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Dollars for Daesh: Analyzing the Finances of American ISIS Supporters

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SEPTEMBER 2020

Dollars for Daesh

Analyzing the Finances of American
ISIS Supporters



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THE GEORGE WASHINGTON UNIVERSITY



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EXECUTIVE SUMMARY

This report focuses on the financial component of the Islamic State-related mobilization in the U.S. between 2013, when the first arrest of an individual linked to IS took place, and August 2020. As such, it contains a study of all the 209 individuals charged for Islamic State-related offenses in the country, and shows that, save for a few exceptions, the vast majority of U.S.-based IS supporters left a remarkably small financial footprint. Whether they focused on traveling overseas to join IS, carrying out attacks domestically or providing other forms of support to the group, most American IS supporters raised small amounts of money and often through very simple tactics. More specifically:

- The vast majority of them simply relied on personal savings to pay the small costs required for their activities. Many of these individuals held jobs, which ranged from menial and relatively low paying to, in a few cases, relatively high-earning positions. Since most of their expenses (purchasing airplane tickets or weapons, sending small amounts to fellow IS supporters overseas) were no higher than a few thousand dollars, this could sustain them through finances they already had at their disposal.
- Some engaged in additional fundraising activities to supplement their savings:
 - 49 (23.4%) engaged in legal tactics (donations, asset sales, new credit lines...)
 - 14 (6.7%) engaged in illegal tactics. For the most part, the ways in which American IS supporters used illegal methods to raise funds required low-levels of sophistication. A handful engaged in relatively complex financial frauds.
- In only four cases a nexus between terrorism-related activities and violent crime (armed robbery, two cases) and drug trafficking (two cases) was identified. Very few US-based IS supporters had a criminal background, a stark contrast with dynamics observed in Europe.
- US-based IS supporters tended to avoid using banking institutions to move funds; instead, they turned with more frequency to money or value transfer services. The use of cryptocurrencies was extremely rare.

- Most individuals raised the funds they needed for their IS-related activities alone. Some relied on pre-existing kinship/friendship connections, others on like-minded individuals they met after radicalizing. Most financial exchanges within support networks took place within the U.S., though a few Americans found fellow IS supporters online overseas and exchanged money to facilitate each other's travel to Syria.
- Direct financial exchanges with foreign Islamic State operatives were rare, and in only one known case were these exchanges meant to support an attack on U.S. soil.
- There is no indication that charitable entities were set up or used to fund IS-related activities.

The small size of the financial footprint of U.S.-based IS supporters is, in itself, good news for U.S. authorities but has a flipside. The scarcity and inconspicuous nature of the financial transactions of many U.S.-based IS supporters can represent a challenge for investigators, which often rely on financial operations to uncover terrorism-related individuals and as evidence in prosecutions against them.

Overall, the system of triggers, sustained checks, and constant communication between private and public sectors that characterizes the U.S. counter-terrorism financing system put in place in the aftermath of the 9/11 attacks has proven to be quite effective also during the IS-related mobilization of the last years. At the same time, the system needs to be fine-tuned to keep apace with the evolving nature of terrorist networks (which in the case of IS in America, paradoxically, means less sophistication) and technological developments such as online crowdfunding, cryptocurrencies, and deep/dark web transactions.

INTRODUCTION AND METHODOLOGY

Terrorism financing is an inherently broad term that can indicate several overlapping dynamics. It can refer to how terrorist groups acquire resources to sustain a broad range of their activities, from purchasing weapons and paying salaries to their recruits, to, in the case of larger organizations, maintaining a state-like bureaucratic structure. At the micro-level, terrorism financing encompasses the activities individuals or small networks engage in to provide financial support to a terrorist group or to their own terrorism-related actions.¹

Terrorism financing is a fluid and constantly mutating phenomenon. Limiting our analysis to groups and individuals motivated by jihadist ideology — the priority for the United States and most of the international community over the last two decades — it is easy to see how this has changed over time. Before 2001, al-Qaeda, the flag bearer of international jihadism in the 1990s and 2000s, was funded, according to the 9/11 Commission, to the tune of some \$30 million per year.² Most of the funding came from wealthy individuals primarily based in the Arab Gulf and charities that collected the donations of both witting and unwitting donors. Using mostly wire transfers to U.S. banks, al-Qaeda funded the travel, training, and living expenses of the 9/11 hijackers. The whole operation is estimated to have cost around \$500,000.³

A low level of attention to the issue allowed al-Qaeda, as with most other groups operating at the time, to raise and move funds with only limited interference by, or even knowledge from, law enforcement and intelligence agencies in the United States and worldwide. It was indeed only in the aftermath of the September 11th attacks that terrorism financing emerged as a major issue both domestically and internationally. In the wake of the tragedy, policymakers made appeals and took

¹ According to the International Monetary Fund, terrorist financing describes a form of financial crime that occurs when an individual or an entity solicits, collects or provides funds “with the intention that [these funds] may be used to support terrorist acts or organizations.” Imf.org. *Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) – Topics*, (2019). <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm>

² John Roth, Douglas Greenburg, and Serena Wille, *Monograph on Terrorist Financing: Staff Report to the Commission*, National Commission on Terrorist Attacks Upon the United States, (2004). <https://govinfo.library.unt.edu/911/report/911Report.pdf>

³ Roth, Greenburg, and Wille, *Monograph on Terrorist Financing*, 2004.

practical steps to identify choking off the money flow to terrorists as one of the premiere tactics to prevent future attacks. “Money is the life-blood of terrorist operations,” President George W. Bush famously stated on September 23, 2001, as he signed Executive Order 13224, which outlined the U.S. government’s new strategy to counter terrorism financing.⁴

Since those days, stemming terrorism financing has become one of the cornerstones of the counter-terrorism strategies of the international community. Nowhere is this truer than in the United States, as the country has invested immense resources to clamp down on the funding of terrorism. Within weeks of the attacks, the U.S. government took major steps to address the problem domestically. Executive Order 13224 provided a major tool to counter terrorism financing by “authorizing the U.S. government to designate and block the assets of foreign individuals and entities that commit, or pose a significant risk of committing, acts of terrorism.”⁵ Designations have since become one of the central pieces of the American approach on the subject, and to date hundreds of individuals and entities have been designated by the U.S. Department of the Treasury.⁶

The sense of urgency derived from the 9/11 attacks led virtually all national security actors within the U.S. government involved in countering terrorism to create specific units devoted to tracking terrorist finances. Increased interagency cooperation, one of the major improvements of post-9/11 U.S. counterterrorism, led to more information sharing between intelligence and law enforcement agencies. Private financial institutions, natural repositories of a wealth of financial data useful for counter-terrorism purposes, have for the most part cooperated enthusiastically with U.S. authorities through a vibrant exchange of information.⁷ In substance, if the pre-9/11 U.S. government’s approach towards countering

⁴ BBC News, “Bush Calls Halt to Terrorist Funding,” *BBC News*, (September 24, 2001).

⁵ Executive Order No. 13224, 3 C.F.R. 49080 (2001). <https://www.treasury.gov/resource-center/sanctions/Documents/13224.pdf>

⁶ Individuals and Entities Designated by the State Department under E.O. 13224, U.S. Department of State, Bureau of Counterterrorism, (last updated March 5, 2019). <https://www.state.gov/j/ct/rls/other/des/143210.htm>.

⁷ Dennis M. Lormel, “Assessing Terrorist Financing Through the Lens of the Terrorist Attack Cycle,” *ACAMS Today*, (March 20, 2018). <https://www.acamstoday.org/assessing-terrorist-financing-through-lens-of-terrorist-attack-cycle/>

terrorist financing was haphazard and disjointed, the issue immediately became one of its focal points.⁸

A similar push from the international community, to a large degree stemming from an American impetus, to act on terrorism financing characterized the immediate aftermath of the attacks. The U.S. government played a key role in pushing individual countries to adopt internal systems to track terrorism financing and fostering mechanisms of international cooperation in the field. United Nations Security Council Resolution 1373, passed only four days after Executive Order 13224, created a global system to criminalize terrorism financing, freeze assets, and adopt regulatory regimes. Part of that initiative was the creation of international institutions like the Financial Action Task Force, which have played a key role in further improving legislations and information exchanges.

Despite the rhetoric and concrete efforts from many policymakers, however, it soon became clear that completely stopping the flow of money used to fund terrorism was a chimera. Terrorists resorted to a myriad of ways to raise and move funds, particularly in small amounts, in manners that are virtually impossible to detect. Moreover, authorities soon realized that terrorism financing investigations tend to be extremely complex. Challenges range from the difficulty of obtaining crucial pieces of evidence in foreign jurisdictions to proving intent, meaning demonstrating that an individual or an organization knew that the money it transferred was going to fund acts of terror. It nonetheless soon became equally clear that while the money flow was often difficult to stop, following it was useful to identify operatives and plots.⁹

At the same time, the aggressive pursuit of terrorism financiers also occasionally led to some miscarriages of justice, particularly in the early days after 9/11. Some individuals and organizations were criminally charged or had their assets frozen based on flimsy evidence and through a guilt by association process. A few of

⁸ For an overview of U.S. policy responses, see *Stopping Terror Finance: Securing the U.S. Financial Sector*, Committee on Financial Services, U.S. House of Representatives, (January 8, 2017), 16–30. <https://www.hsdl.org/?abstract&did=797477>

⁹ Roth, Greenburg, and Wille, *Monograph on Terrorist Financing*, 2004.

these cases did not sustain judicial scrutiny yet caused significant harm to the accused.¹⁰

Despite the challenges and occasional mishaps, the system put in place after 2001 to counter terrorism financing, which has been adjusted and improved over time, has yielded substantial results both domestically and internationally. Yet predictably, terrorists have responded to the pressure by adapting. Jihadist groups and sympathizers have rapidly changed tactics, engaging in a cat-and-mouse game of ingenuity with those who seek to track and stop their funding.¹¹ Donations from wealthy supporters, charities and use of official banking systems are still methods of funding for jihadist groups, albeit to a lesser degree than in the pre-9/11 world. But over the last twenty years sources of funding have diversified to include a broad array of legal and illegal activities. Similarly, terrorists have identified many alternative ways to move money, from informal money exchange arrangements to internet-based payment systems.

The rise to prominence of the Islamic State (IS) has revolutionized many aspects of jihadist terrorism, including financing. On a scale unseen in the history of jihadism, IS managed to conquer and control large swathes of territory (at its peak in 2014 estimated to be roughly the size of Great Britain) between Syria and Iraq, and to create a fully functioning state-like apparatus to rule it. In order to sustain its massive military efforts and governing apparatus, the group needed to generate funds on a scale previously unthinkable for a jihadist group. IS was believed to be, at its peak, “the richest terrorist organization in history.”¹² While exact sums are impossible to calculate, estimates put IS’ war chest at as high as \$6 billion.¹³

¹⁰ Ibrahim Warde, *The Price of Fear: The Truth Behind the Financial War on Terror* (Berkeley and Los Angeles: University of California Press, 2007).

¹¹ Loretta Napoleoni, *Terror Incorporated: Tracing the Dollars Behind the Terror Networks* (New York: Seven Stories Press, 2005).

¹² Committee on Financial Services, *Stopping Terror Finance*, 2017.

¹³ Colin P. Clarke, *An Overview of Current Trends in Terrorism and Illicit Finance: Lessons from the Islamic State in Iraq and Syria and Other Emerging Threats*, Testimony before the House Financial Services Committee, Subcommittee on Terrorism and Illicit Finance, (September 7, 2018). <https://www.rand.org/pubs/testimonies/CT498.html>; Rebecca Kaplan, “Fighting ISIS, the World’s Richest Terror Group Ever,” *CBS News*, (December 22, 2015). <https://www.cbsnews.com/news/fighting-isis-the-worlds-richest-terrorist-group-ever/>; Carla E. Humud, Robert Pirog, and Liana Rosen, *Islamic State Financing and U.S. Policy Approaches*, R43980 (Congressional Research Service, 2015). <https://fas.org/sgp/crs/terror/R43980.pdf>

According to the U.S. Department of the Treasury the Islamic State derived the vast majority of its revenue from two primary sources of funding, both of which stemmed from its complete control of territory: “extorting and taxing civilian populations and economies in Iraq and Syria,” and “smuggling and selling oil and oil products.”¹⁴ The group also relied on several additional tactics to raise funds, from the looting of banks in the territories it seized to donations from supporters worldwide, kidnappings for ransom, and the smuggling of antiquities.¹⁵

The Islamic State’s ability to raise such amounts caught the international community largely by surprise. As a result, when the anti-ISIL (as IS was previously known) Coalition organized itself to counter the group in late 2014, it made shrinking the Islamic State’s sources of income one of its top priorities. The Coalition adopted strategies built on targeted airstrikes against oil refineries, pipelines, transport tankers, and extraction infrastructure. In addition, the United Nations enacted sanctions on oil coming out of IS held territory.¹⁶ In the wake of targeted operations against its oil economy, however, IS responded by increasing its taxing regime on populations under its control.

In the West the impetus to tackle with more vigor the challenge posed by the Islamic State —in stark contrast with the apathy that characterized most Western countries as the group was surging during the early 2010s — arose not only because of a growing understanding of the destabilizing effect of the group on the broader Middle East region, but also because of its direct impact in Europe and North America. By 2014, in fact, Western authorities had become deeply concerned about the relatively large bubbles of sympathy for the Islamic State that existed within their own borders. Tellingly, thousands of their citizens had traveled to Syria and Iraq to join the Islamic State and, to a lesser degree, other jihadist groups.

Concerns about the Islamic State skyrocketed by 2015, when Western countries began to experience an unprecedented wave of attacks on their soil. Between June 2014, when IS declared the Caliphate, and 2019, there have been some

¹⁴ *National Terrorist Financing Risk Assessment 2018*, U.S. Department of the Treasury, 2018. https://home.treasury.gov/system/files/136/2018ntfra_12182018.pdf

¹⁵ Laurence Bindner and Gabriel Poirot, *ISIS Financing 2015*, Center for the Analysis of Terrorism, (May 2016). <https://cat-int.org/wp-content/uploads/2016/06/ISIS-Financing-2015-Report.pdf>

¹⁶ *Ibid.*

eighty attacks linked to IS in Europe and North America.¹⁷ Most of these attacks were relatively simple in their planning (although that was not always synonymous with low lethality) and many of the perpetrators were simply inspired by IS but had no operational connection with the group. From a financial point of view, the vast majority of these attacks were extremely cheap, in some cases costing absolutely nothing. Many perpetrators did not travel, supported their activities with their personal income, and carried out attacks using everyday tools (vehicles, kitchen knives, etc.) they already possessed, stole, or could obtain with small amounts of cash.

This dynamic has led some scholars to debate the utility of the counter-terrorism financing apparatus in the current environment. Peter Neumann argued in a June 2017 *Foreign Affairs* article that the measures created in the wake of the 9/11 attacks have “deterred terrorists from using the international financial system” and forced them to move funds in other ways.¹⁸ It is virtually impossible, stated Neumann, to stop the flow of small amounts, particularly those going through alternative financial channels, that characterize the current *modus operandi* of Islamic State supporters. Governments, he concluded, should therefore shed many of the cumbersome structures created in the post-9/11 era and concentrate on other aspects of counter-terrorism. Striking a similar note, RAND Corporation senior economist Howard Shatz has argued that IS does not use the formal banking system but stores its money internally and moves it through informal channels, rendering traditional counter-terrorism financing tactics toothless.¹⁹

Others have challenged this view. In a direct response to Neumann, Matt Levitt and Katherine Bauer acknowledged that the “ways in which terrorists finance their operations have certainly changed since 9/11,” but that, “the strategy that the

¹⁷ Lorenzo Vidino, Francesco Marone, and Eva Entenmann, *Fear Thy Neighbor: Radicalization and Jihadist Attacks in the West*, The International Centre for Counter-Terrorism, The Italian Institute for International Political Studies, and The Program on Extremism at The George Washington University, (June 2017). <https://icct.nl/wp-content/uploads/2017/06/FearThyNeighbor-RadicalizationandJihadistAttacksintheWest.pdf>

¹⁸ Peter Neumann, “Don’t Follow the Money: The Problem with the War on Terrorist Financing,” *Foreign Affairs*, (June 13, 2017). <https://www.foreignaffairs.com/articles/2017-06-13/dont-follow-money>

¹⁹ Committee on Financial Services, *Stopping Terror Finance*, 2017.

Bush administration developed in response to the 9/11 attacks remains relevant.”²⁰ To bolster their argument, Levitt and Bauer point to the many cases in which pieces of financial intelligence helped identify key terrorist operators or thwart terrorist attacks. “Denying terrorists easy access to financial tools,” they argued, “forces them to use more costly and less reliable means of fundraising, making their lives far more difficult.”

These debates are the natural consequence of the continuously evolving nature of terrorism financing. In various European countries, studies conducted both by governmental agencies and academics have examined current trends in terrorism financing.²¹ These dynamics change somewhat from country to country, but certain commonalities can be observed across the board. For example, European authorities have noted that a growing percentage of radicalized individuals have a criminal background and fund their activities through petty crimes.²² Similarly, authorities have noted the increasing use among radicalized individuals of web-based financial tools, from social media crowdfunding to virtual currencies.

The United States has witnessed an Islamic State-related domestic mobilization that is proportionally smaller than that of most Western European countries but unprecedented from an historical perspective. Since the first arrest in 2011, U.S. authorities have charged 209 individuals for Islamic State-related activities and estimate that around 300 Americans have traveled or attempted to travel to Syria and Iraq to join the group. The financial component is a crucially important piece of this mobilization. Analyzing how U.S.-based IS supporters have raised funds for their activities (whether that entailed traveling abroad to join the group, sending funds overseas to support the group and/or its operatives, or carrying out attacks in the group’s name) and how they moved those funds provides critical tools to

²⁰ Matthew Levitt and Katherine Bauer, “Can Bankers Fight Terrorism? What You Get When You Follow the Money,” *Foreign Affairs*, (October 16, 2017). <https://www.foreignaffairs.com/articles/2017-10-16/can-bankers-fight-terrorism>

²¹ See, for example: See, for example, Magnus Ranstorp, “Microfinancing the Caliphate: How the Islamic State Is Unlocking the Assets of European Recruits,” *CTC Sentinel* 9, no. 5 (May 2016): 11–15. <https://ctc.usma.edu/microfinancing-the-caliphate-how-the-islamic-state-is-unlocking-the-assets-of-european-recruits>

²² Rajan Basra and Peter Neumann, “Crime as Jihad: Developments in the Crime-Terror Nexus in Europe,” *CTC Sentinel* 10, no. 9 (October 2017): 1–6. <https://ctc.usma.edu/crime-as-jihad-developments-in-the-crime-terror-nexus-in-europe/>

both policymakers and counterterrorism practitioners seeking to diffuse the challenge of jihadist terrorism in America and overseas.

To answer these and many other questions related to terrorism financing, a team of Program on Extremism researchers analyzed all the individuals publicly known to have been arrested, indicted, or convicted in the United States for Islamic State-related activities since the first arrest in 2013. This report aims to understand not only how these individuals raised and acquired assets to support the Islamic State and commit acts of terror in its name, but also how those assets have been transferred between individuals within the United States, the physical territory held by ISIS, and other locations around the globe.

The report draws on a dataset that was formed during a multi-year investigation into Islamic State-related mobilization in America. The dataset relies on tens of thousands of pages of documents from U.S. court cases, Department of Justice press releases, Freedom of Information Act requests, interviews with national security professionals, and news articles that collectively provide a detailed picture of each individual in this report. In total, the authors compiled a dataset of 209 individuals charged for terrorism and/or other related offenses in the U.S. who are affiliated with the Islamic State. The authors concluded observations of U.S.-based financial activity in support of the Islamic State on August 31, 2020, though the Program on Extremism continues to track U.S.-based Islamic State supporters' financial activity.

Within the scope of this report, the authors set a threshold that attempts to provide a clear boundary between terrorism financing and mundane habitual expenses.²³ For example, it stands to reason that individuals who attempted to travel to Syria to join the Islamic State must have purchased food to eat in the days leading up to their attempted travel. However, the authors determined that these and similar expenses fell outside the bounds of this study for a number of

²³ This report examines each case from the perspective of the individual included in the dataset. As such, a number of the cases that have been coded include the presence of a federal undercover employee (UCE) that the individual in question believes to be an IS sympathizer or facilitator.

reasons.²⁴ Some thresholds are inherently determined by the facts of each case contained in court documents. If incidents of financing are not documented or viewed as materially relevant to the FBI or Justice Department in the arrest and prosecution of an individual, they likely fall beneath this report's threshold of terror financing. Still, while court records are generally reliable and accurate sources of information, some details will naturally be missing or withheld.²⁵

In addition, some court documents provide extensive and detailed information, but are built using evidence from witnesses and confidential informants that may vary in reliability. The authors took these concerns into account during the coding process. Finally, this study does not include Americans who traveled to join the Islamic State (the so-called foreign fighters, or travelers), unless a criminal complaint or indictment against them has been filed by the Department of Justice. The absence of court records is also the reason why the database does not include the handful of individuals that died carrying out attacks on behalf of IS on U.S. soil.

The authors developed a coding framework with numerous variables to track financial activity across each case in the study. Within this framework, the authors

²⁴ First, such expenses cannot be reasonably estimated. While court documents and open source reporting provide a certain level of granularity to each individual's case, these sources rarely capture the habitual, day-to-day financial activity in an individual's life. Furthermore, it is important to distinguish between mundane expenses and expenses that are materially relevant to the commission of a crime. The case of Oakland, California resident Amer Sinan Alhaggagi provides an illustrative example. Alhaggagi was sentenced in February 2019 after pleading guilty to charges of aggravated identity theft and attempting to provide material support to a foreign terrorist organization (IS). While Alhaggagi discussed with an FBI undercover employee his plans to purchase strychnine with a stolen identity in order to commit a terror attack in the name of IS, his actual use of the stolen identity was simply to purchase several thousand dollars' worth of clothing. There was no evidence that, outside of Alhaggagi wearing the clothing during the period of time in which he was judged to be attempting to materially support the Islamic State, the clothing that was purchased through identity theft was used in furtherance of a terrorism-related crime. As such, the thresholds set by the authors exclude Alhaggagi's identity theft and subsequent \$4,000 purchase of clothing through criminal means as passing the threshold for terror financing.

USA v. Amer Sinan Alhaggagi, United States' Sentencing Memorandum, (Northern District of California, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/alhaggagi%20government%20sentencing%20memorandum.pdf>

²⁵ It is typically in the best interest of the prosecution to include as many relevant financial details as possible to build their case for charging individuals with material support to a foreign terrorist organization. However, in some cases, evidence that might be included in an initial criminal affidavit for an arrest warrant could be withheld if the investigation involves other individuals or is ongoing.

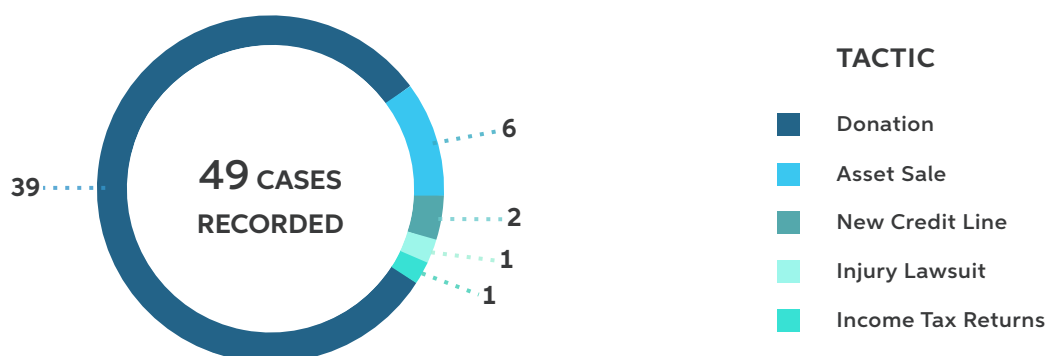
determined three core dimensions to Islamic State-related terrorism financing cases in the U.S.: the *fundraising tactics* used by individuals to raise funds, the *movement tactics* used by individuals to move funds and assets; and the presence and type of *support networks*.

FUNDRAISING TACTICS

Save for a few exceptions, the vast majority of U.S.-based Islamic State supporters left a remarkably small financial footprint. Whether they focused on traveling overseas to join IS, carrying out attacks domestically or providing other forms of support to the group, most American IS supporters raised small amounts of money and often through very simple tactics. Tellingly, in fact, the vast majority of them simply relied on personal savings to pay the small costs required for their activities. Many of these individuals held jobs, which ranged from menial and relatively low paying to, in a few cases, relatively high-earning positions. Since most of their expenses (purchasing airplane tickets or weapons, sending small amounts to fellow IS supporters overseas) were no higher than a few thousand dollars, they could fairly easily sustain them through finances they already had at their disposal.

LEGAL FUNDRAISING TACTICS

While, as has already been noted, most American IS supporter did not feel the need to engage in additional fundraising activities to obtain funds to further their terrorism-related plans, some did. Among them, they engaged in both legal and illegal activities. Although terrorism financing always constitutes a federal crime, there are several terrorism-aimed fundraising activities that are not themselves illegal in nature. (i.e., do not constitute a crime per se but only when connected to a terrorist motive). The authors recorded 49 instances (23.4%) in which American supporters used, to the authors' knowledge, only legal means to obtain funds in addition to personal savings in order to provide support to IS or sustain their own activities in support of the group. The breakdown of those legal fundraising tactics is as follows:



SELECTED EXAMPLES

Donations

Donations were the most common form of legal fundraising tactic employed by American IS supporters. Donations came predominantly from within individuals' pre-existing support networks and, in fewer cases, from new support networks that individuals had only recently formed online (for more on these dynamics, see later the section on support networks).

A case in which donations turned out to be crucial for an individual's trajectory into IS is that of Minneapolis resident Abdi Nur. Then just 20 year old, Nur flew out of Minneapolis in May 2014 and reached first Istanbul and then Syria, where he reportedly joined the Islamic State.²⁶ Investigating the dynamics of his departure, the FBI highlighted how "Nur was unemployed at the time he bought this ticket and did not have the financial means to purchase an international airline ticket."²⁷ The inquiry indicated that various individuals in Nur's social circle, IS supporters from the Twin Cities who themselves eventually traveled or attempted to travel to join IS, donated the more than \$1,500 necessary to help him fly out of Minneapolis.²⁸

Asset Sale

Some U.S.-based Islamic State supporters sold assets specifically to help finance their terrorism-related activities. The types of assets sold varied, but were always intended to help fund travel abroad to join the Islamic State. The authors recorded six such cases, three of which involved the sale of an individual's car to purchase plane tickets, and in only one instance led to an individual successfully joining the

²⁶ *USA v. Abdullahi Yusuf and Abdi Nur*, Criminal Complaint, (District of Minnesota, 2014). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Nur%20Criminal%20Complaint.pdf>

²⁷ *Ibid.*

²⁸ *Ibid.*

Islamic State abroad.²⁹ The time between when each of these individuals sold their assets and when they attempted to travel was very tight — within one week.

New Credit Line

Researchers recorded two cases of individuals who applied for and received new lines of credit to fund the costs of plane tickets to join IS overseas. One, Islam Natsheh, was a resident of California, who had attempted to join IS abroad in December 2015.³⁰ Natsheh first fell on the FBI's radar in February 2015 when an individual reported Natsheh's open support for IS on his Facebook and Twitter accounts. He shared pro-IS content online, including a video released by the group showing the burning of Jordanian pilot Muath al-Kasabeh. Natsheh later opened a new credit line the month before his intended travel, and used this credit to purchase plane tickets for himself and an unnamed male minor to Turkey with the intention of traveling south to join IS in Syria. After preventing Natsheh

²⁹ For Nader Saadeh, a New Jersey native who tried to join the group in Syria, it meant selling his phone to a friend for \$200 cash to bring with him on the journey. Nicholas Teausant, another attempted traveler from California, sold his laptop. Abdurahman Daud, a member of a Minneapolis- St. Paul network of travelers and attempted travelers, sold his car for \$5500 to finance travel to Syria for himself and two other individuals. Ahmed Mohamed, an attempted traveler from Arizona, also sold his car for \$4500 to purchase his and co-traveler Abdi Hussein's travel to join the Islamic State's affiliate in the Sinai Peninsula. Mohamad Khweis, a former Virginia resident and the only successful traveler within these five cases, also sold his car prior to leaving for Syria, albeit for an unknown amount. Finally, Muhammad Masood, a Pakistani national working as a medical researcher in Minnesota on an H-1B Visa, sold a number of personal household items like his mattress, shoe rack, and office chair before trying to leave for Syria." Then at the end of the list of sources add: "USA v. Muhammad Masood, Criminal Complaint, (District of Minnesota, 2020). *USA v. Nader Saadeh*, Criminal Complaint, (District of New Jersey, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Saadeh%2C%20N.%20Criminal%20Complaint.pdf>; *USA v. Nicholas Michael Teausant*, Criminal Complaint, (Eastern District of California, 2014). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Teausant%20Criminal%20Complaint.pdf>; *USA v. Mohamed Abdihamid Farah, Adnan Abdihamid Farah, Abdurahman Yasin Daud, Zacharia Yusuf Abdurahman, Hanad Mustafe Musse, and Guled Ali Omar*, Criminal Complaint, (District of Minnesota, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Farah%20Criminal%20Complaint.pdf>; *USA v. Ahmed Mahad Mohamed and Abdi Yemani Hussein*, Criminal Complaint, (District of Arizona, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Mohamed%20and%20Hussein%20Criminal%20Complaint-Affidavit.pdf>; *USA v. Mohamad Jamal Khweis*, Criminal Complaint (Eastern District of Virginia, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Khweis%20Complaint.pdf>; <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Masood%20Complaint.pdf>

³⁰ *USA v. Islam Natsheh*, United States' Sentencing Memorandum, (Northern District of California, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/NatshehUSSentencingMemorandum.pdf>

from boarding his flight on December 28, 2015, the FBI arrested him at his home the following day.³¹

Injury Lawsuit

The authors found one case in which, by complete happenstance, an injury lawsuit payout was later allegedly used by a young American IS supporter to travel to Syria and splurge on fellow IS fighters. Mohamed Amiin Ali Roble is one of 145 individuals who were injured in the 2007 collapse of the I-35W bridge over the Mississippi River in Minneapolis.³² When Roble turned 18 in 2014, he was reportedly awarded \$91,654 in a settlement paid out by the state of Minnesota and other liable parties to the victims. According to publicly available court documents, Roble was specifically waiting to receive his settlement payout to travel to Syria to join the Islamic State. Furthermore, reports indicate that his checking account was used “approximately 45 times in Gaziantep, a Turkish border town about 35 miles from Syria where many jihadis assemble before entering Syria. At Gaziantep, his purchases totaled more than \$47,000.”³³ Conversations recorded by the FBI revealed that Roble later spent a large portion of those funds on fellow Islamic State fighters, including buying a car and paying for marriage gifts.³⁴

Income Tax Return

While many individuals in this study relied on personal savings, only one individual is known to have explicitly timed his attempted departure to wait for his tax refund. Michael Todd Wolfe, of Austin, Texas, was sentenced in 2015 to 82 months in prison for attempting to provide material support to the Islamic State.³⁵ According to the criminal complaint, Wolfe told an FBI undercover employee that he and his wife “were expecting a tax refund in the approximate amount of \$5,000” and commented that he believed his wife “wanted to give a portion of the refund to her mother, and implied that the rest of the refund would be for

³¹ Ibid.

³² *USA v. Mohamed Amin Ali Roble*, Criminal Complaint, (District of Minnesota, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Roble%20Criminal%20Complaint%2C%20Signed%20Affidavit.pdf>

³³ Ibid.

³⁴ Ibid.

³⁵ *USA v. Michael Todd Wolfe*, Criminal Complaint, (Western District of Texas, 2014). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Wolfe%20Criminal%20Complaint.pdf>

their travel.”³⁶ Wolfe was arrested at the George Bush Intercontinental Airport in Houston, Texas while attempting to board a flight to Copenhagen, Denmark, where he believed he would meet an Islamic State facilitator who would assist in his travel to Syria.³⁷

ILLEGAL FUNDRAISING TACTICS

A select number of American IS supporters turned to illegal tactics to support the group’s or their own activities. Illegal fundraising activities are very common in the European context, where experts speak of a crime-terrorism nexus.³⁸ Historically, but with a much greater intensity during the recent years of the Islamic State-related mobilization, many European jihadists had a background in petty crime and resorted to a broad array of criminal activities to raise funds for their newly found terrorism-related vocation.³⁹

This dynamic does not seem to apply to the American context in a comparable manner. German authorities, for example, estimate that 66% of German foreign fighters had police records prior to traveling.⁴⁰ In the Netherlands, 64% of Islamic State-related suspects had a criminal past. Similar numbers are reported throughout Western Europe.⁴¹ These numbers are in stark contrast with those recorded by the authors in the United States: only 14 of all 209 (6.7%) individuals were observed to have turned to illegal methods to raise funds. Of these 14 cases, only one amounted to any substantial amounts of funds being raised. Moreover, while precise data are difficult to determine, few American Islamic State supporters analyzed in this report are known to have had a criminal background.

³⁶ Ibid.

³⁷ Ibid.

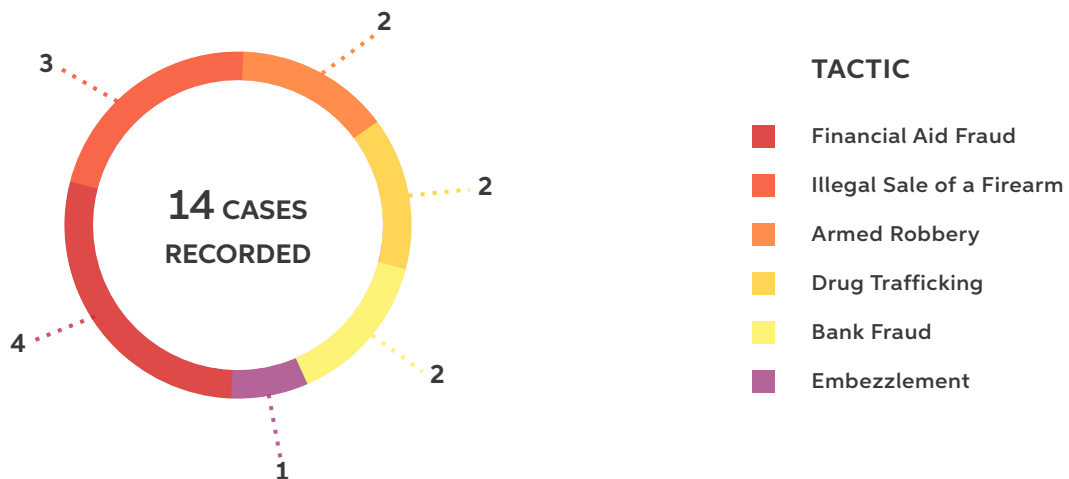
³⁸ Renske Van der Veer, *The Crime-Terrorism Nexus*, The Netherlands Institute of International Relations Clingendael, (February 2019). <https://www.clingendael.org/pub/2018/strategic-monitor-2018-2019/the-crime-terrorism-nexus/>; Basra and Neumann, *Crime as Jihad*, 2017.

³⁹ Rajan Basra, Peter R. Neumann, and Claudia Brunner, *Criminal Pasts, Terrorist Futures: European Jihadists and the New Crime-Terror Nexus*, The International Centre for the Study of Radicalisation and Political Violence at King’s College London (2016). <https://icsr.info/wp-content/uploads/2016/10/ICSR-Report-Criminal-Pasts-Terrorist-Futures-European-Jihadists-and-the-New-Crime-Terror-Nexus.pdf>

⁴⁰ Basra and Neumann, *Crime as Jihad*, 2017.

⁴¹ Ibid.

For the most part, the ways in which American Islamic State supporters used illegal tactics to raise funds to support the group required relatively low-levels of sophistication and planning.



SELECTED EXAMPLES

Financial Aid Fraud

The authors recorded four cases of financial aid fraud used to provide material support to the Islamic State, three of which came from the same network.⁴² Hamza Naj Ahmed, Hanad Mustafe Musse, and Guled Ali Omar, in fact, belonged to the same group of travelers and attempted travelers from the Minneapolis and St. Paul area. Omar originally planned to join the Islamic State in May 2014, alongside two other associates, by driving to California from Minneapolis, whereupon they would make their separate ways to Syria. Omar withdrew \$5000 in cash from his federal educational financial aid debit card in the two weeks leading up to his planned date of departure in May. His family intervened as he was leaving, however, so he deposited the money he had withdrawn onto his own personal banking account and bided his time.⁴³

Omar tried again to travel to Syria in November 2014 using the same money to purchase plane tickets, but this time he was joined by four other attempted

⁴² The fourth, Muhanad Badawi, was charged alongside co-conspirator Nader Elhuzayel for using his financial aid loans to help fund Elhuzayel's travel abroad to join the Islamic State. *USA v. Nader Elhuzayel and Muhanad Badawi*, Criminal Complaint, (Central District of California, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Badawi%20Criminal%20Complaint.pdf>

⁴³ *USA v. Farah et al.*, Criminal Complaint, 2015.

travelers in the Minneapolis and St. Paul network (the abovementioned Ahmed and Musse, Mohamed Farah, and Zacharia Abdurahman).⁴⁴ The four men traveled by bus to New York from Minneapolis with the intent of using different routes to travel to Syria to avoid drawing suspicion, but Omar intended to fly out through San Diego instead. Like Omar, Ahmed and Musse withdrew cash from their financial aid debit cards to purchase plane tickets. Ahmed spent \$1,048 on a ticket to Madrid with a layover in Istanbul, with the intention of staying in Turkey and crossing into Syria, while Musse spent \$1,269 on a plane ticket to Greece with also Syria as the final destination. All four men were prevented from boarding their flights by federal agents at JFK, and Omar was stopped from boarding his flight in San Diego. Omar, Ahmed, and Musse were finally arrested in April 2015 when the FBI linked them to a larger, multi-state operation covering several individuals in their network.⁴⁵

In total, the three men withdrew some \$7,300 in financial aid for terrorism-related purposes. While the sum involved is not particularly high, the tactic is noteworthy. Authorities in Western Europe have witnessed the abuse of both financial aid and social-welfare benefits by individuals engaged in terrorist activities with increasing frequency in recent years (one of the most glaring examples being several of the perpetrators of the November 2015 Paris and March 2016 Brussels attacks).⁴⁶ The tactic is also mentioned in the Islamic State-produced manual *How to Survive in the West*, which discusses social-welfare benefits in a section titled, “Easy money ideas”.⁴⁷ “If you can claim extra benefits from a government, then do so,” it states, “If you can avoid paying taxes, then do so.”⁴⁸

Illegal Sale of a Firearm

The authors recorded three cases related to terrorism financing involving the sale of a firearm by a convicted felon. In both of these cases, the individuals sold

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Mark Maremont and Valentina Pop, “Terrorist Suspects in Europe Got Welfare Benefits While Plotting Attacks,” *The Wall Street Journal*, (August 4, 2016). <https://www.wsj.com/articles/terrorist-suspects-in-europe-got-welfare-benefits-while-plotting-attacks-1470350251>

⁴⁷ Unknown author, *How to Survive in the West: A Mujahid Guide*, (2015).

⁴⁸ Ibid.

firearms to raise funds for travel abroad to join the Islamic State.⁴⁹ It is noteworthy that federal prosecutions occasionally charge individuals who engage in terrorism-related activities with firearms violations when terrorism-related charges are more difficult to bring forward.

Sometimes, federal prosecutors bring both charges forward. That was the case for Mahde and Moyad Dannon, two residents of Fishers, Indiana, who arranged a scheme to sell fully-automatic rifles to middlemen they believed would ship the rifles overseas to IS. The two brothers built five untraceable “ghost guns,” firearms they made by buying un-serialized component parts online and assembling themselves.⁵⁰ They tried to transfer the weapons at the southwest border with Mexico through an individual they believed to be an IS facilitator, but who was actually an FBI undercover agent. Though amateurs, the FBI alleges that the two men had agreed to manufacture an additional 55 fully-automatic rifles to send to the terrorist group.⁵¹ Mahde and Moyad Dannon were ultimately charged on eight counts that included charges related to illegal firearms sale and material support to an FTO.⁵²

Armed Robbery

The authors recorded two cases of armed robbery. In the first case, Abdullahi Ahmed Abdullahi, a former resident of the U.S., robbed a jewelry store in Edmonton, Alberta, in January 2014 to allegedly help finance the travel of other individuals in his network to join IS in Iraq and Syria.⁵³ Abdullahi was part of a small network of individuals from the Minneapolis and St. Paul area who attempted to travel to Iraq and Syria between 2013 and 2017. After moving to Edmonton, Abdullahi and two accomplices robbed a jewelry store in January

⁴⁹ See the following cases: *USA v. Zakaryia Abdin*, Criminal Complaint, (District of South Carolina, 2017). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Abdin%20Criminal%20Complaint.pdf>; *USA v. Gregory Hubbard, Dayne Antani Christian, and Darren Arness Jackson*, Criminal Complaint, (Southern District of Florida, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Christian%20Complaint.pdf>

⁵⁰ *USA v. Mahde Dannon and Moyad Dannon*, Criminal Complaint, (Southern District of Indiana, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/dannon%20complaint.pdf>

⁵¹ Ibid.

⁵² *USA v. Dannon and Dannon*, Indictment, 2019. <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/dannon%20complaint.pdf>

⁵³ *USA v. Abdullahi Ahmed Abdullahi*, Indictment, (Southern District of California, 2017). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Abdullahi%20Indictment.pdf>

2014. He then pawned the stolen items and wired just over \$3,000 to three separate individuals from his network based in the U.S. Specifically, Abdullahi sent \$2,600 to facilitate the travel of his high school friends, Douglas and Marchello McCain, from San Diego to Syria, and another \$450 to Douglas McCain who then re-routed \$350 to an intermediary in Gaziantep, Turkey, to finance local IS activities. Canadian authorities arrested Abdullahi in September 2017 for armed robbery. He was also subsequently charged by the U.S. under federal terrorism-related statutes for his role in financing the McCain brothers' travel to Syria to join IS, and was extradited from Canada to face the charges in the U.S. District Court for the Southern District of California.⁵⁴

In the second case, 19-year-old North Carolina native Justin Sullivan committed armed robbery and murder of his 74-year-old neighbor, John Clark Jr., in December 2014.⁵⁵ Sullivan killed Clark to obtain funds to purchase an assault weapon for a future attack. Sullivan, who was living in his parents' house, waited until they departed for the weekend before stealing his father's hunting rifle and breaking into Clark's home. Sullivan then shot Clark and stole \$689, funds he intended to use to purchase an assault weapon for a larger attack that he was planning to carry out. Federal authorities arrested Sullivan in June 2015, and discovered Clark's body in a shallow grave next to his home shortly thereafter.⁵⁶

Drug Trafficking

The authors found evidence of two individuals involved in drug trafficking to raise funds for IS-related activities. The first, Robert McCollum, a then 38-year old Ohio-native, made multiple statements online from July 2014 to June 2015 indicating his support for the Islamic State, and expressing his desire to commit terrorist attacks in the U.S.⁵⁷ During that time, he also sold just under 2kg of marijuana to an FBI confidential human source (CHS). In June 2015, McCollum attempted to purchase an AK-47 assault rifle, with which he planned to conduct an attack on behalf of the Islamic State on U.S. soil. McCollum used the money he raised from

⁵⁴ Ibid.

⁵⁵ *USA v. Justin Nojan Sullivan*, Criminal Complaint, (Western District of North Carolina, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Sullivan%20Criminal%20Complaint.pdf>

⁵⁶ Ibid.

⁵⁷ *USA v. Amir Said Rahman Al-ghazi, aka "Robert C. McCollum"*, Criminal Complaint, (Northern District of Ohio, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/McCollum%20Affidavit.pdf>

THE ATTACKERS

The United States has suffered more than 20 terrorist attacks inspired by jihadist ideology in the last decade.⁵⁸ It is, on a purely quantitative basis, the second most targeted country in the West, preceded only by France. Qualitatively most attacks in the U.S have been fairly small and unsophisticated. Exceptions include the December 2015 San Bernardino, CA attack; the June 2016 Pulse Nightclub shooting in Orlando, FL; and the October 2017 Manhattan truck ramming attack.

It is difficult to clearly attribute many of the attacks to a specific jihadist group. In many cases perpetrators were clearly influenced by jihadist ideology (although personal and mental health issues were concurring factors in some attacks) but did not express an allegiance to any group. Some did pledge allegiance to the Islamic State and claimed to have carried out the attack on the organization's behalf. And the Islamic State itself claimed seven attacks that took place on US soil.⁵⁹ Yet, even in the cases in which the Islamic State claimed responsibility, there are little to no indications

that the perpetrators had any connection to the group beyond, in a handful of cases, some online communication with IS operatives overseas that did not appear to transcend into any operational matter. In substance, the vast majority if not all attacks that have taken place in America in recent years reflect the model of terrorism propagated by the Islamic State but, even before it, al-Qaeda and other groups: encouraging do-it-yourself operations by unconnected sympathizers and claiming responsibility for them.

From a financial perspective, the analysis of the attacks in America reflects both these aspects of de-centralized terrorism and the dynamics seen throughout this study. All attacks, in fact, cost very little money, none of them more than a few thousand dollars each. All perpetrators tended to live normal lives and used funds in their possession to purchase the weapons or rent the vehicles they used to carry out the attacks. There is no available indication of any external funding in any successful attack.

⁵⁸ Vidino, Marone, and Entenmann, *Fear Thy Neighbor*, 2017.

⁵⁹ The May 2015 attack at the Curtis Culwell Center in Garland, TX; the December 2015 San Bernardino, CA attack; the June 2016 Pulse Nightclub shooting in Orlando, FL; the September 2016 St. Cloud, Minnesota mall stabbings; the November 2016 Ohio State University campus stabbings; the October 2017 New York City truck ramming attack; and the December 2017 New York City Port Authority bombing.

selling marijuana to the CHS to help fund his purchase. As a previously convicted felon, McCollum was ultimately sentenced on charges of being a convicted felon in possession of firearms and 24 counts of distribution of marijuana in addition to attempting to provide material support to the Islamic State.⁶⁰

While McCollum was an isolated individual, the case of Jason Brown (also known as “Abdul Ja’Me”) involves completely different dynamics that are rare in the U.S. and more reminiscent of the crime-terrorism nexus experienced in Europe. Brown was the 37-year-old leader of the AHK, a gang “based in the Chicago suburb of Bellwood and comprised of former members of other gangs, including the Black P Stones, Gangster Disciples, and Four Corner Hustlers.”⁶¹ AHK, which derives its name from the alternative Arabic spelling of the word “akh” (“brother”), is known for trafficking large quantities of narcotics in the Chicago area.⁶²

Brown had reportedly radicalized while serving time in prison in Georgia and watching video of Jamaican preacher Abdullah Faisal.⁶³ Upon leaving prison and taking the helm of the AHK, Brown required fellow gang members to convert to Islam and sought to radicalize them. He became an avid consumer of IS propaganda and throughout 2019 allegedly provided three separate cash payments totaling \$500 to an intermediary he believed would send the funds to Syria to aid IS fighters, but was actually an FBI undercover employee. Brown’s November 2019 arrest on material support charges was part of a larger federal operation to shut down AHK’s drug trafficking operations. Several AHK members were arrested alongside Brown on federal drug charges, but only Brown was indicted on terrorism-related charges.⁶⁴

⁶⁰ *USA v. McCollum*, Criminal Complaint, 2016.

⁶¹ *USA v. Jason Brown*, Criminal Complaint, (Northern District of Illinois, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Brown%20Complaint.pdf>

⁶² “Suburban Chicago Man Charged with Attempting to Provide Material Support to ISIS,” Office of Public Affairs, Department of Justice, (November 15, 2019). <https://www.justice.gov/opa/pr/suburban-chicago-man-charged-attempting-provide-material-support-isis>; *USA v. Brown*, Criminal Complaint, 2019.

⁶³ *USA v. Brown*, Criminal Complaint, 2019.

⁶⁴ *Ibid.*

Bank Fraud

Two individuals are known to have turned to bank fraud to finance their terrorism-related activities. One, Nader Elhuzayel, deposited around \$12,000 in stolen checks onto his personal checking account at three different banks located in Orange County, California.⁶⁵ He then withdrew those funds in cash at various banks, and used the money to help finance his travel to Syria to join the Islamic State.⁶⁶ Elhuzayel was ultimately charged on 26 counts of bank fraud.⁶⁷

Ironically, the other individual who engaged in bank fraud, Zoobia Shahnaz, was charged on far fewer counts of bank fraud, but ended up defrauding U.S. financial institutions of over eight times the amount Elhuzayel did— hers is the largest case of Islamic State-related terrorism financing in the U.S. to date. A 27-year old naturalized citizen born in Pakistan, Shahnaz worked as a lab technician in a Manhattan hospital on a \$71,000 salary.⁶⁸ Starting in August of 2015, she began searching online for information on how to join the Islamic State.⁶⁹ Six months later, in January 2016, Shahnaz left the United States on a two-week medical volunteer trip to a refugee camp in Jordan “where ISIS exercises significant influence,” but it is unclear if she used the trip in any way connected to the Islamic State.⁷⁰

Shortly after returning to the U.S., she started applying for — and fraudulently obtaining — over a dozen credit cards.⁷¹ After opening these lines of credit from a number of institutions, in addition to using the multiple credit cards she previously owned, Shahnaz was able to purchase over \$62,000 in cryptocurrencies like Bitcoin. She then converted the vast majority back into U.S. dollars that she deposited into a checking account under her name. In addition to the funds

⁶⁵ *USA v. Elhuzayel and Badawi*, Criminal Complaint, 2015.

⁶⁶ *Ibid.*

⁶⁷ *USA v. Zoobia Shahnaz*, Indictment, (Eastern District of New York, 2017). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Shahnaz%20Indictment.pdf>

⁶⁸ *USA v. Shahnaz*, Government Letter to Hold Defendant Without Bail Pending Trial, 2017. <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Zoobia%20Shahnaz%20AUSA%20bail%20letter%202012-14-17.pdf>

⁶⁹ *USA v. Shahnaz*, Government Sentencing Letter, 2017. <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Zoobia%20Shahnaz%20Govt%20Sentencing%20Letter.pdf>

⁷⁰ *Ibid.*

⁷¹ *Ibid.*

acquired from these cryptocurrency transfers, Shahnaz obtained a loan of about \$22,500 from a Manhattan bank.⁷² In total, the fraudulently-obtained funds from U.S. financial institutions amounted to more than \$85,000.

Using these funds and the existing money in her checking account, Shahnaz began to send money abroad to multiple individuals and shell companies accused of being associated with the Islamic State.⁷³ On May 23, 2017, she sent \$4,000 and \$3,000 in two separate payments to an anonymous individual in Pakistan using a money remittance system based in Queens. Later that day, she wired just over \$10,025 to a medical supply company based out of Zhejiang Province, China. Finally, Shahnaz made a \$100,025 remittance wire transfer to Ankara on July 21, 2017. After quitting her job, she obtained a Pakistani passport and purchased tickets for a flight to Islamabad with a multi-day layover in Istanbul (she intended to skip her connecting flight and travel south to Syria). She was detained by law enforcement at John F. Kennedy International Airport on July 31 and subsequently arrested in December 2017.⁷⁴ Shahnaz was sentenced in March 2020 to 13 years in prison for her provision of material support to the Islamic State.⁷⁵

Embezzlement

Imran Rabbani, a 17-year old New York-native who embezzled around \$3300 from his employer, Adil Pharmacena, to help finance an attack on U.S. soil is the only known case of embezzlement. While finishing his senior year of high school in the spring of 2015, Rabbani was in communications with a Queens, New York-based university student named Munther Saleh, who also recruited three individuals from New Jersey to travel to Syria to join the Islamic State.⁷⁶ Saleh acted as Rabbani's handler, offering logistical advice and sharing pro-IS propaganda. Rabbani wrote and cashed duplicate checks for Adil Pharmacena amounting to between \$3,100 and \$3,500, a portion of which he withdrew in cash to purchase

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Long Island Woman Sentenced to 13 Years' Imprisonment for Providing Material Support to ISIS," Office of Public Affairs, Department of Justice, (March 13, 2020). <https://www.justice.gov/opa/pr/long-island-woman-sentenced-13-years-imprisonment-providing-material-support-isis>

⁷⁶ *USA v. Shahnaz*, Government Sentencing Letter, 2017. <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Zoobia%20Shahnaz%20Govt%20Sentencing%20Letter.pdf>

materials that he and Saleh would use to construct a bomb and commit an attack on U.S. soil.⁷⁷

Both men were arrested in June 2015 when they attacked a law enforcement vehicle that was surveilling their activities.⁷⁸ Rabbani agreed to forego being charged as a juvenile with conspiracy to provide material support to the Islamic State, and instead pleaded guilty as an adult to charges of impeding federal officers by force and intimidation.⁷⁹

⁷⁷ *USA v. John Doe*, Memorandum & Order, (Eastern District of New York, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Rabbani%20Memorandum%20and%20Order.pdf>

⁷⁸ *Ibid.*

⁷⁹ *Ibid.*

MOVEMENT TACTICS

U.S.-based Islamic State supporters used the funds they raised in various ways, from overseas travel to domestic plots, to purchasing and sending supplies to IS fighters to sending money directly to the group's operatives overseas. In some cases, money did not necessarily need to be moved. In other cases, though, it was necessary for individuals to move funds, whether domestically or internationally. In total, the authors observed six movement tactics used by American IS supporters and their connections to exchange funds and assets.

SELECTED EXAMPLES

Physical Transport

In most cases funds were moved through physical transport, hand delivered from one IS supporter to another. In the vast majority of cases the amounts involved were very small — the \$9,500 in cash that Zoobia Shahnaz tried to hide in her luggage (as discussed above) was definitely an exception.⁸⁰

Another outlier is the case of Indiana resident Samantha Elhassani. Unlike most American travelers, Elhassani did not limit herself to bringing some pocket change with her when she traveled to Syria with her husband, brother-in-law, and infant son.⁸¹ In the months prior to their departure, Elhassani made multiple trips to Hong Kong, where she deposited cash and gold items in safety deposit boxes used by Islamic State facilitators.⁸² She concealed the gold assets she carried with her to Hong Kong by melting them down to look like jewelry and intentionally failing to disclose those items on customs declarations forms.⁸³ In her plea agreement, Elhassani admitted that she knew these funds and assets would be used to help her family both get to and survive in Syria.⁸⁴ In total, she transported more than \$30,000 in cash and gold across three trips to Hong Kong,⁸⁵ marking a

⁸⁰ Ibid.

⁸¹ *USA v. Shahnaz*, Government Sentencing Letter, 2017.

⁸² *USA v. Samantha Elhassani*, Plea Agreement, (Northern District of Indiana, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Elhassani%20Plea%20Agreement.pdf>

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

unique instance in which an American transported funds and assets internationally to an intermediary country prior to joining, or attempting to join, the group in Syria.

Bank Wire

There are only eight known cases of U.S.-based Islamic State supporters using a regular banking system to move funds. Tellingly, there are indications that many of them thought that wiring money through banks, given the system of checks and red flags that characterizes U.S. financial institutions, would have been a security hazard.⁸⁶

Non-bank Money or Value Transfer Services

In general, non-bank money or value transfer services (MVTs's) received a much higher volume of traffic than traditional online wire transfers through banking institutions. Western Union and MoneyGram, in particular, were popular services among American Islamic State supporters, with evidence regarding the use of either service showing up in at least 24 of all 209 recorded cases. The authors did not observe substantial use of encrypted peer-to-peer MVTs's like cryptocurrencies, despite recent concerns over terrorists' use of these platforms. Zoobia Shahnaz did use cryptocurrencies as part of her efforts to support IS, but as a means to illegally launder funds obtained through bank fraud and credit card schemes rather than to transfer funds to another user. The lack of cryptocurrency-based transfers may be explained by the preference of IS supporters for the easiest and most familiar fund movement tactics available.

This does not rule out the possibility that American supporters of terrorist groups like the Islamic State could turn to cryptocurrencies moving forward. If anything, cases like that of Manassas, Virginia resident Ali Shukri Amin, who at just 17 years of age provided advice over online chat rooms and social media platforms to other Western Islamic State supporters on how to transfer money to the Islamic State using cryptocurrencies, show this population's eagerness to pivot to cryptocurrencies.⁸⁷ Islamic State supporters in other parts of the globe have

⁸⁶ Ibid.

⁸⁷ *USA v. Ali Shukri Amin*, Statement of Facts, (Eastern District of Virginia, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Amin%20Statement%20of%20Facts.pdf>

already turned to cryptocurrencies like Bitcoin to fundraise for the group,⁸⁸ and recently started experimenting with a little-known application called 'Because Communication Matters' (BCM), an encrypted communications platform that also integrates an inbuilt cryptocurrency wallet that allows users to send, store, and receive cryptocurrencies.⁸⁹ There are many barriers to a significant Islamic State presence on BCM developing into a significant threat. However, if a large migration of Islamic State supporters to such platforms did occur in the future, there is little reason not to expect that the Islamic State's American supporters will follow suit.

One of the greatest concerns for officials, however, is the possibility of widely-adopted messaging platforms like Telegram — which Islamic State supporters all over the world use frequently — developing capabilities to host cryptocurrency exchanges on their platforms. Earlier in 2020, the encrypted messenger and social media platform tried to integrate its new blockchain platform (the Telegram Open Network, or TON) and the cryptocurrency it intended to host on the platform — Grams. However, the messaging platform giant was prevented from doing so by the U.S. Securities and Exchange Commission.⁹⁰ Despite recent successes in removing Islamic State supporters' and media operatives' accounts in partnership with Europol's counterterrorism efforts,⁹¹ it is too early to tell if Telegram has fully stifled the presence of Islamic State members and supporters on its platform.⁹² Integrating a cryptocurrency exchange with Telegram's messaging service could have potentially provided a new avenue of opportunity for the group's supporters, including those in the U.S.

⁸⁸ "Funding Terrorism: ISIS-affiliated Website Raises Funds Using the Virtual Currency Bitcoin," The Meir Amit Intelligence and Terrorism Information Center, (November 17, 2019). https://www.terrorism-info.org.il/app/uploads/2019/11/E_253_19.pdf

⁸⁹ David Gilbert, "ISIS is Experimenting with This New Blockchain Messaging App," *Vice News*, (December 13, 2019). https://www.vice.com/en_us/article/v744yy/isis-is-experimenting-with-this-new-blockchain-messaging-app

⁹⁰ Khadim Shubber, "SEC Sues Telegram to Halt \$1.7bn Digital Token Offering," *Financial Times*, (October 11, 2019). <https://www.ft.com/content/cf00c8ac-ec6a-11e9-a240-3b065ef5fc55>

⁹¹ "Europol and Telegram Take on Terrorist Propaganda Online," Europol Press Release, (November 25, 2019). <https://www.europol.europa.eu/newsroom/news/europol-and-telegram-take-terrorist-propaganda-online>

⁹² Raphael Gluck, "Islamic State Adjusts Strategy to Remain on Telegram," *Global Network on Extremism & Technology*, (February 6, 2020). <https://gnet-research.org/2020/02/06/islamic-state-adjusts-strategy-to-remain-on-telegram/>

Money Laundering

The abovementioned cases of Zoobia Shahnaz and Samantha Elhassani constitute notable exceptions in the American IS scene, which is characterized by small amounts and unsophisticated fundraising and transfer tactics. The case of Mohamed Elshinawy presents some of the same characteristics of Shanaz and Elhassani's, but it is even more of an outlier because it constitutes the only known instance of U.S.-based individual that laundered money into the U.S. for the Islamic State.

In February 2015, then 32-year-old Edgewood, Maryland resident Elshinawy entered in online contact with a senior IS operative, Siful Sujan, through a childhood friend from Egypt who had joined the Islamic State in Syria.⁹³ Sujan at the time directed the Islamic State's computer operations, a position previously held by notorious IS virtual planner Junaid Hussain.⁹⁴

To channel funds to foreign-based recruits, Sujan used a computer equipment company based in Cardiff called Ibacstel Electronics Limited.⁹⁵ It was from Ibacstel that Elshinawy received his first transfer of \$1,500 on March 23, 2015. Ibacstel requested equipment from Elshinawy, who masqueraded online as an electronics vendor, and paid him for non-existent equipment. Elshinawy used part of this money to purchase a phone, laptop, and VPN to communicate securely with Sujan and other IS affiliates. Sujan continued to send payments via PayPal from his front company, through other intermediaries in Bangladesh, Turkey, and Egypt, and via Western Union transfers directly to Elshinawy, totaling around \$8,700 over a four-month window. Sujan and Elshinawy had agreed that the Maryland native would use those funds to conduct an attack on behalf of the group on U.S. soil. Elshinawy kept his Syria-based handler abreast of his preparations, and also attempted to recruit his brother — who was living in Saudi Arabia — to join IS. Unbeknownst to Elshinawy, however, the FBI had tracked both the transactions and

⁹³ *USA v. Mohamed Elshinawy*, Indictment, (District of Maryland, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Elshinawy%2C%20Indictment.pdf>

⁹⁴ *Ibid.*

⁹⁵ *Ibid.*

THE DEEP WEB

None of the individuals included in the database is publicly known to have operated in the deep and the dark web, for financial and other purposes. It is nonetheless entirely possible that some did and that information, not being pertinent to the case, was left out of court records by investigators. In any case, both the deep and the dark web are environments that terrorists have been known to be interested in, and both deserve scrutiny.⁹⁶

In order to observe this space, the Program on Extremism partnered with Flashpoint, a New York-based intelligence company, which has a long history of tracking a variety of threats and adversaries across online illicit communities. From January to August 2017, Flashpoint monitored a series of incidents in a pro-Islamic State deep web forum in which users attempted to promote and sustain spamming campaigns

in order to fund Islamic State activities.⁹⁷ First, in January 18, 2017, a user suggested that members form a group of spammers to develop a funding stream for the Islamic State. This user had previously developed a DDoS (Distributed Denial of Service) tool to be used against government targets in the Middle East, and specifically called on other forum members to use credit cards to buy Bitcoin, transfer Bitcoin funds to their bank accounts, and then send wire transfers to Islamic State intermediaries. Then on May 31, 2017, the same user tried to reignite pro-Islamic State efforts and called for organizing a special section within the forum to discuss with and train members on spamming methods. About three months later on August 28, 2017, a post from a different member solicited expertise in buying and transferring funds from credit cards and PayPal to Bitcoin.

⁹⁶ Gabriel Weimann, "Terrorist Migration to the Dark Web," *Perspectives on Terrorism* 10, no. 3 (June 2016): 40-44. https://www.jstor.org/stable/26297596?seq=1#metadata_info_tab_contents

⁹⁷ Exemplified in the April 2017 *Rumiyah* issue.

the conversations. Elshinawy was arrested and sentenced to 20 years in prison in March 2018.⁹⁸

Shipment

While some of the individuals in this study transported items of value with them when traveling to join the Islamic State, some shipped equipment to others who had previously traveled to join the group. Abdullah Ramo Pazara, a Bosnian-American who left the United States in May 2013 to join IS in Syria, maintained contact with a couple he had frequented in the Bosnian-American community in St. Louis, Missouri back in 2011.⁹⁹ The couple, Ramiz and Sedina Hodzic, coordinated donations from a small network of other Bosnian-Americans to send money to Pazara, but also to ship equipment to him including, according to prosecutors, “U.S. military uniforms, rifle scopes, combat boots, tactical gear, clothing, firearms accessories, range finders,” and more mundane items such as hot cocoa.¹⁰⁰ The Hodzics shipped these supplies to a number of intermediaries in Bosnia, Saudi Arabia, and Turkey, who then re-routed the supplies to Pazara and other Bosnians fighting for the Islamic State in Iraq and Syria. In total, the authors estimate that the Hodzics gathered around \$8,500 from their network, of which they purchased and shipped around \$2,500 worth of equipment to Pazara and his fellow fighters. The rest they sent via Western Union transfers.¹⁰¹ Of the six members of the St. Louis-based support network, four have been sentenced to between 36 and 96 months and two have pleaded guilty and are awaiting sentencing.¹⁰²

⁹⁸ Ibid.

⁹⁹ “FBI Terrorism Investigation Leads to Broader Conspiracy: Maryland Man Sentenced to 20 Years for Terrorism Planning, Financing Activities,” *FBI News*, (July 17, 2018). <https://www.fbi.gov/news/stories/maryland-man-sentenced-in-terrorism-planning-and-financing-conspiracy-071718>.

¹⁰⁰ *USA v. Ramiz Zijad Hodzic, Sedina Unkic Hodzic, Nihad Rosic, Mediha Medy Salkicevic, Armin Harcevic, and Jasminka Ramic*, Indictment, (Eastern District of Missouri, 2015). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Hodzic%20Indictment.pdf>

¹⁰¹ Ibid.

¹⁰² “Missouri Man Sentenced for Providing Material Support to Terrorists,” Office of Public Affairs, Department of Justice, (November 14, 2019). <https://www.justice.gov/usao-edmo/pr/missouri-man-sentenced-providing-material-support-terrorists>

SUPPORT NETWORKS

Having outlined how IS American supporters raised funds legally and illegally to support the organization's and/or their own activities and how they moved them, it is important to add an additional analytical layer: support networks. More specifically, it is relevant to establish whether the individual acted alone financially or drew upon other individuals and, if the latter, who were the people in the network. The authors distinguished four categories of financial support networks: 1) no support networks, 2) pre-existing support networks, 3) new support networks, and 4) direct support networks with foreign Islamic State operatives.¹⁰³

No Support Network

The majority of U.S.-based IS supporters neither received nor provided financial support from or to other conspirators. Some were indeed part of small networks of Islamic State supporters, but exchanged no funds or assets with other network members. Others acted in virtual isolation. Authorities face different types of challenges managing both isolated and networked terrorist actors, but individuals who plan in isolation tend to be much more difficult to find and intercept.

Pre-existing Support Network

Research on the subject has revealed the important role that pre-existing support networks play in facilitating and shaping radical behavior.¹⁰⁴ Whether in small groups of friends, partial or whole families, or larger clusters spanning multiple family/friend/close social circle connections, these pre-existing support networks are known to have varying effects on individuals' decisions when it comes to

¹⁰³ There is some conceptual overlap between direct exchange with foreign IS operatives and new social networks, but the authors determined that because the former category was so unique, it was worth highlighting in its own right.

¹⁰⁴ Vidino, Marone, and Entenmann, *Fear Thy Neighbor*, 2017; Bart Schuurman, "Topics in Terrorism Research: Reviewing Trends and Gaps, 2007-2016," *Critical Studies on Terrorism* 12, no. 3 (February 2019). <https://doi.org/10.1080/17539153.2019.1579777>

supporting terrorist organizations and terrorist activities.¹⁰⁵ From a financial point of view, pre-existing support networks are commonly sources of support for IS supporters throughout the various phases of their mobilization.

The previous section described the financial activities of the relatively large group of friends from the Minneapolis-St. Paul area that supported one another in their attempts to travel to Syria to join IS. In other instances, the support came from just one person. That is the case, for example, of 37-year-old former Brooklyn, New York resident Mohamed Rafik Naji, who received various wires from his girlfriend in New York while he was trying to join and, later, after successfully joining IS' affiliate in Yemen.¹⁰⁶

New Support Network

In a number of cases, individuals drew on, or sent funds to, other Islamic State supporters whom they had met during or after their radicalization trajectory. In many cases these connections were made online through social media platforms like Facebook, Twitter, and Telegram. In various cases the individuals that came to form these networks were all based in the U.S., newly radicalized individuals that helped one another financially in their efforts to join or support IS.

In a few instances, however, U.S.-based Islamic State supporters turned to new online support networks with individuals overseas to exchange money. That is the case, for example, with Shannon Maureen Conley, who was 19 and living with her parents in Arvada, Colorado, when she received money from her romantic partner, a Tunisian national whom she met online.¹⁰⁷ Conley attempted to use those funds to travel to join him in Syria. Conley's online partner, a Tunisian national fighting with the Islamic State in Syria, purchased plane tickets for her to

¹⁰⁵ Lorenzo Vidino and Seamus Hughes, *ISIS in America: From Retweets to Raqqa*, The Program on Extremism at The George Washington University, (December 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/downloads/ISIS%20in%20America%20-%20Full%20Report.pdf>; Alexander Meleagrou-Hitchens, Seamus Hughes, and Bennett Clifford, *The Travelers: American Jihadists in Syria and Iraq*, The Program on Extremism at The George Washington University, (February 2018). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/TravelersAmericanJihadistsinSyriaandIraq.pdf>

¹⁰⁶ *USA v. Mohamed Rafik Naji*, Criminal Complaint, (Eastern District of New York, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Naji%20Complaint%2C%20Affidavit%20in%20Support%20of%20Arrest%20Warrant.pdf>

¹⁰⁷ *USA v. Shannon Maureen Conley*, Criminal Complaint, (District of Colorado, 2014). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Conley%20Criminal%20Complaint.pdf>

travel from Denver to Istanbul with a layover in Frankfurt, and then from Istanbul to Adana, Turkey, which is a short drive from the border with Syria.¹⁰⁸

In the months after meeting her online partner and leading up to her eventual arrest, Conley took multiple steps to ensure she was prepared for her upcoming journey. These included joining the U.S. Army Explorers (USAE) training and obtaining both first aid/nursing certification and NRA certification.¹⁰⁹ By the time money arrived from her partner in Syria, Conley was prepared to make the journey to join a man she had never met in a region she had never been. But law enforcement intervened before Conley could leave the country, and she was arrested on April 8, 2014 while trying to board the initial flight from Denver to Turkey.¹¹⁰

Direct Support Network with Foreign Islamic State Operatives

Over the observed period, several American jihadists met online with “virtual entrepreneurs,” fully-fledged Islamic State members who often operated out of the territory controlled by the group, and who connected sympathetic individuals in the U.S. to wider extremist communities, encouraged radical beliefs, and suggested violent or illegal actions.¹¹¹ Basing the analysis on publicly available evidence, eight American IS supporters engaged directly in financial transactions with foreign-based Islamic State operatives. Six of these individuals — Mohamed Elshinawy, Ramiz and Sedina Hodzic, Samantha Elhassani, Zoobia Shahnaz, and Shannon Conley — are discussed elsewhere in this report. Only one of those six cases — Mohamed Elshinawy — involved an Islamic State-funded plot in the U.S.

The seventh and eighth, Mohamed Bailor Jalloh and Aaron T. Daniels, are two of five individuals known to have left or attempted to leave the U.S. to join the Islamic

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ Alexander Meleagrou-Hitchens and Seamus Hughes, “The Threat to the United States from the Islamic States’ Virtual Entrepreneurs,” *CTC Sentinel* 10, no. 3 (March 2017): 1–8. <https://ctc.usma.edu/the-threat-to-the-united-states-from-the-islamic-states-virtual-entrepreneurs/>

State's affiliate in Libya.¹¹² Both men sent small amounts of money (\$700 and \$250, respectively) to Abu Saad al Sudani, a.k.a. Abu Issa al Amriki, a Syria-based Islamic State recruiter and virtual entrepreneur who networked a number of Western Islamic State supporters before his death in an April 2016 airstrike in Syria.¹¹³ But whereas Daniels was arrested before he could leave the country,¹¹⁴ Jalloh was arrested after he returned from trying to join the Islamic State in Libya via his country of birth, Sierra Leone, in 2015.¹¹⁵

After arriving to Sierra Leone in June 2015, Jalloh met up with an Islamic State facilitator in Nigeria who was responsible for sending recruits to the group's strongholds in Libya.¹¹⁶ Jalloh tried to join one of the facilitator's human smuggling runs, but left in August as the group experienced two weeks of delays in departing the country. He reconnected with the facilitator shortly after and joined a second group of recruits, this time slated to leave from Niger. Although this second group successfully departed Niger, Jalloh abandoned the journey after deciding that he was not ready and instead returned to Sierra Leone. Despite his clear hesitation, Jalloh stayed in contact with the facilitator and sent him around \$340 in December 2015 to facilitate the travel of a third group of Islamic State recruits to Libya from Nigeria.¹¹⁷

In addition to his exchanges with the Nigerian facilitator, Jalloh also connected with another Islamic State operative before leaving Sierra Leone and returning to

¹¹² Seamus Hughes, Emily Blackburn, and Andrew Mines, *The Other Travelers: American Jihadists Beyond Syria and Iraq*, The Program on Extremism at The George Washington University, (August 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/The%20Other%20Travelers%20Final.pdf>

¹¹³ "Department of Defense Press Briefing by Pentagon Press Secretary Peter Cook in the Pentagon Briefing Room," DOD Newsroom, (May 5, 2016). <https://www.defense.gov/Newsroom/Transcripts/Transcript/Article/752789/departments-of-defense-press-briefing-by-pentagon-press-secretary-peter-cook-in/>

¹¹⁴ *USA v. Aaron T. Daniels*, Criminal Complaint, (Southern District of Ohio, 2016). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Daniels%20Arrest%20Warrant%2C%20Criminal%20Complaint.pdf>

¹¹⁵ *USA v. Mohamed Bailor Jalloh*, Position of the United States with Respect to Sentencing, (Eastern District of Virginia, 2017). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/Mohamed%20Bailor%20Jalloh%20Government%20Sentencing%20Memo.pdf>

¹¹⁶ Ibid.

¹¹⁷ Ibid.

the U.S. in January 2016 — Abu Saad al Sudani.¹¹⁸ Once back in the U.S., Jalloh sent al Sudani \$250 in March 2016 and \$450.63 in April 2016, channeling the funds to a family member in Sierra Leone who would transfer the money to one of al Sudani's contacts to conceal the transaction. Jalloh was later arrested in July 2016 while planning an attack on U.S. military personnel in the U.S.¹¹⁹

¹¹⁸ Ibid.

¹¹⁹ Ibid.

CONCLUSION

As this report has demonstrated, on the whole, Islamic State-related terrorism financing in the U.S. is low-level in nature. The ways in which American Islamic State supporters raised and moved funds tended to be quite simple. The overall sums were almost invariably small. And, save for a few exceptions, most of the related transactions took place within the U.S. and among small clusters of like-minded individuals that avoided the banking system.

These dynamics lead to various questions. The first is why the financial activities on American territory of a group as global and sophisticated as the Islamic State are significantly inferior in quality and quantity to those of both its largest competitor in the jihadist world, al-Qaeda, and other Islamist terrorist groups like Hezbollah and Hamas. In substance, it appears that, historically (but to a large degree still now), U.S.-based individuals and networks that supported these various groups raised significantly higher amounts through often very complex tactics and often moved funds across borders using professional methods. Limiting the analysis to the U.S. scene, it is fair to say that while in other fields, such as use of social media, IS eclipsed all other groups, when it comes to fundraising it has lagged behind.

The lack of sophistication of the American IS scene from a financial point of view is also evident when compared to dynamics observed in the U.S. in previous decades. In the 1990s and 2000s, in fact, many domestic supporters of al-Qaeda engaged in relatively elaborate tactics to raise amounts which were significantly higher than those collected by IS supporters in recent years. The post-9/11 investigations against the Illinois-based Benevolence International Foundation and Global Relief Foundation, for example, revealed sophisticated, multi-million-dollar funding operations that, from the U.S., reached the upper echelons of al-Qaeda.¹²⁰ Nothing even remotely comparable appears to have been detected by U.S. authorities in support of IS.

Pro-IS financial efforts seem unsophisticated also when compared to those currently undertaken by other Islamist groups operating on U.S. soil. It is well

¹²⁰ Roth, Greenburg, and Wille, “Monograph on Terrorist Financing,” 2004.

documented that Hezbollah possess an elaborate funding mechanism, whose sources include legal businesses, illegal activities and donations within the community, throughout the country.¹²¹ Hamas has historically also done so and, while some of its fundraising mechanisms were dismantled in the 2000s, the group reportedly still manages to collect funds in the U.S. through various sources.¹²² And even other jihadist groups, such as Lashkar-e-Taiba and al Shabaab, appear to engage in fundraising activities on U.S. soil that, while less widespread, are more sophisticated in nature.

Various factors determine this dynamic. But it could be argued that the main reasons are IS' sudden growth and the grassroots nature of its U.S.-based supporters. Throughout the 1990s, al-Qaeda, a group that has made meticulous planning one of its trademarks, patiently infiltrated its own operatives or co-opted local sympathizers to establish sophisticated fundraising mechanisms within America. Similarly, groups like Hezbollah and Hamas have long elaborated plans to leverage parts of the Lebanese and Palestinian diaspora communities in the United States for fundraising purposes.

The Islamic State, on the other hand, sprung to global notoriety relatively suddenly around 2013 (and was then still known as ISIS), as it emerged as one of the fiercest militia groups fighting in Syria. Before then the group, which operated under different names, was simply an offshoot of al-Qaeda operating in Iraq (and later Syria), and never devoted much effort to establishing sophisticated fundraising networks outside the countries in which it operated, let alone in a distant place like the United States. When it suddenly became a global force, it focused on attracting recruits and encouraging attacks worldwide, but it never devoted many resources to establishing a direct presence in the West. Clusters of IS supporters attracted by the group's successes and rhetoric emerged organically throughout Europe and North America, but they were rarely inserted in hierarchical and well-organized structures like the ones belonging to al-Qaeda,

¹²¹ Ariane M. Tabatabai and Colin P. Clarke, "Iran's Proxies Are More Powerful Than Ever," *Foreign Policy*, (October 16, 2019). <https://foreignpolicy.com/2019/10/16/irans-proxies-hezbollah-houthis-trump-maximum-pressure/>; Matthew Levitt, "Hezbollah's Procurement Channels: Leveraging Criminal Networks and Partnering with Iran," *CTC Sentinel* 12, no. 3, (March 2019): 1-9. <https://ctc.usma.edu/hezbollahs-procurement-channels-leveraging-criminal-networks-partnering-iran/>

¹²² For more information, see: "Federal Judge Hands Downs Sentences in Holy Land Foundation Case," Office of Public Affairs, Department of Justice, (May 27, 2009). <https://www.justice.gov/opa/pr/federal-judge-hands-downs-sentences-holy-land-foundation-case>

Hamas and Hezbollah. Their homegrown, spontaneous nature is reflected in various aspects, from the attack tactics they employed to the way in which they raised and moved funds. In addition, while European pro-IS networks have been aggressive and imaginative at fundraising due to their size, history and background, the relatively small, scattered and amateurish U.S. scene has not yet followed suit.

The small size of the financial footprint of U.S.-based IS supporters is unquestionably good news. But there is a flipside. The fact that most IS supporters relied predominantly on personal savings, rarely engaged in criminal activities to obtain additional funds, raised and moved small sums, and did not often rely on the banking sector to transfer funds, constitutes a challenge for law enforcement. Financial transactions are, in fact, one of the first triggers of an investigation, the first element that flags a specific individual for potential involvement in terrorism. By the same token, financial transactions often constitute the best evidence that can be produced in court to demonstrate material support for a designated terrorist organization. The scarcity and inconspicuous nature of the financial transactions of many U.S.-based IS supporters does therefore represent a challenge for authorities.

At the same time, the meager financial skills of many U.S.-based IS supporters have been repeatedly exploited by authorities. Several of them were arrested after making small donations to what they believed to be IS members and were in reality FBI assets. In other cases, investigators used “Al Capone-style” tactics to arrest IS supporters for various financial violations that had technically nothing to do with terrorism.

While it is clear that, so far, financing has not been a significant component of the IS threat to the homeland, U.S. authorities, like their counterparts throughout the world, are concerned about a more sustained use of the internet for fundraising purposes in the near future. While very few individuals operating in the U.S. were charged with these types of activities, an increased use of online crowdfunding, cryptocurrencies and deep/dark web transactions in the near future is a quite

concrete possibility.¹²³ Many U.S.-based IS supporters, in fact, possess sophisticated technological skills, something that became evident from how they operated on various social media platforms from the heydays of the mobilization for the group. It is reasonable to suspect that other US-based IS supporters might use their technological skills to find resourceful ways to fund the group or its affiliates.

Law enforcement, regulators and the financial sectors are well aware that the challenge posed by the abuse for terrorism purposes of web-based fundraising and transfer mechanisms is one of the priorities for the near future.¹²⁴ Yet, taking a step back and looking at the IS mobilization in the United States since it began around seven years ago, it is fair to say that the system, for the most part, worked.¹²⁵ Mechanisms put in place in the aftermath of the 9/11 attacks help detect several IS supporters. In many cases, they deterred IS supporters from using mainstream financial tools, making their transactions less difficult to trace but also less efficient. This is even more true when it comes to other terrorist groups, such as Hezbollah, which possess significantly more sophisticated financial apparatuses on U.S. soil. At the same time, the system needs to be fine-tuned to keep pace with the evolving nature of terrorist networks (which in the case of IS in America, paradoxically, means less sophistication) and technological developments.

¹²³ The only exception in the IS database is the abovementioned Shahnaz case. In May 2019 authorities arrested 20-year-old New Jersey resident Jonathan Xie, who allegedly donated money via Bitcoin to Hamas. See: *USA v. Jonathan L. Xie*, Criminal Complaint, (District of New Jersey, 2019). <https://extremism.gwu.edu/sites/g/files/zaxdzs2191/f/xie.complaint.pdf>

¹²⁴ Brett Forrest and Justin Scheck, "Jihadists See a Funding Boon in Bitcoin," *The Wall Street Journal*, February 20, 2018. <https://www.wsj.com/articles/jihadists-see-a-funding-boon-in-bitcoin-1519131601>

¹²⁵ The issue is a source of contention among experts. See, for example, Neumann, "Don't Follow the Money," 2017; Levitt and Bauer, "Can Bankers Fight Terrorism?" 2017.



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