



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

May 17, 2004

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Baucus:

Thank you for your continued interest in Treasury's efforts in the war on terrorism, and in particular in the establishment of the Office of Terrorism and Financial Intelligence (TFI). The attached response provides answers to your letter of April 28th.

I look forward to working closely with you and your Committee to ensure that this new office is established as efficiently as possible, and that it quickly assumes a central role in our efforts to combat terrorist financing.

Sincerely yours,


Samuel W. Bodman

Attachments

1. An analysis by quarter, from the first quarter of 1995 to the first quarter of 2004, of terrorist related assets seized and/or frozen for each of the quarters. Additionally, please provide the totals of assets of Al Qaeda seized or frozen by quarter for the same time period. For each order or designation leading to frozen or seized funds of a person or entity, please characterize whether the person or entity is one of the following three: a donor, or source of funds; a transmitter or carrier of funds; or a recipient or user of the funds.

See attachment.

2. Please provide the number of FTEs dedicated to terrorist financing activities by country (Afghanistan, Iran, Cuba, Syria, etc.), as well as by terrorist group (Al Qaeda, Hamas, etc.), within each of the following: OFAC, Financial Crimes Enforcement Network (FinCEN) and all of TFI.

OFAC STAFFING COUNTRY PROGRAMS AND TERRORISTS GROUPS

Terrorist Supporting Country Programs	FTE 1/	Terrorist Groups	FTE 1/
Afghanistan/Taliban	0.69	Al-Qaeda and Affiliate Groups	16.10 2/
Cuba	21.43	Iraq Former Regime/UN Prg/Insurgency	15.84 3/
Iran	13.62	Pro-Palestinian Groups	8.51 4/
Libya	5.06	Nacro-Terrorism Groups	6.00 5/
Sudan	4.10	Other Programs	4.20 6/
Syria	0.75		
North Korea	0.34		
Total	45.99	Total	50.65

1/ Includes overhead and administrative support costs.

2/ Including affiliates in Asia (JI, Abu Sayyaf, Lashkar e-Taibah, etc.) Africa (AIAI, GSPC, etc.), and other regions in the world

3/ Including OFAC's efforts to track the assets of the former Iraqi regime, implement UN resolutions, and identify target elements of the Insurgency which include jihadists from known terrorist groups, the former Ba'athist Regime and local Sunni and Shi'ite extremists

4/ Including Hamas, PIJ and Hezbollah

5/ Including AUC, the FARC and ELN

6/ Including bilaterally proposed targets, the Foreign Terrorist Organizations Program and other terrorist groups

FinCEN and TFI:

Though TFI and FinCEN both have certain regional specialists, by virtue of their mission and mandate neither organization is internally structured to permit meaningful FTE breakdowns based on countries or terrorist entities. The entire budget of both

organizations is dedicated to fulfilling their respective missions in combating terrorist financing, money laundering, and financial crimes.

3. In staff briefings, we have heard that OFAC had approximately three to four FTEs dedicated to enforcing sanctions in Iraq during the late 1990s and early 2000s. Is this accurate? If you are unable to provide exact counts of FTEs during that time, please provide your best possible estimate of the average number of FTEs working on Iraq sanctions programs during this period.

Yes, however, as you have correctly stated, it is difficult to provide an exact count over this time period (where total FTEs for FY 1998 – 2000 were 56, 56, and 88 respectively). Depending on priorities or special initiatives, this number may have increased by two or more FTEs at times over this period.

ATTACHMENT FOR TREASURY RESPONSE TO QUESTION 1

The attached spreadsheet contains the information you requested in section one of your letter. On a quarterly basis from 1995 through the first quarter of 2004, OFAC is providing the total number of transactions and total amount blocked for terrorist related programs. This includes blockings under the Global Terrorism (SDGT), Specially Designated Terrorist (SDT), Foreign Terrorist Organization (FTO), and terrorist supporting country programs (Cuba, North Korea, Libya, Iran, Iraq, Sudan and Syria).

The spreadsheet is complex and requires a few explanatory notes on the methodology used and formatting:

1. The number of transactions and amounts represent what was initially reported to OFAC as blocked by U.S. persons. This does not reflect items that were subsequently licensed.
2. The "N/A" legend indicates that there were either no sanctions in effect against the targeted country, group, entity, or individual during that time period or that, if there were sanctions, there was no blocking authority.
3. Under OFAC Regulations, the SDGT program comprises entities and individuals named pursuant to Executive Order 13224. While Al-Qaeda is, strictly speaking, a subset of the SDGT program, in this spreadsheet the SDGT column reflects all non-Al-Qaeda blockings. The Al-Qaeda column lists only Al-Qaeda related blockings.
4. The listed blockings for the country programs represent blocked property and interests in property of the governments of the targeted countries, and, in the case of Cuba, property and interests in property of all Cuban nationals, and do not lend themselves to further characterization (i.e. a donor, or source of funds; a transmitter or carrier of funds; or a recipient or user of the funds.) The figures do not represent the totality of blocked assets for these target countries.
5. The OFAC administered sanctions against Iran declared from 1987 to the present do not have any blocking provisions. As a result, there are no blockings for Iran during this time period, and it does not appear on the spreadsheet.

As requested, the following is a breakdown of all blockings under OFAC's terrorist programs by designations and the reasons for those designations. This does not include the breakdown for the amounts frozen that were controlled by the Taleban regime.

SDGT: There have been 34 blockings totaling \$6,527,064.06. These blockings represent the following designated SDGT's:

Holy Land Foundation: This entity is a charity that was located in Richardson, Texas. It was designated because it was determined that it was owned or controlled by Hamas and raising funds on behalf of Hamas. It can best be characterized as a source of funds.

Comite de Bienfaisance pour la Solidarite avec la Palestine : This entity is a charity in France. It was designated because it was determined that it was raising funds on behalf of Hamas. It can best be characterized as a source of funds.

Al Aqsa Islamic Bank and Beit El Mal Holdings: These entities were designated because they were owned or controlled by Hamas and can be characterized as either transmitting funds or being in a position to transmit funds.

Kahane Chai: This is an organization which operates out of Israel and has been designated as a Specially Designated Terrorist, a Foreign Terrorist Organization, and a Specially Designated Global Terrorist. These funds were blocked because it was determined that they were being raised on behalf of Kahane Chai. Although this transaction was a source of funds for Kahane Chai, Kahane Chai can be characterized as a recipient or user of the funds.

Al Qaeda: There have been 70 blockings totaling \$2,502,531.24. These blocking represent the following designated parties:

Barakaat Entities: This was a network of "hawala" dealers transmitting funds around the world. These entities were designated because they were acting for and on behalf of Al Qaeda and other associated groups, and it was determined that a portion of the funds transmitted by the Barakaat entities were being diverted to Al Qaeda and other associated groups. They would best be classified as transmitters.

Benevolence International Foundation: This entity is a charity in the United States. It was designated because it was determined that it was owned or controlled by, raising funds, and providing material support to or on behalf of Al Qaeda. It can best be characterized as a source and transmitter of funds.

Global Relief Foundation: This entity is a charity in the United States. It was designated because it was determined that it was owned or controlled by, and raising funds on behalf of Al Qaeda. It can best be characterized as a source of funds.

Lajnat Al Dawa: This entity is a charity in Kuwait. It was designated because it was determined that it was raising funds on behalf of Al Qaeda. It can best be characterized as a source of funds.

Chafiq Ayadi ben Muhammad: Transmitter of funds on behalf of Al Qaeda.

Wafa Humanitarian Organization: ("Wafa") was designated by President Bush in the Annex to EO 13224, 9/24/2001. Wafa is an Usama bin Laden affiliated NGO located in Kandahar, Afghanistan. It can best be characterized as a source of funds.

SDT: There have been 25 blockings totaling \$403,160.22. These blockings represent the following designated parties:

Abu Marzook: This individual was designated under E.O. 12947 in 1995 because, as a well-known leader of Hamas, he acts for or on behalf of Hamas..

Mohammad Salah: This individual was designated under E.O. 12947 in 1995 because he was an agent of Hamas.

Ramadan Shallah: This individual was designated under E.O. 12947 in 1995 because, as its leader, he acts for or on behalf of the Palestinian Islamic Jihad (PIJ). PIJ is an anti-Israel terrorist group that also opposes moderate Arab governments. It has conducted many large-scale suicide bombings against Israeli civilian and military targets.

George Habash: This individual was designated under E.O. 12947 in 1995 because, as its leader, he acts for or on behalf of the Popular Front for the Liberation of Palestine (PFLP). PFLP is an anti-Israel terrorist group that has existed since 1967. Like the PIJ and its leader, Shallah, the PFLP and Habash have refuge in Syria.

Year	Quarters	SDGT		AL-QAEDA		SOT		FTO		CUBA		N. KOREA		LIBYA		IRAQ		SUDAN		TALIBAN		TOTALS	
		No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount	No. Trn.	Amount
1995	1st	N/A	N/A	0	\$0.00	N/A	N/A	48	\$488,426.84	5	\$1,636,478.92	131	5,848,070.05	60	\$1,802,438.35	N/A	N/A	N/A	N/A	244	\$9,775,412.18		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	88	\$1,131,648.00	0	\$0.00	111	2,485,424.90	43	\$1,037,181.51	N/A	N/A	N/A	N/A	242	\$4,654,265.41		
	3rd	N/A	N/A	3	\$6,757.63	N/A	N/A	131	\$1,593,238.90	2	\$50,221.50	99	3,936,128.67	32	\$1,822,337.28	N/A	N/A	N/A	N/A	267	\$7,508,064.18		
	4th	N/A	N/A	6	\$298,379.12	N/A	N/A	135	\$12,625,075.12	1	\$80,000.00	84	28,423,350.73	19	\$978,278.04	N/A	N/A	N/A	N/A	245	\$40,376,081.01		
1996	1st	N/A	N/A	0	\$0.00	N/A	N/A	139	\$8,869,523.36	2	\$10,582.28	82	2,697,768.07	16	\$251,380.85	N/A	N/A	N/A	N/A	239	\$8,859,242.56		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	140	\$5,506,151.24	2	\$40,024.00	76	5,330,818.54	15	\$218,315.53	N/A	N/A	N/A	N/A	233	\$11,155,308.31		
	3rd	N/A	N/A	0	\$0.00	N/A	N/A	108	\$1,042,288.24	0	\$0.00	71	3,867,782.40	19	\$692,337.90	N/A	N/A	N/A	N/A	198	\$5,592,388.24		
	4th	N/A	N/A	1	\$1,000.00	N/A	N/A	163	\$7,799,744.65	0	\$0.00	89	2,289,026.15	28	\$1,042,412.13	N/A	N/A	N/A	N/A	279	\$11,132,182.93		
1997	1st	N/A	N/A	1	\$1,515.00	N/A	N/A	39	\$120,255.68	0	\$0.00	64	3,480,240.42	11	\$192,056.24	N/A	N/A	N/A	N/A	115	\$3,784,067.34		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	187	\$2,582,205.00	0	\$0.00	69	1,405,077.78	8	\$118,101.24	N/A	N/A	N/A	N/A	244	\$4,116,384.00		
	3rd	N/A	N/A	1	\$7,945.55	N/A	N/A	177	\$2,708,832.89	2	\$17,800.00	72	5,737,628.30	22	\$178,997.00	N/A	N/A	N/A	N/A	274	\$8,851,001.54		
	4th	N/A	N/A	0	\$0.00	N/A	N/A	186	\$2,438,238.10	1	\$500.00	89	1,887,765.01	11	\$22,283.89	350	\$17,774,875.35	N/A	N/A	837	\$22,131,862.35		
1998	1st	N/A	N/A	0	\$0.00	N/A	N/A	129	\$940,973.87	1	\$2,263,090.49	68	11,947,220.41	16	\$405,456.91	139	\$5,377,708.39	N/A	N/A	351	\$20,864,450.07		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	197	\$5,255,204.92	0	\$0.00	103	3,363,318.42	15	\$1,788,381.41	82	\$724,958.35	N/A	N/A	397	\$11,132,871.10		
	3rd	N/A	N/A	0	\$0.00	N/A	N/A	162	\$1,708,313.83	0	\$0.00	56	8,688,126.06	2	\$14,835.00	62	\$487,889.02	N/A	N/A	282	\$8,869,963.93		
	4th	N/A	N/A	0	\$0.00	N/A	N/A	204	\$2,828,782.81	0	\$0.00	45	1,018,747.84	13	\$1,142,096.74	69	\$501,718.58	N/A	N/A	331	\$5,289,323.77		
1999	1st	N/A	N/A	0	\$0.00	N/A	N/A	197	\$1,425,268.64	1	\$496.85	55	2,648,703.20	9	\$363,308.00	50	\$429,832.16	N/A	N/A	312	\$4,867,707.05		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	214	\$1,471,750.15	2	\$40,814.30	95	3,187,582.50	15	\$692,625.70	90	\$351,210.44	N/A	N/A	378	\$5,713,763.09		
	3rd	N/A	N/A	0	\$0.00	N/A	N/A	218	\$2,241,079.69	1	\$500.00	70	1,431,736.88	14	\$1,018,593.02	44	\$291,522.10	9	\$200,841,047.68	357	\$205,822,481.17		
	4th	N/A	N/A	0	\$0.00	N/A	N/A	279	\$5,249,892.99	1	\$25,802.98	73	1,477,852.73	13	\$379,232.49	45	\$4,908,068.83	7	\$834,981.71	418	\$13,373,901.62		
2000	1st	N/A	N/A	0	\$0.00	N/A	N/A	227	\$1,887,033.08	12	\$136,488.84	85	54,634,104.72	12	\$302,843.31	42	\$665,183.75	2	\$7,500.00	398	\$57,286,664.88		
	2nd	N/A	N/A	0	\$0.00	N/A	N/A	265	\$1,600,081.10	0	\$0.00	90	2,783,478.01	13	\$508,916.82	43	\$328,458.94	1	\$33.92	424	\$5,335,433.83		
	3rd	N/A	N/A	0	\$0.00	N/A	N/A	333	\$2,441,085.53	77	2,159,847.82	77	2,159,847.82	16	\$31,183,648.96	37	\$791,191.57	1	\$1,207.04	464	\$36,586,889.92		
	4th	N/A	N/A	1	\$11,885.00	N/A	N/A	340	\$4,702,807.96	1	\$620.00	88	5,820,873.13	14	\$376,436.87	42	\$721,829.39	4	\$503,064.07	488	\$12,137,316.42		
2001	1st	N/A	N/A	0	\$0.00	N/A	N/A	309	\$1,555,763.81	0	\$0.00	148	3,774,972.39	15	\$2,618,987.05	38	\$510,038.07	10	\$180,608.39	520	\$8,640,369.81		
	2nd	N/A	N/A	1	\$54.00	N/A	N/A	283	\$9,822,704.95	N/A	N/A	80	3,134,704.06	22	\$453,686.45	37	\$718,156.52	4	\$1,879,901.24	437	\$12,809,208.22		
	3rd	N/A	N/A	5	\$58,685.48	N/A	N/A	298	\$5,882,059.15	N/A	N/A	77	4,371,068.87	17	\$827,659.72	31	\$234,988.52	2	\$10,778.50	428	\$11,384,849.92		
	4th	24	\$6,384,715.08	33	\$2,107,287.64	2	\$45,867.54	434	\$2,441,518.28	N/A	N/A	89	1,888,135.01	15	\$18,904,915.93	32	\$1,953,864.25	3	\$257,990.10	802	\$33,684,071.83		
2002	1st	3	\$14,947.00	2	\$8,728.00	0	\$0.00	414	\$2,453,896.36	N/A	N/A	54	\$2,274,486.85	14	\$343,832.29	25	\$552,808.82	0	\$0.00	612	\$8,848,069.36		
	2nd	0	\$0.00	2	\$5,000.00	0	\$0.00	486	\$6,117,578.98	N/A	N/A	76	1,804,036.73	6	\$336,013.88	25	\$1,188,834.98	0	\$0.00	574	\$9,831,482.38		
	3rd	2	\$325.11	2	\$49,482.49	3	\$152.57	394	\$7,511,183.32	N/A	N/A	135	2,466,047.73	8	\$460,007.38	30	\$449,203.56	N/A	N/A	574	\$10,838,382.18		
	4th	0	\$0.00	0	\$0.00	1	\$18.35	338	\$2,113,979.00	N/A	N/A	110	11,991,956.21	8	\$150,757.72	32	\$1,621,233.87	N/A	N/A	487	\$15,877,845.15		
2003	1st	0	\$0.00	2	\$108,548.00	0	\$0.00	301	\$1,794,400.78	N/A	N/A	109	36,377,965.52	8	\$264,315.00	37	\$650,737.06	N/A	N/A	457	\$39,195,868.36		
	2nd	1	\$36,000.00	4	\$41,405.43	0	\$0.00	229	\$1,287,602.96	N/A	N/A	74	4,790,737.11	4	\$153,352.81	29	\$525,561.21	N/A	N/A	341	\$8,843,659.22		
	3rd	2	\$20,964.48	10	\$9,128.87	0	\$0.00	357	\$4,209,912.44	N/A	N/A	94	5,118,228.72	8	\$549,248.98	27	\$488,980.61	N/A	N/A	498	\$10,456,472.10		
	4th	1	\$1,123.08	10	\$0,908.62	0	\$0.00	788	\$2,970,858.86	N/A	N/A	82	3,515,821.62	10	\$601,513.23	18	\$2,029,057.43	N/A	N/A	808	\$9,206,082.84		
2004	1st	1	\$8,889.31	6	\$22,062.18	0	\$0.00	264	\$3,319,054.83	N/A	N/A	58	\$1,506,554.75	1	\$12,450.00	20	\$26,377,482.61	N/A	N/A	340	\$30,307,483.79		
	TOTALS	34	\$6,527,064.08	70	\$2,592,531.24	25	\$403,160.22	0	\$0.00	9126	\$124,494,832.04	34	\$4,333,280.07	3124	\$246,865,189.11	570	\$77,347,254.12	1438	\$89,822,510.39	43	\$204,617,093.85	14462	\$783,412,705.89