

110TH CONGRESS
1ST SESSION

H. R. 1993

To improve the delivery of counterterrorism financing training and technical assistance by providing for greater interagency coordination and cooperation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2007

Ms. MOORE of Wisconsin (for herself, Mr. FRANK of Massachusetts, and Mr. SCOTT of Georgia) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the delivery of counterterrorism financing training and technical assistance by providing for greater interagency coordination and cooperation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Counterterrorism Fi-
5 nancing Coordination Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

3 (1) In an October 2005 report to the Congress,
4 the Comptroller General reviewed the United States
5 Government's interagency efforts to coordinate the
6 delivery of training and technical assistance to coun-
7 tries vulnerable to terrorist financing, and issues of
8 accountability in the blocking of terrorist assets held
9 in the United States by the Secretary of the Treas-
10 ury.

11 (2) In April 2006, the Comptroller General of
12 the United States testified before the Congress on
13 the findings of the October 2005 report and, among
14 other things, the Comptroller General testified that
15 "Although the United States Government provides a
16 range of training and technical assistance to coun-
17 tries it deems vulnerable to terrorist financing, it
18 does not have a strategic and integrated plan to co-
19 ordinate the delivery of this assistance."

20 (3) The Terrorist Financing Working Group,
21 an interagency entity established by the National Se-
22 curity Council and chaired by the Secretary of State,
23 coordinates the delivery of training and technical as-
24 sistance to nearly two dozen countries the Working
25 Group considers to be priority countries, as well as
26 to other countries the Working Group considers to

1 be nonpriority countries, that are vulnerable to ter-
2 rorist financing.

3 (4) The Comptroller General testified that the
4 Secretary of State and the Secretary of the Treasury
5 disagree about the roles and procedures of each
6 agency within the Terrorist Financing Working
7 Group for the delivery of counterterrorism financing
8 training and technical assistance, thereby causing
9 the overall effort to lack effective leadership.

10 (5) An example of how this disagreement has
11 impacted the delivery of training and technical as-
12 sistance to countries vulnerable to terrorist financing
13 is as follows:

14 (A) In May 2005, the Department of State
15 denied a Department of the Treasury employee
16 official entry into a priority country in response
17 to a request from the central bank of that coun-
18 try to set up a financial intelligence unit.

19 (B) The Secretary of State told the Comp-
20 troller General that the Department wanted to
21 conduct a Terrorist Financing Working Group
22 assessment before allowing the Department of
23 the Treasury to continue its work.

24 (C) According to the report of the Govern-
25 ment Accountability Office, the United States

1 Ambassador to the country requested a delay in
2 the assessment and the work of the Department
3 of the Treasury was allowed to proceed.

4 (D) However, as a result of this disagree-
5 ment, the entry of the Department of the
6 Treasury official into the country and the work
7 itself was delayed by several months.

8 (6) The Comptroller General testified that the
9 interagency coordinating effort on terrorist financing
10 training and technical assistance lacked other key
11 elements that are critical to effective strategic plan-
12 ning, such as the strategic alignment of resources
13 with needs and risks, and a process to measure re-
14 sults.

15 (7) The October 2005 report of the Comptroller
16 General found that the Attorney General, who pro-
17 vides technical assistance in the drafting of anti-ter-
18 rorist financing legislation for priority countries,
19 concluded that “having procedures and practices for
20 Terrorist Financing Working Group priority coun-
21 tries that differ from those for other vulnerable
22 countries creates problems”.

23 (8) The October 2005 report of the Comptroller
24 General cited several instances of interagency dis-
25 agreements on whether it is appropriate for contrac-

1 tors for the United States to provide legislative
2 drafting assistance for counterterrorism financing
3 legislation.

4 (9) In connection with this disagreement, the
5 Secretary of State and the Attorney General believe
6 that legislative drafting should be conducted by offi-
7 cials of the Department of Justice, while the Sec-
8 retary of the Treasury, in some instances, advocated
9 the use of contractors for nonpriority countries.

10 (10) The Attorney General objected to the use
11 of contractors and indicated that previous contractor
12 work on legislative drafting did not meet inter-
13 national standards for effective counterterrorism fi-
14 nancing legislation, citing as an example the work of
15 a contractor to the Agency for International Devel-
16 opment who assisted in drafting legislation which of-
17 ficials of the Department of Justice had to complete
18 because the draft included substantial deficiencies,
19 in the opinion of the Attorney General.

20 (11) In April 2006, officials representing the
21 Secretary of State and the Secretary of the Treasury
22 testified before the Financial Services Committee of
23 the House of Representatives that they did not act
24 on the Comptroller General's recommendations to
25 develop a strategic and integrated plan for the deliv-

1 ery of counterterrorism financing training and tech-
2 nical assistance and to enter into an interagency
3 Memorandum of Agreement that clarifies each agen-
4 cy's roles and responsibilities.

5 (12) The officials testified that both the Sec-
6 retary of State and the Secretary of the Treasury
7 believe that an integrated strategic plan already ex-
8 ists and that “There is no desire among the Ter-
9 rorist Financing Working Group agencies to reinvent
10 a process that has worked well for several years and
11 worked even better since the issuance of the General
12 Accountability Office report.”.

13 (13) The Comptroller General recommended in
14 his congressional testimony that Congress require
15 “the Secretary of State and the Secretary of the
16 Treasury to submit an annual report to Congress
17 showing the status of interagency efforts to develop
18 and implement an integrated strategic plan and
19 Memorandum of Agreement to ensure Terrorist Fi-
20 nancing Working Group's seamless functioning, par-
21 ticularly with respect to Terrorist Financing Work-
22 ing Group roles and procedures”.

23 **SEC. 3. MEMORANDUM OF AGREEMENT REQUIRED.**

24 (a) IN GENERAL.—The Secretary of State and the
25 Secretary of the Treasury shall negotiate and enter into

1 a Memorandum of Agreement (hereafter in this section
2 referred to as the “Agreement”) specifying the role of each
3 of the Secretaries’ respective Departments in the delivery
4 of counterterrorism financing training and technical as-
5 sistance provided to countries abroad (without regard to
6 whether any country is designated as a priority country
7 or a nonpriority country by the Terrorist Financing Work-
8 ing Group).

9 (b) SPECIFIC SUBJECT TO BE INCLUDED.—In addi-
10 tion to such other matters as the Secretary of State and
11 the Secretary of the Treasury determine to be appropriate
12 for inclusion in the Agreement, the Agreement shall in-
13 clude the following:

14 (1) LEADERSHIP AND ROLE.—The specific des-
15 ignation of leadership, and the role of each agency,
16 in the delivery of counterterrorism financing training
17 and technical assistance to all countries (without re-
18 gard to whether any country is designated as a pri-
19 ority country or a nonpriority country by the Ter-
20 rorist Financing Working Group).

21 (2) DISPUTE RESOLUTION METHODOLOGY.—A
22 methodology and procedures for resolving inter-
23 agency disputes over the delivery of counterterrorism
24 financing training and technical assistance, which
25 shall include specific and reasonable timeframes for

1 seeking such resolution before elevating unresolved
2 disagreements to the next level of decision-making,
3 up to and including the Secretaries, and a process
4 for submitting any disputes the Secretaries are un-
5 able to resolve within a specific and reasonable time-
6 frame to the National Security Council for resolu-
7 tion.

8 (3) COORDINATION OF FUNDING AND RE-
9 SOURCES.—The coordination of funding and re-
10 sources for counterterrorism financing and anti-
11 money laundering training and technical assistance
12 delivered to all countries (without regard to whether
13 any country is designated as a priority country or a
14 nonpriority country by the Terrorist Financing
15 Working Group), including the means for providing
16 a transparent assessment of United States Govern-
17 ment resources and a method for aligning those re-
18 sources with the needs of vulnerable countries.

19 (4) PRIVATE CONTRACTORS.—A procedure for
20 determining the appropriateness of any use of con-
21 tractors by the Secretary of the Treasury in the de-
22 livery of counterterrorism financing training and
23 technical assistance in any country (without regard
24 to whether the country is designated as a priority
25 country or a nonpriority country by the Terrorist Fi-

1 nancing Working Group), including a system for
2 evaluating, in consultation with the Secretary of
3 State, the Attorney General and other appropriate
4 officers, the quality of work performed by such con-
5 tractors.

6 (5) PERFORMANCE EVALUATION.—A process to
7 measure the performance and results of
8 counterterrorism training and technical assistance.

9 **SEC. 4. ANNUAL REPORT.**

10 (a) IN GENERAL.—The Secretary of the Treasury
11 shall include in the annual report to the Congress on ter-
12 rorist assets complete information on the nature and ex-
13 tent of activities, during the period covered by the report,
14 in blocking access of owners or account holders to finan-
15 cial assets due to the connection of such owners or
16 accountholders to terrorism.

17 (b) CONTENTS.—The report under subsection (a)
18 shall include the following:

19 (1) The results of the performance evaluation
20 under Memorandum of Agreement entered into pur-
21 suant to section 3 for the period covered by the re-
22 port.

23 (2) Differences in amounts blocked between the
24 period covered by the report and preceding periods.

1 (3) When and why blocks were removed from fi-
2 nancial assets during period covered by the report.

3 (4) The achievements and obstacles faced by
4 the United States Government with respect to locat-
5 ing and blocking terrorist assets or in the delivery
6 of counterterrorism financing training and technical
7 assistance.

8 (5) A classified index.

