

## Congressional Testimony

# Terrorist Financing: *Kidnapping, Antiquities Trafficking, and Private Donations*

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Chairman Poe, Ranking Member Keating, and distinguished Members of the Subcommittee, thank you on behalf of the Foundation for Defense of Democracies' Center on Sanctions and Illicit Finance for the chance to testify before you today.

As a think tank analyst who focuses on the Arab Gulf monarchies, I have concluded that several of America's allies in the Middle East – namely, Qatar, Turkey, Kuwait, and Saudi Arabia – are best characterized as America's frenemies on the issue of terror finance: important partners on some issues that pursue problematic or adversarial positions over terror finance emanating from their territories. As such, I will devote a significant portion of my testimony today to documenting these countries' negligence on combating private terror finance and recommending steps that Washington can take to highlight and disincentivize such harmful conduct.

However, because we are joined by Diane Foley here today, I would first like to take the opportunity to seriously grapple with the challenge posed to American interests by the problem of non-state terrorists who increasingly use kidnapping for ransom to fund their violent activities.

The toll that kidnapping takes on victims, families, employers, and their communities is immense. Perhaps because the magnitude of this toll is so difficult for the rest of us to fully comprehend, I believe that there is a tendency for policymakers to be somewhat callous or even Pollyannaish by presuming that this problem can be addressed without a serious new investment of resources and rethinking of U.S. policies in this issue area. And all this must be done without letting the heinous crimes of terrorists exert control over our decisions by forcing under- or over-reactions in American foreign policy.

I believe that the Obama administration's new policies for addressing hostage issues are a big step in the right direction that should be applauded. However, they fall short in one critical area by failing to articulate a coherent and viable new strategy to deter foreign governments, in both Europe and the Gulf, from allegedly continuing to pay direct or indirect state ransoms to terrorists on a massive scale.

I believe I witnessed a starker version of such wishful thinking as a one-time staffer on this Committee. I watched with astonishment as my boss and mentor, the late Chairman Tom Lantos (D, CA), put his arm around the wife of an Israeli soldier kidnapped by Hezbollah and inaccurately promised her that America would help bring her husband home alive. Sadly, we later learned that her husband had already passed away, having succumbed to wounds incurred when he was captured.

Rather than letting ourselves be blinded by optimism or idealism, we must recognize that U.S. policy today is failing to deter our own allies from fueling the terrorist threat by irresponsibly rewarding kidnapping for ransom at a state level.

Finally, while this hearing will also focus on the terror finance challenge of antiquities trafficking by violent groups such as the Islamic State (IS), I will defer to the other witnesses in this regard. I would also like to note that FDD's Center on Sanctions and Illicit Finance has a forthcoming comprehensive report in which coauthors Yaya Fanusie and Alex Joffe analyze the strategic role of antiquities trafficking in financing the Islamic State.

### Why Do Ransoms and Private Donations Matter?

While terrorist groups that now hold large swaths of territory such as the Islamic State have access to more lucrative potential sources of income – such as oil smuggling, local extortion, and bank robberies – ransoms from kidnapping as well as private terror finance from foreign donors or financial facilitators still represent an irreplaceable part of the terrorists’ financial network and lifecycle.

These unique sources of income provide the critical seed funding needed for terrorist groups to establish themselves and begin to conquer that lucrative territory in the first place, as was the case for al-Qaeda’s branches in North Africa and in Syria. In other cases, donations and ransoms have provided an essential lifeline to established terrorist organizations that have fallen on hard times, sustaining the Islamic State’s forerunner, al-Qaeda in Iraq, after the surge and until its resurgence by exploiting Syria’s civil war. Such funding sources similarly enabled al-Qaeda’s branch in Yemen to recover from an American-backed counterinsurgency campaign, conquering new territory and positioning al-Qaeda for a more recent resurgence by taking advantage of Yemen’s latest civil war this past year.

Donations and kidnapping for ransom play a greater role in al-Qaeda’s internal finances than for the Islamic State, but they are expected to play an increasingly important role in IS’s finances as well once coalition efforts to deprive it of the benefits of territory and oil smuggling begin to take effect. In addition, a senior Treasury Department official noted earlier this year that “externally raised funds” play a unique role in funding terrorist activity because they “are used frequently to finance the travel of extremists to Syria and Iraq,” where tens of thousands of fighters have left their homes in over 90 countries to join up with IS or al-Qaeda.<sup>1</sup>

### **Part I. Kidnapping for Ransom by Terrorist Groups**

Kidnapping for ransom by terrorist groups is a growing problem, and one only has to consider the courageous life of Diane’s son James Foley to recognize the human toll this malicious practice can exact. According to European hostages of the Islamic State who survived to tell of their experiences because ransoms were paid in their cases, Foley was singled out, even among the American hostages, for the group’s worst torture. Yet even though he and the other Americans were starved for an extended period on the equivalent of just a teacup of food per day, he shared his limited rations with fellow prisoners.<sup>2</sup> Further, none of this could have transpired except

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<sup>1</sup> U.S. Treasury Department, “Remarks of Deputy Assistant Secretary for Terrorist Financing Jennifer Fowler at the Washington Institute for Near East Policy on U.S. Efforts to Counter ISIL,” February 2, 2015.

(<http://www.treasury.gov/press-center/press-releases/Pages/jl9755.aspx>)

<sup>2</sup> Rukmini Callimachi, “The Horror before the Beheadings: ISIS Hostages Endured Torture and Dashed Hopes, Freed Cellmates Say,” *New York Times*, October 25, 2014.

([http://www.nytimes.com/2014/10/26/world/middleeast/horror-before-the-beheadings-what-isis-hostages-endured-in-syria.html? r=0](http://www.nytimes.com/2014/10/26/world/middleeast/horror-before-the-beheadings-what-isis-hostages-endured-in-syria.html?r=0))

because Foley chose to report on the Syrian people's suffering after having previously been held hostage in Libya in 2011.<sup>3</sup>

According to President Obama's chief counterterrorism advisor Lisa Monaco, over thirty Americans were being held hostage abroad as of June 2015.<sup>4</sup> Several of those individuals are still being held by state sponsors of terrorism or by non-state terror groups. For instance, the Taliban is believed to be holding hostage the American Caitlin Coleman, the baby she gave birth to in captivity, and Caitlin's husband, Canadian Joshua Boyle.<sup>5</sup>

In 2012, Washington's top official for combating terror finance cited kidnapping for ransom (KFR) as "today's most significant source of terrorist financing."<sup>6</sup> Since then, al-Qaeda and the Islamic State have conquered more territory and thus have other, larger sources of revenue, but their proceeds from KFR have only increased.<sup>7</sup>

Indeed, in October 2014 a report by U.N. counterterrorism officials emphasized that "the use of kidnapping for ransom as a tactic continues to grow, as does the revenue generated therefrom by groups associated with Al-Qaida."<sup>8</sup> The British Foreign Office similarly notes that kidnappers' demands have also increased in value.<sup>9</sup>

U.S. government figures compiled by Rukmini Callimachi of the *New York Times* indicate that ransoms paid to terrorist groups totaled roughly \$165 million from 2008 through 2014. \$125 million of that went to al-Qaeda and its direct affiliates, of which \$66 million was paid in 2013 alone.<sup>10</sup> The Islamic State is believed to have received between \$20 million and \$45 million in ransoms during 2014.<sup>11</sup> However, the group often chooses to execute foreign hostages when a ransom is not paid or for vicious propaganda purposes instead.

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<sup>3</sup> Lawrence Wright, "Five Hostages," *The New Yorker*, July 6, 2015.

(<http://www.newyorker.com/magazine/2015/07/06/five-hostages>)

<sup>4</sup> Jeremy Diamond and Sunlen Serfaty, "White House Says More than 30 Americans Held Hostage Abroad," CNN, June 24, 2015. (<http://www.cnn.com/2015/06/23/politics/hostage-policy-review-changes-white-house/>)

<sup>5</sup> Shane Harris, "An American Mom and her Baby are being Held Hostage by the Taliban," *Daily Beast*, April 23, 2015. (<http://www.thedailybeast.com/articles/2015/04/23/an-american-mom-and-her-baby-are-being-held-hostage-by-the-taliban.html>)

<sup>6</sup> U.S. Treasury Department, "Remarks of Under Secretary David Cohen at Chatham House on the Growing Terrorist Financing Challenge," October 5, 2012. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1726.aspx>)

<sup>7</sup> Jamie Dettmer, "Al Qaeda Growing Rich Off Ransom Payments," *Daily Beast*, December 22, 2012; (<http://www.thedailybeast.com/articles/2013/12/22/al-qaeda-growing-rich-off-ransom-payments.html>) & U.S. Treasury Department, "Remarks of Under Secretary Cohen at CSIS," June 2, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2415.aspx>)

<sup>8</sup> United Nations, "Sixteenth Report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2161 (2014) concerning Al-Qaida and associated individuals and entities," September 29, 2014. ([http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2014/770](http://www.un.org/ga/search/view_doc.asp?symbol=S/2014/770))

<sup>9</sup> Jamie Dettmer, "Al Qaeda Growing Rich Off Ransom Payments," *Daily Beast*, December 22, 2012. (<http://www.thedailybeast.com/articles/2013/12/22/al-qaeda-growing-rich-off-ransom-payments.html>)

<sup>10</sup> Rukmini Callimachi, "Paying Ransoms, Europe Bankrolls Qaeda Terror," *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

<sup>11</sup> U.S. Treasury Department, "Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, 'Attacking ISIL's Financial Foundation,'" October 23, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2672.aspx>); Financial Action Task Force, "Financing

KFR has greater importance for al-Qaeda than IS, with U.N. experts recently describing it as “the core al-Qaida tactic for generating revenue.”<sup>12</sup> U.S. officials warned in 2014 that “ransoms have become the main source of funding for al-Qaeda-related groups in Yemen and North Africa, and an important source for such groups in Syria and Iraq.”<sup>13</sup> According to captured al-Qaeda documents, the group’s central command in Pakistan is directly involved in overseeing hostage talks as far afield as Africa.<sup>14</sup>

Perhaps because al-Qaeda’s donors are rarely focused on causes in North Africa, the group’s branch there, al-Qaeda in the Islamic Maghreb (AQIM), carved out a role as “the al-Qa’ida affiliate that has likely profited most from kidnapping for ransom.”<sup>15</sup> The group got its start with €5 million in seed funding from a German government ransom for 32 European hostages in 2003.<sup>16</sup> Since 2010, AQIM has reportedly brought in between \$75 million and \$91.5 million from KFR alone, helping fuel its territorial expansion in northern Mali.<sup>17</sup>

Similarly, al-Qaeda in the Arabian Peninsula (AQAP), “used ransom money it received for the return of European hostages to finance its over \$20 million campaign to seize territory in Yemen between mid-2011 and mid-2012.”<sup>18</sup> Internal documents suggest that at one point over half of AQAP’s budget was funded by KFR.<sup>19</sup>

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of the Terrorist Organisation Islamic State in Iraq and the Levant (ISIL), February 2015, p. 20. (<http://www.fatf-gafi.org/media/fatf/documents/reports/Financing-of-the-terrorist-organisation-ISIL.pdf>)

<sup>12</sup> Edith M. Lederer, “UN: Islamic State Group Got up to \$45M in Ransoms,” *Associated Press*, November 25, 2015. (<http://www.militarytimes.com/story/military/pentagon/2014/11/25/is-ransoms-112414/70081514/>)

<sup>13</sup> Ellen Knickmeyer, “Al Qaeda-Linked Groups Increasingly Funded by Ransom,” *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

<sup>14</sup> “Spoils of Kidnapping are Financing al-Qaida, Reveals New York Times,” *PBS NewsHour*, July 30, 2014. (<http://www.pbs.org/newshour/bb/spoils-kidnapping-financing-al-qaida-reveals-new-york-times/>)

<sup>15</sup> U.S. Treasury Department, “Remarks of Under Secretary David Cohen at Chatham House on the Growing Terrorist Financing Challenge,” October 5, 2012. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1726.aspx>)

<sup>16</sup> “Terrorgruppe Ansar al-Din: Islamistenführer in Mali war Helfer der Bundesregierung,” *Der Spiegel (Germany)*, January 20, 2013. (<http://www.spiegel.de/politik/ausland/mali-islamistenfuehrer-war-helfer-der-bundesregierung-a-878572.html>); Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

<sup>17</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

United Nations, “Sixteenth Report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2161 (2014) concerning Al-Qaida and associated individuals and entities,” September 29, 2014. ([http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2014/770](http://www.un.org/ga/search/view_doc.asp?symbol=S/2014/770)); 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>18</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>19</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

Other non-state terror groups that have purportedly received ransoms of \$10 million or more have included the Nusra Front, al-Shabaab, FARC, and Boko Haram.<sup>20</sup> Terrorist organizations that have employed KFR to lesser effect include the Pakistani Taliban, Abu Sayyaf Group in the Philippines, and the Boko Haram splinter group Ansaru.<sup>21</sup> Palestinian terrorist groups such as Hamas and Hezbollah have also used kidnapping to extract concessions from Israel in the form of very large prisoner releases, but funding is less often a motive in such attacks.

### Who Pays the Ransoms?

Unfortunately, U.S. allies in Europe and the Gulf seem to be a big part of this problem. While the American and British governments have long adhered to a policy of refusing to pay state ransoms to hostage takers, especially those involving terrorist groups, many of our allies have been far less scrupulous. As U.S. officials have warned, this creates “a genuinely vicious cycle” because “each transaction encourages another transaction” by incentivizing future kidnappings.<sup>22</sup> The conduct of certain American allies in this regard makes the Mideast more unstable and puts all of our citizens at greater risk.

It is important to emphasize, however, that the assertions in this testimony are not based on my own first-hand knowledge of ransoms being paid but rather based on the facts as reported by American and regional media outlets on this important but rather opaque issue. I would highly recommend following up with the allied governments described in this report as well as with the U.S. intelligence community in order to verify the reported claims that have been compiled here.

As Rukmini Callimachi concluded in her 2014 *New York Times* investigation of ransom payments to terrorists by U.S. allies, “Europe has become an inadvertent underwriter of Al Qaeda.”<sup>23</sup> According to the *Associated Press*, “diplomats say ransoms paid or arranged by western European governments and the Gulf state of Qatar have provided the bulk of financial support for violent

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<sup>20</sup> U.S. Treasury Department, “Remarks of Under Secretary Cohen at CSIS,” June 2, 2014.

(<http://www.treasury.gov/press-center/press-releases/Pages/jl2415.aspx>); Haroon Siddique, “Ransom Claim in Ingrid Betancourt Release,” *The Guardian (UK)*, July 4, 2008.

(<http://www.theguardian.com/world/2008/jul/04/betancourt.france>)

<sup>21</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>); United Nations, “Sixteenth Report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2161 (2014) concerning Al-Qaida and associated individuals and entities,” September 29, 2014.

([http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2014/770](http://www.un.org/ga/search/view_doc.asp?symbol=S/2014/770)); U.S. Treasury Department, “Remarks of Under Secretary David Cohen at Chatham House on the Growing Terrorist Financing Challenge,” October 5, 2012.

(<http://www.treasury.gov/press-center/press-releases/Pages/tg1726.aspx>)

<sup>22</sup> U.S. Treasury Department, “Remarks of Under Secretary David Cohen at Chatham House on the Growing Terrorist Financing Challenge,” October 5, 2012. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1726.aspx>)

<sup>23</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. (<http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?r=1>)

groups.”<sup>24</sup> *Reuters* reports that “Qatari officials deny paying ransom for hostages, but Western diplomatic sources in Doha say otherwise.”<sup>25</sup>

Amidst such denials, Doha’s foreign minister has evidently recognized that paying ransoms could be viewed as terror finance, noting “this is another way of fueling, if you may call it supporting through the backdoor.”<sup>26</sup> And that is exactly what this problem has become: a pressing top concern for American officials who combat the funding of terror.

Sometimes families or corporations make the gut-wrenching decision to pay ransoms to rescue their loved ones or employees from captivity. However, it is the willingness of certain governments to pay such ransoms that has caused this problem to balloon out of control. As the *Wall Street Journal* reported last year, “diplomats and officials said” that “government-paid ransoms have been game-changers” in contributing to the recent increase in ransom payments and subsequent kidnappings.<sup>27</sup>

#### Europe:

Until America’s European allies join us and Britain by stopping the direct or indirect flow of multimillion dollar ransoms to terrorist organizations, perhaps it makes more sense to speak of them as *incontinental* Europe to stigmatize their undisciplined behavior.

Despite being obligated under new G8, OSCE, and U.N. Security Council rules not to do so, some European governments reportedly continue to pay ransoms. Earlier this year, a top Treasury official confirmed in a public speech that despite these highly visible commitments, “certain countries have adopted a de facto policy of allowing the payment of ransoms on a case-by-case basis... particularly in Europe and the Middle East.”<sup>28</sup>

Most notably, Washington and London elicited a G8 statement in June 2013 that “we unequivocally reject the payment of ransoms to terrorists.”<sup>29</sup> Jamie Dettmer of the *Daily Beast* writes that “the leaders of France, Italy, Canada and Germany all endorsed the no-ransom agreement but all those countries have paid out ransoms for their kidnapped citizens or provided tacit approval for payments made by businesses and NGOs — perhaps since the G8 summit — say

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<sup>24</sup> Lara Jakes and Ellen Knickmeyer, “Foley Case Lays Bare Debate over Paying Ransom,” *Associated Press*, August 21, 2014. (<http://bigstory.ap.org/article/official-militants-asked-1325-million-ransom>)

<sup>25</sup> Amena Bakr, “Qatar Pares Support for Islamists but Careful to Preserve Ties,” *Reuters*, November 2, 2014. (<http://www.reuters.com/article/2014/11/02/us-mideast-crisis-qatar-insight-idUSKBN0IM07B20141102>)

<sup>26</sup> Peter Kovessy, “Foreign Minister: Qatar Does Not Pay Ransoms,” *Doha News*, September 30, 2014. (<http://dohanews.co/foreign-minister-qatar-pay-ransoms/>)

<sup>27</sup> Ellen Knickmeyer, “Al Qaeda-Linked Groups Increasingly Funded by Ransom,” *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

<sup>28</sup> U.S. Treasury Department, “Remarks of Deputy Assistant Secretary for Terrorist Financing Jennifer Fowler at the Washington Institute for Near East Policy on U.S. Efforts to Counter ISIL,” February 2, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/j19755.aspx>)

<sup>29</sup> “2013 Lough Erne G8 Leaders’ Communiqué,” *U.K. Government online portal*, June 18, 2013. ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207771/Lough\\_Erne\\_2013\\_G8\\_Leaders\\_Communique.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207771/Lough_Erne_2013_G8_Leaders_Communique.pdf))

diplomats and security industry insiders.”<sup>30</sup> Further, the *Times*’s Callimachi reports that “according to hostages released this year and veteran negotiators, governments in Europe — especially France, Spain and Switzerland — continue to be responsible for some of the largest payments, including a ransom of €30 million — about \$40 million — paid last fall to free four Frenchmen held in Mali.”<sup>31</sup>

Callimachi also interviewed an adviser to the president of Burkina Faso who was involved in several hostage negotiations between Europe and al-Qaeda. He indicated that he “routinely dealt with aggressive Western diplomats who demanded the release of Qaeda fighters held in local prisons in an effort to win the release of hostages,” noting that “you would not believe the pressure that the West brings to bear on African countries.”<sup>32</sup>

Callimachi’s investigation also found that France was the worst long-term offender among European countries, having paid an estimated \$58.1 million in ransoms to al-Qaeda or IS, followed by Switzerland and Spain in the low teens.<sup>33</sup> Other reports claimed that two Italian aid workers were released by the Nusra Front early last year in exchange for \$12 million, although it has also been suggested that Qatar was involved in paying this specific ransom.<sup>34</sup> The *Economist* reported that in 2014, IS brought in “at least \$20m last year from ransoms paid for hostages, including several French and Spanish journalists.”<sup>35</sup> Although press reports alleging ransoms in these cases were dismissed by the French and Italian governments, those reports were subsequently bolstered by being publicly highlighted by top Treasury Department officials.<sup>36</sup>

In 2009, several European hostages were kidnapped when returning to Niger from a music festival in Mali. Two were from Switzerland, one from Germany, and one from the United Kingdom. Britain wouldn’t pay a ransom to their al-Qaeda captors, and its citizen was executed while the others were released.<sup>37</sup> The *New York Times* quoted a European official indicating that Swiss lawmakers “voted on a national budget that ‘suddenly had an extra line for humanitarian aid for Mali’” that year to be used in practice for ransom.<sup>38</sup>

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<sup>30</sup> Jamie Dettmer, “Al Qaeda Growing Rich Off Ransom Payments,” *Daily Beast*, December 22, 2012. (<http://www.thedailybeast.com/articles/2013/12/22/al-qaeda-growing-rich-off-ransom-payments.html>)

<sup>31</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

<sup>32</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

<sup>33</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

<sup>34</sup> Stephanie Kirchgaessner, “Two Italian Aid Workers Freed in Syria after Multi-Million Dollar Ransom Paid,” *The Guardian* (UK), January 15, 2015. (<http://www.theguardian.com/world/2015/jan/15/two-italian-aid-workers-freed-syria>); “Syria Conflict: Italian Aid Worker Hostages Freed,” *BBC*, January 16, 2015. (<http://www.bbc.com/news/world-europe-30838375>)

<sup>35</sup> “Where Islamic State Gets its Money,” *The Economist* (UK), January 4, 2015. (<http://www.economist.com/blogs/economist-explains/2015/01/economist-explains>)

<sup>36</sup> U.S. Treasury Department, “Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, ‘Attacking ISIL’s Financial Foundation,’” October 23, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2672.aspx>)

<sup>37</sup> Jamie Dettmer, “Al Qaeda Growing Rich Off Ransom Payments,” *Daily Beast*, December 22, 2012. (<http://www.thedailybeast.com/articles/2013/12/22/al-qaeda-growing-rich-off-ransom-payments.html>)

<sup>38</sup> Rukmini Callimachi, “Paying Ransoms, Europe Bankrolls Qaeda Terror,” *New York Times*, July 29, 2014. ([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1))

*Qatar:*

There is one state that routinely emerges as a participant in these negotiations even though its citizens are generally not in the line of fire: the tiny Gulf nation of Qatar. And while Doha's freelancing has often proven a boon to hostages and their families in up to fifteen cases that I have identified since 2012 or 2013, its alleged role paying enormous ransoms in many of these instances should raise deep concerns for American policy in the fight against terror. Indeed, press reports suggest Doha has repeatedly been a source of multi-million dollar payments (perhaps even in the eight- or nine-figure range) that could significantly strengthen the hands of terrorists.

In Yemen, a \$20.4 million ransom from Qatar and Oman went to al-Qaeda in the Arabian Peninsula on behalf of several European countries to free four hostages in 2012 and 2013, according to Yemeni and European officials.<sup>39</sup> Along with a 2011 ransom payment that a Western official told the *Los Angeles Times* was paid by the government of France, these funds reportedly helped AQAP recover from severe financial difficulties and played a major part in its \$20+ million offensive to conquer and hold territory in several of Yemen's southern provinces.<sup>40</sup>

Yemen's foreign minister at the time made a rare public complaint against Qatar, warning that "these arrangements made by Qatar... may have led to a disaster," reiterating that "Yemen constantly rejects the handling of the release of kidnapped hostages through the payment of ransoms."<sup>41</sup> According to a senior Yemeni parliamentarian at the time, AQAP was "having crazy money problems before the kidnap ransoms. They were having to sell their guns."<sup>42</sup> Yemeni officials claimed they saw Qatari officials arrive on a private jet with bags they believed were filled

<sup>39</sup> Rukmini Callimachi, "Paying Ransoms, Europe Bankrolls Qaeda Terror," *New York Times*, July 29, 2014.

([http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?\\_r=1](http://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html?_r=1)); "Yemen Kidnappers Free Finnish Couple, Austrian," *Reuters*, May 9, 2013.

(<http://www.reuters.com/article/2013/05/09/us-yemen-hostages-idUSBRE9480TM20130509#VT5ieeBDKucP5ZCr.97>) It is worth noting that Oman has also reportedly facilitated several releases of Americans held by Iran, the biggest state sponsor of terrorism, allegedly in a *quid pro quo* for Iranian criminals behind U.S. bars and Omani payments of hundreds of thousands of dollars; however, unlike Qatar, Oman's involvement in alleged ransom payments to al-Qaeda seems to be limited to this single Yemeni case: Jay Solomon, "Secret Dealings with Iran Led to Nuclear Talks: Years of Clandestine Exchanges between the Two Countries Helped Build a Foundation for Nuclear Negotiations," *Wall Street Journal*, June 28, 2015.

(<http://www.wsj.com/articles/iran-wish-list-led-to-u-s-talks-1435537004?alg=y>) A source close to Yemeni President Abd Rabuh Mansour Hadi also allegedly indicated that the UAE paid a ransom to AQAP in order to free British hostage Douglas Semple instead of freeing him in a military operation this past August as publicly claimed: Rori Donaghy, "UAE Paid Ransom to Yemeni Tribesmen to Free British Hostage," *Middle East Eye (UK)*, August 27, 2015. (<http://www.middleeasteye.net/news/uae-paid-ransom-yemeni-tribesmen-free-british-hostage-1676587015>)

<sup>40</sup> Ken Dilanian, "Al Qaeda Group is Operating on Ransom Money from the West," *Los Angeles Times*, October 21, 2013. (<http://articles.latimes.com/2013/oct/21/world/la-fg-yemen-ransom-20131021>); Rukmini Callimachi, "Yemen Terror Boss Left Blueprint for Waging Jihad," *Associated Press*, August 9, 2013. (<http://www.ap.org/Content/AP-In-The-News/2013/Yemen-terror-boss-left-blueprint-for-waging-jihad>); 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>41</sup> Ellen Knickmeyer, "Al Qaeda-Linked Groups Increasingly Funded by Ransom," *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

<sup>42</sup> Ellen Knickmeyer, "Al Qaeda-Linked Groups Increasingly Funded by Ransom," *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

with cash; the jet then carried back a Swiss hostage from al-Qaeda to Qatar, where she was received by the Swiss ambassador to Doha.<sup>43</sup>

But it's in Syria and Iraq where the Qatari role as a hostage mediator has really come to the fore in the last few years.

In October 2013, *McClatchy*'s Mitchell Prothero reported that Qatar's foreign minister "personally negotiated [a] deal with Syrian rebels" to release nine Shi'ite Lebanese pilgrims captured near Aleppo to coincide with the release of two Turkish Airlines pilots who had been separately kidnapped in Lebanon.<sup>44</sup> Prothero noted that "local media reports claimed that Qatar had paid as much as \$150 million to secure the release of the hostages." He noted that *McClatchy* spoke to a Lebanese security official who stated that "the \$150 million figure seemed high" but "that the deal did include money paid by Qatar."<sup>45</sup> Columnist Yusuf Kanlı of the Turkish daily *Hürriyet* also noted the alleged figure of \$150 million, stating that the "ransom is said to have been paid to the Sunni al-Nusra group (an al-Qaeda branch)" and that the Turkish pilots were delivered from Lebanon to Turkey on a jet from Qatar's national carrier, Qatar Airways.<sup>46</sup> The Lebanese paper *al-Liwa* reported that Qatar paid the rebels €100 million, citing a Turkish source in Istanbul and claiming that the amount was confirmed by the Syrian Observatory for Human Rights; the paper claimed that the Syrian regime released over 100 prisoners as part of the trade and showed a picture of the pilgrims purportedly returning home on a plane from Qatar Airways' charter flights subsidiary, Qatar Executive.<sup>47</sup>

In March 2014, Qatari and Lebanese mediation helped free thirteen Syrian nuns and three other women being held hostage by the Nusra Front. According to Ellen Knickmeyer of the *Wall Street Journal*, "Qatar paid a \$16 million ransom, according to a Lebanese official."<sup>48</sup> Journalist Robert Fisk reported that other Lebanese sources put the ransom as high as £40 million and that Syrian sources put the amount at £43 million, although the nuns themselves claimed no ransom was paid at all.<sup>49</sup> Other sources claim that Qatar offered to pay \$4 million for the nuns<sup>50</sup> and that the

<sup>43</sup> Ellen Knickmeyer, "Al Qaeda-Linked Groups Increasingly Funded by Ransom," *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

<sup>44</sup> Mitchell Prothero, "Lebanese Pilgrims Held for Year by Syrian Rebels back in Beirut," *McClatchy*, October 19, 2013. (<http://www.mcclatchydc.com/news/nation-world/world/middle-east/article24757552.html>)

<sup>45</sup> Mitchell Prothero, "Lebanese Pilgrims Held for Year by Syrian Rebels back in Beirut," *McClatchy*, October 19, 2013. (<http://www.mcclatchydc.com/news/nation-world/world/middle-east/article24757552.html>)

<sup>46</sup> Yusuf Kanlı, "Is Turkish Foreign Policy Successful?" *Hürriyet Daily News (Turkey)*, October 21, 2013. (<http://www.hurriyetdailynews.com/is-turkish-foreign-policy-successful.aspx?pageID=449&nID=56527&NewsCatID=425>)

<sup>47</sup> قطر تدفع ١٥٠ مليون دولار لتحرير مخطوفى أعزاز" *al-Liwa (Lebanon)*, October 19, 2013.

(<http://www.aliwaa.com/Article.aspx?ArticleId=182358>); "الذكرى الأولى لإستشهاد الحسن" *al-Liwa (Lebanon)*, October 21, 2013. (<http://www.aliwaa.com/Article.aspx?ArticleId=182474>)

<sup>48</sup> Ellen Knickmeyer, "Al Qaeda-Linked Groups Increasingly Funded by Ransom," *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>); "صحيفة لبنانية: قطر سددت 16 مليون دولار" "لإتمام صفقة راهبات معلولا" *Youm al-Sabi (Egypt)*, March 10, 2014. (<http://goo.gl/ji8sTo>)

<sup>49</sup> Robert Fisk, "Qatar Paid Syrian rebels £40m ransom to free nuns - or did it?" *Belfast Telegraph (Ireland)*, March 19, 2014. (<http://www.belfasttelegraph.co.uk/news/world-news/qatar-paid-syrian-rebels-40m-ransom-to-free-nuns-or-did-it-30104907.html>)

<sup>50</sup> Anne Barnard and Hwaida Saad, "Nuns Released by Syrians after Three-Month Ordeal," *New York Times*, March 9, 2014. (<http://www.nytimes.com/2014/03/10/world/middleeast/nuns-released-by-syrians-after-three-month-ordeal.html>)

kidnappers ultimately did receive \$4 million plus the release of over 150 prisoners from Syrian jail.<sup>51</sup>

In August 2014, Qatar's mediation helped secure the release of U.S. hostage Theo Padnos (aka Peter Theo Curtis) from the grips of al-Qaeda's Nusra Front in Syria. Shane Harris and James Kirchick of the *Daily Beast* reported that "sources close to efforts to free other Americans held abroad said that Qatar facilitated a ransom payment to help free journalist Peter Theo Curtis."<sup>52</sup> Harris later elaborated as follows: "Two sources familiar with efforts to free Curtis told The Daily Beast that Qatar arranged for money to be paid to the al Qaeda branch—effectively a ransom. A third source, who is a former U.S. law enforcement official, denied that the money was a direct ransom payment, but said that Qatari officials had helped negotiate with al Qaeda in Syria to win Curtis's release. What the militants may have received in return, this person declined to say."<sup>53</sup> Ransom demands in Padnos's case reportedly started at \$3 million and went up to \$25 million.<sup>54</sup>

In September 2014, Qatar mediated between the Nusra Front and the Fijian government for the release of 45 Fijian peacekeepers taken while serving as part of the U.N. force stationed between Syria and the Israeli-controlled Golan Heights. According to the pan-Arab paper *Asharq al-Awsat*, Syrian opposition sources told the paper that “Qatar paid in exchange a financial ransom amounting to \$20 million,” while pointing out “other information” claiming Qatar paid even higher, namely \$1 million for each one of the 45 kidnapped soldiers.<sup>55</sup> Israeli TV’s Channel Two aired footage it claimed showed a mediator’s meeting on the Syrian side of the border with al-Qaeda’s Nusra Front where a \$25 million Qatari ransom for the peacekeepers was electronically deposited and confirmed in the group’s bank accounts.<sup>56</sup>

In addition to these five cases of an alleged Qatari ransom to terrorists, I have identified up to ten other hostage cases in which Qatar purportedly also played some role, often by mediating with terrorists or in which a ransom was thought to be paid or discussed.

<sup>51</sup> “\$4 million Ransom Paid for Nuns’ Release,” *Now Lebanon (Lebanon)*, March 10, 2014.

بودار تقارب بين "Ashraq al-Awsat (UK)" دمشق والدوحة بعد إطلاق راهبات ملعونات (https://now.mmedia.me/lb/en/intheexpress/538565-4-million-ransom-paid-for-nuns-release) & see also

<sup>52</sup> Shane Harris and James Kirchick, “Exclusive: Freed Al Qaeda Agent Was Part of Proposed Swap for Jailed Americans,” *Daily Beast*, January 25, 2015. (<http://www.thedailybeast.com/articles/2015/01/25/exclusive-freed-al-qaeda-agent-was-part-of-proposed-swap-for-jailed-americans.html>)

<sup>53</sup> Cf. H. J. “U.S. Rep. OSSH, 4. T. 1,” *Daily Report*, April 20, 2015.

<sup>35</sup> Shane Harris, "U.S. Pays Off Hostage Takers," *Daily Beast*, April 29, 2015. (<http://www.thedailybeast.com/articles/2015/04/29/exposed-the-white-house-s-double-game-on-hostages.html>); Lawrence Wright, "Freeing Hostages," *The New Yorker*, July 6, 2015.

Lawrence Wright, "Five Hostages," *The New Yorker*, July 6, 2015 (<http://www.newyorker.com/magazine/2015/07/06/five-hostages>)

<sup>54</sup> Rukmini Callimachi, "U.S. Writer Held by Qaeda Affiliate in Syria is Freed after Nearly 2 Years," *New York Times*, August 24, 2014. ([http://www.nytimes.com/2014/08/25/world/middleeast/peter-theo-curtis-held-by-qaeda-affiliate-in-syria-is-freed-after-2-years.html?\\_r=0](http://www.nytimes.com/2014/08/25/world/middleeast/peter-theo-curtis-held-by-qaeda-affiliate-in-syria-is-freed-after-2-years.html?_r=0))

<sup>55</sup> Qatar تعلن رسمياً توقيعها وساطة الإفراج عن جنود أندوف لدى جبهة النصرة، *Asharq al-Awsat (UK)*, September 12, 2014, (<http://aawsat.com/home/article/180471>)

<sup>56</sup> “Report: UN Had Qatar Pay Off Al-Qaida Fighters for Release of Fiji Peacekeepers,” *Ha’aretz (Israel)*, October 11, 2014; (<http://www.haaretz.com/middle-east-news/1.620228>) “לעין המצלמה: כופר עבר הטעפי או”מ. חיעוד בלבד” (& *Mako (Israel)*, October 10, 2014. ([http://www.mako.co.il/news-world/arab-q4\\_2014/Article-c4f048e4dd9f841004.htm?sCh=3d385dd2dd5d4110&pId=1434139730](http://www.mako.co.il/news-world/arab-q4_2014/Article-c4f048e4dd9f841004.htm?sCh=3d385dd2dd5d4110&pId=1434139730))

In January 2013, Qatar and Turkey reportedly negotiated the release of 48 Iranian pilgrims from Syrian rebels in exchange for over 2,000 prisoners from Syrian jail.<sup>57</sup>

Qatar's role in the Obama administration's negotiations to swap Sgt. Bowe Bergdahl in May 2014 for five senior Taliban commanders is well known, and President Obama spoke with both Qatar's Emir and Father Emir in the week before Bergdahl's release.<sup>58</sup> What is not so well known is that "a private \$10 million cash ransom deal was in the works" through other channels before that swap was implemented, according to *BuzzFeed News'* Aram Roston, although it may not have involved the Qatari or American governments. Roston also reported that the Taliban previously demanded \$25 million and \$15 million ransoms earlier in the process, along with the request for a much larger prisoner release involving fifty individuals.<sup>59</sup>

Rep. Duncan Hunter (R, CA) wrote a letter to the Pentagon later that year raising concerns that some money in Bergdahl's case may still have been disbursed: "I recognize the reluctance to describe a payment as ransom, but regardless of how the transaction is described, it has been brought to my attention that a payment was made by an Afghan intermediary who 'disappeared' with the money and failed to facilitate Bergdahl's release," adding that "the payment was made in January-February 2014, according to sources, through Joint Special Operations Command."<sup>60</sup>

After Theo Padnos's August 2014 release, a Qatar-based reporter wrote that a Gulf source said Qatar was trying to free four other Americans being held hostage in Syria.<sup>61</sup> Since James Foley had just been murdered by the Islamic State, this likely referred to the three other Americans later executed by IS – Steven Sotloff, Peter Kassig, and Kayla Mueller – plus at least one other American hostage.<sup>62</sup> It has also been alleged that Doha received a ransom demand for Foley before his murder, but that "the amount was huge and Qatar said no."<sup>63</sup>

In September 2014, Qatar's foreign minister reportedly told a Lebanese delegation visiting Doha that he had tried negotiating with the Nusra Front for the release of two Orthodox bishops in Syria but that talks fell apart when the hostages were transferred to control of the Islamic State, with which Qatar has less influence.<sup>64</sup> The next month, when Nusra freed a Catholic priest it had

<sup>57</sup> "Syrian rebels free Iranian hostages in swap," *Al Jazeera English (Qatar)*, January 9, 2013. (<http://www.aljazeera.com/news/middleeast/2013/01/201319102949949456.html>)

<sup>58</sup> Steve Holland and Warren Strobel, "Inside the White House's Decision to Free Bergdahl," *Reuters*, June 4, 2014. (<http://www.reuters.com/article/2014/06/05/us-usa-bergdahl-obama-insight-idUSKBN0EG04720140605#1D2gSdLwmSo0515y.97>)

<sup>59</sup> Aram Roston, "Exclusive: Inside The Other Bergdahl Negotiations," *BuzzFeed News*, June 26, 2014. (<http://www.buzzfeed.com/aramroston/exclusive-inside-other-bergdahl-negotiation#.jeOZ090AK>)

<sup>60</sup> Rep. Duncan Hunter, "Letter to The Honorable Chuck Hagel," November 5, 2014. (<http://online.wsj.com/public/resources/documents/2014HunterLetterNov5.pdf>)

<sup>61</sup> Amena Bakr, "Qatar Seeks to Free More U.S. Hostages in Syria: Source," *Reuters*, August 27, 2014. (<http://www.reuters.com/article/2014/08/28/us-syria-crisis-qatar-usa-idUSKBN0GQ0JW20140828#hXXhgSuO47ttRkd.97>)

<sup>62</sup> See also Lawrence Wright, "Five Hostages," *The New Yorker*, July 6, 2015. (<http://www.newyorker.com/magazine/2015/07/06/five-hostages>)

<sup>63</sup> "Difficult to Find Relationship between Qatar and IS," *Deutsche Welle (Germany)*, September 3, 2014. (<http://www.dw.com/en/difficult-to-find-relationship-between-qatar-and-is/a-17897307>)

<sup>64</sup> Jean Aziz, "Qatar Foreign Minister Believes Abducted Bishops Still Alive," *Al-Monitor*, September 8, 2014. (<http://www.al-monitor.com/pulse/originals/2014/09/bishop-abducted-syria-alive-qatar-mediation.html#>)

kidnapped several days before, the *New York Times*'s Rukmini Callimachi openly wondered "if Qatari 'mediation' was involved."<sup>65</sup>

At the end of 2014, Qatar found innocent and finally released two American citizens, Grace and Matthew Huang, whose prior conviction in a Qatari court for the tragic death of their adopted daughter was allegedly based on forged evidence and the racist presumption that an Asian-American couple would most likely adopt a child from Africa in order to harvest her organs.<sup>66</sup> Citing "two individuals with direct knowledge of the case," Harris and Kirchick of the *Daily Beast* reported that a "proposal was floated in July 2014 to the then-U.S. ambassador in Qatar by an individual acting on behalf of that country's attorney general" that the Huangs be released in exchange for Ali Saleh Kahlah al-Marri, a Qatari-Saudi dual national who was being held in federal prison after admitting in a plea deal to having been an al-Qaeda sleeper agent.<sup>67</sup>

As part of his U.S. plea bargain, al-Marri stated that he had been dispatched to "enter the United States no later than September 10, 2001" by Khalid Sheikh Mohammed, the mastermind of al-Qaeda's 9/11 attacks; yet he was publicly received by many Qatari elites as a returning hero<sup>68</sup> after being released early from federal prison in January 2015, supposedly for good behavior.<sup>69</sup> Rep. Duncan Hunter raised concerns after Marri's release that it indeed may have been as part of an effort to release U.S. prisoners either in Qatar or in Qatari-mediated talks with terrorists.<sup>70</sup>

In January 2015, Arabic news sites claimed that Italian aid workers Vanessa Marzullo and Greta Ramelli were released by the Nusra Front in return for a \$12 million ransom.<sup>71</sup> Britain's *The Guardian* spoke to "security sources" who confirmed that a multimillion dollar ransom was paid

<sup>65</sup> @RCallimachi, "Franciscan priest Hanna Jalloff has been released by Nusra Front, acc. to El Mundo -- wonder if Qatari "mediation" was involved" *Twitter*, October 9, 2014.

(<https://twitter.com/rcallimachi/status/520261697945489408>)

<sup>66</sup> Rick Gladstone, "Exonerated by Qatar, American Couple Head Home," *Los Angeles Times*, December 3, 2014.

(<http://www.nytimes.com/2014/12/04/world/middleeast/qatar-matthew-grace-huang-return-home.html>); "The U.S. Government Could Have Done a Lot More," *CBS News*, December 8, 2014.

(<http://www.cbsnews.com/news/matthew-grace-huang-home-cleared-in-death-of-daughter-in-qatar/>)

<sup>67</sup> Shane Harris and James Kirchick, "Exclusive: Freed Al Qaeda Agent Was Part of Proposed Swap for Jailed Americans," *Daily Beast*, January 25, 2015. (<http://www.thedailybeast.com/articles/2015/01/25/exclusive-freed-al-qaeda-agent-was-part-of-proposed-swap-for-jailed-americans.html>)

<sup>68</sup> David Andrew Weinberg, "Analysis: Qatar Embraces Admitted al Qaeda Operative," *Long War Journal*, January 23, 2015. ([http://www.longwarjournal.org/archives/2015/01/celebrating\\_terror\\_q.php](http://www.longwarjournal.org/archives/2015/01/celebrating_terror_q.php))

<sup>69</sup> Shane Harris and James Kirchick, "Exclusive: Freed Al Qaeda Agent Was Part of Proposed Swap for Jailed Americans," *Daily Beast*, January 25, 2015. (<http://www.thedailybeast.com/articles/2015/01/25/exclusive-freed-al-qaeda-agent-was-part-of-proposed-swap-for-jailed-americans.html>)

<sup>70</sup> Greg Richter, "Duncan Hunter: al-Qaida Operative Likely Released to Free Hostages," *Newsmax*, January 21, 2015. (<http://www.newsmax.com/Newsfront/terrorist-al-marri-released-al-Qaida/2015/01/21/id/619952/>); Shane Harris and James Kirchick, "Exclusive: Freed Al Qaeda Agent Was Part of Proposed Swap for Jailed Americans," *Daily Beast*, January 25, 2015. (<http://www.thedailybeast.com/articles/2015/01/25/exclusive-freed-al-qaeda-agent-was-part-of-proposed-swap-for-jailed-americans.html>)

<sup>71</sup> "دو لار مليون 12 مقابل الإيطاليتين الأسيئتين عن تفريج النصرة" *al-Rai al-Aam (Kuwait)*, January 15, 2015; عن تفريج النصرة\_جبهة# : الأن\_أخبار#\_ مصدر# & @akhbar, (<http://old.alrayalaam.com/news/details/40120/?title=>) و "رميالي جريتا" الإيطاليين الأسيئتين "حلب# سوريا# . دوالر مليون 12 مقابل "مارزولو فانيسا" و (<https://twitter.com/akhbar/status/555778189130498048>)

to the Nusra Front for the two Italians,<sup>72</sup> and the *BBC* reported that “the BBC's Gillian Hazel in Rome says there are unconfirmed rumours that a ransom worth up to \$15m (£9.9m) had been paid for the pair's release following negotiations facilitated by Qatar.”<sup>73</sup> The Qatari-owned outlet *Al Jazeera English* broadcast what it claimed were photographs of \$11 million handed over to representatives of the Nusra Front for the two women, though it suggested that really Italy was responsible for the payments.<sup>74</sup>

In February 2015, Indian PM Narendra Modi broke the news that a Jesuit priest from India named Father Alexis Prem Kumar had been freed after eight months in Taliban captivity. The New Delhi-based *Hindustan Times* reported that talks for his release were mediated by Qatar, took place in Doha, and were predicted on a ransom being paid, according to what Kumar's brother said the priest was told by his captors.<sup>75</sup> One month later, Qatar's Emir Tamim undertook his first state visit to India, where Modi sought to enlist the emir's assistance rescuing thirty-nine Indian hostages seized in Mosul by IS.<sup>76</sup>

In March 2015, Czech tourists Hana Humpalova and Antonie Chrastecka were released in Afghanistan after having been kidnapped two years earlier in Pakistan. The Turkish Islamist charity IHH, which assisted in their release, said that the two women had been kidnapped by gunmen from a group linked to al-Qaeda.<sup>77</sup> According to the Czech press, Qatar reportedly played a significant behind-the-scenes role and a ransom of \$2 million was discussed after the kidnappers initially demanded \$20 million for the women.<sup>78</sup>

A Taliban source claimed to the *Daily Beast* that until March of this year the American government was “seeking Taliban intervention to help get back U.S. hostages” in Afghanistan and Pakistan. According to Shane Harris, “the Taliban source claimed that U.S. officials told the Taliban and the government of Qatar that they'd be grateful for ‘any help’ bringing American hostages home.”<sup>79</sup>

<sup>72</sup> Stephanie Kirchgaessner, “Two Italian Aid Workers Freed in Syria after Multi-Million Dollar Ransom Paid,” *The Guardian* (UK), January 15, 2015. (<http://www.theguardian.com/world/2015/jan/15/two-italian-aid-workers-freed-syria>)

<sup>73</sup> “Syria Conflict: Italian Aid Worker Hostages Freed,” *BBC*, January 16, 2015. (<http://www.bbc.com/news/world-europe-30838375>)

<sup>74</sup> “Exclusive: Italy paying ransoms in Syria and Somalia,” *Al Jazeera English* (Qatar), October 9, 2015. (<http://www.aljazeera.com/news/2015/10/exclusive-italy-paying-ransoms-syria-somalia-151007093239241.html>)

<sup>75</sup> Harinder Baweja, “Was Taliban Paid Ransom to Release Aid Worker Alexis Prem Kumar?” *Hindustan Times*, March 5, 2015. (<http://www.hindustantimes.com/india/was-taliban-paid-ransom-to-release-aid-worker-alexis-prem-kumar/story-UJJ4ym8UEPRaa7fDOo0eNK.html>)

<sup>76</sup> “Modi Seeks Qatar's Aid in Rescuing 39 Indians Held Hostage by IS,” *Press Trust of India* (PTI), March 25, 2015. (<http://www.rediff.com/news/report/modi-seeks-qatars-aid-in-rescuing-39-indians-held-hostage-by-is/20150325.htm>)

<sup>77</sup> “2 Czech Tourists Abducted in 2013 have been Freed in Pakistan,” *Associated Press*, March 28, 2015. (<http://www.nytimes.com/2015/03/29/world/asia/2-czech-tourists-abducted-in-2013-have-been-freed-in-pakistan.html>)

<sup>78</sup> “Czech Women Kidnapped in Pakistan Freed,” *Czech News Agency* (Czech Republic), March 28, 2015. (<http://www.praguepost.com/the-big-story/46328-czech-women-kidnapped-in-pakistan-freed>); “Qatar Assisted in Release of Two Czech Women,” *Czech News Agency* (Czech Republic), March 20, 2015. (<http://www.praguepost.com/czech-news/46373-qatar-assisted-in-release-of-two-czech-women>)

<sup>79</sup> Shane Harris, “An American Mom and her Baby are being Held Hostage by the Taliban,” *Daily Beast*, April 23, 2015. (<http://www.thedailybeast.com/articles/2015/04/23/an-american-mom-and-her-baby-are-being-held-hostage-by-the-taliban.html>)

This would presumably have included efforts to free the Taliban's American hostage Caitlin Coleman, the baby she gave birth to in captivity, and her Canadian husband Joshua Boyle, especially since Sgt. Bergdahl had already been released in 2014 and Maryland native Warren Weinstein had been erroneously killed in a drone strike against his al-Qaeda captors in the Afghanistan-Pakistan border region that January.

Finally, Qatari mediation has played a central role negotiating directly with the Nusra Front and the Islamic State on behalf of Beirut, which seeks to free dozens of its soldiers and police officers who were captured when Syrian jihadists overran the Lebanese frontier town of Arsal.<sup>80</sup> Those kidnappings took place in August 2014 as part of what Lebanon's defense minister called a premeditated attack.<sup>81</sup> This attack on Arsal came shortly after Beirut disrupted a suspected plot to break high-value terrorist operatives out of Lebanon's Roumieh prison and after a top Nusra leader had promised those prisoners "imminent relief within days."<sup>82</sup>

Although the release of the Roumieh prisoners initially topped the Nusra Front's list of demands, Qatari- and Saudi-owned outlets reported that the terror group agreed this summer to a formula with "Arab and regional countries" whereby it would release the hostages for five female prisoners and \$30 million in ransom from "some regional states;" however, the deal was allegedly blocked on Lebanon's side by Hezbollah.<sup>83</sup>

At least one of the terrorist operatives that Nusra has been trying to free from Roumieh is an individual under U.S. and U.N. terror finance sanctions who has held a Qatari ID card, goes by the nickname Umar al-Qatari, and allegedly was arrested carrying funds intended for al-Qaeda from a Qatari sheikh closely linked to the country's ruling elite.<sup>84</sup>

Qatar allegedly seeks to shift responsibility for its role in these cases onto Europe, insisting "don't blame us, blame the EU."<sup>85</sup> But while European nations only get involved when their own citizens are held captive, Qatar's motivation is far harder to justify. Its officials studiously deny the payment of ransoms in such cases and prefer to characterize their involvement as a humanitarian

<sup>80</sup> Thomas El-Basha, "ISIS 'Meets' Qatari Mission over Lebanon Hostages," *Al-Arabiya (UAE)*, September 7, 2014. (<http://english.alarabiya.net/en/News/middle-east/2014/09/07/ISIS-meets-Qatari-mission-over-Lebanon-hostages-.html>); Esperance Ghanem, "When Will Lebanon Get Their Kidnapped Soldiers Back?" *Al-Monitor*, October 16, 2015. (<http://www.al-monitor.com/pulse/originals/2015/10/lebanon-kidnapped-soldiers-families.html>)

<sup>81</sup> Maria Abi-Habib, "Jihadists Extend Control Into Lebanese City," *The Wall Street Journal*, August 3, 2014. ([http://online.wsj.com/articles/jihadists-extend-control-into-lebanese-city-1407109896?mod=wsj\\_india\\_main](http://online.wsj.com/articles/jihadists-extend-control-into-lebanese-city-1407109896?mod=wsj_india_main) <http://www.assafir.com/Article/365429/RelatedArticle>)

<sup>82</sup> بيروت: تدابير لمنع تهريب «السجناء الإسلاميين»," *Asharq Al-Awsat* (Saudi Arabia), July 4, 2014. (<http://www.aawsat.com/home/article/130836>)

<sup>83</sup> "اللبنانيين العسكريين إطلاق مقابل نساء 50 مليون دولار.. النصرة مع تبادل صفقة" *Asharq al-Awsat (UK)*, June 24, 2015. (<http://goo.gl/hpg79j>); "Lebanon and Nusra 'hostage exchange' reaches final steps," *al-Araby al-Jadeed (UK)*, August 5, 2015. (<http://www.alaraby.co.uk/english/news/2015/8/5/lebanese-army-general-announces-end-of-negotiations-with-nusra>)

<sup>84</sup> U.S. Treasury Department, "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>); Andrew Gilligan, "Minister's Family Ties to Terror," *The Telegraph (UK)*, November 1, 2014. (<http://www.telegraph.co.uk/news/worldnews/middleeast/qatar/11203140/Ministers-family-ties-to-terror.html>)

<sup>85</sup> Ellen Knickmeyer, "Al Qaeda-Linked Groups Increasingly Funded by Ransom," *Wall Street Journal*, July 29, 2014. (<http://www.wsj.com/articles/ransom-fills-terrorist-coffers-1406637010>)

gesture to families in need. However, it is difficult to explain why Qatar has been freelancing in so many of these crises without also recognizing how this fits into Doha's broader efforts to turn money and extremist connections into political power, even if doing so inevitably results in the strengthening of violent extremists who act in the service of al-Qaeda.

Qatar craves the international spotlight, has petrodollars to spare, and maintains a panoply of unsavory contacts in the world of Islamist extremists. The Persian Gulf states pay for public relations in the West all the time – Qatar just seems to be cutting to the chase through buying headlines and the gratitude of countries whose citizens have been kidnapped via negotiating and allegedly paying ransoms to terrorist groups. Doha has long sought political influence by brokering accords between Western nations, regional powers, and terrorist groups, and we know that it has often greased the wheels, at least for that kind of accord, with a healthy infusion of Qatari cash.

It becomes far more difficult to trust Qatar's motives for mediating hostage releases once one understands how negligent the Qatars have been with regard to some of these same terrorist groups. Qatar was originally announced as a nominal member of the anti-IS airpower coalition but apparently has yet to launch a single strike against the group.<sup>86</sup> It also has yet to even press charges against individuals living in or visiting its territory who are under U.N. sanctions for allegedly funding IS's forerunner, al-Qaeda in Iraq.<sup>87</sup>

Doha has similarly yet to press charges against individuals under U.S. or U.N. sanctions on charges of funding the Nusra Front or other branches of al-Qaeda.<sup>88</sup> According to American and Arab officials who were cited by the *Wall Street Journal*, Qatar even let commanders of the Nusra Front into its territory to facilitate such fundraising and for meetings with Qatari military officials.<sup>89</sup> American officials up to the level of President Obama himself have reportedly chided the Qatars

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<sup>86</sup> Helene Cooper and Eric Schmitt, "Airstrikes by U.S. and Allies Hit ISIS Targets in Syria," *New York Times*, September 22, 2014. (<http://www.nytimes.com/2014/09/23/world/middleeast/us-and-allies-hit-isis-targets-in-syria.html>); Peter Kovessy, "Qatar Supports Syria Aerial Bombing, but Urges Non-Military Solution," *Doha News (Qatar)*, September 25, 2014. (<http://dohanews.co/qatar-flies-alongside-gcc-states-syria-bombing-urges-world-go-beyond-military-action/>); U.S. Defense Department, "Operation Inherent Resolve: Targeted Operations against ISIL Terrorists," *Defense Department website*, accessed November 12, 2015. ([http://www.defense.gov/News/Special-Reports/0814\\_Inherent-Resolve](http://www.defense.gov/News/Special-Reports/0814_Inherent-Resolve))

<sup>87</sup> David Andrew Weinberg, *Qatar and Terror Finance – Part I: Negligence*, FDD Press, December 2014. ([http://www.defenddemocracy.org/content/uploads/publications/Qatar\\_Part\\_I.pdf](http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf)); Jamie Dettmer, "An American Ally's Grand Mosque of Hate," *Daily Beast*, February 19, 2015. (<http://www.thedailybeast.com/articles/2015/02/19/qatar-s-a-us-ally-against-isis-so-why-s-it-cheerleading-the-bad-guys.html>); David Andrew Weinberg, "UN Official Reportedly Meets with Iraqi on al Qaeda Sanctions List," *Long War Journal*, October 30, 2015. (<http://www.longwarjournal.org/archives/2015/10/un-official-reportedly-meets-with-iraqi-on-al-qaeda-sanctions-list.php>)

<sup>88</sup> David Andrew Weinberg, "Qatar and Terror Finance – Part I: Negligence," *Foundation for Defense of Democracies Press*, December 2014. ([http://www.defenddemocracy.org/content/uploads/publications/Qatar\\_Part\\_I.pdf](http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf)); David Andrew Weinberg, "Analysis: Qatar Still Negligent on Terror Finance," *Long War Journal*, August 19, 2015. (<http://www.longwarjournal.org/archives/2015/08/analysis-qatar-still-negligent-on-terror-finance.php>)

<sup>89</sup> Jay Solomon and Nour Malas, "Qatar's Ties to Militants Strain Alliance: The Persian Gulf State's Relationships in the Region are Both Useful and a Worry to the U.S.," *Wall Street Journal*, February 23, 2015. (<http://www.wsj.com/articles/qatars-ties-to-militants-strain-alliance-1424748601?alg=y>)

for letting weapons fall into the hands of the Nusra Front, so it seems consistent that Doha might also be inclined to let ransoms flow to the group.<sup>90</sup>

Qatar's reckless enthusiasm for mediating hostage deals with terrorists seems to be supercharging the profits that these groups receive as a result of KFR. Rather than shifting the blame back and forth, it is clear that both Europe and Qatar must do better. Yet there is no reason to believe that anything will improve until Washington exerts new pressure on our irresponsible allies to sufficiently motivate better behavior.

*U.S. Policy:*

Although the U.S. and British governments do not pay ransoms, the exchange of Bowe Bergdahl for five Taliban commanders last year strained the administration's insistence that America's policy is "to refuse the payment of ransoms or make other concessions to hostage-takers."<sup>91</sup> Like the arms-for-hostages trade included as part of the Reagan team's Iran-Contra debacle, the Bergdahl trade has created confusion about America's no concessions policy and likely whet the appetite of the terror masters. Indeed, anecdotal evidence suggests that government concessions to terrorists ultimately beget more kidnappings and inflated demands.

The brother of executed U.S. hostage Kayla Mueller believes the Bergdahl swap persuaded IS to increase what it demanded in exchange for Kayla's release.<sup>92</sup> According to the *Daily Beast*, Qatar's proposed exchange of the Huang couple for admitted al-Qaeda sleeper agent Ali Saleh al-Marri was floated in July 2014, two months after Bergdahl's release, "rais[ing] troubling questions about whether the Bergdahl trade opened a kind of Pandora's box, signaling to foreign governments that they can pressure the United States to make concessions on terrorism by trading American prisoners abroad for dangerous extremists held in the United States."<sup>93</sup> According to *Reuters*, the Taliban's chief negotiator in the Bergdahl swap "noted at one point during the talks that Israel had traded more than 1,000 prisoners for a single Israeli soldier" in order to justify his insistence on all five high-value Taliban detainees being part of the eventual prisoner release.<sup>94</sup> According to a former hostage of IS in Syria, "the kidnappers knew which countries would be the most amenable

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<sup>90</sup> Mark Mazzetti, C. J. Chivers, and Eric Schmitt, "Taking Outsize Role in Syria, Qatar Funnels Arms to Rebels," *New York Times*, June 29, 2013. (<http://www.nytimes.com/2013/06/30/world/middleeast/sending-missiles-to-syrian-rebels-qatar-muscles-in.html>)

<sup>91</sup> U.S. Treasury Department, "Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, "Attacking ISIL's Financial Foundation," October 23, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/j12672.aspx>)

<sup>92</sup> "Jesuit Priest Prem Kumar Contradicts Govt Story: Did India Pay Taliban for his Release?" *First Post*, March 5, 2015. (<http://www.firstpost.com/politics/jesuit-priest-prem-kumar-contradicts-govt-story-did-india-pay-taliban-for-his-release-2137115.html>)

<sup>93</sup> Shane Harris and James Kirchick, "Exclusive: Freed Al Qaeda Agent Was Part of Proposed Swap for Jailed Americans," *Daily Beast*, January 25, 2015. (<http://www.thedailybeast.com/articles/2015/01/25/exclusive-freed-al-qaeda-agent-was-part-of-proposed-swap-for-jailed-americans.html>)

<sup>94</sup> Steve Holland and Warren Strobel, "Inside the White House's Decision to Free Bergdahl," *Reuters*, June 4, 2014. (<http://www.reuters.com/article/2014/06/05/us-usa-bergdahl-obama-insight-idUSKBN0EG04720140605#1D2gSdLwmSo05I5y.97>)

to their demands” and “started with the Spanish” because they said Madrid paid €6 million to al-Qaeda for hostages seized in Mauritania.<sup>95</sup>

The administration wishfully claims that by not paying ransoms, we deter the kidnapping of Americans abroad.<sup>96</sup> Yet observers have also raised serious questions about the accuracy of this admittedly appealing wish. David Rohde, a Pulitzer Prize-winning reporter who was kidnapped by the Taliban and later escaped, concludes: “I’ve seen no clear evidence that groups are grabbing more Europeans and fewer Americans... they take any foreigners they can get and use the Europeans for ransom and the Americans for publicity.”<sup>97</sup> Rather, there are other, more persuasive reasons the U.S. government should not pay these ransoms, most notably the benefit that disbursements of such a scale would likely confer to violent jihadists.

Overall, it also is worth recognizing that the Obama administration adopted many sensible new measures this June as a result of its presidentially-mandated review of U.S. hostage policy.

Those measures include: (1) reaffirming America’s “longstanding commitment to make no concessions to individuals or groups holding U.S. Nationals hostage,” most notably by reiterating that the U.S. government will not itself pay ransoms; (2) committing to work closely with hostages’ families and to “proactively share as much information as possible” with them; (3) making clear that the U.S. “does not intend to add to families’ pain... by suggesting that they could face criminal prosecution;” and (4) authorizing government officials to assist families if they choose to communicate with hostage-takers so as to provide assistance with safety and reducing the risk of being defrauded.<sup>98</sup>

In addition, President Obama approved a new executive order to streamline the executive branch’s responsiveness to kidnapping threats, creating: (1) a Hostage Recovery Fusion Cell based at the FBI in order to serve as American’s full-time, operational eyes and ears on this issue; (2) a senior-level interagency Hostage Response Group chaired by NSC staff to provide policy guidance to the President on KFR cases and U.S. strategy; (3) an Intelligence Community Issue Manager for Hostage affairs in the office of the DNI to prioritize intelligence collection and dissemination in cases of Americans being held overseas; and (4) a Special Presidential Envoy for Hostage Affairs based at the State Department to handle diplomatic outreach with regard to ongoing hostage crises.<sup>99</sup>

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<sup>95</sup> Rukmini Callimachi, “The Horror before the Beheadings: ISIS Hostages Endured Torture and Dashed Hopes, Freed Cellmates Say,” *New York Times*, October 25, 2014.

([http://www.nytimes.com/2014/10/26/world/middleeast/horror-before-the-beheadings-what-isis-hostages-endured-in-syria.html?\\_r=0](http://www.nytimes.com/2014/10/26/world/middleeast/horror-before-the-beheadings-what-isis-hostages-endured-in-syria.html?_r=0))

<sup>96</sup> U.S. Treasury Department, “Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, ‘Attacking ISIL’s Financial Foundation,’” October 23, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/j12672.aspx>)

<sup>97</sup> Quoted in Margaret Sullivan, “Covering Hostages, without Becoming Pawns,” *New York Times*, April 4, 2015. (<http://www.nytimes.com/2015/04/05/public-editor/covering-hostages-without-becoming-pawns.html>)

<sup>98</sup> White House, *Report on U.S. Hostage Policy*, June 2015, pp. 6-7.

([https://www.whitehouse.gov/sites/default/files/docs/report\\_on\\_us\\_hostage\\_policy\\_final.pdf](https://www.whitehouse.gov/sites/default/files/docs/report_on_us_hostage_policy_final.pdf))

<sup>99</sup> President Barack Obama, “Executive Order 13698 – Hostage Recovery Activities,” *White House website*, June 24, 2015. (<https://www.whitehouse.gov/the-press-office/2015/06/24/executive-order-and-presidential-policy-directive-hostage-recovery>)

Now that these new contours of U.S. policy have been set, the most important thing Congress can do would be to focus on reducing the volume of ransom payments that reach terrorist organizations, primarily by discouraging the governments of U.S. allies that seem to be the biggest source of such skyrocketing payments. Indeed, while the Hostage Review Team's 24 "Major Findings and Recommendations" included numerous recommendations on how to improve U.S. government coordination, engage with families and external stakeholders, and boost intelligence sharing and collection, this list does not seem to have included a single new recommendation for how to stop other governments from continuing to pay large ransoms to terrorist groups.<sup>100</sup>

**Policy Recommendations on Combating Kidnapping for Ransom:**

There are smart steps that Congress can take to help decrease terrorists' ill-gotten profits from kidnapping and to mitigate the harm that this practice causes the American people:

**1. Penalize Governments that Pay.** The U.S. has worked hard in concert with Britain to pass measures that condemn the payment of ransom to terrorists at a variety of fora, including the U.N. Security Council, the G8, the OSCE, and the Global Counterterrorism Forum, in which most our European and Gulf allies are members. Yet that apparently has not been enough to deter the payment of state ransoms, since many of the alleged episodes described in my testimony today have occurred after the passage of these resolutions. Thus, the U.S. needs to take new measures to penalize foreign governments that pay ransoms, even if it is only through reputational damage by publicly identifying and condemning such irresponsible conduct. This could include mandating an annual standalone report or a new section in an existing report to publicly shame those governments that the executive branch believes paid direct or indirect ransoms to terrorists. It could also include the imposition of banking sanctions or statutory penalties such as being designated a "jurisdiction of primary money laundering concern," facing tougher criteria or licensing rules for military sales or bilateral investments, ineligibility for bilateral free trade agreements and U.S. backing at the U.N., or even sanctions on foreign governmental institutions or officials who authorized such payments to terrorists.

**2. Instruct U.S. Diplomats to Prioritize Stopping State Ransoms.** On behalf of the President, Secretary of State Kerry should be encouraged to instruct our pertinent diplomats to make a priority of persuading U.S. allies to stop the direct or indirect payment of ransoms by governments to terrorists. Relevant diplomats who should be tasked with this instruction should include not just the new Special Presidential Envoy for Hostage Affairs but also our ambassadors in several key Gulf and European capitals. Members of Congress could also be raising this issue with State Department officials who cover the regions of Europe and the Near East who testify on the Hill and pressing administration officials to articulate a viable new strategy that goes beyond mere cheap talk and norm-articulation for convincing our allies to stop this destructive behavior.

**3. Directly Engage with Legislators and Other Officials Abroad.** Congress could call on legislators and other policy-makers in foreign countries, especially those countries that are believed to have repeatedly paid ransoms to terrorists, and encourage them to pass legislation and

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<sup>100</sup> White House, "Annex A: Major Findings and Recommendations of the Hostage Review Team," *Report on U.S. Hostage Policy*, June 2015, pp. 12-19.

([https://www.whitehouse.gov/sites/default/files/docs/report\\_on\\_us\\_hostage\\_policy\\_final.pdf](https://www.whitehouse.gov/sites/default/files/docs/report_on_us_hostage_policy_final.pdf))

other policy directives condemning or outlawing the payment of direct or indirect ransoms to terrorist groups. Such regulations could also legally adopt new measures for addressing KFR, such as the best practices for combating KFR listed in the Global Counterterrorism Forum's 2012 Algiers Memorandum.<sup>101</sup>

**4. Go After the Middlemen.** Particularly after a ransom has been paid, U.S. officials should, when possible, target the facilitators that profited off of the ransom or enabled the kidnapping to occur. For example, terrorists frequently outsource the actual act of kidnapping Westerners to other armed groups, tribes, or criminal networks in order to reduce the risk to their own operatives.<sup>102</sup> These accomplices should be held accountable for the deadly consequences of their actions through legal or even military means.

**5. Ensure Justice is Served.** While it should not be allowed to take priority over seeking the safe return of Americans held hostage overseas, our government should also ensure that all worthwhile efforts are being exerted to bring those terrorists who use KFR to justice. Simply adding the kidnappers onto a sanctions list is not enough. While pursuing judgments against kidnappers in U.S. courts, Washington should also work with – and when necessary, pressure – allied governments to help enact justice on the ground. This should also be a key goal of American military or intelligence activities in various conflict zones such as Iraq, Syria, or Yemen. Achieving this objective may require additional bureaucratic reorganization or new dedicated staff positions to focus on the day after and keeping onetime kidnappers from becoming repeat offenders.

**6. Stop Hostage-Takers from Enjoying the Benefits of Completed Ransoms.** The U.S. government should have dedicated staff whose job is to keep terrorists from enjoying the benefits of ransoms that have already been paid. Just because a terrorist group like IS or al-Qaeda may have cash in hand does not necessarily mean that it must be permitted to spend it freely, and treating this objective as a constant and well-funded priority would help reduce the benefits that terrorist groups are able to reap from KFR. U.S. officials should continue to focus on making it harder to smuggle sensitive goods such as powerful vehicles and weaponry into territory held by terrorists and work to block their use of financial institutions for moving received ransoms in order to force terrorists to engage in vulnerable courier missions instead. The U.S. should also hold foreign governments that pay ransoms accountable for helping seize back those funds and track down kidnappers in order to reduce the harm that those states' actions have caused.

**7. Consider Limiting Reimbursements of Terrorist Ransoms by Insurance Firms.** While governments seem to be fueling the recent increase in ransoms paid to terrorist groups, insurance companies also represent a concentrated group of actors with the capability to unintentionally fuel such terrorist activities through multimillion dollar payouts. Lawrence Wright of the *New Yorker* noted in his thoughtful analysis of the human toll of KFR by terrorists that “corporations routinely

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<sup>101</sup> Global Counterterrorism Forum, “Algiers Memorandum on Good Practices on Preventing and Denying the Benefits of Kidnapping for Ransom by Terrorists,” April 2012.

(<https://www.thegctf.org/documents/10162/159874/Algiers+Memorandum-English.pdf>)

<sup>102</sup> United Nations, “Sixteenth Report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2161 (2014) concerning Al-Qaida and associated individuals and entities,” September 29, 2014.

([http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2014/770](http://www.un.org/ga/search/view_doc.asp?symbol=S/2014/770))

take out ransom insurance for employees stationed abroad.”<sup>103</sup> Our British allies recently passed a law that criminalizes payments from insurance companies to reimburse ransom payments to terrorists.<sup>104</sup> Congress and the executive branch could explore whether phasing in a similar ban or certain limits on insurance payouts could reduce the size of ransoms that flow to terrorist groups if it can be done in a manner that avoids imposing an undue additional burden on the employers or families of kidnapping victims who simply want to bring American citizens home.

**8. Mitigate the Harm Caused to U.S. Citizens.** Even when U.S. hostages are able to make it home, the harm caused to them and their families is immense. Journalist Matt Schrier escaped from a Nusra Front prison in 2013 where he had been repeatedly tortured, and he expressed deep disappointment with the level of support he received from the U.S. government.<sup>105</sup> For instance, he reportedly told *McClatchy* that “the FBI has made it impossible for me to recover,” providing inconsistent mental health care, forcing Schrier to pay for his flight home even though his captors had cleaned out his bank account, and suggesting he stay in a homeless shelter when he had trouble getting a new ID and Social Security number because al-Qaeda stole his identity.<sup>106</sup> Some of the problems Schrier encountered after coming home could be addressed by the administration’s new policies, if properly implemented. But given that these policies clearly leave open a door for victims’ families to pay multi-million dollar ransoms, we should recognize that new American policies could unintentionally force victims of terrorism and their families into destitution. Legislative and executive branch officials may therefore wish explore whether to set up a dedicated fund with seized terrorist assets to compensate the victims of kidnappings and similar violent acts by terror groups for the damages and suffering imposed. However, such a fund would likely have to be disbursed without consideration of whether a ransom was paid in order to avoid creating a moral hazard problem that would incentivize larger payouts.

## **Part II. Negligence by U.S. Allies against Private Terror Finance**

On last year’s anniversary of 9/11, Secretary of State John Kerry gathered in Jeddah to meet with his counterparts from Turkey and ten Arab countries. With some considerable effort, he elicited from all but one of his counterparts a pledge to take new steps against terrorism and terror finance as a key part of their contribution to the multilateral coalition against IS. Turkey was the only participant not mentioned in the declaration, known as the Jeddah Communiqué, although a senior Turkish official told *Reuters* this was because Ankara was engaged at the time in sensitive

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<sup>103</sup> Lawrence Wright, “Five Hostages,” *The New Yorker*, July 6, 2015.  
(<http://www.newyorker.com/magazine/2015/07/06/five-hostages>)

<sup>104</sup> U.K. Government, “Counter-Terrorism and Security Act 2015,” chap. 6, pt. 6, sec. 42: “Insurance against Payments Made in Response to Terrorist Demands,” *Legislation.Gov.UK*, as enacted February 12, 2015.  
(<http://www.legislation.gov.uk/ukpga/2015/6/section/42/enacted>)

<sup>105</sup> C. J. Chivers, “American Tells of Odyssey as Prisoner of Syrian Rebels,” *New York Times*, August 22, 2013.  
(<http://www.nytimes.com/2013/08/23/world/middleeast/american-tells-of-odyssey-as-prisoner-of-syrian-rebels.html>)

<sup>106</sup> Nancy A. Youssef, “Former al Qaida Hostage Recounts Nightmare of Dealing with FBI,” *McClatchy*, November 28, 2014. (<http://www.mcclatchydc.com/news/nation-world/national/national-security/article24776860.html>)

negotiations with IS over the release of forty-six Turkish hostages being held in Mosul.<sup>107</sup> Since then, all of those hostages were released in a trade that reportedly saw Turkey release 180 individuals linked to IS from Turkish jails and hospitals against U.S. wishes.<sup>108</sup> However, Turkey has pledged to combat terrorist finance in a variety of other multilateral settings as well.<sup>109</sup>

The Jeddah Communiqué committed many of America's most important Middle Eastern allies to "stopping the flow of foreign fighters through neighboring countries, countering financing of ISIL and other violent extremists, repudiating their hateful ideology, ending impunity and bringing perpetrators to justice."<sup>110</sup> Yet as I testified before Congress in July, many of these states failed to follow through on their commitments to combat hate speech, tackle terror finance, and end the impunity of its practitioners. Sadly, Qatar, Kuwait, Saudi Arabia, and Turkey have all failed in some of these important regards.<sup>111</sup>

### *Qatar:*

Last year U.S. officials identified Qatar along with Kuwait as one of two "permissive jurisdictions" for terror finance in the Gulf Cooperation Council (GCC), a region that has been the largest source of private donations to al-Qaeda's senior leadership in Pakistan.<sup>112</sup> Since then, Kuwait has at least pursued some terror finance court cases, something Qatar still has yet to do. Doha seems to be a place where financiers of al-Qaeda, IS, and Hamas enjoy legal impunity.

Treasury also revealed last year that IS's "Amir of suicide bombers... arranged to receive approximately \$2 million from a Qatar-based ISIL financial facilitator" for military operations in 2013.<sup>113</sup> There is no indication that Qatar punished the individual in question, who the U.S. claims "also enlisted [the ISIL official's] assistance with fundraising efforts in Qatar."<sup>114</sup>

The U.S. government's top official for combating terrorist finance revealed in October 2014 that Khalifa al-Subaiy and Abdulrahman al-Nu'aymi, individuals under U.S. and U.N. terror finance

<sup>107</sup> Jason Szep, "U.S. Wins Arab Support for Syria/Iraq Military Campaign," *Reuters*, September 12, 2014. (<http://www.reuters.com/article/2014/09/12/us-iraq-crisis-kerry-idUSKBN0H50MA20140912#Y0tOfEC8lHo1iLg8.97>)

<sup>108</sup> Costanze Letsch and Ewen MacAskill, "Turkey Freed British Jihadis in Swap Deal for ISIS Hostages – Reports," *The Guardian* (UK), October 6, 2014. (<http://www.theguardian.com/world/2014/oct/06/turkey-britons-swap-deal-isis-hostages-reports>)

<sup>109</sup> G20, "Communiqué: G20 Finance Ministers and Central Bank Governors Meeting," September 4 & 5, 2015. (<https://g20.org/wp-content/uploads/2015/09/September-FMCBG-Communique.pdf>)

<sup>110</sup> U.S. State Department, "Jeddah Communiqué," September 11, 2014. (<http://www.state.gov/r/pa/prs/ps/2014/09/231496.htm>)

<sup>111</sup> David Andrew Weinberg, "The Gulf Cooperation Council Camp David Summit: Any Results?" *Testimony before the House Committee on Foreign Affairs Subcommittee on the Middle East and North Africa*, July 9, 2015. (<http://docs.house.gov/meetings/FA/FA13/20150709/103726/HHRG-114-FA13-Wstate-WeinbergD-20150709.pdf>)

<sup>112</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>113</sup> U.S. Treasury Department, "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>)

<sup>114</sup> U.S. Treasury Department, "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>)

sanctions, were living in Qatar but “have not been acted against under Qatari law.”<sup>115</sup> Given that Nu’aymi is accused by Treasury of having funded the organization we now know as IS back when it was al-Qaeda in Iraq at a rate of over \$2 million a month,<sup>116</sup> one would think that punishing him would top Doha’s list of priorities as part of the anti-IS coalition to deter future acts of terror finance. Treasury alleges that Subaiy was a financier of Khalid Sheikh Muhammad, al-Qaeda’s mastermind of the 9/11 attacks.<sup>117</sup> Despite Qatari claims that Subaiy would be “under control” and his finances controlled or supervised,<sup>118</sup> he later resumed sending hundreds of thousands of dollars intended for al-Qaeda in Pakistan, according to the U.S. government.<sup>119</sup>

Qatar has also hosted on its territory and declined to take legal action against two other individuals whom the U.N. sanctioned on charges of funding al-Qaeda’s Iraqi offshoot: Hamid Abdullah al-Ali and Muthanna Harith al-Dhari.<sup>120</sup> Both cases would seem to represent violations of a U.N. travel ban. Qatar’s Father Emir was even caught on videotape hugging and kissing the latter individual while visiting him this year in Jordan.<sup>121</sup>

Many of these cases of terror financiers enjoying impunity in Qatar have a KFR tie-in as well.

First, the Taliban asserted two of its officials were able to visit Qatar for a week to meet members of the Taliban five swapped for Sgt. Bergdahl; the group also claimed that the two men were then allowed to depart Qatar before they were detained in Bahrain and extradited into Kabul’s custody.<sup>122</sup> Afghan officials told the *Wall Street Journal* that one of the two captured men was “in charge of fundraising for the network,” and the *New York Times* reported that his prominence had grown “through his fund-raising work in gulf countries” according to U.S. and Afghan officials.<sup>123</sup>

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<sup>115</sup> Robert Mendick, “Terror Financiers are Living Freely in Qatar, US Discloses,” *The Telegraph* (UK), November 16, 2014. (<http://www.telegraph.co.uk/news/worldnews/islamic-state/11233407/Terror-financiers-are-living-freely-in-Qatar-US-discloses.html>)

<sup>116</sup> U.S. Treasury Department, “Treasury Designates Al-Qa’ida Supporters in Qatar and Yemen,” December 18, 2013. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2249.aspx>)

<sup>117</sup> U.S. Treasury Department, “Treasury Designates Gulf-Based al Qaida Financiers,” June 5, 2008. (<http://www.treasury.gov/press-center/press-releases/Pages/hp1011.aspx>)

<sup>118</sup> David Andrew Weinberg, *Qatar and Terror Finance – Part I: Negligence*, FDD Press, December 2014. ([http://www.defenddemocracy.org/content/uploads/publications/Qatar\\_Part\\_I.pdf](http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf))

<sup>119</sup> U.S. Treasury Department, “Treasury Designates Twelve Foreign Terrorist Fighter Facilitators,” September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>)

<sup>120</sup> Andrew Gilligan, “The ‘Club Med for Terrorists’,” *The Telegraph* (UK), September 27, 2014. (<http://www.telegraph.co.uk/news/worldnews/middleeast/qatar/11125897/The-Club-Med-for-terrorists.html>); David Andrew Weinberg, “UN Official Reportedly Meets with Iraqi on al Qaeda Sanctions List,” *Long War Journal*, October 30, 2015. (<http://www.longwarjournal.org/archives/2015/10/un-official-reportedly-meets-with-iraqi-on-al-qaeda-sanctions-list.php>)

<sup>121</sup> David Andrew Weinberg, “UN Official Reportedly Meets with Iraqi on al Qaeda Sanctions List,” *Long War Journal*, October 30, 2015. (<http://www.longwarjournal.org/archives/2015/10/un-official-reportedly-meets-with-iraqi-on-al-qaeda-sanctions-list.php>)

<sup>122</sup> Thomas Joscelyn, “Taliban Claims Captured Haqqani Leaders Visited ex-Gitmo Detainees in Qatar,” *Long War Journal*, October 19, 2014. ([http://www.longwarjournal.org/archives/2014/10/taliban\\_claims\\_captu.php](http://www.longwarjournal.org/archives/2014/10/taliban_claims_captu.php)); “Statement of Islamic Emirate regarding the Arrest of Anas Haqqani and Hafiz Abdul Rasheed,” *Islamic Emirate of Afghanistan website*, October 18, 2014, archived October 20, 2014. (<https://web.archive.org/web/20141020045321/http://shahamat-english.com/index.php/paighamoona/50407-statement-of-islamic-emirate-regarding-the-arrest-of-anas-haqqani-and-hafiz-abdul-rasheed>)

<sup>123</sup> Magherita Stancati and Eshanullah Amiri, “Haqqani Leaders Detained in Persian Gulf, not inside Afghanistan,” *Wall Street Journal*, October 19, 2014. (<http://online.wsj.com/articles/haqqani-leaders-detained-in-persian-gulf-not>)

Qatar has long been described as a source of concern over private finance reaching terror groups in Afghanistan such as al-Qaeda, the Taliban, and the Haqqani network.<sup>124</sup>

Second, this August the U.S. imposed sanctions on charges of funding al-Qaeda against two Qatari nationals who ran what was arguably the country's largest fundraising campaign for Syria. Treasury indicated that one of the men, Sa'd bin Sa'd al-Ka'bi, had been requested by the Nusra Front to "act as an intermediary for collecting a ransom for a hostage being held by ANF [i.e. Nusra], and al-Ka'bi worked to facilitate a ransom payment in exchange for the release of a hostage held by ANF."<sup>125</sup> According to *al-Arabiya*, U.S. officials who briefed reporters on Ka'bi's role in al-Qaeda ransoms "refused to answer a question on whether the Qatari government itself may have contributed to the financing of ransoms for any kidnapped persons."<sup>126</sup> His campaign continued to operate in Qatar for nearly a year after it was reportedly endorsed on social media by the Nusra Front in August 2013,<sup>127</sup> and in August 2015 a senior Obama administration official indicated that Qatar still "has not arrested the two men."<sup>128</sup>

Third, among the al-Qaeda operatives that Nusra has tried to get released from Lebanon's Roumieh Prison in deals that had Qatari mediation is 'Abd al-Malik 'Abd al-Salam, also known as the Wolf of al-Qaeda or Umar al-Qatari.<sup>129</sup> According to the U.S. government, 'Abd al-Salam is a Jordanian national with a Qatari ID card and a long history of funding al-Qaeda, including in collaboration with Qatari nationals also under U.S. and U.N. sanctions.<sup>130</sup>

Treasury noted that "in May 2012, Umar al-Qatari was apprehended by Lebanese authorities in Beirut as he attempted to depart for Qatar. At the time of his arrest he was carrying thousands of

[inside-afghanistan-1413733878](#)); Declan Walsh, "2 Haqqani Militant Leaders are Captured, Afghan Officials Say," *New York Times*, October 16, 2014. ([http://www.nytimes.com/2014/10/17/world/asia/haqqani-leaders-arrested-afghanistan-khost.html?\\_r=0](http://www.nytimes.com/2014/10/17/world/asia/haqqani-leaders-arrested-afghanistan-khost.html?_r=0))

<sup>124</sup> "Terrorist Finance: Action Request for Senior Level Engagement on Terrorism Finance," *Wikileaks*, December 30, 2009. ([https://wikileaks.org/plusd/cables/09STATE131801\\_a.html](https://wikileaks.org/plusd/cables/09STATE131801_a.html)); U.S. Treasury Department, "Under Secretary Cohen to Visit Qatar, United Arab Emirates, and Saudi Arabia on May 20-26, 2013," May 20, 2013. (<http://www.treasury.gov/press-center/media-advisories/Pages/05202013b.aspx>); David Andrew Weinberg, *Qatar and Terror Finance – Part I: Negligence*, FDD Press, December 2014.

([http://www.defenddemocracy.org/content/uploads/publications/Qatar\\_Part\\_I.pdf](http://www.defenddemocracy.org/content/uploads/publications/Qatar_Part_I.pdf))

<sup>125</sup> U.S. Treasury Department, "U.S. Designates Financial Supporters of Al-Qaida and Al-Nusrah Front," August 5, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0143.aspx>)

<sup>126</sup> Muna Shikaki, "U.S. Targets Alleged Qatari Militant Backers," *Al Arabiya (UAE)*, August 5, 2015. (<http://english.alarabiya.net/en/News/middle-east/2015/08/05/U-S-targets-alleged-Qatari-financiers-of-Al-Nusra-and-Al-Qaeda.html>)

<sup>127</sup> David Andrew Weinberg, "Analysis: Qatar Still Negligent on Terror Finance," *Long War Journal*, August 19, 2015. (<http://www.longwarjournal.org/archives/2015/08/analysis-qatar-still-negligent-on-terror-finance.php>); Joby Warrick, "Syrian Conflict said to Fuel Sectarian Tensions in Persian Gulf," *Washington Post*, December 18, 2013. ([https://www.washingtonpost.com/world/national-security/syrian-conflict-said-to-fuel-sectarian-tensions-in-persian-gulf/2013/12/18/e160ad82-6831-11e3-8b5b-a77187b716a3\\_story.html](https://www.washingtonpost.com/world/national-security/syrian-conflict-said-to-fuel-sectarian-tensions-in-persian-gulf/2013/12/18/e160ad82-6831-11e3-8b5b-a77187b716a3_story.html))

<sup>128</sup> Taimur Khan, "US Names Two Qatari Nationals as Financiers of Terrorism," *The National (UAE)*, August 6, 2015. (<http://www.thenational.ae/world/americas/us-names-two-qatari-nationals-as-financiers-of-terrorism>)

<sup>129</sup> U.S. Treasury Department, "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>); "صفر يتوسط لإطلاق «الذئب»," *Al-Akhbar (Lebanon)*, January 17, 2014. (<http://www.al-akhbar.com/node/175702>)

<sup>130</sup> U.S. Treasury Department, "Treasury Designates Twelve Foreign Terrorist Fighter Facilitators," September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>)

dollars intended for al-Qaida.”<sup>131</sup> Press reports claim that the person who gave him the funds was Abdulaziz al-Attiyah, a Qatari arrested in Lebanon in 2012 on terror-related charges after a tip from Washington, according to U.S. and Lebanese officials.<sup>132</sup> He was reportedly convicted of terror finance in Lebanon in 2014, but it was in absentia because he had been freed from detention and his travel ban lifted, allegedly due to intense Qatari diplomatic pressure.<sup>133</sup>

Meanwhile, the Nusra Front’s ‘Abd al-Salam appears to be the son of a recently killed jihadist leader<sup>134</sup> who allegedly was supported by Qatari intelligence,<sup>135</sup> fought for al-Qaeda in Iraq, and purportedly gave material support to Iraqi *mujahideen* from Qatar<sup>136</sup> before founding Jund al-Aqsa. The Jund is a Syrian jihadist force that received considerable funding from private Gulf donors<sup>137</sup> but is banned as a terrorist group by Britain and splintered off from Nusra for refusing to fight IS.<sup>138</sup> It openly voices backing for Ayman al-Zawahiri<sup>139</sup> and has been called an al-Qaeda front<sup>140</sup> whose battlefield activities were directed by an official of al-Qaeda’s Khorasan cell.<sup>141</sup>

### Kuwait:

Last year, the Treasury Department described Kuwait along with Qatar as one of the Gulf’s “permissive jurisdictions” for terrorist finance and revealed that Kuwait had become the top source

<sup>131</sup> U.S. Treasury Department, “Treasury Designates Twelve Foreign Terrorist Fighter Facilitators,” September 24, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2651.aspx>)

<sup>132</sup> Andrew Gilligan, “Minister’s Family Ties to Terror,” *The Telegraph* (UK), November 1, 2014.

(<http://www.telegraph.co.uk/news/worldnews/qatar/11203140/Ministers-family-ties-to-terror.html>); Jay Solomon and Nour Malas, “Qatar’s Ties to Militants Strain Alliance: The Persian Gulf State’s Relationships in the Region are Both Useful and a Worry to the U.S.,” *Wall Street Journal*, February 23, 2015.

(<http://www.wsj.com/articles/qatars-ties-to-militants-strain-alliance-1424748601?alg=y>);

<sup>133</sup> Andrew Gilligan, “Minister’s Family Ties to Terror,” *The Telegraph* (UK), November 1, 2014.

(<http://www.telegraph.co.uk/news/worldnews/qatar/11203140/Ministers-family-ties-to-terror.html>); Jay Solomon and Nour Malas, “Qatar’s Ties to Militants Strain Alliance: The Persian Gulf State’s Relationships in the Region are Both Useful and a Worry to the U.S.,” *Wall Street Journal*, February 23, 2015.

(<http://www.wsj.com/articles/qatars-ties-to-militants-strain-alliance-1424748601?alg=y>);

<sup>134</sup> David Andrew Weinberg, “The Gulf Cooperation Council Camp David Summit: Any Results?” *Testimony before the House Committee on Foreign Affairs Subcommittee on the Middle East and North Africa*, July 9, 2015.

(<http://docs.house.gov/meetings/FA/FA13/20150709/103726/HHRG-114-FA13-Wstate-WeinbergD-20150709.pdf>)

<sup>135</sup> الجيش الحر يبدأ الإستلاء على تنظيم مسلح تابع لقطر,” *Al Hadath News* (Lebanon), May 4, 2014.

(<http://www.alhadathnews.net/archives/120979>)

<sup>136</sup> David Andrew Weinberg, “The Gulf Cooperation Council Camp David Summit: Any Results?” *Testimony before the House Committee on Foreign Affairs Subcommittee on the Middle East and North Africa*, July 9, 2015.

(<http://docs.house.gov/meetings/FA/FA13/20150709/103726/HHRG-114-FA13-Wstate-WeinbergD-20150709.pdf>)

<sup>137</sup> Tam Hussein, “Why did Jund al-Aqsa Join Nusra Front in Taking Out ‘Moderate’ Rebels in Idlib,” *Huffington Post*, June 11, 2014, updated June 1, 2015. ([http://www.huffingtonpost.co.uk/tam-hussein/nusra-front\\_b\\_6112790.html?utm\\_hp\\_ref=uk-news](http://www.huffingtonpost.co.uk/tam-hussein/nusra-front_b_6112790.html?utm_hp_ref=uk-news))

<sup>138</sup> U.K. Government, “The Terrorism Act 2000 (Proscribed Organisations) (Amendment) Order 2015,” *Legislation.Gov.UK*, coming into force January 23, 2015.

([http://www.legislation.gov.uk/uksi/2015/55/pdfs/uksi\\_20150055\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/55/pdfs/uksi_20150055_en.pdf))

<sup>139</sup> Aymenn Jawad al-Tamimi, “Jund al-Aqsa Withdraws from Jaish al-Fatah,” *Jihad Intel*, Middle East Forum, October 24, 2015. (<http://jihadintel.meforum.org/189/jund-al-aqsa-withdraws-from-jaysh-al-fatah>)

<sup>140</sup> Thomas Joscelyn, “An al Qaeda Front Group in Syria,” *Long War Journal*, May 2, 2015.

(<http://www.longwarjournal.org/archives/2015/05/an-al-qaeda-front-group-in-syria.php>)

<sup>141</sup> Thomas Joscelyn, “An al Qaeda Front Group in Syria,” *Long War Journal*, May 2, 2015.

(<http://www.longwarjournal.org/archives/2015/05/an-al-qaeda-front-group-in-syria.php>)

of private donations to al-Qaeda linked terrorists in Syria.<sup>142</sup> Unlike Qatar, Kuwait at least has pressed criminal charges since then against several suspected terror financiers, although its efforts to do so have been remarkably inconsistent.

Khorasan cell leader Muhsin al-Fadhli, who also at one point directed al-Qaeda's core financial pipeline from the Gulf to South Asia by means of Iran, was once arrested and convicted in Kuwait of funding al-Qaeda attacks, including against the U.S.S. Cole.<sup>143</sup> However, a Kuwaiti appeals court let him out of prison, reportedly on the absurd grounds that his crimes merely were not committed inside Kuwait.<sup>144</sup> He promptly fled the country after being released, and the lawyer who successfully defended al-Fadhli went on to become a member of parliament.<sup>145</sup>

Until 2008, Kuwait reportedly obstructed an American effort at the U.N. Security Council to impose U.N. sanctions against three prominent Kuwaiti preachers whom the U.S. believed “continue[d] to fundraise and promote terrorism and attacks on Coalition Forces in Iraq and Afghanistan.”<sup>146</sup> The three were already under U.S. sanctions since 2006 on charges of being senior al-Qaeda financial facilitators, including for al-Qaeda in Iraq.<sup>147</sup>

One of those Kuwaitis, Hamid Abdullah al-Ali, was later permitted to travel to Qatar in 2013, where he reportedly praised Syrian jihadists in a sermon at Qatar's state-controlled Grand Mosque.<sup>148</sup> According to Treasury, he also worked closely with a Qatari now under U.S. and U.N. sanctions to fund al-Qaeda's Nusra Front.<sup>149</sup> Another of the three Kuwaiti clerics, Mubarak al-Bathali, was just sentenced to three years in jail by Kuwait's top court, but the charges were for Twitter posts deemed hateful toward Shi'ite Islam, not for his alleged funding of al-Qaeda.<sup>150</sup>

As I revealed in January 2014, Kuwait's amir swore in a new minister in charge of the country's Justice Ministry and Islamic Affairs Ministry who had purportedly endorsed three different

<sup>142</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/j12308.aspx>); Karen DeYoung, “Kuwait, an 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-a75e-463587891b57\\_story.html](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-a75e-463587891b57_story.html))

<sup>143</sup> “الكويت في لقاعة بانتئاهم مشتبهين أربعة تبرئة,” *al-Jazeera (Qatar)*, April 29, 2004. (<http://goo.gl/bcKqC9>)

<sup>144</sup> “الكويت في لقاعة بانتئاهم مشتبهين أربعة تبرئة,” *al-Jazeera (Qatar)*, April 29, 2004. (<http://goo.gl/bcKqC9>)

<sup>145</sup> “Al-Qaeda Suspects in Kuwait Trial Plead Not Guilty,” *Arab News (Saudi Arabia)*, December 17, 2002.

(<http://www.arabnews.com/node/226749>)

<sup>146</sup> “Evaluation of Terrorist Facilitators / Inciters Designations in 1267 Committee,” *Wikileaks*, February 13, 2007. ([https://wikileaks.org/plusd/cables/07USUNNEWYORK129\\_a.html](https://wikileaks.org/plusd/cables/07USUNNEWYORK129_a.html)); “Terror Finance: Another Run at the MFA on Terrorist Facilitators and RIHS,” *Wikileaks*, May 28, 2007. ([https://www.wikileaks.org/plusd/cables/07KUWAIT832\\_a.html](https://www.wikileaks.org/plusd/cables/07KUWAIT832_a.html))

<sup>147</sup> U.S. Treasury Department, “Treasury Designations Target Terrorist Facilitators,” December 7, 2006. (<http://www.treasury.gov/press-center/press-releases/Pages/hp191.aspx>)

<sup>148</sup> Andrew Gilligan, “The ‘Club Med for Terrorists’,” *The Telegraph (UK)*, September 27, 2014.

(<http://www.telegraph.co.uk/news/worldnews/middleeast/qatar/11125897/The-Club-Med-for-terrorists.html>)

<sup>149</sup> U.S. Treasury Department, “U.S. Designates Financial Supporters of Al-Qaida and Al-Nusrah Front,” August 5, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/j10143.aspx>)

<sup>150</sup> Mubarak al-Abdullah, “نجريدة بسبب سنوات 3 البذالي حبس: «المبيز»,” *al-Qabas (Kuwait)*, November 9, 2015.

(<http://www.alqabas.com.kw/Articles.aspx?ArticleID=1105397&CatID=102>)

fundraising networks that were supporting violent extremists in Syria.<sup>151</sup> The Treasury Department called out Nayef al-Ajmi's ministerial appointment as "a step in the wrong direction" and revealed that one of those networks was implicated in funding al-Qaeda.<sup>152</sup> After a protracted public battle between the two governments, that minister stepped down.

Two individuals from his tribe have even been sanctioned by the United States and the U.N. on terror finance charges: Hajjaj and Shafi al-Ajmi. Hajjaj has complained that his bank accounts were closed,<sup>153</sup> and both men were briefly questioned by Kuwaiti authorities after international sanctions were imposed.<sup>154</sup> However, they were released within a matter of hours and do not appear to have been subject to criminal proceedings since then.

The Ajmis' tribe is not the only one in Kuwait that appears to have been exploited for terrorist fundraising.<sup>155</sup> An individual named Abdulrahman Khalaf al-Anizi was sanctioned last year by the U.S. and the U.N. at the same time as Hajjaj and Shafi. The U.S. called him an IS financial facilitator who had directed funds from Kuwait for terrorists since 2008, including through al-Qaeda's Iran-based financial pipeline overseen by al-Fadhli.<sup>156</sup> Kuwaiti authorities convicted five men this past month of funding terror who were charged with raising \$1.3 million for the Islamic State<sup>157</sup> as part of their work for two fundraising campaigns,<sup>158</sup> one of which was evidently targeted at members of Anizi's tribe.<sup>159</sup> According to press reports, two of those defendants transferred funds to SDGT Abdulrahman al-Anizi in Raqqa, including in person.<sup>160</sup>

According to press reports, members of another local fundraising network known as Ansar al-Sham have also been subject to Kuwaiti legal proceedings on charges of financing the Islamic State.<sup>161</sup> What is puzzling is that by all appearances, this campaign primarily expressed support for

<sup>151</sup> David Andrew Weinberg, "New Kuwaiti Justice Minister has Deep Extremist Ties," *National Interest*, January 16, 2014. (<http://nationalinterest.org/commentary/new-kuwaiti-justice-minister-has-deep-extremist-ties-9719>)

<sup>152</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>153</sup> السوري الشعب بخدمة القيام شرف منعنى لأنى متضارب ولكنني حساباتي وأغلقوا العمل من فصلت لأنى أتضارب لم "@Hajjaj\_Alajmi," ومساعدته." Twitter, October 2, 2015. ([https://twitter.com/Hajjaj\\_Alajmi/status/650094562216534018](https://twitter.com/Hajjaj_Alajmi/status/650094562216534018))

<sup>154</sup> "Kuwait Detains Muslim Cleric Suspected of Funding Militants: Security Source," *Reuters*, August 20, 2014. (<http://www.reuters.com/article/2014/08/20/us-syria-crisis-kuwait-cleric-idUSKBN0GK25Q20140820>)

<sup>155</sup> Elizabeth Dickinson, "Kuwait 'the Back Office of Logistical Support' for Syria's Rebels," *The National (UAE)*, February 5, 2013. (<http://www.thenational.ae/news/world/middle-east/kuwait-the-back-office-of-logistical-support-for-syrias-rebels#full>)

<sup>156</sup> U.S. Treasury Department, "Treasury Designates Three Key Supporters of Terrorists in Syria and Iraq," August 6, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2605.aspx>)

<sup>157</sup> "Kuwait Court Jails Five over Daesh Fundraising," *Gulf News (UAE)*, November 2, 2015. (<http://gulfnews.com/news/gulf/kuwait/kuwait-court-jails-five-over-daesh-fundraising-1.1611852>)

<sup>158</sup> Hussein Ali al-Abdullah, "الخيرية الحملات من «داعش» مؤلوا متهمين 5 لـ سجنًا سنوات 10" *al-Jarida (Kuwait)*, November 3, 2015. (<http://goo.gl/1AbiUU>)

<sup>159</sup> Ahmad Hani al-Qahas, "السوري الشعب لنصرة التبر عات جمع حملة تنظم عنزة قبيلة," *al-Watan (Kuwait)*, August 3, 2013. (<http://alwatan.kuwait.tt/articledetails.aspx?id=295398&yearquarter=20133>)

<sup>160</sup> Hussein Ali al-Abdullah, "الخيرية الحملات من «داعش» مؤلوا متهمين 5 لـ سجنًا سنوات 10" *al-Jarida (Kuwait)*, November 3, 2015. (<http://goo.gl/1AbiUU>)

<sup>161</sup> "سنة 15 وأخرين الكويتي طلحة أبو وحيس داعش لوالى عاماً 20 السجن" *al-Watan (Kuwait)*, August 31, 2015. (<http://alwatan.kuwait.tt/articledetails.aspx?id=443935>)

the Nusra Front rather than IS,<sup>162</sup> which raises the question of whether or not Kuwaiti authorities somehow deem fundraising for al-Qaeda as a less criminal act than supporting IS.

Finally, the United States imposed terror finance sanctions against a different Kuwaiti named Hamid Hamad al-Ali in August 2014, charging that he “traveled to Syria to deliver funds” to the Nusra Front and “referred to himself as an ‘al-Qaida commando’.”<sup>163</sup> He was simultaneously sanctioned by the U.N., which stated that he also acted as a “financier, recruiter and facilitator for Islamic State in Iraq and the Levant” and was still “Kuwait-based.”<sup>164</sup> While I have seen no indication criminal charges have been pursued against al-Ali in Kuwait, it was reported this April he was reinstated as a mosque preacher by Kuwait’s minister of justice and Islamic affairs.<sup>165</sup>

### Saudi Arabia:

Saudi Arabia has made some noteworthy improvements in the fight against terror finance since 9/11, but that was from a remarkably low baseline. In 2009, after the bulk of those improvements had been made, a memo signed by then-Secretary of State Hillary Clinton still concluded that “donors in Saudi Arabia constitute the most significant source of funding to Sunni terrorist groups worldwide” and that Hamas, al-Qaeda, the Taliban, and Lashkar-e-Taiba “probably raise millions of dollars annually from Saudi sources.”<sup>166</sup> The U.S. praised Saudi Arabia this year for imposing sanctions on the Pakistan branch of a Salafist charity called the Revival of Islamic Heritage Society.<sup>167</sup> However, Riyadh has not taken similar steps against the group’s Kuwait City headquarters, which is under U.S. sanctions on charges of funding al-Qaeda, nor has the kingdom pressed charges against prominent clerics who fundraised for RIHS on Saudi TV.<sup>168</sup>

Worryingly, Saudi Arabia has also chosen to play host to several Yemenis under U.S. terror finance sanctions. This comes in the midst of the recent war in Yemen, where Saudi-led jetfighters have established full air superiority but have not dropped a single bomb against al-Qaeda fighters operating in the open during any of the coalition’s round-the-clock airstrikes.<sup>169</sup>

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<sup>162</sup> “Fundraising Campaign in Kuwait for Designated Terrorist Group Jabhat al-Nusra Using Facebook, Twitter, Skype, YouTube,” *MEMRI Cyber & Jihad Lab*, May 17, 2014. (<http://cjlab.memri.org/lab-projects/tracking-jihadi-terrorist-use-of-social-media/fundraising-campaign-in-kuwait-for-designated-terrorist-group-jabhat-al-nusra-using-facebook-twitter-skype-youtube/>)

<sup>163</sup> U.S. Treasury Department, “Treasury Designates Additional Supporters of the Al-Nusrah Front and Al-Qaeda,” August 22, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2613.aspx>)

<sup>164</sup> U.N. Security Council, “Consolidated United Nations Security Council Sanctions List,” November 12, 2014. (<https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/consolidated.htm>)

<sup>165</sup> Turki al-Maghames, “العساني لمسجد إماماً... مجدداً العلي حامداً” *al-Rai (Kuwait)*, April 21, 2015. (<http://www.alraimedia.com/ar/article/last/2015/04/21/584215/nr/kuwait>)

<sup>166</sup> “Terrorist Finance: Action Request for Senior Level Engagement on Terrorism Finance,” *Wikileaks*, December 30, 2009. ([https://wikileaks.org/plusd/cables/09STATE131801\\_a.html](https://wikileaks.org/plusd/cables/09STATE131801_a.html))

<sup>167</sup> 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. (<http://www.treasury.gov/press-center/press-releases/Pages/jl10019.aspx>)

<sup>168</sup> David Andrew Weinberg, “Saudi Steps on Terror Finance Fall Short,” *FDD Policy Brief*, April 16, 2015. (<http://www.defenddemocracy.org/media-hit/david-weinberg-saudi-steps-on-terror-finance-fall-short/>)

<sup>169</sup> David B. Ottaway, “Saudi Arabia’s ‘Terrorist’ Allies in Yemen,” *Wilson Center Viewpoints*, no. 81, August 2015. ([https://www.wilsoncenter.org/sites/default/files/saudi\\_arabias\\_terrorist\\_allies\\_in\\_yemen.pdf](https://www.wilsoncenter.org/sites/default/files/saudi_arabias_terrorist_allies_in_yemen.pdf))

Abdulmajeed al-Zindani is a onetime mentor to Osama Bin Laden whom the U.S. sanctioned on charges of recruiting and purchasing weapons for al-Qaeda in 2004.<sup>170</sup> This year he has been photographed repeatedly around Saudi Arabia, throwing a lavish wedding for his son<sup>171</sup> and visiting with prominent clerics, allegedly even including the kingdom's state-appointed Grand Mufti.<sup>172</sup> Zindani's presence in the kingdom would appear to be a violation of the travel ban imposed by the United Nations when it also imposed terror finance sanctions on him in 2004.<sup>173</sup>

Also spotted this year in Riyadh has been Abdulwahab al-Humayqani, a Yemeni under U.S. terror finance sanctions since 2013.<sup>174</sup> That year, the U.S. stated that he used his Yemen-based charity to fund al-Qaeda and reportedly "served as the acting AQAP amir" in Yemen's province of al-Bayda'.<sup>175</sup> Thanks to his status as part of the Riyadh delegation to Yemeni ceasefire talks in Geneva, Humayqani was photographed shaking hands this summer with U.N. Secretary General Ban Ki-Moon and has been interviewed widely on regional media.<sup>176</sup>

Saudi Arabia's draconian Interior Ministry issued the country's first formal list of terrorist groups last year, and it was a big disappointment. It criminalized as terrorism "the promotion of atheistic thinking," protest "demonstrations," "collective statements," or "communicating with another country" if any of these acts could be perceived as undermining national unity.<sup>177</sup> Like the UAE's 2014 terror list, which was criticized for including several non-violent Islamic groups, Saudi Arabia's list outlawed the Muslim Brotherhood while excluding a range of Palestinian terror groups that target Israeli civilians, such as Hamas, Lebanese Hezbollah, Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestine, to name just a few.

#### Turkey:

In Recep Tayyip Erdogan's haste to undermine Syria's Assad regime, Turkey allowed its southern border to become a recklessly under-regulated frontier for the flow of funding, weapons,

<sup>170</sup> U.S. Treasury Department, "United States Designates bin Laden Loyalist," February 24, 2004. (<http://www.treasury.gov/press-center/press-releases/Pages/js1190.aspx>)

<sup>171</sup> "الفضيحة" بـالزنداني عبدالمجيد الشیخ ابن زواج بصفون تویتر موقع رواد"! al-Bawaba (Jordan), October 8, 2015. (<http://goo.gl/dXTf1Q>)

<sup>172</sup> David Andrew Weinberg, "UN Official Reportedly Meets with Iraqi on al Qaeda Sanctions List," *Long War Journal*, October 30, 2015. (<http://www.longwarjournal.org/archives/2015/10/un-official-reportedly-meets-with-iraqi-on-al-qaeda-sanctions-list.php>)

<sup>173</sup> U.N. Security Council, "Consolidated United Nations Security Council Sanctions List," November 12, 2014. (<https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/consolidated.htm>)

<sup>174</sup> Al Jazeera Mubasher, "تعز في الجمهوري للفصيلين المقاومة .. تناقلية نافذة،" YouTube, August 15, 2015. (<https://www.youtube.com/watch?v=UVWw0t9hQ6s&feature=youtu.be&t=4m40s>)

<sup>175</sup> U.S. Treasury Department, "Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen," December 18, 2013. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2249.aspx>)

<sup>176</sup> David Andrew Weinberg, "Ban Ki-Moon Shakes Hands with Alleged al Qaeda Emir," *Long War Journal*, June 23, 2015. (<http://www.longwarjournal.org/archives/2015/06/ban-ki-moon-shakes-hands-with-alleged-al-qaeda-emir.php>)

<sup>177</sup> "Full text of Saudi Interior Ministry statement designating terrorist organizations," *Asharq al-Awsat* (UK), March 8, 2014. (<http://english.aawsat.com/2014/03/article55329804/full-text-of-saudi-interior-ministry-statement-announcing-terrorist-list>)

ammunition, and recruits to al-Qaeda and IS.<sup>178</sup> Last year, oil sales became IS's largest source of income, and smuggling through Turkey seemed to be a primary destination for such shipments as well as for stolen antiquities.<sup>179</sup> At times Turkish border guards allegedly looked the other way, and while Ankara's efforts may have gotten more serious in this regard, some believe it "created a monster" it no longer can control.<sup>180</sup> And according to Britain's *The Independent*, "Turkish officials admit giving logistical and intelligence support to the command headquarters" in Idlib of the Army of Conquest, and "although they deny giving direct help to Al-Nusra, they acknowledge that the group would be beneficiaries" as a member of the Army.<sup>181</sup>

Turkey's recent role as a *mujahideen* gateway for Syria and Iraq should come as little surprise to those who followed Ankara's role involving several types of illicit finance over the last decade.

Turkey's state-owned Halkbank reportedly helped state sponsor of terrorism Iran circumvent the spirit of international sanctions by purchasing billions of dollars worth of Iranian natural gas and enabling Iranians to move the proceeds in the form of gold.<sup>182</sup> Iranian-Azeri businessman Reza Zerrab was accused of using exorbitant gifts and personal connections to members of Turkey's cabinet in order to facilitate "irregular money transactions, mostly from Iran, that total some 87 billion euros," moving "almost a metric ton of gold to Iran every day for 1 ½ years."<sup>183</sup>

Turkish press reports alleged Saudi businessman Yasin al-Qadi visited the country illegally four times between February and October 2012 without a passport or visa.<sup>184</sup> Qadi was supposed to be under a U.N. travel ban until the U.N. terror finance sanctions on him were lifted that October.<sup>185</sup>

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<sup>178</sup> Jonathan Schanzer and Merve Tahiroglu, *Bordering on Terrorism: Turkey's Syria Policy and the Rise of the Islamic State*, FDD Press, November 2014.

(<http://www.defenddemocracy.org/content/uploads/publications/bordering-on-terrorism.pdf>)

<sup>179</sup> U.S. Treasury Department, "Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, 'Attacking ISIL's Financial Foundation,'" October 23, 2014; (<http://www.treasury.gov/press-center/press-releases/Pages/jl2672.aspx>); Mike Giglio and Munzer al-Awad, "Inside the Underground Trade to Sell off Syria's History," *BuzzFeed News*, July 30, 2015.

(<http://www.buzzfeed.com/mikegiglio/the-trade-in-stolen-syrian-artifacts#.ll1v689nN>)

<sup>180</sup> Mike Giglio, "This is How ISIS Smuggles Oil," *BuzzFeed News*, November 3, 2014.

(<http://www.buzzfeed.com/mikegiglio/this-is-how-isis-smuggles-oil#.ewQDa8xvb>); Yaroslav Trofimov, "Porous Syria-Turkey Border Poses Challenge in Fight against Islamic State: Fighters, Oil, and Military Supplies Flow across Border," *Wall Street Journal*, February 19, 2015. (<http://www.wsj.com/articles/porous-syria-turkey-border-poses-challenge-in-fight-against-islamic-state-1424334057>)

<sup>181</sup> Kim Sengupta, "Turkey and Saudi Arabia Alarm the West by Backing Islamist Extremists the Americans had Bombed in Syria," *The Independent (UK)*, May 13, 2015. (<http://www.independent.co.uk/news/world/middle-east/syria-crisis-turkey-and-saudi-arabia-shock-western-countries-by-supporting-anti-assad-jihadists-10242747.html>)

<sup>182</sup> Jonathan Schanzer and Mark Dubowitz, "Iran's Turkish Gold Rush," *Foreign Policy*, December 26, 2013. (<http://foreignpolicy.com/2013/12/26/irans-turkish-gold-rush/>)

<sup>183</sup> Mehul Srivastava, "Turkey Crisis Puts Jailed Millionaire at Heart of Gold Trail," *Bloomberg*, January 29, 2014. (<http://www.bloomberg.com/news/articles/2014-01-29/turkey-scandal-places-jailed-millionaire-at-center-of-gold-trail>); "87 Billion Euros in Suspicious Transfers from Iran," *Today's Zaman (Turkey)*, December 17, 2013. ([http://www.todayszaman.com/diplomacy\\_87-billion-euros-in-suspicious-transfers-from-iran\\_334277.html](http://www.todayszaman.com/diplomacy_87-billion-euros-in-suspicious-transfers-from-iran_334277.html))

<sup>184</sup> Jonathan Schanzer, *Terrorism Finance in Turkey: A Growing Concern*, FDD Press, February 2014, p. 12. ([http://www.defenddemocracy.org/content/uploads/documents/Schanzer\\_Turkey\\_Final\\_Report\\_3\\_smaller.pdf](http://www.defenddemocracy.org/content/uploads/documents/Schanzer_Turkey_Final_Report_3_smaller.pdf))

<sup>185</sup> U.N. Security Council, "Security Council Al-Qaida Sanctions Committee Deletes Entry of Yasin Abdullah Ezzedine Qadi from its List," October 5, 2012. (<http://www.un.org/press/en/2012/sc10785.doc.htm>)

While there, he allegedly had a state escort and met Erdoğan, Erdoğan’s son, and Turkey’s intelligence chief.<sup>186</sup>

Along with Qatar, Turkey has also been accused in press reports of channeling up to several hundred million dollars in state funds to the U.S.-designated Foreign Terrorist Organization Hamas or entities under its control in the Gaza Strip.<sup>187</sup>

Hamas’s Regional Financial Network:

The U.S. Treasury Department imposed sanctions this September on four individuals and one company as “key players in Hamas’s international fundraising operational network.”<sup>188</sup> Although Treasury did not explicitly say so, the reported activities of these entities reflect quite negatively on Riyadh, Doha, and Ankara.

The most well-known of these individuals was Salah al-Arouri, a member of Hamas’s politburo. The September sanctions represented the first time the U.S. government publicly confirmed that Arouri had used his base in Turkey to “oversee[] the distribution of Hamas finances” and “direct[] military operations in the West Bank.”<sup>189</sup>

The U.S. also sanctioned Mahir Salah, known as Abu Aref, who it said “has led the Hamas Finance Committee in Saudi Arabia, the largest center of Hamas’s financial activity.”<sup>190</sup> It added that Salah managed front companies and laundered money for the group, charging that he “has overseen the transfer of tens of millions of dollars from Iran to Saudi Arabia,” and ultimately on to Hamas’s military wing in Gaza.<sup>191</sup>

Arabic news reports suggest that Mahir Salah also played a critical role supervising Hamas’s regional financial network from Jeddah, including major operations not just in Saudi Arabia but

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<sup>186</sup> “Erdoğan defends Saudi Arabia after Hajj disaster, raises eyebrows,” *Today’s Zaman (Turkey)*, September 27, 2015. ([http://www.todayszaman.com/anasyfa\\_erdogan-defends-saudi-arabia-after-hajj-disaster-raises-eyebrows\\_400005.html](http://www.todayszaman.com/anasyfa_erdogan-defends-saudi-arabia-after-hajj-disaster-raises-eyebrows_400005.html))

<sup>187</sup> Saed Bannoura, “Turkey to Grant Hamas \$300 Million,” *International Middle East Media Center (PA)*, December 3, 2013. (<http://www.imemc.org/article/62607>); Nidal al-Mughrabi, Hamas Quietly Quits Syria as Violence Continues,” *Reuters*, January 27, 2012. (<http://www.reuters.com/article/2012/01/27/us-syria-hamas-idUSTRE80Q0QS20120127#QR8pXWeJoZAq1uIL.97>)

<sup>188</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

<sup>189</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

<sup>190</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

<sup>191</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

also in Qatar,<sup>192</sup> Turkey,<sup>193</sup> Egypt,<sup>194</sup> and Sudan<sup>195</sup> – often in the millions or tens of millions of dollars. What the Treasury Department also did not mention is that Saudi Arabia recently released him and his subordinates from prison.

Press reports suggest that Abu Aref was arrested by Saudi Arabia in December,<sup>196</sup> and his detention was apparently on the basis of an American request, according to the Qatari-owned news site *al-Araby al-Jadeed*.<sup>197</sup> However, soon afterwards Saudi Arabia's King Salman succeeded his half-brother on the throne and began to embrace Islamist hardliners, making new overtures to Hamas and other groups associated with the Muslim Brotherhood. Hamas leader Khaled Meshal was allowed to visit the kingdom for the first time in years, meeting the king and his powerful son Mohammed, among others. A main focus of the visit was to seek the release of Abu Aref and seven subordinates, a gesture allegedly granted at the end of their meeting with Prince Mohammed.<sup>198</sup>

Another Jeddah-based individual sanctioned by Treasury in September was Abu Ubaydah al-Agha, a Saudi citizen with familial origins in Gaza who has managed his family's Jeddah-based firm, Asyaf International.<sup>199</sup> The U.S. government alleged that he was “a senior Hamas financial officer involved in investment, funding, and money transfers for Hamas in Saudi Arabia” and that Asyaf was “a front company” used to assist the group with money transfers, investments, and financial services since at least 2005.<sup>200</sup>

It seems Abu Ubaydah’s late father Khairy Hafiz al-Agha may have been an unindicted coconspirator in the Hamas finance case brought by U.S. officials against the Holy Land Foundation.<sup>201</sup> A Saudi-based Khairy H. al-Agha allegedly helped run a company that sent \$1.3 million to HLF’s leaders and received \$250,000 from them between 1988 and 1991.<sup>202</sup> When al-

<sup>192</sup> ”وتركيا قطر إلى السعودية من المالية أنشطتها تحول ‘حماس’“ *al-Seyassah (Kuwait)*, April 7, 2014. (<http://goo.gl/4vc3ZI>); *al-Seyassah (Kuwait)*, January 8, 2013.

<sup>193</sup> ”والمالى السياسى الصعدين على ‘حماس’ لاللامحدود اردوغان دعم من تركية رسمية أوساط داخل استباء“ *al-Seyassah (Kuwait)*, June 28, 2013.

<sup>194</sup> ”السابع اليوم“ *al-Youm al-Sabi’ (Egypt)*, April 19, 2015. مصر في حماس حركة أموال يدير الذي للغامض الكاملة القصة..“ أبو عارف“ (<http://goo.gl/eHPhK4>); *ElMogaz (Egypt)*, December 21, 2013. (<http://www.elmogaz.com/node/119383>)

<sup>195</sup> ”مصر في حماس حركة أموال يدير الذي للغامض الكاملة القصة..“ أبو عارف“ (<http://www.elmogaz.com/node/119383>)

<sup>196</sup> ”السابع اليوم“ *al-Youm al-Sabi’ (Egypt)*, April 19, 2015. ”السعودية في حماس معنقي بطلاق ينجح مسلح“ *Palestine Press News Agency (PA)*, July 17, 2015. (<http://goo.gl/eHPhK4>); (<http://palpress.co.uk/arabic/?Action=Details&ID=111064>)

<sup>197</sup> ”مشعل زيارة بعد ‘حماس’ معنقي تطلق السعودية“ *al-Araby al-Jadeed (UK)*, July 18, 2015. (<http://goo.gl/nzlq2U>)

<sup>198</sup> Ali Hashem, “Hamas Caught between Tehran and Riyadh,” *Al-Monitor*, August 23, 2015. (<http://www.al-monitor.com/pulse/originals/2015/08/iran-hamas-ties-saudi-arabia.html>); Muhammad Hassan Amer, “الزهار محمود“ ”العلاقات جمود كسرت للرياض“ مشعل“ *El Watan News (Egypt)*, July 20, 2015. (<http://www.elwatannews.com/news/details/772297>)

<sup>199</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

<sup>200</sup> U.S. Treasury Department, “Treasury Sanctions Major Hamas Leaders, Financial Facilitators and a Front Company,” September 10, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/jl0159.aspx>)

<sup>201</sup> U.S. District Court for the Northern District of Texas, “List of Unindicted Co-Conspirators and/or Joint Volunteers,” May 29, 2007. ([http://www.investigativeproject.org/documents/case\\_docs/423.pdf](http://www.investigativeproject.org/documents/case_docs/423.pdf))

<sup>202</sup> U.S. District Court for the Northern District of Texas, “Payments to K&A Trading,” Exhibit List: USA v. Holy Land Foundation for Relief and Development, September 29, 2008. (<http://coop.txnd.uscourts.gov/judges/hlf2/09->

Agha died in 2014, a reception was held in Qatar attended by Meshal himself, who said they had a “personal relationship” since the 1980s “in supporting the Gaza Strip.”<sup>203</sup>

According to the *Christian Science Monitor*, Qatar briefly detained “two Hamas financiers” in late December 2014, a moment when Doha was under pressure from Riyadh to crack down on Hamas and other Brotherhood-linked groups; Saudi Arabia’s King Abdullah passed away in January, and the detainees were swiftly released.<sup>204</sup>

Sitting with Meshal at the wake for Khairy al-Agha was Mohammed al-Qawasmi, whom the Kuwaiti daily *al-Seyassah* described in January as a Hamas financial officer recently detained by Doha.<sup>205</sup> Yet video footage from later this year shows Qawasmi speaking at another event in Qatar alongside Meshal.<sup>206</sup> Notably, he was allowed to co-host a show promoting a Gaza fundraiser on state-controlled Qatari TV just last summer<sup>207</sup> despite having long been identified as a local member of Hamas.<sup>208</sup>

Like Qawasmi, Zahir al-Jabareen has been described as a Hamas official who reportedly worked from Qatar to channel funding from the Gulf into the West Bank for Hamas.<sup>209</sup> Press reports suggest that he has since been spotted in Turkey, serving as a deputy to Arouri as part of a bureau in Turkey that trains new Hamas recruits.<sup>210</sup> Also spending time in Qatar has been Maher Ubeid, a member of Hamas’s politburo who reportedly was put in charge of laundering tens of millions

<sup>203</sup>[Payments%20to%20K%20Agha%20KA%20Trading.pdf](#)); U.S. District Court for the Northern District of Texas, “Payments to K&A Marzook,” Exhibit List: USA v. Holy Land Foundation for Relief and Development, September 29, 2008. (<http://coop.txnd.uscourts.gov/judges/hlf2/09-29-08/KA%20Marzook.pdf>); “Holy Land Evidence Establishes Hamas Link” *IPT News*, September 29, 2008. (<http://www.investigativeproject.org/781/holy-land-evidence-establishes-hamas-link#>); *United States of America v. Mohammad El-Mezain, et al*, Revised December 27, 2011 in the United States Court of Appeals for the Fifth Circuit, No. 09-10560, (Appeal from the United States District Court for the Northern District of Texas, December 7, 2011). ([http://federalevidence.com/pdf/United%20States%20v.%20El-Mezain,%20No.%2009-10560%20\(5th%20Cir.%20Dec.%207,%202011\).pdf](http://federalevidence.com/pdf/United%20States%20v.%20El-Mezain,%20No.%2009-10560%20(5th%20Cir.%20Dec.%207,%202011).pdf))

<sup>204</sup> Taylor Luck, “In Hamas Leader’s Exit from Qatar, Signs of Growing Saudi-Egyptian Influence,” *Christian Science Monitor*, January 26, 2015. (<http://www.csmonitor.com/World/Middle-East/2015/0126/In-Hamas-leader-s-exit-from-Qatar-signs-of-growing-Saudi-Egyptian-influence>)

<sup>205</sup> “المالية كواذرها أحد قطر اعمال بعد ”حماس“ داخل حادة انتقادات بوجه مشعل“ *al-Seyassah (Kuwait)*, January 28, 2015.

(<http://goo.gl/ISTm9q>)

<sup>206</sup> “الأخ الأغلى حفيظ خيري المرحوم العائلة عميد عزاء بيت صور -الدروجة“ *El-Agha Family Tree website*, August 31, 2015. (<http://elagha.net/print.php?id=11789>); Sofian Elagha, “الأغا يحيى ربيماً وأخطبوطية إشهار حفل الدروجة“ *YouTube*, August 30, 2015. (<https://www.youtube.com/watch?v=5FNjP91QM-M>)

<sup>207</sup> Alrayyan TV, “الاربعون و الحاديه الحلة - المختصر برنامج“ 06-08-2014” *YouTube*, August 7, 2014. (<https://youtu.be/mAFcUhneLHE?t=34m44s>)

<sup>208</sup> Abdulhakim Ahmein, “والعراق لفلسطين دعماً قطر في شعبية مسيرة“ *al-Jazeera (Qatar)*, March 29, 2007. (<http://goo.gl/dhTtw3>)

<sup>209</sup> “مصر في حماس حركة أموال يدير الذي للغامض الكاملة القصة ..«أبو عارف»“ *ElMogaz (Egypt)*, December 21, 2013. (<http://www.elmogaz.com/node/119383>)

<sup>210</sup> Amos Harel, “Stopping the Nuclear Deal won’t Halt the Regional Funding of Terror,” *Ha’aretz (Israel)*, August 9, 2015. (<http://www.haaretz.com/israel-news/.premium-1.670067>); Alex Fishman, “Forced from Damascus, Hamas Establishing Itself in Turkey,” *Ynet News (Israel)*, February 25, 2015. (<http://www.ynetnews.com/articles/0,7340,L-4630331.00.html>)

of euros from Turkish territory, including allegedly from the Turkish state, to Hamas's military and political wings in Gaza.<sup>211</sup>

Coming back full circle to the challenge of kidnapping for ransom by terrorist groups, it is important to recognize that several key operatives in Hamas's regional financial empire gained their freedom as part of the Gilad Shalit prisoner exchange, whereby over a thousand Palestinian and Israeli-Arab prisoners were released in an arrangement extracted by Hamas for a single captive Israeli soldier.

Arouri was released from Israeli prison some years before the Shalit deal, and his deputy Jabireen was freed as part of the swap. So were several others accused by Israel or in press reports since then of significant financial activities on behalf of Hamas via either Turkey or Qatar. They include Hussam Badran,<sup>212</sup> Talal Shareem,<sup>213</sup> Hisham Hijazi,<sup>214</sup> and Jibril Juneid.<sup>215</sup>

It would seem that these developments offer a cautionary tale as to one possible risk of exchanging hostages for ransom or other concessions to terrorists.

There would seem to be a similar unfortunate postscript to the case of the kidnapped Israeli soldier whose wife I watched the late Rep. Lantos try to console and reassure at a 2007 event in this very building. The next year, when Hezbollah returned that soldier's lifeless body and the body of his colleague, it was in a trade for the bodies of 199 militants taken by Israel as well as in exchange for five living prisoners being held in Israeli jails.

One of those returnees, Samir Kuntar, had slaughtered five members of an Israeli family, including two young children, in a notoriously gruesome 1979 attack. This September, the U.S. indicated that Kuntar has joined Hezbollah, "emerg[ing] as one of the group's most visible and popular spokesmen" and "play[ing] an operational role, with the assistance of Iran and Syria, in building up Hezbollah's terrorist infrastructure in the Golan Heights."<sup>216</sup>

#### Policy Recommendations on Combating Private Donations to Terrorists:

The United States needs a greater range of policy options to escalate the dispute when these allies refuse to take action against known financiers of groups linked to al-Qaeda. There are several key

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<sup>211</sup> "غزة على سيطرتها لتعزيز "حماس" لـ تركيا من يورو مليون 40،" Palestine Press News Agency (PA), November 6, 2012. الالامحمدود أردوغان دعم من تركية رسمية أوساط داخل استباء ("المالى السياسى الصعدين على "حماس" لـ al-Seyassah (Kuwait), June 28, 2013.

<sup>212</sup> Yoav Zitun, "Shin Bet Arrests 40 Hamas Members in Nablus," *Ynet News* (Israel), July 1, 2015. ([http://www.ynetnews.com/articles/0\\_7340\\_L\\_4674956.00.html](http://www.ynetnews.com/articles/0_7340_L_4674956.00.html)); "Hamas Terrorist Assets Revealed in Hebron," *Israel Defense Forces*, accessed July 6, 2015. (<http://www.idf.il/1153-18193-en/Dover.aspx>)

<sup>213</sup> Yonah Jeremy Bob, "Shin Bet Busts Palestinian Footballer For Meeting With Hamas Terrorist In Qatar," *Jerusalem Post* (Israel), June 11, 2014. (<http://www.jpost.com/Sports/Palestinian-soccer-player-admits-to-meeting-with-Hamas-operative-while-in-Qatar-356003>)

<sup>214</sup> "Security Forces Capture Hamas Terrorist," *Israel Defense Forces*, March 6, 2013. (<http://www.idf.il/1283-19091-EN/Dover.aspx>)

<sup>215</sup> "الحركة اموال من دولار مليون 12 بسرقة مشعل خاد تتهم حماس،" Palestine News Network (PA), October 7, 2012. (<http://www.shfanews.net/index.php/2012-02-15-08-44-39/11664-i>)

<sup>216</sup> U.S. State Department, "Terrorist Designation of Samir Kuntar," September 8, 2015. (<http://www.state.gov/r/pa/prs/ps/2015/09/246687.htm>)

steps the U.S. government and Congress in particular can take to avoid the risk of America's Specially Designated Global Terrorist list being a mere toothless piece of paper:

**1. Encourage Administration Officials to Speak Out.** The Treasury Department gets it: these countries are not reliable partners in the fight against private terror finance. But there is more that can be done to boost Treasury's hand at eliciting cooperation from these states. Congress can play a much-needed role sensitizing other parts of the executive branch to the severity of this problem and to the risk that it could pose to America's Mideast alliances. Treasury's message would be far more compelling in regional capitals if it was being consistently echoed by the White House, State Department (including but not limited to Embassy Doha), Defense Department (particularly CENTCOM), Homeland Security, Justice, Commerce, and intelligence agencies. The White House should also be encouraged to give Treasury a free hand to go public with its concerns, as it did in 2014 by calling out Qatar and Kuwait for bad behavior.

**2. Threaten to Take Independent Action.** In cases where Washington is truly convinced of its intelligence that a resident in one of these countries is enjoying legal impunity for acts of terror finance, there are a range of independent actions that the U.S. could take to address the problem. First, it could privately threaten to seek that individual's extradition, just as we do with drug lords, illegal arms dealers, and even crooked sports officials, in hopes of pressuring the host government to file needed legal charges on its own. Second, if that does not work, the United States could call for the individual's extradition in public, shaming the host government for granting legal impunity to bad actors. Finally, the U.S. intelligence, military, and law enforcement communities could be given a green light to kill or capture the individual in the same manner that they do with other sorts of senior terrorist operatives.

**3. Restrict Trade in Dual Use Items.** The Export Administration Act of 1979 calls for strict licensing requirements for trade in dual-use items to countries that knowingly grant safe haven to operatives of terrorist groups, as many of these countries do, particularly in the case of Hamas. This list of goods includes items that a group like Hamas would love to get its hands on: advanced missile equipment, precursors for weapons of mass destruction, and technology for cyber warfare. Congress would be fully within its rights to warn the executive branch in letters, private meetings, or new legislation that it seeks to impose these sorts of penalties against countries such as Turkey and Qatar which have long been eager for advanced American technology but also are longtime hosts of military, financial, and political leaders for Hamas.

**4. Seek to Amend the Foreign Sovereign Immunity Act.** In 1996, Congress amended the Foreign Sovereign Immunity Act to let U.S. citizens sue state sponsors of terrorism in civil court for damages caused by terrorist attacks for which they bore responsibility. Congress could amend the FSIA again to extend that legal liability to governments that provide safe haven and legal impunity to terrorist operatives or financial facilitators of Foreign Terrorist Organizations with regard to acts committed by those FTOs. Unlike designated state sponsors of terror such as Iran, the negligent U.S. allies described in this testimony would be more responsive to such a threat because they have much greater exposure to the U.S. economy, and it would also concentrate the focus of the executive branch on pressing these countries to adopt more responsible behavior.