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TERRORIST FINANCING

Agencies Can Improve Efforts to Deliver Counter- Terrorism-Financing Training and Technical Assistance Abroad

Statement of the Honorable David M. Walker
Comptroller General of the United States





Highlights of [GAO-06-632T](#), a testimony to the Subcommittee on Oversight and Investigations, Committee on Financial Services, House of Representatives

Why GAO Did This Study

Disrupting terrorists' financing is necessary to impede their ability to organize, recruit, train, and equip adherents. U.S. efforts to strengthen domestic and global security include, among others, the provision of training and technical assistance in countering terrorist financing abroad. An interagency Terrorist Financing Working Group (TFWG), chaired by the U.S. Department of State (State), coordinates the delivery of this training and technical assistance to "priority" countries—those considered most vulnerable to terrorist financing schemes—as well as to other vulnerable countries. In addition, the Department of the Treasury (Treasury) Office of Foreign Assets Control (OFAC) leads U.S. efforts to block access to designated terrorists' assets that are subject to U.S. jurisdiction.

In response to multiple congressional requesters, GAO examined U.S. efforts to combat terrorist financing abroad, publishing the report in October 2005. In this testimony, GAO discusses the report's findings about challenges related to (1) TFWG's coordination of the counter-terrorism-financing training and technical assistance abroad and (2) Treasury's measurement of results and provision of information needed to assess OFAC's efforts to block terrorist assets.

www.gao.gov/cgi-bin/getrpt?GAO-06-632T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at 202-512-4347 or yagerl@gao.gov.

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What GAO Found

Under State's leadership, TFWG has coordinated the interagency delivery of counter-terrorism-financing training and technical assistance—for example, providing training and placing resident advisors—in more than 20 priority countries as well as other vulnerable countries. However, TFWG's effort has been hampered by the absence of a strategic and integrated plan. GAO found that the effort lacks three elements that are critical to strategic planning for operations within and across agencies:

- Key stakeholder acceptance of roles and practices
- Strategic alignment of resources with countries' needs and risks
- A process to measurement the effort's results

For example, two key TFWG stakeholders, State and Treasury, disagree about the extent of State's leadership as chair of TFWG. GAO recommended that State and Treasury, with other government agencies, implement an integrated strategic plan that addresses these challenges and sign a Memorandum of Agreement to improve coordination of counter-terrorism-financing training and technical assistance abroad. State and Treasury responded that they are taking several steps to improve the interagency process, but they did not address all of GAO's recommendations.

OFAC undertakes a number of efforts related to the blocking of terrorists' assets. For example, OFAC compiles evidence as a basis for designating terrorist groups and individuals. However, GAO found limitations regarding Treasury's measurement of results and provision of information about OFAC's efforts.

- **Inadequate measures.** At the time of GAO's review, Treasury lacked adequate measures to assess the results of OFAC's efforts. OFAC was in the process of developing new measures, which it recently completed. Although GAO has not reviewed them, these measures may enable officials overseeing OFAC to ascertain the strengths and weaknesses of its efforts as well as hold OFAC managers accountable. GAO recommended that, in addition, Treasury develop an OFAC-specific strategic plan that describes, among other things, how its performance measures relate to general program goals and objectives. As of March 30, Treasury had not yet finalized the strategic plan.
- **Insufficient information.** Treasury's yearly report to Congress on terrorist assets blocked does not provide sufficient information for Congress to assess OFAC's progress. For instance, the report shows the total dollar value of blocked terrorist assets held under U.S. jurisdictions but does not show changes from amounts of assets blocked in previous years. GAO recommended that Treasury provide information on such changes, along with other key performance metrics, in its annual Terrorist Assets Report. Treasury responded that it would discuss with Congress recrafting the report to address congressional interests.

Madame Chairwoman and Members of the Subcommittee:

Thank you for inviting me here today to discuss GAO's findings on certain U.S. government counter-terrorism-financing efforts as well as various recommendations we have made for improving the management and oversight of these efforts. We appreciate the opportunity to contribute to the record that this panel has created on the subject. Madame Chairwoman, we also recognize and appreciate your consistent attention to issues related to the financing of terrorism. For example, you cofounded the bipartisan Congressional Anti-Terrorist Financing Task Force in 2004 to bolster efforts to shut down terrorist funding networks. You also coauthored recent legislation to create a certification regime, led by the Department of the Treasury, that would annually report to Congress the efforts of other countries to combat terror funding and would impose sanctions on countries that fail to perform up to standard. Thank you for your leadership in this area.

As you have stated on prior occasions, Madame Chairwoman, disrupting terrorist financing can raise terrorists' costs and risks of gathering and moving assets and is necessary to impede their ability to carry out significant operations. The United Nations (UN) reports that more than ever before, security threats are interrelated; a threat to one country can be a threat to all, and no country by its efforts alone can make itself invulnerable. It is in every country's interest, accordingly, to cooperate both internally and with other countries in addressing threat priorities.

In GAO's October 2005 report on U.S. efforts to counter terrorist financing abroad, we noted that the United States plays an active and ongoing role in building international support for measures to combat terrorist financing.¹ For example, the U.S. government has participated in efforts to develop and implement international standards to combat terrorist financing, sometimes leading these efforts. The United States also conducts various intelligence and law enforcement activities designed to identify and disrupt the flow of terrorist financing abroad. These activities include, among others, gathering intelligence and sharing information with other countries.

¹See GAO, *Terrorist Financing: Better Strategic Planning Needed to Coordinate U.S. Efforts to Deliver Counter-Terrorism Financing Training and Technical Assistance Abroad*, [GAO-06-19](#) (Washington, D.C.: October 24, 2005).

Further, the United States provides training and technical assistance to help countries that are vulnerable to terrorist financing establish effective counter-terrorism-financing regimes. To coordinate the delivery of this training and assistance to about two dozen “priority countries”—those considered most vulnerable—as well as to other vulnerable countries, the National Security Council (NSC) established the interagency Terrorist Finance Working Group (TFWG), whose members include, among others, the Department of State (State), which chairs the group; the Treasury; and the Department of Justice (Justice).

In addition, the United States has participated in global efforts to publicly designate individuals and groups as terrorists and to block access to their assets. U.S. officials have worked with members of the UN to develop and support UN Security Council resolutions to freeze the assets of designated individuals or groups that conduct or facilitate terrorist acts. The United States successfully participated in bilateral efforts with Saudi Arabia and jointly designated more than a dozen Saudi-related entities and multiple individuals as terrorists or terrorist supporters. Officials of the Department of the Treasury (Treasury) have stated that public designations discourage further financial support and encourage other governments to more effectively monitor the activities of the designated individuals or groups. Treasury’s Office of Foreign Assets Control (OFAC) serves as the lead U.S. agency for blocking the assets of terrorists designated by the United States unilaterally or bilaterally or as a result of UN Security Council Resolutions.

As our October 2005 report showed, much has been accomplished. However, our report also noted various challenges that could negatively affect the results of some of these efforts as well as U.S. agencies’—and Congress’s—accountability for, and oversight of, these efforts. Today, as requested, I will discuss our report’s findings and recommendations regarding challenges related to

- TFWG’s efforts to coordinate interagency delivery of counter-terrorism-financing training and technical assistance abroad and
- Treasury’s use of performance measures and provision of information necessary to assess OFAC’s efforts to block terrorist assets.

In discussing these challenges, I will address the need for more strategic and integrated planning that focuses on achieving results in connection with U.S. counter-terrorism-financing activities rather than on the activities themselves. Such planning should include a risk management

element—a systematic process for assessing threats and taking appropriate steps to deal with them.

GAO's mission is to help Congress improve the performance and ensure the accountability of the federal government for the benefit of the American people. We have been actively involved in improving the federal government's performance in the critically important area of homeland security, including providing numerous products related to counter-terrorism financing. We have also been privileged to actively support Congress and the 9/11 Commission by providing details about key personnel, testifying before Congress and the 9/11 Commission, and sharing our research, products, and experiences. In addition, GAO is an active member of the International Organization of Supreme Audit Institutions (INTOSAI),² a professional organization of national supreme audit institutions that provides its members opportunities to share knowledge and experiences about the challenges in today's global environment, to ensure that government auditing continuously progresses with new developments. GAO also serves on an INTOSAI task force on international anti-money laundering that aims to design and promote policies, strategies, and actions to enable INTOSAI members to strengthen their anti-money laundering capabilities.

In preparing our October 2005 report, we examined documentation and interviewed officials from State, Treasury, Justice, and the Departments of Homeland Security and Defense as well as from the intelligence community. We also assessed information from the UN, Financial Action Task Force (FATF) on Money Laundering, World Bank, and International Monetary Fund (IMF). We conducted field work in Pakistan, Indonesia, and Paraguay, where we assessed information from government, law enforcement, nongovernmental organizations, regional organizations, and donor government officials as well as from U.S. embassy officials. We performed our work for the report from April 2004 to July 2005. In addition, for this testimony, we obtained information in March 2006 from State and Treasury on their actions to implement our recommendations. All work was conducted in accordance with generally accepted government auditing standards.

²INTOSAI has more than 180 members consisting of supreme audit institutions from countries that belong to the UN or its specialized agencies.

Summary

Although the U.S. government provides a range of training and technical assistance to countries it deems vulnerable to terrorist financing, it does not have a strategic and integrated plan to coordinate the delivery of this assistance. The training and technical assistance coordinated by TFWG include, among other activities, training courses and the placement of intermittent or long-term resident advisors. However, we found that the interagency effort lacks three elements that GAO has previously identified as critical to effective strategic planning for operations within and across agencies: key stakeholder acceptance of roles and procedures, a strategic alignment of resources with needs and risks, and a process to measure results.³

- **Key stakeholder acceptance of roles and procedures.** State and Treasury disagree about roles and procedures related to the delivery of counter-terrorism-financing training and technical assistance. Among these disagreements, Treasury does not accept State's assertion of leadership over the delivery of all U.S. counter-terrorism-financing training and technical assistance to vulnerable countries and criticizes the range of control that State exerts as chair of TFWG. Consequently, the overall effort lacks effective leadership, resulting in less than optimal delivery of training and technical assistance. For example, in May 2005, State denied a Treasury official entry into a priority country to help set up a financial intelligence unit (FIU)⁴ at the central bank minister's request. State officials told us that because the country had been designated as a priority country after Treasury began preliminary work there, State wanted to conduct a TFWG assessment before allowing Treasury to continue its work.⁵ At the U.S. Embassy's request, State delayed the assessment and Treasury's work proceeded, but the Treasury official's entry into the country was delayed several months.

³See GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996). Also see GAO, *Electronic Government: Potential Exists for Enhancing Collaboration on Four Initiatives*, [GAO-04-6](#), pages 17-21 (Washington, D.C.: Oct. 10, 2003) for a discussion of key practices for interagency collaboration.

⁴A financial intelligence unit is a central, national agency responsible for receiving, analyzing, and disseminating financial information concerning suspected proceeds of crime or required by national regulation in order to counter money laundering. Treasury's Financial Crimes Enforcement Network (FinCEN) is the FIU for the United States.

⁵A TFWG assessment includes meetings with host government financial regulatory agencies, the judiciary, law enforcement agencies, the private financial services sector, and nongovernmental organizations. TFWG assessment teams are, like TFWG, led by State and comprise technical experts from each of TFWG's member departments and agencies.

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- **Strategic alignment of resources with needs.** The U.S. government, including TFWG, has not systematically assessed the allocation of its resources for counter-terrorism-financing training and technical assistance. For example, the government has no clear record of the funding that key agencies allocate for the training and assistance and has not systematically assessed the availability and suitability of the agencies' human capital resources or of international resources. As a result, government decision-makers are limited in their ability to strategically align available resources with the needs and relative risks of priority countries and other vulnerable countries.
 - **Performance measurement process.** The U.S. government, including TFWG, has not established a system to measure the results of its counter-terrorism-financing training and technical assistance. In addition, a database that Justice created in November 2004 to track the results of training and assistance delivered to priority countries was, as of July 2005, not yet functional. As a result, the government is unable to systematically consider the past performance of these efforts when strategizing for the future.

In our October 2005 report, we recommended that the Secretaries of State and the Treasury, in consultation with the NSC and other government agencies, implement an integrated strategic plan and sign a Memorandum of Agreement to improve coordination of counter-terrorism-financing training and technical assistance. In their March 2006 letters to Congress regarding their responses to our recommendations, State and Treasury describe, in general terms, steps they are taking to improve the interagency process—for example, working with one another and with other TFWG members to review and revise TFWG procedures—that may provide a basis for improving stakeholder acceptance of roles and procedures. However, the letters do not provide any information regarding steps to systematically assess or align U.S. resources with country needs or to measure results of the training and technical assistance, and they do not address our recommendation of a Memorandum of Agreement.

Treasury's OFAC undertakes a number of activities as part of its terrorist asset blocking efforts. We found in October 2005, however, that Treasury lacked meaningful performance measures and that sufficient information was not available for Congress and decision-makers to assess the results of these efforts. Although Treasury had developed some limited performance measures, OFAC officials acknowledged that these measures were not specific to terrorist financing, were not designed to show progress, and did not track related activities and results. The officials

reported that they were in the process of developing more meaningful performance measures as well as an OFAC-specific strategic plan. In addition, OFAC's annual Terrorist Assets Report to Congress regarding the nature and extent of terrorists' U.S. assets does not provide the information needed to assess results that have been achieved. Although it shows the amount of assets blocked each year, it does not show changes from amounts of assets blocked in previous years or explain such changes. We noted in our report that this information, along with other key performance metrics, could help Congress assess results related to OFAC's asset blocking efforts. We recommended that Treasury complete its efforts to develop an OFAC-specific strategic plan and performance measures and that the annual Terrorist Assets Report include more complete information about blocked assets. OFAC officials told us in March 2006 that OFAC had developed new performance measures to assess its role in administering and enforcing economic sanctions against terrorists; however, we have not reviewed the new measures. According to OFAC officials, its strategic plan has not yet been finalized. In its March 2006 letter, Treasury reported that it would work with Congress to discuss recrafting the Terrorist Assets Report to address congressional interests.

Background

The financing of terrorism is the financial support, in any form, of terrorism or of those who encourage, plan, or engage in it.⁶ Terrorist financing may derive from licit activities, such as fundraising by charities, or from illicit activities, such as selling counterfeit goods, contraband cigarettes, and illegal drugs.⁷ Disguising the source of terrorist financing, whether licit or illicit, is important to terrorist financiers: if the source can be concealed, it remains available for future terrorist financing activities. Some international experts on money laundering find that there is little difference in the methods used by criminal organizations or terrorist

⁶World Bank and International Monetary Fund, *Reference Guide to Anti-Money Laundering and Combating of Financing of Terrorism*, (2003). As noted in the guide, the formal definition of terrorist financing is provided in the United Nations International Convention for the Suppression for the Financing of Terrorism (1999). However, a universally accepted definition for "terrorism" has not been established owing to significant political and national implications that differ from country to country. The UN continues to work to gain worldwide consensus on the definition of terrorism.

⁷See GAO, *Terrorist Financing: U.S. Agencies Should Systematically Assess Terrorists' Use of Alternative Financing Mechanisms*, [GAO-04-163](#) (Washington, D.C.: Nov. 14, 2003).

groups to conceal their proceeds by moving them through national and international financial systems.⁸

FATF, an intergovernmental body, sets internationally recognized standards for developing anti-money laundering and counter-terrorism-financing regimes and assesses countries' abilities to meet these standards. To strengthen anti-money-laundering and counter-terrorism-financing worldwide, international entities such as the UN, FATF, World Bank, and IMF, as well as the U.S. government, agree that each country should implement practices and adopt laws that are consistent with international standards.⁹ The U.S. government has worked with international donors and organizations—for example, the United Kingdom, Australia, Japan, the European Union, FATF, UN, the Organization of American States, the Asian Development Bank, IMF, and the World Bank—to build counter-terrorism-financing regimes in vulnerable countries.

U.S. offices and bureaus—primarily within the Departments of State, the Treasury, Justice, and Homeland Security—and the federal financial regulators¹⁰ provide training and technical assistance, chiefly funded by State and Treasury, to countries deemed vulnerable to terrorist financing. One of TFWG's functions is to prioritize the delivery of such assistance to countries that it deems most vulnerable. To identify priority countries, TFWG considers intelligence community analysis of countries' vulnerabilities to terrorist financing, importance to U.S. security, and capacity to absorb U.S. assistance. NSC guidance for TFWG states that delivery of assistance to other vulnerable countries—that is, those that have not been designated as priority—may proceed so long as it is possible without adversely affecting the delivery of assistance to priority countries. Other vulnerable countries receive counter-terrorism-financing training and technical assistance through other U.S. government programs as well as through TFWG. (See app. 1 for TFWG membership and process.)

⁸These experts define money laundering as the processing of criminal proceeds to disguise their illegal origin in order to legitimize ill-gotten gains.

⁹International standards are represented by the UN International Convention for the Suppression of the Financing of Terrorism and by FATF's 40 recommendations on money laundering and nine special recommendations on terrorist financing.

¹⁰These federal regulators are the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

U.S. Government Lacks an Integrated Strategy to Coordinate the Delivery of Training and Technical Assistance

Although the U.S. government provides a range of training and technical assistance to countries it deems vulnerable to terrorist financing, it lacks an integrated strategy to coordinate the delivery of this assistance. Specifically, the effort lacks key stakeholder acceptance of roles and practices, a strategic alignment of resources with needs, and a process to measure results—three elements that previous GAO work has identified as critical to effective strategic planning within and across agencies. GAO recommended that the Secretaries of State and the Treasury implement an integrated strategic plan and a Memorandum of Agreement for the delivery of training and technical assistance. According to March 2006 correspondence from State and Treasury, the departments have taken several steps to enhance interagency coordination.

U.S. Agencies Provide Wide Range of Training and Technical Assistance

The training and technical assistance that U.S. agencies provide to vulnerable countries are intended to help the countries develop the five elements that, according to State, are needed for an effective anti-money-laundering and counter-terrorism-financing regime: a legal framework, a financial regulatory system, an FIU, law enforcement capabilities, and judicial and prosecutorial processes. The training and assistance are offered through courses, presentations at international conferences, the use of overseas regional U.S. law enforcement academies or U.S.-based schools, and the placement of intermittent or long-term resident advisors.¹¹ According to State officials, at the time of our review, TFWG had coordinated the delivery of training and technical assistance in at least one of these five elements to more than 20 priority countries.

Key Stakeholders Disagree about Roles and Procedures

U.S. agencies involved in providing counter-terrorism-financing training and technical assistance disagree both about agencies' roles relating to the coordination of the training and assistance efforts and about training and assistance procedures and practices. Consequently, the overall effort lacks

¹¹See [GAO-06-19](#), appendix IV, for key U.S. counter-terrorism-financing and anti-money-laundering training and assistance for vulnerable countries by U.S. agency and financial regulators.

effective leadership, resulting in less than optimal delivery of training and technical assistance to vulnerable countries.¹²

State and Treasury disagree regarding State's role in coordinating the training and technical assistance. According to State, its Office of the Coordinator for Counterterrorism is charged with directing, managing, and coordinating all U.S. agencies' efforts to develop and provide counterterrorism financing programs, including, but not limited to, those in priority countries. Treasury, a key stakeholder, asserts that there are numerous other efforts outside States' purview and that State's role is limited to coordinating, as chair of TFWG, the provision of such assistance in priority countries.¹³ In addition, senior Treasury officials told us that they strongly disagree with the degree of control State asserts over TFWG decisions and said that State creates obstacles rather than coordinating efforts. Officials from Justice, which provides training and technical assistance¹⁴ and receives funding from State, told us that they respect State's role as the TFWG chair and coordinator and said that all counterterrorism-financing training and technical assistance efforts should be brought under the TFWG decision-making process. While supportive of State's position, Justice's statement demonstrates that State's role lacks clear definition and recognition in practice.

In addition, State and Treasury officials disagree about procedures and practices for delivering the training and technical assistance. State cited NSC guidance and an unclassified State document focusing on TFWG as providing procedures and practices for delivering training and technical assistance to all countries. Treasury officials told us that the procedures and practices defined by NSC were pertinent only to the TFWG priority

¹²We have previously found that building a collaborative management structure across participating organizations is an essential foundation for ensuring effective collaboration and that strong leadership is critical to the success of intergovernmental initiatives. [For a discussion of practices essential to interagency collaboration, see GAO, *Electronic Government: Potential Exists for Enhancing Collaboration on Four Initiatives*, GAO-04-6 (Washington, D.C.: Oct. 10, 2003): 17-21.] Moreover, involvement by leaders from all levels is important for maintaining commitment.

¹³For example, according to Treasury officials, the agency has developed numerous counterterrorism-financing programs to advance the core strategic aims identified in the 2003 National Money Laundering Strategy. The officials said that these programs are not under TFWG's, and therefore State's, purview.

¹⁴According to Justice, a high-level interdepartmental decision has assigned Justice the lead among U.S. agencies in drafting foreign criminal laws, reviewing the legal sufficiency of such laws, and providing prosecutorial training and development for the TFWG countries.

countries and that TFWG has no formal mandate or process to provide technical assistance to non-priority countries. Moreover, Justice officials indicated that differences in the procedures and practices for delivering training and technical assistance to priority countries versus those for other vulnerable countries had created problems.

State and Treasury officials cited numerous examples of their disagreements on procedures and practices. For example:

- According to Treasury officials, funding provided by Treasury's Office of Technical Assistance (OTA) should primarily support intermittent and long-term resident advisors, who are U.S. contractors.¹⁵ According to State officials, OTA should instead supplement State's funding for counter-terrorism-financing training and technical assistance, which primarily funds current employees of other U.S. agencies.
- According to OTA officials, their contractors provide assistance in drafting counter-terrorism-financing and anti-money-laundering laws in non-priority countries and OTA provides the drafts to Justice and other U.S. agencies for review and comment. State officials cited NSC guidance that current Justice employees should be primarily responsible for working with foreign countries to assist in drafting counter-terrorism-financing and anti-money-laundering laws and voiced strong resistance to use of contractors. Justice cited two examples in which contractors' work resulted in laws that did not meet FATF standards. According to OTA officials, the host country itself is ultimately responsible for final passage of a law that meets international standards.¹⁶
- State officials said that OTA's use of confidentiality agreements between contractors and the foreign officials they advise had impeded

¹⁵According to Treasury officials, OTA funds other Treasury offices that conduct assessments or deliver training, such as Terrorist Financing and Financial Crimes and FinCEN, in conjunction with its programs. Also according to Treasury, OTA has funded the expenses of other agencies to deliver technical assistance in support of an existing work plan and to meet performance objectives.

¹⁶According to OTA officials, Justice and other U.S. agencies do not always have the time and resources to comment on draft laws. Justice officials agreed but maintained that this problem will be resolved only when other agencies acknowledge Justice's jurisdiction and expertise. According to Treasury, in many cases, countries pass laws that don't meet international standards, even after having received substantial commentary from the U.S. government.

U.S. interagency coordination in one country and that the continued practice could present future challenges.¹⁷ However, Treasury officials said that the incident was an isolated case involving a contract problem and that procedural steps have been taken to ensure the problem is not repeated.

- According to TFWG procedures for priority countries, if an assessment trip is determined to be necessary, State is to lead and determine the composition of the teams and set the travel dates.¹⁸ However, this procedure becomes complicated when a vulnerable country is designated a priority country. For example, in November 2004, Treasury conducted an OTA financial assessment in a vulnerable country and subsequently reached agreement with the country's central bank minister to install a resident advisor to set up an FIU. However, after TFWG had changed the country's status to priority, State officials, in May 2005, denied clearance for Treasury officials to visit the country to arrange for the placement of a resident advisor; according to State TFWG officials, State delayed the officials' visit until a TFWG assessment could be completed. At our review's conclusion in July 2005, Treasury's work had been delayed by 2.5 months. However, the U.S. embassy requested that Treasury proceed with its visit and TFWG delay its assessment.

U.S. Effort Does Not Strategically Align Resources with Related Needs and Risks

The U.S. government, including TFWG, has not strategically aligned its resources with its mission to deliver counter-terrorism-financing training and technical assistance.¹⁹ The U.S. government has no clear record of the budgetary resources available for counter-terrorism-financing assistance. Further, the government has not systematically assessed the suitability and availability of U.S. human capital resources or the potential availability of international resources. As a result, decision makers do not know the full range of resources available to meet the needs and address

¹⁷When signing a contract for placement of a resident advisor, OTA also signs an agreement with foreign officials that it advises to not share sensitive information with third parties.

¹⁸A TFWG assessment, conducted by a Financial Systems Assessment Team, includes meetings with host government financial regulatory agencies, the judiciary, law enforcement agencies, the private financial services sector, and nongovernmental organizations.

¹⁹Our previous work has shown that alignment of resources is critical to making strategic planning a dynamic and inclusive process. See GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

U.S. Government Lacks Clear Record of Budget Resources for Training and Assistance

the related risks they have identified in priority countries and to determine the best match of remaining resources to other vulnerable countries' needs.

State and Treasury do not have clear records of the funds that they allocate for counter-terrorism-financing training and technical assistance. Each agency receives separate appropriations that it can use to fund training and technical assistance provided by themselves, other agencies, or contractors. State primarily transmits its training and technical assistance funds to other agencies, while Treasury primarily employs short- and long-term advisors through contracts.²⁰ However, because funding for counter-terrorism-financing training and assistance is mingled with funding given to the agencies for anti-money-laundering training and assistance and other programs, it is difficult for U.S. government decision-makers to determine the actual amount allocated to these efforts.²¹

State officials told us that funding for State counter-terrorism-financing training and technical assistance programs derives from two primary sources:

- **Non-Proliferation, Anti-Terrorism, Demining, and Related Programs.** State's Office of the Coordinator for Counterterrorism uses funding from this account to provide counter-terrorism financing training and technical assistance to TFWG countries. Our analysis of State records showed that budget authority for the account included \$17.5 million for counter-terrorism-financing training and technical assistance for fiscal years 2002-2005.
- **International Narcotics Control and Law Enforcement.** State's Bureau of International Narcotics Control and Law Enforcement uses funding from this account to provide counter-terrorism-financing and anti-money-laundering training and technical assistance to a wide range of countries, including seven priority countries, during fiscal years 2002-2005, as well to provide general support to multilateral and regional programs. Our analysis of State records shows that budget authority for this account included about \$9.3 million for anti-money-laundering assistance, counter-terrorism-financing training and

²⁰OTA also funds the travel of all Treasury participants in the assessment process and has funded other U.S. government employees in support of an existing work plan and to meet performance objectives.

²¹TFWG expenditures are classified.

assistance, and related multilateral and regional activities for fiscal years 2002-2005.²²

State officials also told us that other State bureaus and offices provide counter-terrorism-financing and anti-money-laundering training and technical assistance (e.g., single-course offerings or “small-dollar” programs) as part of regional, country-specific, or broad-based programs.²³

Treasury officials told us that OTA’s counter-terrorism-financing technical assistance is funded through its Financial Enforcement program. Our analysis of Treasury records showed that OTA received budget authority totaling about \$30.3 million for all financial enforcement programs for fiscal years 2002-2005. However, because OTA funding for counter-terrorism-financing training and technical assistance is embedded with funding for anti-money-laundering assistance, the exact amount allocated to countering terrorist financing cannot be determined. One OTA official told us that in any given year, as much as two-thirds of these program funds may be spent on counter-terrorism-financing or anti-money-laundering assistance.

U.S. Government Has Not Assessed Human Capital Resources for Training and Assistance

The U.S. government, including TFWG, has not systematically assessed the availability and suitability of the human capital resources used by the agencies for counter-terrorism-financing training and technical assistance. As a result, agency decision makers lack reliable information to use in determining the optimal balance of government employees and contractors to meet the needs and relative risks of vulnerable countries.

According to State and Treasury officials, the effectiveness of contractors and current employees in delivering the various types of training and technical assistance has not been systematically evaluated. Decisions at TFWG appear to be based on anecdotal information rather than transparent and systematic assessments of resources. In addition, according to the State Performance and Accountability Report for fiscal year 2004, a shortage of anti-money-laundering experts continues to

²²An official from State’s Bureau of International Narcotics and Law Enforcement Affairs Office told us that in fiscal year 2004 about \$2.3 million, which had been carried forward from prior years, was transferred to a development program, reducing the total to \$7 million.

²³State’s Bureau of International Narcotics and Law Enforcement Affairs Office provided a document showing about \$4.1 million in Support for European Democracy funds obligated for anti money laundering training between Fiscal Years 2002-2004.

hamper efforts to meet the needs of nations that request assistance, including priority countries. According to State officials, U.S. technical experts are especially overextended because of their frequent need to divide their time between assessment, training, and investigative missions. Moreover, officials from State's Office of the Coordinator for Counterterrorism said that a lack of available staff had slowed the disbursement of funding at TFWG's inception.²⁴

Although Treasury said that there may be a shortage of anti-money laundering experts in the U.S. government who are available to provide technical assistance in foreign countries, Treasury officials told us that many such experts, recently retired from the same U.S. government agencies, are available as contractors. A senior OTA official said that OTA has actively sought to provide programs in more priority countries but that State, as chair of TFWG, has not supported OTA's efforts. Specifically, our analysis showed that OTA obligated about \$1.1 million of its financial enforcement program funding in priority countries, in part to place resident advisors, in fiscal years 2002-2005.²⁵ State officials said that they welcomed more OTA participation in priority countries as a component of applicable resources; however, they questioned whether OTA consistently provides high-quality assistance. At the same time, State officials repeatedly stated that they needed OTA funding, not OTA-contracted staff, to meet current and future needs.²⁶

U.S. Government Has Not Assessed Potential International Resources

The U.S. government, including TFWG, has not systematically consolidated and synthesized available information on other countries' and international entities' counter-terrorism-financing training and technical assistance activities or integrated this information into a decision-making process. Further, TFWG has not developed a strategy for encouraging allies and international entities to contribute resources to help vulnerable countries build counter-terrorism-financing capabilities and coordinate training and technical assistance activities—one of

²⁴Department of State expenditures for priority countries are classified.

²⁵Our analysis considered 19 priority countries, excluding countries that TFWG added to the priority list in March 2005. At the time of our review, OTA had obligated \$9.5 million of the \$30.3 million budgeted for financial enforcement programs in priority and non-priority countries in fiscal years 2002-2005.

²⁶State generally funds other, non-State agencies—including OTA—to provide training to foreign governments, whereas OTA generally funds contractors, the majority of whom are former U.S. government employees, to do so.

TFWG's stated goals. State and Treasury officials told us that, instead, they take an ad hoc approach to working with allies and international entities on coordinating resources for training and technical assistance. These officials also noted that at TFWG meetings, interagency issues are given higher priority than international resource sharing. Without a systematic way to assess information about international activities and to consolidate, synthesize, and integrate this information into the U.S. interagency decision-making process, the U.S. government cannot easily capitalize on opportunities for resource sharing with allies and international entities.

U.S. Government Lacks System to Measure Performance and Incorporate Results

The U.S. government, including TFWG, has not established a system to measure the results of its training and technical assistance efforts and to incorporate this information into its integrated planning efforts. According to an official from Justice's Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), OPDAT led an interagency effort to develop a system for measuring the results of training and technical assistance provided through TFWG and related assistance results for priority countries. In November 2004, OPDAT assigned an intern to set up a database to track such results. Because the database was not accessible to all TFWG members, OPDAT planned to serve as the focal point for entering the data collected by TFWG members.²⁷

OPDAT asked agencies to provide statistics on programs, funding, and other information, including responding to questions concerning results that corresponded to the five elements of an effective counter-terrorism-financing regime. OPDAT also planned to track key recommendations for training and technical assistance and progress made in priority countries as provided in FATF and TFWG assessments. However, as of July 2005, OPDAT was still waiting to hire an intern to complete the project. OPDAT and State officials confirmed that the system had not yet been approved or implemented by TFWG.

²⁷It became unclear at our meeting with OPDAT and State whether the database should be classified. Justice had not classified the database, because officials were under the impression that only the ranking of priority countries was classified information, while State maintained that the listing of priority countries was classified.

GAO Recommended Actions to Improve Interagency Coordination, and Agencies Are Taking Steps

To ensure that U.S. government interagency efforts to provide counter-terrorism-financing training and technical assistance are integrated, efficient, and effective, particularly with respect to priority countries, we recommended in our report that the Secretary of State and the Secretary of the Treasury, in consultation with NSC and relevant government agencies, develop and implement an integrated strategic plan for the U.S. government that

- designates leadership and provides for key stakeholder involvement;
- includes a systematic and transparent assessment of the allocation of U.S. government resources;
- delineates a method for aligning the resources of relevant U.S. agencies to support the mission based on key needs and related risks; and
- provides processes and resources for measuring and monitoring results, identifying gaps, and revising strategies accordingly.

We also recommended that the Secretaries of State and the Treasury enter into a Memorandum of Agreement concerning counter-terrorism-financing and anti-money-laundering training and technical assistance to ensure a seamless campaign in providing such assistance programs to vulnerable countries. The agreement should specify, with regard to U.S. counter-terrorism-financing training and technical assistance,

- the roles of each department, bureau, and office;
- methods to resolve disputes concerning OTA's use of confidentiality agreements in its contracts; and
- coordination of funding and other resources.

In March 2006 letters to relevant congressional oversight and appropriation committees, State and Treasury describe general steps that they are taking to improve the interagency process in delivering counter-terrorism-financing training and technical assistance abroad. The agencies report engaging with each other at all levels to ensure increased coordination. In addition, they report that, in concert with the NSC and the Departments of Homeland Security and Justice, they are reviewing TFWG and its procedures with a view to enhancing its effectiveness. Also, State reports that it has begun chairing TFWG at the Deputy Assistant Secretary level to further enhance coordination. State also says that it is reconvening

a senior-level interagency Training and Assistance Subgroup that is responsible for coordinating all U.S. government assistance on counterterrorism matters, including counter-terrorism-financing training and technical assistance.

Although these steps could provide a basis for improved stakeholder acceptance of roles and procedures, State's and Treasury's letters lack sufficient detail to affirm that the preparation of an integrated and risk-based strategic plan is under way. The letters also do not address efforts to strategically align resources with needs or to measure performance. Moreover, the letters do not address our recommendation regarding the Memorandum of Agreement or offer alternative means of ensuring the duration of any improvements in coordination.

**Treasury Needs
Meaningful
Performance
Measures and
Information to Show
Results and Progress
of Terrorist Asset
Blocking**

Treasury's OFAC undertakes a number of activities as part of its efforts to block terrorist assets. However, although Treasury uses some limited performance measures related to OFAC's efforts, Treasury officials acknowledged that the measures do not assess results or show how OFAC's efforts contribute to Treasury's terrorist financing-related goals. In addition, OFAC officials acknowledged that Treasury's annual Terrorist Assets Report to Congress on the nature and extent of blocked terrorists' U.S. assets does not provide the information needed to assess progress achieved. In our report, we recommended that the Secretary of the Treasury finalize the development of the performance measures as well as an OFAC-specific strategic plan and provide more complete information in its annual reports to Congress on terrorist assets blocked. As of March 2006, OFAC had developed new performance measures and said it would work with Congress to provide the information needed regarding OFAC's terrorist asset blocking efforts.

OFAC Administers Terrorism-Related Sanctions

OFAC administers and enforces economic sanctions, based on U.S. foreign policy and national security goals, against designated individuals or groups that conduct or facilitate terrorist activity.²⁸ Once individuals or groups are designated by Treasury or State, OFAC serves as the lead agency responsible for prohibiting transactions and blocking assets subject to U.S. jurisdiction. As part of its efforts, OFAC

- coordinates and works with other U.S. agencies to identify and investigate prospective terrorist designations;
- compiles the administrative record or evidentiary material that will serve as the factual basis underlying a decision by OFAC to designate individuals or groups; and
- engages foreign counterparts to gather information, apply pressure, or request or offer assistance in support of terrorist designation and asset blocking activities.

OFAC may use the threat of designation to gain cooperation, forcing key sources of financial support to choose between public exposure of their support of terrorist activity or their good reputation. OFAC also works with the regulatory community and industry groups to assure that assets are expeditiously blocked and the ability to carry out transactions through U.S. parties is terminated.

Treasury's Performance Measures Do Not Assess Results of Terrorist Asset Blocking

At the time of our October 2005 review, Treasury lacked effective performance measures to assess the results of OFAC's terrorist asset blocking efforts or show how these efforts contribute to the department's goals of disrupting and dismantling terrorist financial infrastructures and executing the nation's financial sanctions policies. Treasury's 2004 Performance and Accountability Report contained limited performance measures related to asset blocking, including terrorist designations, including

²⁸According to Treasury, these economic sanctions are intended to deprive terrorists and terrorist groups of access to U.S. markets and the international financial system and are aimed at impeding their larger supply networks, which aid, facilitate, and ultimately underpin the successful execution of terrorist acts. OFAC also administers other economic and trade base sanctions against foreign countries, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction.

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- an increase in the number of terrorist finance designations in which other countries join the United States,
 - an increase in the number of drug trafficking and terrorist-related financial sanctions targets identified and made public,²⁹ and
 - the estimated number of sanctioned entities no longer receiving funds from the United States.³⁰

OFAC officials told us that they recognized the inadequacy of these measures to assess progress in blocking terrorist assets. According to the OFAC officials:

- The measures in the 2004 Performance and Accountability Report are not specific to terrorist financing. Two of the three measures do not separate data on terrorists from data on other entities such as drug traffickers, hostile foreign governments, corrupt regimes, and foreign drug cartels, although OFAC officials acknowledged that they could have reported the data separately.
- Progress on asset blocking cannot be measured simply by totaling an amount of blocked assets at the end of the year, because the amounts may vary over the year as assets are blocked and unblocked.
- As of October 2005, Treasury had not developed measures to track activities and results related to asset blocking. For example, Treasury's underlying research to identify terrorist entities and their support systems is used by other U.S. agencies for activities such as law enforcement investigations. However, Treasury lacked measures to track other agencies' use of this research.

Treasury officials also noted that measuring the effectiveness of these efforts in terms of their deterrent value is problematic, in part because the direct impact on unlawful activity is unknown and because precise metrics for illegal and clandestine activities are hard to develop. According to Treasury officials, measuring these efforts' effectiveness can also be

²⁹Treasury's 2004 Annual Performance and Accountability Report states that Treasury proposes to discontinue use of this indicator in 2005.

³⁰Sanctioned entities include hostile foreign governments, corrupt regimes, foreign drug cartels, and other sanctioned targets determined by the President, the Secretary of State, or the Congress.

difficult because many of them involve multiple U.S. agencies and foreign governments and are highly sensitive. However, contrary to a U.S. legislative directive to agencies to ascertain and explain the infeasibility or impracticableness of a performance goal for a program activity, Treasury's annual report does not address the deterrent value of designations or the difficulties in measuring their effectiveness.³¹

In October 2005, in commenting on a draft of our draft report, Treasury officials told us that they were in the process of developing better quantitative and qualitative measures for assessing the results of OFAC's terrorist asset blocking efforts. In addition, Treasury officials said that they were developing a strategic plan to guide OFAC's efforts.³² The officials stated that they expected OFAC's new performance measures to be completed by December 1, 2005, and its new strategic plan to be completed by January 1, 2006. We recommended in our report that the Secretary of the Treasury complete the efforts to develop meaningful performance measures and an OFAC-specific strategic plan to ensure that policy makers and program managers are able to examine the results of U.S. efforts to block terrorists' assets. According to discussions with OFAC officials in March 2006, OFAC has developed new measures to assess its role in administering and enforcing economic sanctions against terrorists; however, we have not assessed the adequacy of these new measures. According to OFAC officials, as of March 30, 2006, the strategic plan had not yet been finalized.

³¹According to the Government Performance and Results Act (GPRA) of 1993, Pub. L. No. 103-62, when it is not feasible to develop a measure for a particular program activity, the executive agency shall state why it is infeasible or impractical to express a performance goal for the program activity. GPRA also states that the agency shall consult with the Director of the Office of Management and Budget to determine that it is not feasible to express the performance goal in a measurable form.

³²According to GPRA, agency strategic plans should include, among other elements, a set of general goals and objectives and a description of how performance goals and measures are related to the general goals and objectives of the program. Currently, OFAC's efforts are guided by Treasury's overall strategic plan.

Treasury Report Does Not Show Progress in Asset Blocking

Treasury's annual Terrorist Assets Report, which offers a year-end snapshot of dollar amounts of terrorist assets held in U.S. jurisdiction, does not provide sufficient information to demonstrate OFAC's progress in its terrorist asset blocking efforts.³³ In 2004, OFAC reported that the United States blocked almost \$10 million in assets belonging to seven international terrorist organizations and related designees.³⁴ The 2004 report also noted that the United States held more than \$1.6 billion in assets belonging to six designated state sponsors of terrorism.³⁵ However, the report does not document or quantify changes from amounts of assets blocked in previous years. For example, the 2004 report stated that the United States held \$3.9 million in al Qaeda assets, but it did not show that this represented a 400 percent increase from the value of al Qaeda assets held by the United State in 2003 or offer an explanation for this increase.³⁶

We noted in our October 2005 report that although the amounts of assets blocked are not in themselves a complete measure to assess progress over time, such information, along with other key performance metrics, could help policy makers and program managers examine the results of OFAC's asset blocking efforts. We recommended that the Secretary of the Treasury provide more complete information in the annual Terrorist Assets Report on the nature and extent of assets blocked, such as differences in amounts blocked each year, explanations for such differences, results of OFAC's terrorist asset blocking efforts, and

³³Section 304 of Public Law 102-138, as amended by Public Law 103-236 (codified at 22 USC §2656g), requires the Secretary of the Treasury, in consultation with the Attorney General and appropriate investigative agencies, to provide an annual report to Congress "describing the nature and extent of assets held in the United States by terrorist countries and organizations engaged in international terrorism." Treasury must submit the Terrorist Assets Reports to the Committee on Foreign Relations and the Committee on Finance of the Senate and to the Committee on International Relations and the Committee on Ways and Means of the House.

³⁴The 2004 Terrorist Assets Report listed the international terrorist organizations as al Qaeda, HAMAS, Mujahedin-E Khalq Organization, New People's Army, Palestinian Islamic Jihad, Kahane Chai, and the Taliban. This figure does not include amounts under review or investigation.

³⁵The 2004 Terrorist Assets Report listed the state sponsors of terrorism as Cuba, Iran, Libya, North Korea, Sudan, and Syria. Of the \$1.6 billion, \$1.5 billion in assets are blocked because of economic sanctions imposed by the United States.

³⁶According to OFAC, amounts blocked for terrorist entities may shift year to year for policy-related purposes. For example, funds may be unblocked when the U.S. government terminates a sanctions program or when OFAC issues exceptions to sanctions programs in accordance with applicable law.

obstacles faced by the U.S. government. In commenting on a draft of our report, Treasury observed that the Terrorist Assets Report “is not mandated or designed as an accountability measure.” However, nothing in the statutory language or the congressional intent underlying the mandate precludes Treasury from compiling and reporting in this manner. Senior OFAC officials acknowledged that the Terrorist Assets Report is not useful for assessing results of asset blocking efforts. In its March 2006 letter to relevant congressional oversight and appropriation committees, Treasury responded that although it does not believe that the amounts of assets blocked is a meaningful measure of its efforts’ effectiveness, it would work with Congress to discuss recrafting the Terrorist Assets Report to address congressional interests.

Conclusion

U.S. agencies have accomplished much in their efforts to combat terrorist financing abroad. Despite the difficulties of interagency coordination, TFWG has delivered counter-terrorism-financing training and technical assistance to numerous vulnerable countries and has designated and blocked significant amounts of terrorist assets. However, as GAO’s October 2005 report described, several challenges impact the effectiveness of U.S. agencies’ efforts. Without a strategic and integrated plan for coordinating the funding and delivery of training and technical assistance by the agencies, the U.S. government cannot maximize the use of its resources in the fight against terrorist financing. Interagency disputes over State-led TFWG roles and procedures have hampered TFWG leadership and wasted staff energy and talent. In addition, decisions based on anecdotal and informal information, rather than transparent and systematic assessments, have hindered managers from effectively addressing problems before they grow and potentially become crises. Further, the U.S. government’s, including TFWG’s, failure to integrate all available U.S. and international resources may result in missed opportunities to leverage resources to meet related needs and risks, particularly given the scarce expertise available to address counter-terrorism financing. Finally, without a functional performance measurement system, TFWG lacks the information needed for optimal coordination and planning.

Although OFAC undertakes a number of important efforts with regard to blocking terrorist assets, the lack of meaningful performance measures and sufficient information regarding these efforts has created uncertainty about their results and progress. The new performance measures that OFAC has recently developed may enable Congress and other officials with oversight responsibilities to ascertain the strengths and weaknesses

of these efforts as well as hold OFAC managers accountable. OFAC's strategic plan, when completed, could further facilitate the development of meaningful performance measures by describing the relation of performance goals and measures to OFAC's mission, goals, and objectives. In addition, including information in Treasury's annual Terrorist Assets Reports that shows changes in the amounts of assets blocked from year to year may help Congress and other officials better understand the importance of these efforts in the overall U.S. effort to combat terrorist financing and may assist in the strategic allocation of resources.

Matter for Congressional Consideration

In view of congressional interest in U.S. government efforts to deliver training and technical assistance abroad to combat terrorist financing and the difficulty of obtaining a systematic assessment of U.S. resources dedicated to this endeavor, as stated in our report, Congress should consider requiring the Secretary of State and the Secretary of the Treasury to submit an annual report to Congress showing the status of interagency efforts to develop and implement an integrated strategic plan and Memorandum of Agreement to ensure TFWG's seamless functioning, particularly with respect to TFWG roles and procedures.

Madame Chairwoman, this concludes my prepared statement. I would be pleased to respond to any questions that you or other members of the subcommittee may have at this time.

Contacts and Acknowledgments

Should you have any questions about this testimony, please contact Loren Yager at (202) 512-4128 or yagerl@gao.gov. Other major contributors to this testimony were Christine Broderick, Kathleen Monahan, Tracy Guerrero, Elizabeth Guran, and Reid Lowe.

Appendix I: Terrorist Finance Working Group (TFWG) Membership and Program Development Process

According to the Department of State (State), the Terrorist Finance Working Group (TFWG) was convened in October 2001 to develop and provide counter-terrorism-financing training to countries deemed most vulnerable to terrorist financing. Composed of various agencies throughout the U.S. government, TFWG is cochaired by State's Office of the Coordinator for Counterterrorism and Bureau for International Narcotics and Law Enforcement Affairs. It meets biweekly to receive intelligence briefings, schedule assessment trips, review assessment reports, and discuss the development and implementation of technical assistance and training programs.

TFWG Membership

Agencies and offices participating in TFWG include the following:

Department of State

- Office of the Coordinator for Counterterrorism
- Bureau for International Narcotics and Law Enforcement Affairs, Crime Programs
- Regional bureaus
 - Bureau for Economic and Business Affairs
 - Bureau of Diplomatic Security Office of Antiterrorism Assistance
 - United States Agency for International Development

Department of the Treasury

- Terrorist Financing and Financial Crimes
- Office of Technical Assistance: Financial Crimes Enforcement Network:
- Office of the Comptroller of the Currency
- Internal Revenue Service—Criminal Investigation

Department of Justice

- Office of Overseas Prosecutorial Development, Assistance, and Training
- Asset Forfeiture and Money Laundering Section
- Counter Terrorism Section
- Federal Bureau of Investigation
- Drug Enforcement Administration

Department of Homeland Security

- Bureau of Customs and Border Protection
- Bureau of Immigration and Customs Enforcement

Other participants

- National Security Council
- Central Intelligence Agency
- Federal Deposit Insurance Corporation
- Federal Reserve Board

TFWG Program Development Process

According to State, the TFWG process for developing counter-terrorism-financing training and assistance programs involves the following steps:

1. With input from the intelligence and law enforcement communities, identify and prioritize countries most vulnerable to terrorist financing, and needing the most assistance in combating it.
2. Evaluate priority countries' counter-terrorism-financing and anti-money-laundering regimes with Financial Systems Assessment Team (FSAT) on-site visits or Washington tabletop exercises. State-led FSAT teams of 6 to 8 members include technical experts from State, Treasury, Justice, and other regulatory and law enforcement agencies. The FSAT on-site visits take about 1 week and include in-depth meetings with host government financial regulatory agencies, the judiciary, law enforcement agencies, the private financial services sector, and nongovernmental organizations.
3. Prepare a formal assessment report on each priority country's vulnerabilities to terrorist financing and make recommendations for training and technical assistance to address these weaknesses. The formal report is shared with the country's government to gauge its receptivity and to coordinate U.S. offers of assistance.
4. Develop a counter-terrorism-financing training implementation plan based on FSAT recommendations. Counter-terrorism-financing assistance programs include financial investigative training to "follow the money," financial regulatory training to detect and analyze suspicious transactions, judicial and prosecutorial training to build financial crime cases, financial intelligence unit development, and

training in detecting over- and under-invoicing schemes for money laundering or terrorist financing.

5. Provide sequenced training and technical assistance to priority countries in the country, regionally, or in the United States.
6. Encourage burden sharing with our allies, with international financial institutions (e.g., IMF, World Bank, regional development banks), and through international organizations such as the United Nations (UN), the UN Counterterrorism Committee, Financial Action Task Force on Money Laundering, or the Group of Eight (G-8) to capitalize on and maximize international efforts to strengthen counter-terrorism-financing regimes around the world.

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