

Testimony of

# The Honorable Orrin Hatch

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Mr. Chairman, hardly a week goes by without hearing another account of some horrific act of terrorism committed in the world. Whether this is a suicide bombing in Jerusalem, a carefully coordinated attack in Yemen, or an anthrax letter mailed to the Senate, we cannot help but to be greatly concerned about these terrorist acts and their tragic consequences. We on the Judiciary Committee have worked diligently for years to give law enforcement officials the tools to investigate and prosecute those who would commit these cowardly and devastating attacks. But we would be remiss if we did not continue to look deeply and carefully at the subject of terrorist financing.

This is a large scale problem with large scale consequences. For this reason, Mr. Chairman, I want to thank you for scheduling this hearing to look into this issue. Despite all we have done in the area of combating terrorism, we can still do more.

Simply put, money is the lifeblood of terrorist organizations. As much as they need a horde of mindless and zealous followers to carry out their destructive plots, terrorists need money to buy their guns, to build their bombs, and to recruit and train their members. Planning an operation as elaborate as the bombing of the Pentagon and World Trade Center takes money - and lots of it.

This problem is two-fold. First, we need to target terrorist fund-raising. If we can find a way to stop or significantly stem the flow of money to these terrorist organizations, we will be going a long way to neutering their ability to plot further acts of coordinated killing. It is chilling to realize that millions of dollars raised in the United States goes abroad to terrorist groups - only to return to this country in the form of shrapnel, assault rifles and persons trained to kill innocent Americans. Second, we need to target assets held by terrorists no matter how they were obtained. Indeed, an Al Qaeda training manual gives advice on how to invest funds in projects that offer financial return to support its terrorist operations.

In reviewing this area, I have been pleased to learn that the Administration has been working diligently to tackle the problem of terrorist financing. The Administration has been carefully designating terrorist organizations that are blocked from soliciting or receiving funds. Since September 11th, the President, by executive order, has frozen more than \$30 million in suspected terrorist assets. But the Administration's careful and dogged review of countless financial transactions has done more than lead to a pool of illicit terrorist funds to freeze. It also has led to names of persons associated with those transactions, and this valuable information has led to the arrests of terrorists. This is a valuable source of information that we should be mining, both to staunch the flow of money and to track the flow of terrorists. I am heartened to hear that we have made valuable process in this area. And I am pleased to learn that several changes to the law made by Title III of the Patriot Act have proven instrumental in this effort.

No one can possibly conclude, however, that we are near victory. As I understand it, we still lack a reliable way of determining how much money is flowing to terrorists or how much money terrorists have on hand. In other words, the problem is so immense that we have little hard information as to its scope. But by any measure, terrorists are still raising and moving huge amounts of money to fund their deadly practices. We have our work cut out for us.

Mr. Chairman, thank you for assembling the knowledgeable witnesses who appear today to talk about this issue. I look forward to hearing their thoughts on this important subject. I hope we can emerge from this hearing with a better understanding of what we can do to dry up the flow of money to terrorist organizations and, in doing so, better protect innocent lives.

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