

**Written Testimony of
Jimmy Gurulé*
Professor of Law
Notre Dame Law School**

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Task Force to Investigate Terrorism Financing
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Chairman Fitzpatrick, Ranking Member Lynch, and other distinguished members of the 114th Congress' Task Force to Investigate Terrorism Financing:

Permit me to begin by thanking you for inviting me here to testify on the important and timely topic of "The Next Terrorist Financiers: Stopping Them Before They Start."

As we approach the fifteen-year anniversary of the 9/11 terrorist attacks that tragically took the lives of almost 3,000 innocent civilians, it is imperative that the U.S. government continue to evaluate and enhance the effectiveness of such counter-terrorism measures as curtailing terror financing in order to protect national security and save innocent lives.

The government's counter-terrorism strategy must be proactive, not reactive, anticipating how, when, and where ISIS, al Qaeda, and the next major terrorist organization will attack the United States and kill Americans. The terrorist attack that recently took place in Orlando, Florida, where forty-nine innocent people were killed and over fifty others were seriously injured, as well as the mass shooting that occurred on December 2, 2015 in San Bernardino, California, leaving fourteen dead and twenty-two others seriously wounded, serve as stark reminders of what is at stake in this undertaking.

Depriving terrorists of funding is central to an effective counter-terrorism strategy. "Terrorists seldom kill for money, but they always need money to kill."¹ And while Omar Mateen, the person responsible for the largest mass shooting in the nation's history, and Syed Rizwan Farook and Tashfeen Malik, the San Bernardino shooters, did not need much money to finance their terrorist attacks, the Islamic State, the terrorist organization that inspired their hatred of Americans, requires substantial financial resources to pursue its goal of establishing a Caliphate State.

At the super-structure or organizational level, the Islamic State needs money to recruit and train terrorist fighters, and to pay their salaries. The terror group also needs funding to purchase vehicles, weapons, ammunition, and explosives. Moreover, the Islamic State has exploited social

* Professor Gurulé served as Treasury Under Secretary for Enforcement from 2001 to 2003.

¹ Terry Davis, Sec'y Gen. of the Council of Europe, Speech at the First Joint Plenary Meeting of MONEYVAL with the Financial Action Task Force (Feb. 21, 2007), <http://www.coe.int/t/dghl/monitoring/moneyval/Activities/Speech/Terry%20DavisJPlen.pdf>.

media—most notoriously Twitter—to send its propaganda across the globe in order to recruit and radicalize people vulnerable to its message.

A recent report published by the Brookings Institution states:

By virtue of its large number of supporters and highly organized tactics, ISIS has been able to exert an outsized impact on how the world perceives it, by disseminating images of graphic violence (including the beheading of Western journalists and aid workers and more recently, the immolation of a Jordanian pilot), while using social media to attract new recruits and inspire lone actor attacks.²

The Brookings Institution reports that between September 2014 and December 2014, the number of Twitter accounts used by supporters of the Islamic State is conservatively estimated to be at 46,000.³ In short, the Islamic State needs money to sustain its global social media campaign and finance other terrorist-related activities.

(A) Increasing the Use of Secondary Sanctions

Shortly after the 9/11 terrorist attacks, President George W. Bush signed Executive Order 13224 (E.O. 13224), invoking his congressional grant of authority under the International Emergency Economic Powers Act.⁴ E.O. 13224 declared a national emergency with respect to “grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks ... committed on September 11, 2001 ... and the continuing and immediate threat of further acts on United States nationals or the United States.”⁵

Initially, the Executive Order designated twelve individuals and fifteen entities as “Specially Designated Global Terrorists” (SDGTs) and identified them in the Annex to the order. To date, the number of SDGTs has grown exponentially, to approximately 1,000 individuals and entities.⁶ Throughout, E.O. 13224 has been the centerpiece of the government’s counter-terrorist financing efforts.⁷

E.O. 13224 authorizes the Secretary of the Treasury, in consultation with the U.S. Secretary of State and Attorney General, to designate additional persons and entities as an SDGT and block

² J.M. Berger & Jonathon Morgan, *The ISIS Twitter Census: Defining and Describing the Population of ISIS Supporters on Twitter*, CTR. FOR MIDDLE E. POL’Y AT BROOKINGS, no. 20 (Brookings Project on U.S. Rel. with the Islamic World), Mar. 2015, at 2.

³ *Id.*

⁴ International Emergency Economic Powers Act (IEEPA), Title II of Pub. L. No. 95-223, 91 Stat. 1626 (codified at 50 U.S.C. § 1701, et seq. (2012)).

⁵ Exec. Order No. 13224, 3 C.F.R. § 786 (2001), *reprinted as amended in* 50 U.S.C. § 1701 note (Supp. IV 2004) [hereinafter E.O. 13224].

⁶ See Dep’t of Treasury, OFAC, Terrorist Assets Report, 2014, Annual Report to the Congress on Assets in the United States, 23d, at 6, <https://www.treasury.gov/resource-center/sanctions/Programs/Documents/tar2014.pdf>.

⁷ The discussion herein of E.O. 13224 is taken in large part from GEOFFREY CORN ET AL., NATIONAL SECURITY LAW: PRINCIPLES AND POLICY 402–04 (2015).

the assets located in the United States of such persons or entities who (1) “act for or on behalf of” or are “owned or controlled by” SDGTs, (2) “assist in, sponsor, or provide financial, material, or technological support for” SDGTs, or (3) are “otherwise associated with” SDGTs.⁸ Further, E.O. 13224 authorizes the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to designate as SDGTs persons determined “to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of United States nationals or the national security, foreign policy, or economy of the United States.”⁹

E.O. 13224 has been an effective tool in curtailing funding to al Qaeda, which largely relies on support from external donors or corrupt charities sympathetic to their cause and having assets within the United States. Such individuals and entities have been designated as SDGTs, which requires their assets located in the United States to be blocked and prohibits all U.S. persons from conducting financial transactions with such designated parties.

The Islamic State poses a different terrorist financing challenge. Unlike al Qaeda, the Islamic State is primarily self-funded, obtaining the vast majority of its revenue from (1) oil and gas sales, (2) extortion and taxation, (3) kidnapping-for ransom, (4) looting banks, (5) selling stolen antiquities, and (6) human trafficking—that is, selling young girls and women as sex slaves.¹⁰ The Islamic State’s annual budget is an estimated \$2 billion.¹¹ Further, despite recent military airstrikes aimed at destroying the infrastructure that allows the Islamic State to pump Syrian oil, and the fact that global oil prices have fallen, the terror group continues to generate as much as \$200 to \$500 million a year from its oil exports.¹²

E.O. 13224 has proven less effective in depriving the terrorist organization of funding. Assistant Secretary for Terrorist Financing Daniel Glaser stated, “[t]hey derive so much of their resources internally, that more traditional counterterror finance tools we would apply, say in the case of Al Qaeda, to cut off a terror organization from its income sources are not applicable in this case.”¹³ As such, targeting Abu Bakr al-Baghdadi, the leader of the Islamic State, for designation under E.O. 13224 has limited practical value and only symbolic significance. He has no assets located in the United States subject to blocking, and there is no evidence that any U.S. persons are doing business with him.

⁸ E.O. 13224, *supra* note 5, at § 1(c)–(d)(i)–(ii).

⁹ *Id.* at sec. 1(b).

¹⁰ David S. Cohen, Treasury Under Sec’y for Terrorism and Fin. Intelligence, Remarks at the Carnegie Endowment for Int’l Peace, “Attacking ISIL’s Financial Foundation” (Oct. 23, 2014), <http://www.treasury.gov/press-center/press-releases/Pages/j;2672.aspx>.

¹¹ See Jose Pagliery, *Inside the \$2 Billion ISIS War Machine*, CNN (Dec. 11, 2015, 9:09 PM), <http://money.cnn.com/2015/12/06/news/isis-funding/>.

¹² See *id.*; see also Patrick Wintour, *Oil Revenue Collapse Means ISIS Reliant on Gulf Funds, Inquiry Hears*, THE GUARDIAN (Mar. 8, 2016, 12:15 AM), <http://gu.com/p/4hctg/sbl> (claiming that military attacks on oil infrastructure, falling global oil prices, and the low quality of Syrian oil have reduced annual oil revenues to \$200 million); Hamza Hendawi & Qassim Abdul-Zahra, *ISIS is Making up to \$50 Million a Month from Oil Sales*, BUSINESS INSIDER (Oct. 23, 2015, 2:46 AM), <http://www.businessinsider.com/isis-making-50-million-a-month-from-oil-sales-2015-10>.

¹³ Mathew Rosenberg, Nicholas Kulish & Steven Lee Myers, *Predatory Islamic State Wrings Money from Those It Rules*, N.Y. TIMES (Nov. 29, 2015), <http://nyti.ms/1Op4fja>.

The government must adapt to the terrorist-financing challenges posed by the Islamic State. A good model is the economic sanctions regime imposed on Iran, which heavily relied on secondary sanctions. “Ordinarily, when the United States imposes economic sanctions, it imposes primary sanctions only—to restrict its own companies and citizens (or other people who are in the United States) from doing business with a rogue regime, terrorist group, or other international pariah.”¹⁴ Secondary sanctions “involve additional economic restrictions designed to inhibit non-U.S. citizens and companies abroad from doing business with a target of primary U.S. sanctions.”¹⁵

Congress should consider enacting legislation against the Islamic State similar to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA), which imposed important secondary sanctions on foreign entities doing business with Iran.¹⁶ The CISADA was intended to force foreign firms to choose between participating in the U.S. commercial market or entering into energy-related transactions with Iran. The CISADA greatly expanded the scope of prohibited activities to include efforts by foreign companies to (1) sell, lease, or provide to Iran any goods, services, technology, information or support that would allow Iran to maintain or expand its petroleum refineries and (2) to supply refined petroleum products to Iran.¹⁷

The CISADA sanctions any activities that “directly and significantly” assist Iran in either developing its oil refining capacity or obtaining refined petroleum.¹⁸ Moreover, the prohibited transactions under the Act either must be done knowingly or involve circumstances in which the party “should have known, of the conduct, circumstances, or the result.”¹⁹ By inserting the negligence standard, which extends liability to parties who “should have known,” the CISADA significantly expanded corporate liability beyond the existing Iran Sanctions Act of 1996 (ISA), under which parent corporations were liable only for approving or facilitating prohibited transactions.²⁰

The CISADA requires the President to impose at least three different economic sanctions on foreign companies found in violation of the Act, and the statute added three new sanctions to the previous six authorized under the ISA.²¹ These include: (1) prohibitions on foreign exchange

¹⁴ Jeffrey A Meyer, *Second Thoughts on Secondary Sanctions*, 30 U. PA. J. INT’L L. 905, 905 (2014).

¹⁵ *Id.*

¹⁶ Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010, Pub. L. No. 111-195, 124 Stat. 1312 (codified at 22 U.S.C. § 8501 note (2012)). The Iran and Libya Sanctions Act of 1996 (renamed the Iran Sanctions Act of 1996) is Pub. L. 104-172, 110 Stat. 1541, as amended by Pub. L. No. 111-195, § 102, 124 Stat. 1312, 1317-28 is referred to in para. (10) of the CISADA, which is set out as a note under section 1701 of title 50, War and National Defense. *Accord* CORN ET AL., *supra* note 7, at 387-88 (discussing the scope of the CISADA).

¹⁷ *See id.* § 102.

¹⁸ *Id.*

¹⁹ *Id.* *See also* OFAC Iranian Financial Sanctions Regulations, 31 C.F.R. pt. 561 (2010) (implementing subsections 104(c) and (d) and other related provisions of CISADA).

²⁰ *See* U.S. Dep’t of State, Additional Information for the Iran and Libya Sanctions Act, 61 Fed. Reg. 66067, 66068 (Dec. 16, 1996).

²¹ *See* CISADA § 102(b).

transactions subject to United States' jurisdiction; (2) prohibitions on transfers of credit or payment between, by, through, or to financial institutions that are subject to the United States' jurisdiction; and (3) prohibitions on transacting or exercising any right, power, or privilege with respect to property subject to the jurisdiction of the United States.²²

Legislation similar to CISADA should be enacted to impose sanctions on those foreign companies contributing to the development of the Islamic State's oil sector. As previously noted, U.S. military airstrikes have seriously damaged the Islamic State's oil infrastructure in territories it controls in Syria. However, the Islamic State should be prevented from repairing and rebuilding these damaged oil refineries with the assistance of foreign firms. To this end, secondary sanctions could be statutorily imposed on any foreign entities selling parts or providing technical support or services to assist the Islamic State in prohibited repair.

E.O. 13224 has limited application to foreign companies doing business with the Islamic State. Under section 2(a) of E.O. 13224, U.S. persons are prohibited from dealing in property blocked under the order and from providing funds, goods or services to SDGTs.²³ The sanctions available under E.O. 13224 would therefore only apply if the foreign firm providing assistance to the Islamic State was designated as an SDGT and had property in the United States subject to blocking. In such a case, U.S. persons would be prohibited from doing business with the designated foreign company. However, it is unclear whether a foreign firm assisting the Islamic State could be so designated under E.O. 13224. While assisting the Islamic State in rebuilding its oil infrastructure might plausibly constitute providing services "in support of[] such acts of terrorism" in violation of section 1(d)(i) of the Executive Order, this argument is highly tenuous.

Finally, the Islamic State itself has been designated an SDGT pursuant to E.O. 13224. Therefore, U.S. persons are prohibited from dealing with the terrorist organization. However, the executive order does not prohibit foreign firms and individuals from conducting business with the Islamic State.

The legislation I am proposing that Congress enact would allow for secondary sanctions beyond what is currently permitted under E.O. 13224. Regardless of whether a foreign firm held property within the United States or had been designated an SDGT, the entity would be subject to

²² *Id.* § 102(b)(2). Prior to the CISADA, the President could choose from among six sanctions to impose on foreign entities:

- (1) denial of Export-Import Bank assistance for exports;
- (2) denial of export licenses or other specific requests under U.S. export control;
- (3) denial of loans exceeding \$10 million from U.S. financial institutions in any twelve month period;
- (4) prohibition on sanctioned financial institutions from designation as a primary dealer in U.S. debt or as a repository for U.S. government funds;
- (5) ban on procurement contracts with the U.S. government; and
- (6) case-by-case imposition of import restrictions.

Iran and Libya Sanctions Act of 1996, Pub. L. No. 104-172, § 6, 110 Stat. 1541, 1545 (codified at 50 U.S.C. § 1701 note (2012)).

²³ E.O. 13224, *supra* note 5, at § 2(a).

a wide array of economic sanctions similar to those imposed against foreign businesses assisting Iran in developing its oil-refining capacity. Further, a CISADA-type of legislation would provide the President with a more nuanced set of punitive measures for combating those foreign enterprises that aid and do business with the Islamic State.

(B) Prosecuting Terrorist Financiers under the Material Support Statutes

The Department of Justice has a dismal record of prosecuting financiers of terrorism. Since September 11, 2001, there has been only one major terrorist financing prosecution. In November 2008, a federal jury convicted five leaders of the Holy Land Foundation for Relief and Development (HLFRD) for providing material support to Hamas, a designated foreign terrorist organization (FTO).²⁴ The HLFRD was a charity incorporated in the United States by the five criminal defendants and was used to raise money for Hamas. There have been no major prosecutions of individuals responsible for raising money for al Qaeda or affiliated terrorist organizations. Further, the provision of the *United States Code*, 18 U.S.C. § 2339C, which expressly prohibits raising and providing funds to terrorists, has rarely been used.

Individuals who raise money for foreign terrorist organizations or provide funding to such groups should be prosecuted under the material support statutes: 18 U.S.C. §§ 2339A, 2339B, and 2339C. Moreover, individuals providing financial support to “lone wolf” terrorists should also be punished.

Section 2339B prohibits the provision of material support or resources, including financial resources, to an FTO.²⁵ To prove a violation of § 2339B, the defendant must have knowledge that the organization is a designated FTO or has engaged or engages in acts of terrorism.²⁶ The

²⁴ See Press Release, Dep’t of Justice, Federal Judge Hands Down Sentences in the Holy Land Foundation Case (May 27, 2009), <https://www.justice.gov/opa/pr/federal-judge-hands-downs-sentences-holy-land-foundation-case>.

²⁵ 18 U.S.C. § 2339B (2012). For purposes of § 2339B, a “foreign terrorist organization” is an organization designated as a terrorist organization under section 219 of the Immigration and Nationality Act, which is codified under section 1189 of title 8, Aliens and Nationality. Section 219 authorizes the Secretary of State to designate a group as a “foreign terrorist organization” if the group meets certain criteria:

- (A) the organization is a foreign organization;
- (B) the organization engages in terrorist activity (as defined in section 1182(a)(3)(B) of this title) or terrorism (as defined in section 2656f(d)(2) of title 22) [sic], or retains the capacity and intent to engage in terrorist activity or terrorism; and
- (C) the terrorist activity or terrorism of the organization threatens the security of United States nationals or the national security of the United States.

8 U.S.C. § 1189(a)(1) (2012).

²⁶ Section 2339B provides:

To violate this paragraph, a person must have knowledge that the organization is a designated terrorist organization (as defined in subsection (g)(6), that the organization has engaged or engages in terrorist activity (as defined in section 212(a)(3)(B) of the Immigration and Nationality Act), or that the organization has engaged or engages in terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989).

18 U.S.C. § 2339B(a)(1).

government is not required to prove that the defendant intended to further the FTO's terrorist activities. That prohibition is based on a finding that FTOs "are so tainted by their conduct that any contribution to such an organization facilitates that conduct."²⁷ However, § 2339B is limited to the provision of material support or resources to an FTO, and does not apply where the recipient is a lone wolf terrorist.

Section 2339C makes it a crime to "provide or collect" funds with the intention that the funds be used, or with the knowledge that such funds are to be used, to commit one of the terrorism-related crimes enumerated in the statute. Section 2339C is broader in scope than § 2339B, as it is not limited to raising or providing funds to an FTO. However, § 2339C requires proof of a heightened scienter not required under § 2339B. The government must prove that the defendant had knowledge or acted with the intent that the funds be used to commit a violent crime. The statute does not prohibit providing funds to a lone wolf terrorist if the funds were provided for a benign purpose.

To better stop terrorist financiers, Congress should amend § 2339C to prohibit the provision or collection of funds with knowledge that the recipient has engaged in acts of terrorism or intends to commit a terrorist act in the future. Individuals should not be permitted to knowingly provide financial resources to persons they know have engaged or intend to engage in acts of terrorism. Providing funds with knowledge that the recipient has engaged or engages in terrorist acts should be a separate offense under the statute. Ultimately, § 2339C should be amended to require proof of the same scienter requirement needed to support a conviction under § 2339B.

(C) Justice Against State Sponsors of Terrorism Act

Civil tort actions that seek large monetary damages provide an invaluable supplement to criminal enforcement actions and economic sanctions intended to deter and punish acts of terrorism. Private lawsuits brought by the victims of international terrorism can have a deterrent effect against corrupt charities, donors, financial institutions, foreign states, and front organizations that provide financial support and other services to terrorist organizations.²⁸

On May 17, 2016, the U.S. Senate unanimously passed the Justice Against Sponsors of Terrorism Act (JASTA) in an effort to strengthen civil terrorism causes of action.²⁹ This proposed legislation ensures that those who aid and abet terrorist attacks on U.S. soil are held accountable for their conduct, even if such offenders are foreign sovereigns or their instrumentalities. The JASTA does so through modest amendments to the Foreign Sovereign Immunities Act (FSIA) and the Anti-Terrorism Act (ATA), each of which recognizes this fundamental principle. The proposal

²⁷ Antiterrorism and Effective Death Penalty Act (AEDPA) of 1996, Pub. L. No. 104-132, § 301(a)(7), 110 Stat. 1214, 1247, note following 18 U.S.C. § 2339B (Findings and Purpose).

²⁸ See JIMMY GURULÉ, UNFUNDING TERROR: THE LEGAL RESPONSE TO THE FINANCING OF GLOBAL TERRORISM 324–69 (2008) (providing a comprehensive discussion of private causes of action with which to hold terrorist financiers accountable).

²⁹ Justice Against Sponsors of Terrorism Act, S. 2040, 114th Cong. (2015).

is a narrowly drawn statute that will deter international terrorism, guarantee the victims of terrorism have their day in court, and grant the executive new powers to resolve civil terrorism cases through diplomatic means.

The bill's new immunity exception, proposed to amend chapter 97 of Title 28 by inserting section 1605B, provides in part:

A foreign state shall not be immune from the jurisdiction of the courts of the United States in any case in which money damages are sought against a foreign state for physical injury to person or property or death occurring in the United States and caused by (1) an act of international terrorism in the United States; and (2) a tortious act or acts of the foreign state, or of any official, employee, or ... agency, regardless where the tortious act or acts of the foreign state occurred.³⁰

This provision ensures that U.S. courts will have jurisdiction over a tort involving an act of international terrorism committed by a foreign state on U.S. soil. The JASTA further provides that, where jurisdiction against a foreign state is satisfied, a U.S. national may bring a civil claim against a foreign state pursuant to the Anti-Terrorism Act.³¹

The Anti-Terrorism Act of 1992, codified at 18 U.S.C. § 2333, provides a private right of action to any U.S. national injured by reason of an act international terrorism. The federal courts are currently divided on whether the provision allows claims premised on a theory of aiding and abetting.³² Generally, plaintiffs have a much easier burden of proof in a jurisdiction that permits § 2333 liability based on aiding and abetting. The disagreement as to the scope of the ATA could lead to inconsistent verdicts, depending on whether the plaintiff must prove that the defendant himself committed an act of international terrorism, or merely that he aided and abetted some other actor in doing so.

The JASTA removes this confusion by expressly recognizing a cause of action for aiding and abetting liability in the very narrow circumstance of international terrorism. It is important to note that the bill provides for aiding or conspiracy liability under the ATA only when the act of international terrorism was committed, planned, or authorized by a designated FTO. It does not apply to individuals who have no association with an FTO. Further, the proposed aiding and abetting liability provision requires prove of knowledge and substantial assistance.

³⁰ Justice Against Sponsors of Terrorism Act, S. 2040, 114th Cong., § 3(a) (as passed by Senate, May 17, 2016).

³¹ The Antiterrorism Act of 1990—the short title to section 132 of the Military Construction Appropriations Act of 1990—was reenacted by the Federal Courts Administration Act (FCA) of 1992, Pub. L. No. 102-572, Title X, § 1003, 106 Stat. 4506. Section 1003(c), which appears as an 18 U.S.C. § 2331 note. Though the reenacted law was not designated as a short title, the collection of the FCA's "terrorism" provisions is colloquially referred to as the "Anti-Terrorism Act" of 1992. 18 U.S.C. § 2333 is the civil remedies provision of the Act, added Oct. 29, 1992, Pub. L. No. 102-572, Title X, § 1003(a)(4), 106 Stat. 4506, codified as amended.

³² See Jimmy Gurulé, *Holding Banks Liable Under the Anti-Terrorism Act for Providing Financial Services to Terrorists: An Ineffective Legal Remedy in Need of Reform*, 41 NOTRE DAME J. LEGIS. 184, 206–09 (2015).

Finally, sponsors of the JASTA recognize that terror victims' demands for justice may complicate international diplomacy in certain circumstances. To address this concern, section 5 of JASTA gives the chief executive the power to intervene in any civil litigation against a foreign state alleging support for terrorism and then to obtain a stay of the proceedings while government-to-government discussions proceed. Ultimately, the JASTA will allow families victimized by terrorism to proceed in court against their attackers and enablers and hold them accountable for their actions. For all of the above reasons, this proposed legislation should be enacted into law.

(D) Developing a National Counter-Terrorist Financing Strategy

The threat of international terrorism is dynamic and constantly changing and evolving. The Department of State has designated over fifty foreign terrorist organizations that threaten U.S. national security, and virtually every year new terrorist groups are added to the government's list.³³ Today, the terrorism threat confronting the United States is radically different from the threat posed by al Qaeda in 2001. However, the one thing that remains constant is that terrorists need money to terrorize. At the same time, terrorists have diverse sources of funding. To effectively prevent terrorists from plotting attacks against the United States and killing Americans at home and abroad, the U.S. government must stem the flow of funds to terrorist organizations.

To accomplish this critical objective, the United States should develop a comprehensive counter-terrorist financing (CTF) strategy. No such strategy exists today. The government's CTF strategy must be proactive, not merely reactive, focusing not merely on funding methods currently used by terrorist organizations, but also responding to emerging methods and techniques to collect and transfer funds internationally to support terrorist activities.

The CTF should address how the Islamic State's ill-gotten funds from its various illicit activities are transferred globally to finance its terrorist activities. The strategy should include a plan to curtail terrorist funds derived from each of these revenue sources. Furthermore, the CTF strategy should seek to address how other terrorist organizations are raising money, and what methods they are using to move money globally.

Finally, the CTF strategy needs to be adaptive. As the United States successfully disrupts the flow of funds to terrorists from one source, for example, transactions through financial institutions, the CTF strategy must consider new and alternative methods of money transfer that the terrorists will likely use next. The government's strategy must adjust accordingly and set forth a new plan that curtails the flow of funds to terrorists from this different origin. It is imperative that the U.S. government develop a comprehensive CTF strategy along these lines to more effectively respond to the diverse and innovative methods used to finance global terrorism and disrupt its efforts.

³³ As of June 2, 2016, the number was at fifty-eight, to be exact. *See* U.S. Dep't of State, Bureau of Counterterrorism and Countering Violent Extremism, Country Reports on Terrorism 2015, at 349–50, <http://www.state.gov/documents/organization/258249.pdf>.