



Highlights of [GAO-06-19](#), a report to congressional requesters

Why GAO Did This Study

Terrorist groups need significant amounts of money to organize, recruit, train, and equip adherents. U.S. disruption of terrorist financing can raise the costs and risks and impede their success. This report (1) provides an overview of U.S. government efforts to combat terrorist financing abroad and (2) examines U.S. government efforts to coordinate training and technical assistance. We also examined specific accountability issues the Department of the Treasury faces in its efforts to block terrorists' assets held under U.S. jurisdiction.

What GAO Recommends

GAO recommends 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. Congress should also consider requiring the Secretaries of State and the Treasury to report the status of that implementation. State disagreed with our recommendations for an integrated strategy and Memorandum of Agreement. Treasury did not directly address these recommendations. While Treasury did not disagree with implementing an integrated strategic plan, it limited the plan's coverage to priority countries. We make additional recommendations to Treasury concerning Treasury's terrorist asset blocking efforts with which Treasury did not agree.

www.gao.gov/cgi-bin/getrpt?GAO-06-19.

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.

TERRORIST FINANCING

Better Strategic Planning Needed to Coordinate U.S. Efforts to Deliver Counter-Terrorism Financing Training and Technical Assistance Abroad

What GAO Found

U.S. efforts to combat terrorist financing abroad include a number of interdependent activities—terrorist designations, intelligence and law enforcement, standard setting, and training and technical assistance. First, the U.S. government designates terrorists and blocks their assets and financial transactions and supports similar efforts of other countries. Second, intelligence and law enforcement efforts include operations, investigations, and exchanging information and evidence with foreign counterparts. Third, U.S. agencies work through the United Nations and the Financial Action Task Force on Money Laundering to help set international standards to counter terrorist financing. Fourth, the U.S. government provides training and technical assistance directly to vulnerable countries and works with its allies to leverage resources.

The U.S. government lacks an integrated strategy to coordinate the delivery of counter-terrorism financing training and technical assistance to countries vulnerable to terrorist financing. Specifically, the effort does not have key stakeholder acceptance of roles and procedures, a strategic alignment of resources with needs, or a process to measure performance. First, the Department of Treasury does not accept the Department of State leadership or the State-led Terrorist Financing Working Group's (TFWG) procedures for the delivery of training and technical assistance abroad. While supportive of the Department of State's role as coordinator of TFWG efforts, the Department of Justice officials confirmed that roles and procedures were a matter of disagreement. Second, the U.S. government does not have a clear presentation and objective assessment of its resources and has not strategically aligned them with its needs for counter-terrorist financing training and technical assistance. Third, the U.S. government, including TFWG, lacks a system for measuring performance and incorporating results into its planning efforts.

The Treasury faces two accountability issues related to its terrorist asset blocking efforts. First, Treasury's Office of Foreign Assets Control (OFAC) reports on the nature and extent of terrorists' U.S. assets do not provide Congress the ability to assess OFAC's achievements. Second, Treasury lacks meaningful performance measures to assess its terrorist designation and asset blocking efforts. OFAC is in the process of developing more meaningful performance measures aided by its early efforts to develop an OFAC-specific strategic plan. Officials stated that OFAC's new performance measures will be completed by December 1, 2005, and its strategic plan will be completed by January 1, 2006; however, they did not provide us with documentation of milestones or completion dates.