

# Program on Extremism

THE GEORGE WASHINGTON UNIVERSITY

## **Low Cost, High Impact: Combatting the Financing of Lone-Wolf and Small-Scale Terrorist Attacks**

Written Testimony of:

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Chairman, Ranking Member, and distinguished Members of the Committee, it is a privilege to be invited to speak on the threat of financing of extremism in the United States and the efforts undertaken to prevent it.

## **The Current Threat Picture**

Extremism inspired by jihadist groups like al-Qaeda and the Islamic State (IS) remains a potent threat to the United States. Since the announcement by the Islamic State of the so-called Caliphate in June 2014, GW's Program on Extremism has identified 63 "successful" attacks in Europe and North America. France has experienced the highest number of attacks, followed closely, and perhaps surprisingly, by the United States.<sup>1</sup> Attacks in the United States tend to be significantly less structured and spontaneous than those in Europe, even though some of them (Orlando, San Bernardino) have been no less deadly.

According to law enforcement, at least 250 U.S. persons have traveled or attempted to travel to join extremist groups in Iraq and Syria.<sup>2</sup> Since March 2014, 133 individuals have been charged with terrorism-related activities in connection with IS. There have been arrest in 28 states and the District of Columbia. The average age of charged individuals was 28. While about 30% were accused of plotting domestic terror attacks, nearly half were accused of traveling or attempting to travel abroad.

It is a 'homegrown' phenomenon in the truest sense of the word. The vast majority of those arrested are American citizens or legal permanent residents. While violent plots understandably often garner the attention of policymakers, media, and academics, a broad swath of cases demonstrates the enduring relevance of finance-related activity by jihadists in the West.

At the outset, I note that although my testimony primarily focuses on IS-related extremism, it includes a brief examination of other forms of violent extremism which certainly pose a threat to national security. Historically, other foreign terrorist organizations (FTOs), including Hezbollah and Hamas, have succeeded in establishing extensive financial networks in the U.S, and used their network to spread their message and ideology in the United States.<sup>3</sup> The U.S. Government has also repeatedly warned about the threat posed by other extremist groups. To elucidate, the FBI and DHS issued a Joint Intelligence Bulletin last May, in which they assessed that "lone actors and small cells within the white supremacist extremist movement likely will continue to pose a threat of lethal violence within the next year."<sup>4</sup> Unfortunately, when compared to the surfeit of analyses that comprehensively assess the financing of jihadist actors in the United States, there are very few reviews that document how other extremist groups fund their activities.

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<sup>1</sup> Vidino, Lorenzo, Francesco Marone, and Eva Entenmann. 2017. "Fear Thy Neighbor: Radicalization and Jihadist Attacks in the West." Milan, Italy: Joint Program on Extremism, ICCT-The Hague, ISPI Report. <https://extremism.gwu.edu/sites/extremism.gwu.edu/files/FearThyNeighbor%20RadicalizationandJihadistAttacksintheWest.pdf>

<sup>2</sup> Schmitt, Eric, and Somini Sengupta. 2015. "Thousands Enter Syria to Join ISIS Despite Global Efforts." *The New York Times*, September 26, sec. Middle East.

<sup>3</sup> US v. Holy Land Foundation for Relief and Development, et al., Richardson, Texas.

<sup>4</sup> "White Supremacist Extremism Poses Persistent Threat of Lethal Violence". 2017. DHS-FBI Joint Intelligence Bulletin, May 10.

Financing of the extremist's cause in the U.S. varies considerably, ranging from individuals using cryptocurrencies online to coordinated initiatives supporting actors abroad. To better understand the current picture, it is crucial to examine the myriad ways in which terrorist financing regulations and how they have shaped the evolution, or perhaps devolution, of modern terrorist financing in America.

### **Contemporary Financial Activity**

Emerging in the post 9/11 era, IS relied upon creative and innovative economic means to fund its attacks within the United States. Departing from the approach used by al-Qaeda, IS has been more self-sufficient, “deriving most of its income from oil sales and criminal enterprises, as well as from money taken through taxes and fees.”<sup>5</sup>

To complement airstrikes on IS' assets, including military hardware and oil fields, the U.S.-led coalition implemented measures to weaken the organization's financial networks. Sanctions by the Department of Treasury, which targeted financiers and relevant businesses, seemingly helped chip away at the group's resources on the ground in Iraq and Syria. Ultimately, the factors that currently strain IS' finances pertain to degradation caused by air strikes and territorial losses.

In the fifteen-plus years after President Bush signed Executive Order 13224, which prohibits financial transactions with suspected terrorists, several governments worldwide have implemented a variety of methods to counter networked financing by terrorists. Relying predominantly on asset freezes, blacklists, sanctions, and intensive financial monitoring, the approach has resulted in a diminishing exodus of terrorist networks from the international financial system. At first glance, this appears to be a favorable outcome, but further analysis shows that this approach yields mixed results.

Despite the stark reduction in substantive financial transfers between terrorist organizations and their adherents, events from the same fifteen-year period demonstrate how violent extremists remain capable of funding and coordinating deadly and public attacks. A 2017 study by the International Centre for the Study of Radicalisation claims three factors are largely to blame for the limitation of counter-financing strategies: 1) terrorist financing has adapted to post-9/11 counter-financing strategies, especially blacklists and asset freezes; 2) there is no archetypal ‘terrorism financing method,’ and perhaps the most salient; 3) the modern terrorist needs little to no money to carry out the attack.

In sum, attempting to find a terrorism financing plot is similar to the proverbial “needle in the haystack”: modern terrorist financing has gone underground or can be disguised easily, utilizes a variety of methods, and relies on many small transfers rather than a few large ones.<sup>6</sup>

Even before the advent of the current counter-financing programs, terrorist networks informally generated income and financed their activities through unofficial means that governments or international agencies

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<sup>5</sup> Warrick, Joby. 2016. “Inside the economic war against the Islamic State.” *The Washington Post*. December 31.

<sup>6</sup> Neumann, Peter (2017). Don't Follow the Money: The Problem with the War on Terrorist Financing”. *Foreign Affairs* 94 (4).

found difficult to regulate by. Most notably, many of the precursors of modern terrorist organizations were forged in areas where the vast majority of the population did not have bank accounts and wire transfers. In these cash-based economies, tracing the “paper trail” is particularly challenging even in areas with developed market economies. Banks undertake and process thousands of complex financial transactions each day. It is hard to ascertain which of these transactions are financing terrorism especially when the identities of the account owners remain unknown. Mullah Omar, Usama bin Laden or Abu Bakr al-Baghdadi, for example, would be unlikely to open bank accounts in their own names. Use of third parties or a middle-man creates an obfuscation that banks and intelligence services must look at the method of financing rather than the financiers themselves.<sup>7</sup> That no two terrorist groups generate income in the same way makes law enforcement’s job even harder. Each organization must account for their base of adherents, material connections, and geographic backdrop, and one needs different expertise to suss out the perpetrator.

A review of financing of IS-related activities reveals the modern-day financing of terrorism. A teenager in Virginia crafted an online manual on how to send money via Bitcoin to IS while a husband-wife team in Missouri raised money the old-fashioned way by fund raising cash from several members of the Bosnian diaspora. Another Virginia man bought gift cards and messaged their codes to an individual who he believed to be an IS fighter who was to use them to create encrypted online accounts. Beyond IS supporters in America, terrorists worldwide have used a variety of enterprises -- from ivory poaching to oil trading, antique theft to growing heroin.

But, counter-financing programs will struggle for an overarching reason: the “new normal” of terrorist plots is the low-budget attack. Successful terrorist attacks are now being carried out with instrumentalities that are part of our everyday life: a knife or a van. In these “lone wolf” or the errant jihadist types of attacks, the incurred costs are low such as buying the weapon or renting a car. The cost for such instrumentality is low -- a few hundred U.S. dollars.

Travel to join terrorist groups overseas, or financing an individual’s journey, is a more expensive form of financial material support, but even then, the cost of a plane ticket is less than a few thousand dollars. In contemporary instances where terrorist attacks or travel are externally financed, the amount of money that must be transferred to fund the scheme fully may not necessarily cross the radar of most monitoring operations.

## **IS Case Studies**

Case studies provide an insight into the contemporary means used by terrorists to finance their attacks in America. One such method scheme is where an individual or group of people crowd-source money for another who has already gone overseas to join IS in its controlled territories. This method of financing terror dates back to pre-IS terrorism financing cases, and comes closest to the meaning of providing material support to a foreign terrorist organization.

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<sup>7</sup>Neumann, Peter (2017). Don’t Follow the Money: The Problem with the War on Terrorist Financing”. *Foreign Affairs* 95 (4).

The husband-wife team from Missouri illustrates this type of financing. Ramiz Hodzic and Sedina Unkic Hodzic raised money the old-fashioned way – reaching out to their contacts in the Bosnian diaspora community and receiving the money through Western Union, PayPal and wire transfers. Ramiz and Sedina then sent the funds they had collected to a mid-level Bosnian-American IS commander in Syria.<sup>8</sup> After pooling the money from those who are now their four co-conspirators, the Hodzics also bought military gear and supplies, and sent them to intermediaries in Turkey, Saudi Arabia, and Bosnia and Herzegovina.<sup>9</sup> Some members of this group have defended their actions by claiming that the money was for charitable purposes, or that the money was sent to support individuals from the diaspora abroad – instantly recognizable as built-in defenses for this type of funding scheme.<sup>10</sup> It remains to be seen if those defenses will prevail at trial.

At times, it is the IS operative overseas who is the instigator and convinces the lone individual to raise money stateside. Illustrative of such a scheme is the case of Aaron Daniels, a 20-year-old Ohio man, and Mohammed Bailor Jalloh, a former Virginia National Guardsman. Both men pleaded guilty to charges of providing material support as they had sent money to individuals that they believed were vetted by Abu Sa’ad Sudani, a known IS external operations planner who was later killed in a 2016 coalition airstrike.<sup>11</sup> In a more innovative example, another Virginia resident, Haris Qamar, purchased gift cards and sent the codes to an individual that he believed to be an IS operative overseas.<sup>12</sup>

The next type of financing is seen when individuals or groups garner resources so as to finance a person’s travel abroad to join IS. Illustrative of such a financing scheme is a case stemming out of the Eastern District of New York with players from other states including Illinois and New Jersey.

Beginning in January 2015, Abror Habibov, a 30-year-old Uzbek citizen living in Brooklyn, New York, financially facilitated Abdurasul Juraboev and Akhror Saidakhmetov’s attempts to join IS.<sup>13</sup> Habibov owned several technology repair kiosks in malls around the country and was Saidakhmetov’s employer.<sup>14</sup> He provided funds to Saidakhmetov and Juraboev to purchase plane tickets, first in the form of payment in advance for Saidakhmetov’s work, and later as a lump cash payment of \$500 for the plane ticket.<sup>15</sup> Then, Habibov fundraised money with Akmal Zakirov, Dilkhayot Kasimov, Azizjon Rakhmatov, and Dilshod Khusanov so that Saidakhmetov and Juraboev would have access to money to buy weapons after they arrived in Syria.<sup>16</sup>

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<sup>8</sup> *USA v. Ramiz Ziyad Hodzic, et. al.* Indictment (2015).

<sup>9</sup> *USA v. Ramiz Ziyad Hodzic, et. al.* Indictment (2015).

<sup>10</sup> *USA v. Ramiz Ziyad Hodzic, et. al.* Defendants’ Joint Motion to Dismiss Counts I and III (2017).

<sup>11</sup> *USA v. Aaron Daniels*, Affidavit in Support of an Application for a Criminal Complaint and Arrest Warrant (2016); *USA v. Mohamed Bailor Jalloh*, Affidavit in Support of a Criminal Complaint (2016).

<sup>12</sup> *USA v. Mohamed Bailor Jalloh*, Affidavit in Support of a Criminal Complaint (2016); *USA v. Haris Qamar*, Criminal Complaint (2016).

<sup>13</sup> *USA v. Abdurasul Hasanovich Juraboev, et al.* Complaint and Affidavit of Arrest Warrant (2015).

<sup>14</sup> *USA v. Abdurasul Hasanovich Juraboev, et al.* Complaint and Affidavit of Arrest Warrant (2015).

<sup>15</sup> *USA v. Abdurasul Hasanovich Juraboev, et al.* Complaint and Affidavit of Arrest Warrant (2015).

<sup>16</sup> *USA v. Abdurasul Hasanovich Juraboev, et al.* Complaint and Affidavit of Arrest Warrant (2015).

At times, the financing of the plot is so intricate and separate from the act of material support that prosecutors are able to bring additional charges against the defendant. Such was the case when prosecutors charged Nader Elhuzayel with material support and financial fraud. Elhuzayel was convicted for attempting to join IS in Syria, along with 26 counts of bank fraud. To fund his travel to the Middle East, Elhuzayel deposited stolen checks into accounts at three different banks, then withdrew the money at various branches and ATMs.<sup>17</sup> When the banks discovered the fraud and closed Elhuzayel's accounts, he was unthwarted.<sup>18</sup> Elhuzayel turned to his friend and co-conspirator Muhanad Badawi. Badawi then purchased a plane ticket to Turkey for Elhuzayel, using his federal financial aid debit card. Elhuzayel and Badawi were both arrested when Elhuzayel attempted to board his flight. Badawi was also charged with material support to a terrorist organization, and one count of federal financial aid fraud.<sup>19</sup>

Misappropriating federal funds to finance terror travel is on the rise. Three Minnesota men, linked by a broader effort to travel to IS-controlled territory, engaged in financial fraud to achieve that aim. Guled Omar, for example, "withdrew \$5,000 cash from his federal educational financial aid debit card" before his first attempt at leaving for IS which failed.<sup>20</sup> Omar's second attempt to travel to IS-controlled territory led to his arrest, and eventually to his conviction for attempting to provide material support to a foreign terrorist organization and attempted federal financial aid fraud.<sup>21</sup>

Mr. Omar's co-defendants Hanad Musse and Hamza Ahmed were similarly found guilty for attempting to provide material support and financial aid fraud for their respective efforts to finance their travel to IS-controlled territory by fraudulent means.<sup>22</sup>

In some cases, public formal charges are never filed but the story reveals the methodology used to finance the act of terrorism. In an interview with *BuzzFeed News*, Hoda Muthana, a woman who migrated to IS-controlled territory in 2015, admitted to using her college tuition to pay for her plane ticket to join IS.<sup>23</sup> Muthana explained, "I signed up for classes and withdrew [from] them immediately so I could get a check back."<sup>24</sup> The precise logistics and legality of this transaction remains unknown, as law enforcement filed no publicly-available charges, but this method of terrorism-related financing demonstrates how difficult it is to detect and disrupt rudimentary plots.

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<sup>17</sup> DOJ Press Release, Two California Men Convicted of Conspiring to Join ISIL, June 21, 2016.

<sup>18</sup> Suduck, Joshua, "2 Anaheim Men Found Guilty of Trying to Help the Islamic State." *Orange County Register*, June 22, 2016.

<sup>19</sup> DOJ Press Release, Two California Men Convicted of Conspiring to Join ISIL, June 21, 2016.

<sup>20</sup> *USA v. Mohamed Farah, et. al.* Criminal Complaint and Affidavit (2015), p.15.

<sup>21</sup> DOJ Press Release, Federal Jury Convicts Three Minnesota Men for Conspiring to Join ISIL and Commit Murder in Syria, November 15, 2016.

<sup>22</sup> DOJ Press Release, Three More Minnesota Men Sentenced to Providing Material Support to IS, November 15, 2016.

<sup>23</sup> Hall, Ellie. 2017. "Gone Girl: An Interview With An American In ISIS." *BuzzFeed*. Accessed August 25. <https://www.buzzfeed.com/ellievhall/gone-girl-an-interview-with-an-american-in-isis>.

<sup>24</sup> Hall, Ellie. 2017. "Gone Girl: An Interview With An American In ISIS." *BuzzFeed*. Accessed August 25. <https://www.buzzfeed.com/ellievhall/gone-girl-an-interview-with-an-american-in-isis>.

Finally, in the case of three teenagers from Denver, Colorado, who attempted to travel to IS-controlled territory in 2014, a pair of sisters stole \$2,000 from their father along with their passports.<sup>25</sup> At this time, authorities have not filed any charges likely because the teens were minors.<sup>26</sup> Ultimately, however, this type of theft does not amount to a federal offense until resources are used in support of a terrorist organization. This technicality makes it especially difficult for lawmakers to develop approaches that could counter this level of activity.

### **Violent Far Right-Wing and Anti-Government Case Studies**

There are similarities and differences between the financing schemes utilized by violent, far-right extremists and their jihadist counterparts. One major difference is that financing of designated foreign terrorist organizations like IS, Al Qaeda, or Hezbollah is an *ipso facto* criminal offense under the material support statute (18 U.S.C. § 2339), whereas there is no statutory “designation” for domestic extremist groups. Thus, in order to prosecute such financing, the government must either prove that a) the funding was directly intended to commission a crime or b) the funds were obtained through criminal activity. The result is that violent, far-right groups are simply not under the same pressure to disguise their funding as FTOs. Nevertheless, the violent far right-wing groups have also used similar methods to finance their criminal activities. Funds used to promote and execute violent attacks place the groups under the same scrutiny and thus force them to conceal their financing methodology.

For decades, violent, far-right extremist networks in the United States have utilized the proceeds from illegal operations to finance their activities. In the mid-1980s, an offshoot group of the Aryan Nations, colloquially known as “The Order,” conducted a series of robberies on Brinks armored vehicles. They laundered the nearly \$4.1 million they made and used it to fund and arm various white nationalist groups.<sup>27</sup> Similarly, individuals tied to Timothy McVeigh, the perpetrator of the 1995 Oklahoma City bombing, raised funds for their cause through robbery: a group called the Aryan Republican Army committed a series of 22 bank stick-ups throughout the Midwest to finance an “all-out race war.”<sup>28</sup>

More recently, however, members of anti-government extremist organizations have turned to more convoluted plots to finance their groups. In 2011, Army Private Isaac Aguigui killed his pregnant wife for the insurance money to help fund his anti-government militia. Aguigui received \$500,000 from her insurance policy. Aguigui then purchased \$30,000 worth of guns and ammunitions for his militia group, FEAR (Forever Enduring Always Ready).<sup>29</sup>

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<sup>25</sup> Arapahoe County Sheriff’s Office, Offense Report, October 21, 2014.

<sup>26</sup> Temple-Raston, Dina. 2014. “ISIS Used Predatory Tools and Tactics To Convince U.S. Teens to Join,” *NPR News*.

<sup>27</sup> Canter, David V. 2009. *The Faces of Terrorism: Multidisciplinary Perspectives*. John Wiley & Sons. p.173

<sup>28</sup> Perliger, Arie. 2013. “Challengers from the Sidelines: Understanding America’s Violent Far-Right.” West Point, NY: Combating Terrorism Center at West Point. <https://ctc.usma.edu/posts/challengers-from-the-sidelines-understanding-americas-violent-far-right>.

<sup>29</sup> Crimsider Staff, “Army private convicted of murdering pregnant wife,” *CBS News*, March 24, 2014.

In 2013, Michael Lee Fullmore planned to establish a violent offshoot of the Georgia Knight Riders of the Ku Klux Klan. To fund his endeavor, Fullmore sold firearms to convicted felons. Fullmore was arrested by the FBI after he stated his desire to bomb a Hispanic Catholic church to an informant.<sup>30</sup> In 2014, supporters of the Nevada rancher Ammon Bundy organized a Gofundme.com page to provide support to the militias occupying the Malheur National Wildlife Reserve: the page was taken down for violating the site's terms of service, but the supporters did not face prosecution.<sup>31</sup>

These cases demonstrate two of the problems in prosecuting funding schemes for far-right terrorist groups. First, individuals can only be arrested if the funding is directed towards a particular crime or the means of funding was obtained during a crime. Second, the statutes do not allow for targeting networked financing schemes (involving multiple individuals) due to the lack of a list of designating domestic extremist groups.

### *Identifying the Emerging Threat*

As digital communications technologies continue to expedite (and hide) the exchange of information and resources, it is necessary to examine the adaptation of terrorist financing efforts. The case of Ali Amin, a Virginia teenager who used a Twitter account to promote IS' propaganda, is illustrative of the threats the U.S. will continue to face for years to come. Specifically, Amin's Twitter account discussed the use of Bitcoin, a cryptocurrency, to fund IS and then disseminated his knowledge of the subject. Using the handle @AmreekiWitness, Amin compiled a "how-to" of best practices for digital currency use to support IS, and disseminated it on his Twitter account.<sup>32</sup> Speaking to an audience of more than 4,000 followers, Amin tweeted over 7,000 times.<sup>33</sup>

Amin went so far as to write an article entitled, "Bitcoin w'al-Sadaqat al-Jihad" (Bitcoin and the Charity of Jihad). His article "discussed how to use bitcoins and how jihadists could utilize this currency to fund their efforts."<sup>34</sup> Punctuating the operational security benefits afforded by Bitcoin, Amin's "article included statements on how to set up an anonymous donations system to send money, using bitcoin, to the mujahedeen."<sup>35</sup> Expanding his scope of influence, Amin also ran a pro-ISIL blog, "Al-Khilafah Aridat," which distributed articles similar to his piece about cryptocurrency, explaining in detail technical steps IS supporters should take to ensure their security and anonymity online.<sup>36</sup> While not immediately threatening, Amin's ability to educate his followers on operational security poses a critical challenge to

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<sup>30</sup> US Attorney's Office, Western District of Virginia, "Georgia Man Sentenced to Prison for Selling Firearms to Felons to Support Violent Klu Klux Klan Group," *Press Release*, December 20, 2013. Schoenmann, Joe. 2014.

<sup>31</sup> "Cliven Bundy's Supporters Seek Crowdfunding to Sustain Militia - Las Vegas Sun Newspaper." May 15. <https://lasvegassun.com/news/2014/may/15/cliven-bundys-supporters-seek-crowd-funding-sustai/>.

<sup>32</sup> *USA v. Ali Shukri Amin*, Statement of Facts, (2015).

<sup>33</sup> Zapotosky, Matt. 2015. "Va. Teen Admits He Was Secret Voice behind a pro-ISIS Twitter Account." *Washington Post*. June 11. [https://www.washingtonpost.com/local/crime/northern-va-teen-admits-running-pro-islamic-state-twitter-and-helping-man-join-terrorist-group/2015/06/11/1d0cb33e-0eef-11e5-9726-49d6fa26a8c6\\_story.html](https://www.washingtonpost.com/local/crime/northern-va-teen-admits-running-pro-islamic-state-twitter-and-helping-man-join-terrorist-group/2015/06/11/1d0cb33e-0eef-11e5-9726-49d6fa26a8c6_story.html).

<sup>34</sup> *USA v. Ali Shukri Amin*, Statement of Facts, (2015).

<sup>35</sup> *USA v. Ali Shukri Amin*, Statement of Facts, (2015).

<sup>36</sup> *USA v. Ali Shukri Amin*, Statement of Facts, (2015).



policymakers and law enforcement officials. In this capacity, it is crucial to postulate the various tactics used by actors that evade detection using untraceable anonymizing tools and cryptocurrencies.

Of all the instances concerning IS-related financing in America, the most striking is that of Mohamed Elshinawy, which is the first and only publicly known case in which money flowed from the Islamic State into America for to fund a terror attack in the U.S. Elshinawy first drew attention from federal law enforcement after he received a \$1,000 Western Union money transfer from an Egypt-based IS operative.<sup>37</sup> Over time, Elshinawy and his co-conspirators “utilized various financial accounts and services to transfer monies into the United States from overseas to be used to conduct a terrorist attack.”<sup>38</sup> Elshinawy tried to evade detection by pretending to sell printers on eBay, which served as his cover so that he could accept IS-linked funding through PayPal. Using this approach, Elshinawy “received a total of at least \$8,700 from individuals [he] understood to be associated with” IS.<sup>39</sup> In August 2017, Elshinawy pleaded guilty to multiple terrorism charges.<sup>40</sup>

Elshinawy’s network appears to be more sophisticated and farther reaching than most others in the U.S. and law enforcement unpacked a “global financial network centered on a British technology company used by Islamic State to clandestinely move money around the world.” As reported in the *Wall Street Journal*, “This case suggests how Islamic State is trying to exploit holes in the vast online financial world to finance terror outside its borders.”<sup>41</sup> As opposed to using sizable sums siphoned through banks, Elshinawy used innocuous transactions that allowed money to flow into the United States and fund acts of terrorism.

## Recommendations

More so than ever before, it is necessary for the government to stymie the financing of violent extremism. FTOs have adapted to post 9/11 financial regulations and the threat picture, particularly in the context of terrorist groups like al-Qaeda, and now, the Islamic State is creative and ever-evolving. Federal regulation makes large scale and traditional transfer of funds among terrorists more dangerous and therefore less feasible. Extremists has adapted by resorting to an amorphous range of alternative practices.

- Counter-terrorism practitioners should recognize that regulation by governments will not deter the extremist; he or she will only adapt. Existing approaches that fight terrorism using economic tools sometimes yield unintended consequences, namely the anonymization of financial

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<sup>37</sup> Stewart, Christopher S., and Mark Maremont. 2017. “American Pleads Guilty to Accepting Islamic State Money to Fund Terrorism.” *Wall Street Journal*, August 15, sec. US. <https://www.wsj.com/articles/man-accused-of-using-ebay-for-terrorist-funding-agrees-to-plead-guilty-1502811513>.

<sup>38</sup> *USA v Mohamed Elshinawy*, Indictment, (2016), p3.

<sup>39</sup> *USA v Mohamed Elshinawy*, Criminal Complaint and Affidavit, (2016), p7.

<sup>40</sup> DOJ Press Release, “Man Pleads Guilty For Conspiring To Provide And For Providing Material Support To ISIS,” August 15, 2017.

<sup>41</sup> Maremont, Mark, and Christopher S. Stewart. 2017. “FBI Says ISIS Used eBay to Send Terror Cash to U.S.” *Wall Street Journal*, August 11, sec. US. <https://www.wsj.com/articles/fbi-says-isis-used-ebay-to-send-terror-cash-to-u-s-1502410868>.

exchanges and possibly encourage low-budget attacks which are less likely to be traced by law enforcement.

- Countering Violent Extremism (CVE) efforts in both the previous administration and the current one appeared to target one form of extremism –jihadism. The previous administration, while not explicit in its public messaging, but clearly in its implementation, focused almost entirely on countering Islamic State-inspired terrorism. The current administration’s withdrawing of a grant award to an organization that primarily counters white supremacist-inspired terrorism indicates a similar, singular focus. CVE programs would do well to concentrate not only on the threat posed by violent extremists of various ideological shades such as Omar Mateen, but also others like Dylann Roof.
- Initiatives aimed at detecting and disrupting finance-related terrorist activity should recognize the potential and proliferation of emerging technologies. Whether violent extremists mask transfers in cryptocurrencies or hide funds in plain sight, committed terrorist actors are clearly willing to take the road-less-traveled to advance their aims. Counter-terrorism practitioners need to anticipate their next step and plan a defense. The U.S. government should continue to hold banks, along with other financial-transaction providers, responsible for adhering to federal law. Moreover, the U.S. should work to ensure that our allies encourage equally discerning measures for their own private companies. In doing so, the U.S. government needs to understand how such steps change the nature of the threat rather than mitigate terrorist financing altogether.