

Statement of Chairman Sherrod Brown

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October 26, 2023

This hearing will come to order.

Earlier this month, the world watched in horror as Hamas committed brutal acts of terrorism against the people of Israel.

Hamas murdered innocent women and men and children. They attacked teenagers at a music festival. They took hostages – families, kids.

We are horrified.

In the days and weeks that have followed, the United States has taken strong, swift actions to support Israel as they defend their country against terrorism, and to aid civilians in Gaza.

Now, it's vital to our national security that we provide critical assistance to Israel -- including robust military, economic, and humanitarian aid that is desperately needed for those harmed by Hamas's terrorism.

We must stand with both Ukraine and Israel as they fight back against two of the biggest threats facing the world: Putin and Iranian-backed terrorists like Hamas.

This isn't a time to play politics – we must stand united with our allies and we must defend American interests.

We also need to confirm key national security nominees who play a critical role in working with their Israeli partners. We've had too many delays already.

Right now, politics is holding up several key positions – including the Ambassador to Israel and at least 12 key military personnel – preventing important work in the Middle East.

This is why people think Washington doesn't work. Political grandstanding is hurting America's ability to effectively protect our interests at home and abroad, and keeping talented ambassadors and career military personnel on the sidelines.

On this committee, we have a long history of keeping the politics out, and working together to address threats from Russia, North Korea, China, and Iran.

In the aftermath of October 7th, we are again confronting a challenge to the civilized world, and our humanity compels us to combat terrorism and hold state sponsors of terrorism, like Iran, accountable.

We must be clear, and speak with one voice: There is no justification for terrorism. None.

On this committee, we have a unique role to play, working to understand the financing behind Hamas's attacks, so we can work to cut off funding for terrorism at its source and work to prevent future attacks.

Iran has an alarming history of supporting terrorist proxies engaged in unspeakable atrocities.

It's clear they provide significant funding for the military wing of Hamas – they provide training, they provide capabilities.

We will assess what additional economic tools we need to stop state sponsors of terrorism, including Iran, from supporting Hamas, Hezbollah, Palestinian Islamic Jihad, and other terrorist proxies.

And we will examine multiple terrorist funding streams, including cryptocurrency, and consider additional measures to stop the flow of those funds.

In response to the brutal and horrific attacks, last week the Treasury Department's Office of Foreign Assets Control imposed additional sanctions on key Hamas terrorist group members, operatives, and financial facilitators

located in Gaza and elsewhere, including Sudan, Turkey, Algeria, and Qatar.

This action specifically targeted those managing assets within a secret Hamas investment portfolio, a Qatar-based financial facilitator with close ties to the Iranian regime, a key Hamas commander, and a Gaza-based virtual currency exchange and its operator.

But that is not enough.

The Administration must take additional steps to impose sanctions and dedicate resources toward a multilateral effort to coordinate with allies to track, freeze, and seize any Hamas-related assets, and take steps necessary to deny Hamas terrorists the ability to raise funds.

We need to not only identify the bad actors, but also their money pipelines, so we can shut off their funding.

We must undertake a more robust approach to identifying and preventing transactions that take place not only through financial institutions, but also through trade-based money laundering, cryptocurrency transactions, and other channels designed to avoid detection.

On this committee, we've raised the alarm about crypto and its role in illicit finance—including the use of crypto

to both fund terrorists and enable the rogue nations financing them.

Too often, crypto platforms don't use the same commonsense protections that help keep illicit money out of the traditional banking system—safeguards like knowing their customers, or suspicious transaction reporting. Some crypto services and tokens even help users keep their transactions anonymous.

And when law enforcement attempts to trace or block crypto funds, it becomes a game of whack-a-mole.

They stop one transaction...and the criminals have moved on to another platform, with another alias.

Terrorists know they can use crypto in ways they could never use dollars.

That's why President Trump's Justice Department warned back in 2020 that terrorist groups – including ISIS, al-Qaeda, and the military arm of Hamas – were “raising funds using cryptocurrency.”

Not surprisingly, after the attack it was reported that Hamas has raised millions of dollars in crypto to fund their operations.

We need to crack down on the use of crypto to fund terrorism and evade sanctions.

Last week, Senator Warren and I, along with more than 100 of our colleagues of both parties, wrote to the Administration to voice our concerns about these issues.

And I'm glad that members of this committee, including Senator Warren, Senator Reed, and Senator Warner, have put forward bipartisan plans for closing gaps around digital assets in our illicit finance rules. These are important steps forward, and I welcome more ideas. We'll work together on this committee, in a bipartisan way, to make sure terrorists and bad actors can't exploit crypto.

This committee and the Senate have a bipartisan history of combating the ways in which Iran threatens the region – not just its nuclear weapons development, but also its support for terrorism.

There has been a steady drumbeat recognizing the need for the United States and our allies to maintain and ramp up sanctions on Iran's harmful and destabilizing activities in the region. The Senate voted overwhelmingly to support the Countering America's Adversaries Through Sanctions Act to impose sanctions on Iran, North Korea, and Russia.

We also passed the Hezbollah International Financing Prevention Amendments Act, which imposed sanctions on Russia, Iran, or any other foreign government supporting Hezbollah.

And let's not forget that this committee acted together to tighten the rules around anonymous shell companies – which too often operate here in the United States – and which fund criminal syndicates and terrorists alike.

We've strengthened our money laundering rules and our sanctions tools in a bipartisan way, and we can do it again.

We need a comprehensive approach to shutting off Iran's funding sources – not just the \$6 billion, but the many more billions of dollars Iran uses to continue its destabilizing activities in the middle east and around the world.

Now is the time, once again, to act. I look forward to working with my colleagues on this committee to stem terrorist financing, address the problems posed by crypto, and further strengthen sanctions.