who can prosecute bad guys. It means that we have judges who will judge those people within the rule of law.

Mr. POE. Does it go to weapons?

Ambassador KAIDANOW. Not the money that we provide. In some cases the overall USG counterterrorism effort may involve some of that, but not in the money that we, through the State Department and through my Bureau, we are providing to our partners.

What it will do is it will provide them with legal assistance so that they can go after the money flows of terrorists. It will counter the messaging that the terrorists and extremists are putting out there. It will do a number of things to empower women and youth, who are particularly vulnerable to communities that are at risk to extremism. It will go toward a whole array of programming on the multilateral side. So, for example, we now support something called the Global Counterterrorism Forum, which is a gathering of countries that is specifically designed to address terrorism issues and to put out best practices so that they are all following a kind of a design, again, to combat terrorist flow of money and all the other things that I just spoke of.

Mr. POE. Thank you, Madam Ambassador. I have to cut you off because I want those gentlemen over here to ask questions.

The ranking member, I yield to him, 5 minutes.

Mr. SHERMAN. It was pointed out to me by subcommittee staff that we did get these numbers from CRS. I want to thank you, Ambassador, for setting the record straight.

Does your Department or Bureau or others in the State Department have as full-time employees Islamic scholars?

Ambassador KAIDANOW. We don't have—I don't think I would class it quite that way, but what we do have is programming that

we support that brings in those voices, and we are intent on expanding that programming as well.

Mr. SHERMAN. But you don't have a person on your staff—I can see how you contract out some of this, but you need somebody on staff who can then decide who to contract out to. You wouldn't run a medical research part of the government without a doctor on staff—

Ambassador KAIDANOW. Understood.

Mr. SHERMAN [continuing]. Even though, of course, most of your your money would go as grants to medical institutions, because I think that the terrorists have contorted Islam, and that it is not difficult to find within Islam and within its holy writings repudiations for some of the barbaric behavior we have seen.

Ambassador KAIDANOW. Congressman, if you can let me point to a slightly different but a very similar effort to what you are talking about. It is housed within the State Department. It is actually an interagency effort. It is something called the Center for Strategic Counterterrorism Communications. It brings together the State Department, the Defense Department, some of our intelligence colleagues, and it is exactly designed to do what you are talking about. It pushes back—

Mr. SHERMAN. Is there anybody working for the Federal Government on these matters that has memorized the Koran?

Ambassador KAIDANOW. I couldn't tell you if they have memorized the Koran.

Mr. SHERMAN. At most madrasas there is a real focus on that, or at many madrasas. But is anyone getting a government salary because of their knowledge of Islamic scriptures?

Ambassador KAIDANOW. I will have to get back to you on that.

Mr. SHERMAN. Please do get back to me on that for the record, because you can have all kinds of organization charts and hundreds of millions of dollars in your budget; you can't argue about what Islam teaches if you don't have somebody capable of teaching Islam.

With the abduction of these schoolgirls, is the Nigerian Government now open to all of the types of assistance that we think that they ought to take from us?

Ambassador KAIDANOW. It is a good question. We have levied quite a bit of effort recently against trying to provide them with assistance and information and an array of different kinds of help, including, by the way, messaging help sort of in the realm of what you are just talking about. They have accepted that assistance and that advice. I will say, though, that we have consistently urged them to take what we would call a wholistic approach, because this is not going to be dealt with, unfortunately, solely in the context of one unfortunate and very, very tragic kidnapping. It is going to take an overall effort that involves economic, developmental reform of some of their security institutions. So it has got to be more than just a question of retrieving the girls. It has got to be something that is for the longer term, and that is something we are continuing to work with them on.

Mr. SHERMAN. I yield back.

Mr. POE. Thank the gentleman.

Mr. Vargas from California is recognized.

Mr. VARGAS. Mr. Chairman, thank you very much.

I do have some questions, and again, thank you very much, Ambassador, for being here. With respect to the unfortunate unity government of the Palestinian Authority with Hamas, and, as you know, for any Palestinian Government, they should meet three conditions; that is, reject violence, recognize Israel, and abide by the previous agreements with Israel. Could you tell me a little bit now about Hamas and how they are influencing the Palestinian Authority? Have they changed their posture in any way?

Ambassador K Aidanow. Thank you, Congressman.

First of all, let me just say I know this has been the subject of quite a lot of discussion. The State Department and the U.S. Government have agreed for the time being to continue to deal with the government that was put in place by President Abbas on the condition, though, exactly as you outlined, that they will abide by the principles that you just articulated, including a commitment to nonviolence, including the recognition of the State of Israel, and all the other things that you mentioned.

I will say this. I don't think this is a free pass. I think we are continuing to evaluate the actions of that government, and we will see what their actions hold.

I would stress that with respect to Hamas itself, Hamas continues to be, in our view, a designated foreign terrorist organization. We do not deal with Hamas, we have not met with members of Hamas, and we will not provide any assistance to Hamas. So that is very clear.

The other thing I would say is that we are continuing to consult with the Israelis on the kinds of security elements that they may need with respect to taking mitigating measures against Hamas and some of the things that have gone on even just as recently as the last few months. As I said, I will be actually going myself to Israel in the next week, and I will have formal consultations with them. So we take that quite seriously.

Mr. VARGAS. And I was going to ask you about that. I am glad you got to that. I do want to know, though, if any of the unity government's money is going to Hamas.

Ambassador K Aidanow. I am not aware that it is, but, again, I don't have that information at this moment.

Mr. VARGAS. Okay. And how are we helping Israel to cope with this changing situation? You mentioned it generally, but how can we help more specifically? It does concern me, because now you have a known terrorist organization formed in this unity government that I think has a lot of capabilities, and I think it creates a larger threat for the State of Israel and for the whole Middle East.

Ambassador K Aidanow. I understand your apprehension, and I understand certainly the Israelis'; and part of why I am going to Israel is to have that conversation and to hear specifically some of their concerns.

I think there is a question both for the Israelis and for us in terms of what benefit is derived from cutting off contacts with that government when the security element of what goes on in the West Bank and Gaza is very much controlled by the government. So I think we have to weigh all of these considerations and decide for

ourselves what is the right course forward, but with clear parameters that you laid out and that we are continuing to follow.

Mr. VARGAS. Thank you, Mr. Chairman. I yield back.

Thank you, Ambassador.

Mr. POE. Thank the gentleman.

We also have been joined by three other members of the committee. For those coming in, the Ambassador has to catch an airplane that is on time, and so she needs to leave at this point.

Madam Ambassador, the gentlemen who have just come in, members of the committee, will probably no doubt have questions that they will submit to you, and reply in a timely manner in writing if you would.

Ambassador K Aidanow. We absolutely will do that, of course.

Thank you very much, gentlemen. I really appreciate the opportunity. I am sorry that we didn't have more time today. Again, I would offer myself up at any time if you have questions individually or otherwise.

Mr. POE. Committee is adjourned.

[Whereupon, at 3:32 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE RECORD

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

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 by the Subcommittee on Terrorism, Nonproliferation, and Trade in Room 2200 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

DATE: Tuesday, June 10, 2014
TIME: 2:00 p.m.
SUBJECT: The State Department's Counterterrorism Bureau: Budget, Programs, and Evaluation
WITNESS: The Honorable Tina Kaidanow
Ambassador-at-Large and Coordinator for Counterterrorism
U.S. Department of State

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 HEARING

Day Tuesday Date June 10, 2014 Room 2200

Starting Time 3:04 p.m. Ending Time 3:32 p.m.

Recesses (to) (to) (to) (to) (to) (to)

Presiding Member(s)

Chairman Ted Poe

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

TITLE OF HEARING:

"State Department's Counterterrorism Bureau: Budget, Programs, and Evaluation"

SUBCOMMITTEE MEMBERS PRESENT:

Reps. Poe, Kinzinger, Cotton, Sherman, and Vargas

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 - Poe and Kinzinger

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 3:32 p.m.


Subcommittee Staff Director

**Question for the Record Submitted to
Ambassador Tina Kaidanow by
Representative Adam Kinzinger (#1)
House Committee on Foreign Affairs
June 10, 2014**

Question:

Given that some Gulf countries are some of the most notorious hubs for facilitating financing of terrorism groups, what progress has your bureau made in getting countries like the UAE, Qatar, and others to crack down on illicit threat finance?

Answer:

Countering terrorist financing remains a top priority for the State Department, and the Counterterrorism Bureau has two components – a Designations Office and a Counterterrorist Financing Unit – that are dedicated to this effort. Our Gulf allies have made progress in recent years in addressing terrorist finance, in large part due to U.S. assistance and high level U.S. diplomatic engagement. Nevertheless, we still have serious concerns about terrorist finance continuing to emanate from the Gulf, including to extremist groups operating in Syria.

To address these issues, our Counterterrorist Finance Unit has provided training to Gulf governments on terrorist finance-related issues, bringing U.S. law enforcement, financial intelligence and analytical specialists to assist in building partner capacity. We have also funded a Justice Department legal advisor in the Gulf, who has worked closely with all of the governments in identifying legal gaps and developing the necessary legal regimes to counter these threats. Our Designations Office has sanctioned terrorist groups, entities, and individuals operating in the Gulf, highlighting their ongoing activities and providing leverage for further diplomatic outreach efforts on these issues.

Beyond the technical assistance we are providing, we and our counterparts at the Treasury Department engage diplomatically at the highest levels with our Gulf allies – bilaterally and multilaterally through the Gulf Cooperation Council (GCC) and other relevant fora – to build their political will to tackle terrorist finance. Long-term diplomatic engagement at all levels is key to achieving results, both in

increasing awareness of the terrorist finance threat and promoting willingness to investigate, track, and prosecute this type of illicit activity.

We will be closely monitoring progress in this effort, in part by measuring partner efforts to meet the international standards set forth by the Financial Action Task Force. We will also coordinate closely with State Department-funded DOJ and DHS advisors on the ground to determine the impact of our trainings and our diplomatic engagements.

**Question for the Record Submitted to
Ambassador Tina Kaidanow by
Representative Adam Kinzinger (#2)
House Committee on Foreign Affairs
June 10, 2014**

Question:

Regardless of a deal being reached with Iran over its nuclear program, they still remain active in stirring unrest throughout the Middle East and in Israel.

- a. What sanctions will remain in place because of Iran's support for terrorism?
- b. What active steps are we taking to support our Gulf country allies to counter Iranian influence?
- c. What more should be done to support our allies in the region?

Answer:

Progress in addressing our concerns about Iran's nuclear program does not mean we will ignore Iran's destabilizing activities. Even as we continue efforts to address Iran's nuclear program through diplomacy, we will continue – in coordination with our partners and allies – to counter Iranian support for terrorism and proxy groups that commit terrorism, as well as Iranian threats against our friends and partners.

The United States has imposed a broad range of sanctions against Iran for a variety of activities of concern. We consider sanctions imposed on Iran for its support for terrorism to be a distinct issue from the nuclear file, and we have made clear that we will not negotiate on our sanctions regarding human rights and terrorism until we see Iran change course on these issues, as well.

We continue to maintain high level official engagements with our regional allies on Iran and consult with them regularly on how we should deal with Iran's destabilizing activities. Much of the assistance we provide our regional allies remains classified. I or one of my colleagues can provide you with a classified briefing on this assistance, at your convenience.