

Congress of the United States

Washington, DC 20515

October 17, 2023

The Honorable Brian E. Nelson
Under Secretary for Terrorism and Financial
Intelligence
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington D.C., 20220

Jake Sullivan
National Security Advisor
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Under Secretary Nelson and Mr. Sullivan:

We write to express our grave concern regarding reports that, in the months leading up to their brutal and horrific October 7th attack on Israel, Hamas and Palestinian Islamic Jihad (PIJ) raised millions of dollars in crypto – evading U.S. sanctions and funding their operations.¹ Indeed, between August 2021 and this past June, the two groups raised over \$130 million in crypto, and moved millions among each other, “with PIJ sending over \$12 million in crypto to Hezbollah since 2023.”² As the *Wall Street Journal* reports, “[r]esearchers who study Hamas’s financing said crypto remains one of a number of tools the group uses to raise funds.”³ Given the clear and present danger posed by the financing of these and other militant organizations, we ask the Administration to provide additional details on its plan to prevent the use of crypto for the financing of terrorism.

On the morning of October 7th, Hamas militants fired an estimated 2,200 rockets towards Israel, as hundreds of militants entered Israel on motorcycles and motorboats.⁴ As of October 11, 2023, over 1,200 people have died in Israel as a result of the attacks, and 2,900 have been wounded.⁵ While “[i]t couldn’t be determined whether the crypto they received was directly used to finance the assault,”⁶ Hamas has been clear in its solicitations for crypto about the intended use of the assets. As the group said in a Telegram post asking for bitcoin, “[t]he reality of jihad is the expenditure of effort and energy, and money is the backbone of war.”⁷

¹ The Wall Street Journal, “Hamas Militants Behind Israel Attack Raised Millions in Crypto,” Angus Berwick and Ian Talley, October 10, 2023, <https://www.wsj.com/world/middle-east/militants-behind-israel-attack-raised-millions-in-crypto-b9134b7a>.

² *Id.*

³ *Id.*

⁴ ABC News, “Death came from sea, air and ground: A timeline of surprise attack by Hamas on Israel,” Bill Hutchinson, October 10, 2023, <https://abcnews.go.com/International/timeline-surprise-rocket-attack-hamas-israel/story?id=103816006>.

⁵ *Id.*

⁶ The Wall Street Journal, “Hamas Militants Behind Israel Attack Raised Millions in Crypto,” Angus Berwick and Ian Talley, October 10, 2023, <https://www.wsj.com/world/middle-east/militants-behind-israel-attack-raised-millions-in-crypto-b9134b7a>.

⁷ *Id.*

Both the Israeli and U.S. governments have warned of the threat that crypto poses in the fight against terrorism. The Israeli government has seized crypto assets from terrorist organizations – including Hamas and Hezbollah – before.⁸ As recently as August 2023, the country’s National Bureau for Counter-Terror Financing ordered the seizure of 67 PIJ-owned accounts with Binance, the world’s largest crypto exchange.⁹ Despite these and other seizures, experts believe that only “a small percentage of the overall amount of funds that flowed through” Hamas and PIJ wallets has been seized.¹⁰

That the deadly attack by Hamas on Israeli civilians comes as the group has become “one of the most sophisticated crypto users in the terror-finance domain”¹¹ clarifies the national security threat crypto poses to the U.S., and our allies. Congress and this Administration must take strong action to thoroughly address crypto illicit finance risks before it can be used to finance another tragedy. As Congress considers legislative proposals designed to mitigate crypto money laundering and illicit finance risks, we urge you to swiftly and categorically act to meaningfully curtail illicit crypto activity and protect our national security and that of our allies. We therefore request answers to the following questions regarding Treasury’s plans to address the serious national security threats posed by the use of cryptocurrency to finance terrorism no later than October 31, 2023:

1. What steps is the Biden Administration taking to address the use of cryptocurrency by terrorist organizations, including but not limited to Hamas, PIJ, and Hezbollah?
2. Reports indicate that Hamas and PIJ collectively raised over \$130 million in crypto between August 2021 and June 2023.¹² Is this consistent with the Administration’s estimates? Does the Administration have an estimate of the value of crypto assets remaining in wallets controlled by these groups?
3. Does the Administration have an estimate of what percentage of Hamas, PIJ, and Hezbollah’s total funding moves through cryptocurrency channels? Does the Administration know how those funds are utilized and through what means?
4. What challenges does the Administration face in arresting the success of groups like Hamas in raising funds via cryptocurrency? How is it addressing those challenges?
5. Reports suggest that PIJ held crypto accounts at Binance, and that PIJ “primarily used the stablecoin tether” to transact.¹³
 - a. What information does the Administration have about which actors are facilitating the sending and exchange of digital assets to and between terrorist organizations like Hamas, PIJ, and Hezbollah?
 - b. Which actors are facilitating the exchange of cryptocurrency for other assets, including those exchanged for weapons?
 - c. Where are these actors based?
 - d. What actions has the Administration taken against these actors?

⁸ The Wall Street Journal, “Hamas Militants Behind Israel Attack Raised Millions in Crypto,” Angus Berwick and Ian Talley, October 10, 2023, <https://www.wsj.com/world/middle-east/militants-behind-israel-attack-raised-millions-in-crypto-b9134b7a>.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

6. What additional statutory tools does the Administration need to address the national security threats posed by illicit use of crypto by terrorist organizations?
7. What additional resources does the Administration need to address the national security threats posed by illicit use of crypto by terrorist organizations?

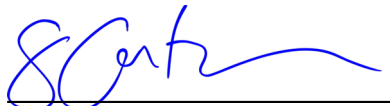
Sincerely,



Elizabeth Warren
United States Senator



Roger Marshall, M.D.
United States Senator



Sean Casten
Member of Congress



John Kennedy
United States Senator



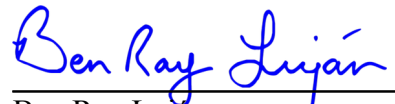
Sherrod Brown
United States Senator



Jeanne Shaheen
United States Senator



Chris Van Hollen
United States Senator



Ben Ray Lujan
United States Senator



Joe Manchin III
United States Senator



John Fetterman
United States Senator



Jack Reed
United States Senator



Michael F. Bennet
United States Senator



Tina Smith
United States Senator



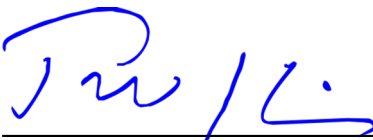
Sheldon Whitehouse
United States Senator



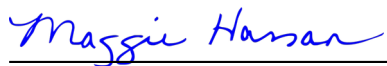
Mark R. Warner
United States Senator




Jon Tester
United States Senator

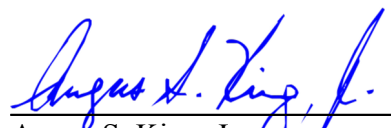


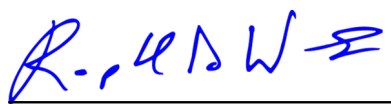
Tim Kaine
United States Senator




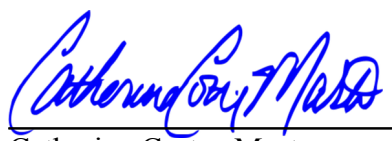
Maggie Hassan
Margaret Wood Hassan
United States Senator

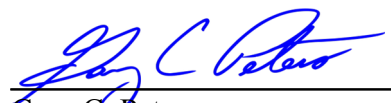

John Hickenlooper
United States Senator


Angus S. King, Jr.
United States Senator



Raphael Warnock
United States Senator



Christopher A. Coons
United States Senator

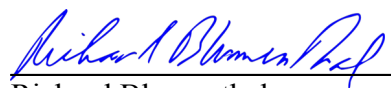

Catherine Cortez Masto
United States Senator

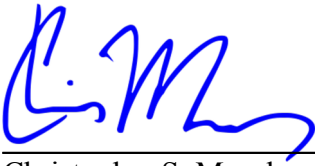

Gary C. Peters
United States Senator


Mark Kelly
United States Senator

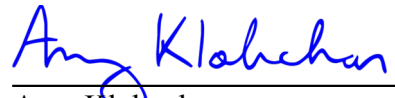

Cory A. Booker
United States Senator


Benjamin L. Cardin
United States Senator


Richard Blumenthal
United States Senator



Christopher S. Murphy
United States Senator



Amy Klobuchar
United States Senator



Emanuel Cleaver, II
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Member of Congress



Steven Horsford
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Marcy Kaptur
Member of Congress



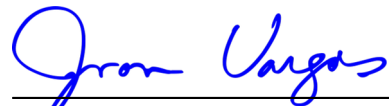
Chris Pappas
Member of Congress



Katie Porter
Member of Congress



Eric Swalwell
Member of Congress



Juan Vargas
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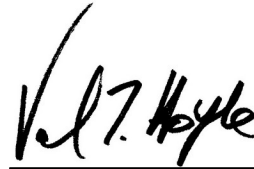
Brad Sherman
Member of Congress
Ranking Member,
Subcommittee on Capital
Markets



Mikie Sherrill
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Chris Deluzio
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Val Hoyle
Member of Congress



Ann McLane Kuster
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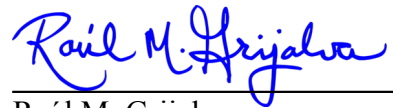
James P. McGovern
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Elissa Slotkin
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Chrissy Houlahan
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Raúl M. Grijalva
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Bill Foster
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Colin Z. Allred
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Sara Jacobs
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Troy Carter
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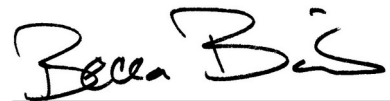
Mike Levin
Member of Congress



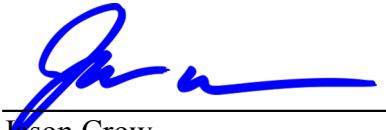
David Scott
Member of Congress



Seth Moulton
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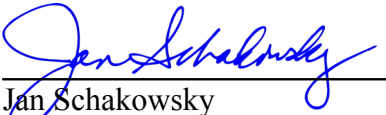
Becca Balint
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Jason Crow
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Morgan McGarvey
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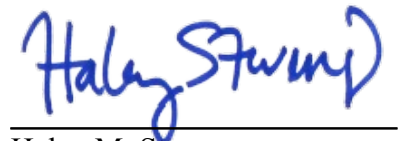
Jan Schakowsky
Member of Congress



Barbara Lee
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Lori Trahan
Member of Congress



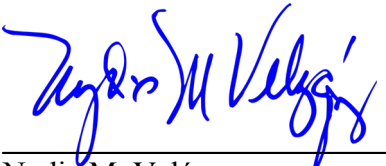
Haley M. Stevens
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Jake Auchincloss
Member of Congress



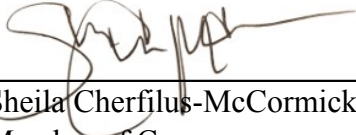
Norma J. Torres
Member of Congress



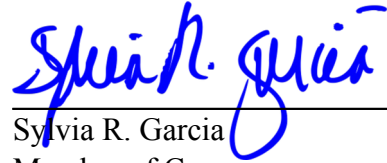
Nydia M. Velázquez
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Jim Tokuda
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Sheila Cherfilus-McCormick
Member of Congress



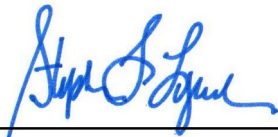
Sylvia R. Garcia
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David J. Trone
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Madeleine Dean
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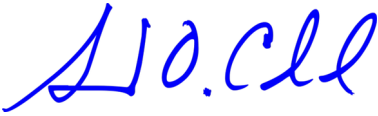
Pramila Jayapal
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Salud Carbajal
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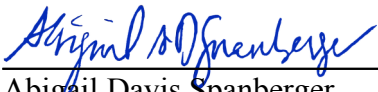
Dean Phillips
Member of Congress



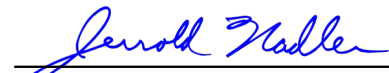
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Donald G. Davis
Member of Congress



Abigail Davis Spanberger
Member of Congress



Terrold Nadler
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Eleanor Holmes Norton
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Steve Cohen
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Frederica S. Wilson

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Adam B. Schiff

Adam B. Schiff
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Linda T. Sánchez

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Member of Congress

Jennifer L. McClellan

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Member of Congress

Hank Johnson

Henry C. "Hank" Johnson, Jr.
Member of Congress

Kevin Mullin

Kevin Mullin
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Mark Pocan

Mark Pocan
Member of Congress

J. Luis Correa

J. Luis Correa
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Mike Quigley


Mike Quigley
Member of Congress

Lois Frankel

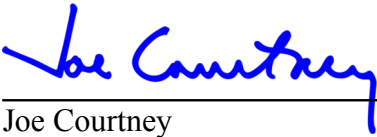
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Deborah K. Ross
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Jim Himes
Member of Congress



Joe Courtney
Member of Congress



Ruben Gallego
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Josh Gottheimer
Member of Congress



Lisa Blunt Rochester
Member of Congress



Shri Thanedar
Member of Congress