

OFFICIAL TESTIMONY
OF
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FOR A HEARING ON

“A Persistent and Evolving Threat: An Examination of the Financing of Domestic Terrorism and Extremism.”

BEFORE THE
United States House of Representatives
Subcommittee on National Security, International Development and Monetary Policy
of the House Committee on Financial Services

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[INTRODUCTION]

Chairman Cleaver and Ranking Member Hill, thank you for the opportunity to testify before you today.

It is an honor to speak with you and share the intelligence gathered by my Office regarding sources of domestic terrorism funding, as it impacts New Jersey and the country as a whole.

The New Jersey Office of Homeland Security and Preparedness (NJOHSP) is tasked with coordinating counterterrorism, resiliency, and cybersecurity efforts across all levels of government, law enforcement, nonprofit organizations, and the private sector. NJOHSP is charged with bolstering New Jersey's resources for counterterrorism, critical infrastructure protection, preparedness, training, and federal grants management.

New Jersey faces a complex, diverse, and fluid security environment with real, pervasive, and evolving threats. NJOHSP defines domestic terrorism as violence committed by individuals or groups associated primarily with US-based movements, including anti-government, race-based, religious, and single-issue extremist ideologies.

Most domestic extremist attacks are committed by individuals unaffiliated or unassociated with a larger group network. Many of the cases I will discuss today highlight lone offenders who do not need large amounts of funding to conduct their operations, making it difficult to detect and prevent attacks. The most common tactics in domestic extremist attacks include easily obtainable weapons, such as knives, small arms, and vehicles. The cases of domestic terrorism I will mention have a direct nexus to New Jersey but serve as examples of the kind of activity prevalent throughout the United States.

My Office assessed that many of these organized domestic extremists' activities are funded through criminal enterprises such as the illicit sale of counterfeit goods, drug and weapon trafficking, cigarette smuggling, and various fundraising methods. During the course of criminal or terrorism investigations, we may find that money laundering is the most common source of funding because transactions are tracked by financial institutions. Lone wolf offenders will likely be self-funded in order to carry out their goals. Additionally, we cannot discount the future role of cryptocurrencies in funding acts of domestic extremism, both within New Jersey and across the United States.

[NJOHSP ACTIONS]

Our Office is proud of the collaborative progress we continue to make as a State for the safety and security of New Jersey. However, we recognize that our work is never complete, and continual improvement is the only way to succeed at protecting New Jersey and the country. NJOHSP has worked with many federal, State, and local government agencies during the course of investigations, including the New Jersey Office of the Attorney General, Homeland Security Investigations of the US Department of Homeland Security, High Intensity Drug Trafficking Areas of the US Drug Enforcement Administration, the New Jersey Department of the Treasury, county prosecutors' offices, the Social Security Administration, and the United States Postal Inspectors

Service. While we provide details on our ongoing efforts, be mindful that we always seek to improve our approach toward preventing these incidents from occurring in the first place.

A focus on prevention is key in stopping an incident before it starts and avoiding the need to employ response tactics. It is our goal to be first preventers instead of just first responders and make certain our communities embrace a culture of preparedness that invests equally in both practices.

The New Jersey Suspicious Activity Reporting System, or NJSARS, is part of an ongoing effort in New Jersey to increase our threat reporting. NJSARS shares information from suspicious activity reports (SARs) with law enforcement partners throughout the State. It is also linked to the FBI's national SAR system known as eGuardian, which partners with the Nationwide SAR Initiative (NSI) to form a single repository accessible to thousands of law enforcement personnel and analysts nationwide. We collect and analyze over 1,000 SARs every year and immediately share all of these leads with the FBI Joint Terrorism Task Force. Additionally, we will continue to prioritize the identification of suspicious activity, as well as ensure there is a clear path for reporting and addressing issues before an incident can occur.

While the domestic terrorism threat continues to evolve, our efforts have proven to be successful in building resiliency against attacks. When it comes to cybersecurity, we are still at that nascent stage of collaboration and resource and information sharing, which was why NJOHSP created the New Jersey Cybersecurity and Communications Integration Cell, or NJCCIC, more than four years ago. The NJCCIC is responsible for information and resource sharing as it relates to cybersecurity threats and best practices necessary to mitigate them. Since its creation, the NJCCIC has built a membership consisting of over 4,000 organizations and over 10,000 individuals that it shares information with and provides cybersecurity resources to. The NJCCIC continues to build strong partnerships in both the public and private sectors in an effort to carry out our mission of making New Jersey more resilient to cyber attacks.

My Office facilitates the sharing and dissemination of information with faith-based leaders and pertinent members of their communities around New Jersey through our Interfaith Advisory Council (IAC). Community outreach and frank dialogue between the IAC and religious and community leaders, both through regular meetings and conference calls, have facilitated feedback and direct insight into the needs of Interfaith communities. The IAC has grown to over 3,500 active members across all 21 counties in New Jersey, with representation from nearly every religion and sect. The partnerships between our Interfaith communities and government officials help to paint a complete picture of the State's threats, vulnerabilities, and capabilities in mitigating and responding to those threats. Over the past year, we developed a webpage containing a comprehensive suite of resources and tools, as well as information on grants, specifically for Interfaith communities.

[WHITE SUPREMACIST EXTREMISTS]

On April 13, 2018, the leader of Aryan Strikeforce, Joshua Steever of Phillipsburg in Warren County, was arrested along with five other members of the group for conspiring to sell methamphetamine, firearms, and machinegun parts to fund the organization's activities. The

defendants stored firearms and ammunition at locations in New Jersey and Pennsylvania and transported methamphetamine across state lines. Steever and other members laundered the proceeds by purchasing Target gift cards, which they traded for illegal weapons.

The indictment in this case indicates that the group was infiltrated by law enforcement, detailing transactions in which the defendants made purchases from undercover officers they believed were brokers for drugs and firearms.

Aryan Strikeforce claims to have more than 30 chapters domestically and internationally, with the “goal to protect the honour of our women, children, and the future of our race and nation” using violence as a necessary tool.

Steever had numerous arrests throughout the United States, including bias offenses and aggravated assault. He pleaded guilty to conspiring to distribute large quantities of methamphetamine in April 2018 in federal court in Williamsport, Pennsylvania. He is awaiting sentencing.

The source of funding in this case was proceeds from drug sales, which were used to buy gift cards later traded for guns and ammunition.

[BLACK SEPARATIST EXTREMISTS]

At least two black separatist extremist groups are active in New Jersey: The New Black Panther Party, or the NBPP, and the Israelite Church of God in Jesus Christ, or the ICGJC. The NBPP portrays itself as a militant modern expression of the original Black Panther Party; however, representatives of the original group have denounced the “exploitation of the party’s name and history” and have called the NBPP “a black racist hate group.” The ICGJC justifies its rhetoric with religious ideology and believes its members are the true Hebrew descendants. Both the NBPP and ICGJC promote violence and hate-based rhetoric against law enforcement, government officials, the Jewish community, and white people.

On March 20, 2017, two ICGJC leaders each pleaded guilty to one count of conspiracy to defraud the United States after they used millions of dollars of the church’s money to fund one of the leader’s personal expenses and never reported them on his personal tax forms.

In November 2016, the FBI served a search warrant related to “financial irregularities” at the ICGJC’s headquarters in New York. The leader of the ICGJC is a New Jersey resident and oversees churches in at least 10 states.

The financial status of the NBPP is unknown. The group often advertises various ways to donate via the Internet and other types of social media. Some NBPP members are involved in criminal activity, but it is unknown if any proceeds are used to fund the group.

The ICGJC is financially sustained through donations and tithes from members. A tithe is typically 10 percent of an individual’s income. There have been allegations by other Hebrew Israelite sects that the ICGJC is involved in financial scams that prey upon members.

On December 10, 2019, David Anderson and Francine Graham killed three people and injured three when they targeted a kosher grocery store in Jersey City, New Jersey, shortly after killing a police detective at a nearby cemetery. The shooters espoused anti-Semitic and anti-law enforcement views prior to the attack, according to authorities. A review of Anderson's social media activity highlighted direct threats toward these groups and support for the Black Hebrew Israelite ideology. This ideology asserts that black people are the true descendants of the Israelites and that the white and Jewish communities are the enemy, as well as law enforcement who protect them. As this is an ongoing investigation, we cannot currently provide further information, but we expect to learn more about possible funding sources once the investigation has concluded.

[ANTI-GOVERNMENT EXTREMISTS]

On October 9, 2018, authorities arrested Paul Rosenfeld for plotting to detonate a 200-pound improvised explosive device on Election Day in Washington, DC, in furtherance of his political views. Rosenfeld ordered large quantities of black powder over the Internet, which he transported from Bergen County in New Jersey to his residence in New York.

Prosecutors said his plan was to draw attention to “sortition,” which is a “political theory that advocates the random selection of government officials.”

In May 2019, Rosenfeld was sentenced to 16 months in prison.

Rosenfeld was self-funded. Black powder is inexpensive and can be purchased over the Internet.

[SOVEREIGN CITIZEN EXTREMISTS]

Sovereign citizens continue to engage in harassing tactics such as bogus liens, as well as a variety of scams and fraud. Threats and ultimatums, attempted citizens' arrests and takeovers of government or other buildings, and acts of violence, especially during traffic stops and residence visits, are common among the sovereign citizen movement. These actions make them a serious threat to the safety of officers and a potential threat to public officials and private citizens in the communities where they serve.

The Moorish Nation, a sovereign citizen extremist group that splintered from the black nationalist movement, asserts that it is the original inhabitant of the United States and is entitled to self-governing status, giving its members rights that predate the Constitution.

In May 2017, NJOHSP detectives arrested Courtney Alexander of Irvington in Essex County for filing fraudulent liens in the first instance of an individual being indicted under New Jersey legislation that passed in 2016. New Jersey enacted legislation § 2C:21-42 making it a second-degree crime for knowingly filing fraudulent liens against the real or individual property of a current or former public servant with the intent to harass, hinder, defraud, retaliate against, or in any way impede the performance of that public servant's, officer's, or employee's duties. Alexander filed the liens totaling more than \$1.5 million against two Irvington police officers, a municipal prosecutor, and a municipal judge in retaliation for traffic tickets he had received.

Police in Roselle Park of Union County arrested Wayne Hill, a self-proclaimed sovereign citizen, in March 2017 after officers asked him to provide his information. Hill instead gave the officers a card that asserted he was not subject to traffic laws, resulting in an altercation. Authorities also arrested Hill's friend, Jameika Hutchison, after she engaged in a physical altercation with police.

Several of the largest scams involving sovereign citizens have brought in over \$100 million. Among the most common types of scams used are pyramid and other investment schemes, bogus trust scams, real estate fraud, and various types of tax fraud. However, sovereign citizens have engaged in more creative scams as well, ranging from immigration fraud to malpractice insurance fraud. Any sort of debt can also fuel a sovereign citizen scheme, including student loans, car loans, and credit card debts.

Extremists have also taught fellow inmates how to file fraudulent liens, sometimes for a fee, claiming the tactic will get them out of jail.

[ANARCHIST EXTREMISTS]

Dr. Roberto Rivera, a former physician from Ridgewood in Bergen County, stated that in 2012, he was planning to detonate an explosive that would blow up the Wall Street Bull statue in Manhattan's financial district. Rivera received the maximum sentence of 25 years for his conviction in November 2018 for possessing a destructive device in his apartment in Ridgewood.

The charges resulted from a raid on the apartment in November 2012, when federal agents found large labeled boxes containing nitric acid, glycerin, and potassium perchlorate, which are precursors for explosive devices. Agents also found 10 thermite lights, which can be used as detonators. Rivera was also convicted in January 2019 on weapons charges related to assault weapons, two 9 mm Cobray M11 machine pistols.

Rivera said that the plot to blow up the bull statue was intended to be a political statement conceived during his involvement in the Occupy Wall Street movement. He said that he planned to drive through the Holland Tunnel at night and place enough explosives at the bull's feet to upend it. He began researching methods to make nitroglycerin, but he said he abandoned the plan once he realized the explosion could not be conducted safely and would jeopardize people in the area. He said that items for a disguise found in his briefcase, including a wig, gloves, and sunglasses, were to avoid being identified on security cameras in Manhattan. Rivera claimed that his two assault weapons were unrelated to the plot.

Although the exact source of funding is unknown, it is likely that Rivera stockpiled weapons as he obtained them over an undetermined amount of time.

[CONCLUSION]

We assess that organized domestic extremists will continue to fund activities through criminal enterprises such as selling counterfeit goods, drug and weapon trafficking, cigarette smuggling, and various fundraising methods. During the course of criminal or terrorism investigations, we may find that money laundering is the most common source of funding because financial records

are traceable and tracked by financial institutions. Lone offenders will likely be self-directed and self-funded in order to carry out their goals. Additionally, we cannot discount the future use of cryptocurrencies as a means to fund acts of domestic extremism within New Jersey and across the United States. Foreign Terrorist Organizations (FTOs) have used platforms such as Facebook and Telegram to solicit funding through bitcoins. In June 2015, US authorities convicted Shukri Amin, a 17-year-old from Virginia, for material support to ISIS. Amin was charged with helping ISIS supporters travel to Syria through the use of social media sites, where they were encouraged to contribute with bitcoins. Over the past year, we have seen domestic terror groups adopt tactics from FTOs. This is no different. In 2017, Andrew Anglin, publisher of neo-Nazi blog The Daily Stormer, received a donation after the Charlottesville attack in the amount of 14.88 bitcoins, or approximately \$60,000.

We remain dedicated to continuing efforts to combat domestic terrorism and its sources of funding; to further collaborating with our law enforcement partners at the local, county, State, and federal levels; and to work toward addressing threats with a focus on prevention.

Chairman Cleaver, Ranking Member Hill, and distinguished members of the Subcommittee, I thank you again for the opportunity to testify today.

I look forward to your questions and yield back to the Chairman.