



**Written Statement for  
The Subcommittee on Terrorism and Illicit Finance**

**Survey of Terrorist Groups and Their Means of  
Financing**

**By Mr. Ali H. Soufan  
Founder of The Soufan Center  
Wednesday, 5 September, 2018**

*Testimony to be presented before the House Financial Services Committee, Subcommittee on Terrorism and Illicit Finance on Friday, September 7, 2018.*



## **About The Soufan Center**

The Soufan Center (TSC) is a nonprofit organization dedicated to serving as a resource and forum for research, analysis, and strategic dialogue related to global security issues and emergent threats. TSC fills a niche-role by producing independent, quality research and hosting proactive conversations in order to effectively equip thought leaders, policy makers, governments, bi- and multilateral institutions, media, and those in the non-profit and academic communities to engage in strategic security-related practices. Our work focuses on a broad range of complex security issues—from international and domestic terrorism, to humanitarian crisis analysis, to refugee and immigrant issues, and more.

The Soufan Center is a 501c3 non-profit organization

## **About Ali Soufan**

Ali Soufan is the Founder of The Soufan Center. Mr. Soufan is a former FBI Supervisory Special Agent who investigated and supervised highly sensitive and complex international terrorism cases, including the East Africa Embassy Bombings, the attack on the USS Cole, and the events surrounding 9/11. He is the Chief Executive Officer of The Soufan Group and Founder of The Soufan Center.



“The Evolving Nature of Terrorism and the Current Groups Around  
the World which Pose the Greatest Threats to the National Security of  
the United States”

Testimony of Mr. Ali Soufan,  
Founder of The Soufan Center

Before the Committee on Financial Services  
Subcommittee on Terrorism and Illicit Finance  
United States House of Representatives

Friday, September 7, 2018

Chairman Pearce, Ranking Member Perlmutter, distinguished members: Thank you for hearing my testimony today.

During this session on terrorist financing, you will hear a great deal about the *means* by which terrorists fund their organizations — taxation and extortion, sales of stolen oil and looted artifacts, opium, organized crime, donations, ransoms. These are all vital mechanisms to understand, and my fellow witnesses represent some of the leading experts in this field.

In my testimony, however, I would like to take a step back, and invite members to consider the wider geopolitical factors that together afford terrorists the *opportunity* to raise money. I am speaking of the many conflicts around the world in which such groups participate — especially those in Syria, North Africa, and Yemen.

Terrorists use these wars to boost their resources in several ways. Let me briefly highlight two.

First, they systematically embed themselves in the messy specifics of each conflict, to the point where it becomes difficult to separate them from legitimate local combatants.



They may use this cover to create front organizations through which to funnel funds. One example was Ahrar al-Sham, which means Free People of the Levant. As its name suggests, Ahrar al-Sham wanted to be seen as a nationalist group, rather than a radical jihadi one. In reality, it cooperated with al-Nusra and its leader was a man whom the Treasury Department called al-Qaeda’s “representative in Syria.”<sup>1</sup> Yet the rebranding stuck: the group reportedly received funds and material from sources in the gulf states and Turkey — all American allies.<sup>1</sup> The logic behind such support is as old as conflict itself: “My enemy’s enemy is my friend.” But in this case, it represents an extremely dangerous line of thinking.

Today, in the complex civil war in Yemen, Saudi Arabia and its allies find themselves, in effect, on the same side as al-Qaeda in the Arabian Peninsula (AQAP). AQAP has strengthened its ties to Yemen’s Sunni tribes and militias, to the point where it would be difficult, if not impossible, to support those groups without indirectly supporting al-Qaeda. Last month, the Associated Press reported that the Saudi-led coalition had resorted to paying AQAP to retreat from strategic holdings, in the process allowing them to retain their weapons and stolen assets.<sup>2</sup> This is worrying, especially given active U.S. support for the coalition.

Second, terrorist groups benefit from heavy-handed foreign interventions. In the Middle East today, Saudi Arabia has set itself up as the Sunni counterweight to Iran. But in so doing, both regional powers have prolonged already bloody conflicts and lent them a vicious sectarian edge.

Bloodshed plays into the jihadis’ overall game-plan, which has always been about exploiting these conflicts and weaponizing sectarianism. In the chaos of war, *jihadi* groups have seized territory across the region, opening the door to all kinds of fundraising opportunities, from taxation and extortion to outright robbery. Regional conflicts have also provided a recruitment bonanza. For example, around 45,000 foreign fighters from around the globe joined the so-called Islamic State in Iraq and Syria. Another example, as one AQAP

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<sup>1</sup> (2017, August 5). Mapping Militant Organizations. Ahrar al-Sham. Retrieved September 5, 2018, from <http://web.stanford.edu/group/mappingmilitants/cgi-bin/groups/view/523>

<sup>2</sup> Michael, M. (2018, August 7). AP. *AP Investigation: US allies, al-Qaida battle rebels in Yemen*. Retrieved September 5, 2018, from <https://www.apnews.com/f38788a561d74ca78c77cb43612d50da/Yemen:-US-allies-spin-deals-with-al-Qaida-in-war-on-rebels>



commander has been quoted as saying, with respect to the frontline in Yemen, “If we send 20 [fighters], we come back with 100.”<sup>3</sup> Indeed, AQAP has grown from around 1,000 members when the conflict began<sup>4</sup> to around 7,000 today.<sup>5</sup>

Seventeen years ago, almost to the day, the United States was attacked by a terrorist organization of around 400 members, based primarily in Afghanistan. We responded swiftly, and we defeated that version of al-Qaeda. Today, however, a new jihadi threat has emerged around the world. It consists of many different radical organizations, deeply embedded in local conflicts. That has made them difficult to target.

But there is a common factor linking these groups, including the so-called Islamic State (ISIS) as well as every al-Qaeda franchise. That factor is the ideology of salafi jihadism that manifests itself in the narrative of *bin Ladenism*. We must dedicate ourselves to destroying that narrative. Only when we do so will we finally defeat them.

Thank you once again for hearing my testimony.

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<sup>3</sup> Michael, M. (2018, August 7). AP. *AP Investigation: US allies, al-Qaida battle rebels in Yemen*. Retrieved September 5, 2018, from <https://www.apnews.com/f38788a561d74ca78c77cb43612d50da/Yemen:-US-allies-spin-deals-with-al-Qaida-in-war-on-rebels>

<sup>4</sup> (2014, April). U.S. Department of State. *Country Reports on Terrorism 2013*. Retrieved September 5, 2018, from <https://www.state.gov/j/ct/rls/crt/2013/224829.htm>

<sup>5</sup> (2018, July 27). United Nations. *Twenty-second report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2368 (2017) concerning ISIL (Da'esh), Al-Qaida and associated individuals and entities*. Retrieved September 5, 2018, from [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2018/705&referer=/english/&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2018/705&referer=/english/&Lang=E)