

# 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 7<sup>th</sup> attack on Israel, Hamas and Palestinian Islamic Jihad (PIJ) raised millions of dollars in crypto – evading U.S. sanctions and funding their operations.<sup>1</sup> 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.”<sup>2</sup> 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.”<sup>3</sup> 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 7<sup>th</sup>, Hamas militants fired an estimated 2,200 rockets towards Israel, as hundreds of militants entered Israel on motorcycles and motorboats.<sup>4</sup> 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.<sup>5</sup> While “[i]t couldn’t be determined whether the crypto they received was directly used to finance the assault,”<sup>6</sup> 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.”<sup>7</sup>

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<sup>1</sup> 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>.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> 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>.

<sup>5</sup> *Id.*

<sup>6</sup> 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>.

<sup>7</sup> *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.<sup>8</sup> 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.<sup>9</sup> 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.<sup>10</sup>

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”<sup>11</sup> 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.<sup>12</sup> 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.<sup>13</sup>
  - 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?

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<sup>8</sup> 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>.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*


<sup>11</sup> *Id.*


<sup>12</sup> *Id.*


<sup>13</sup> *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

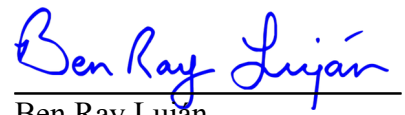
  
Sean Casten  
Member of Congress

  
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



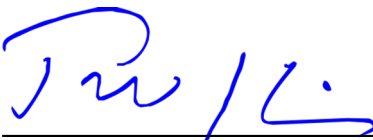
Sheldon Whitehouse  
United States Senator



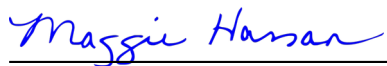
Mark R. Warner  
United States Senator




Jon Tester  
United States Senator

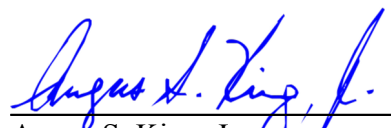


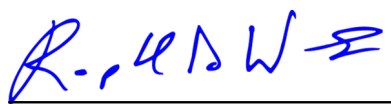
Tim Kaine  
United States Senator




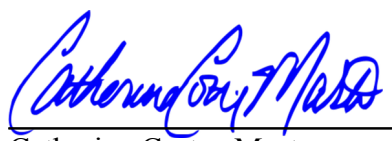
Margaret Wood Hassan  
United States Senator

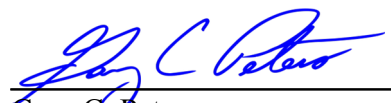
  
John Hickenlooper  
United States Senator

  
Angus S. King, Jr.  
United States Senator


  
Raphael Warnock  
United States Senator


  
Christopher A. Coons  
United States Senator

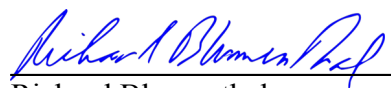
  
Catherine Cortez Masto  
United States Senator

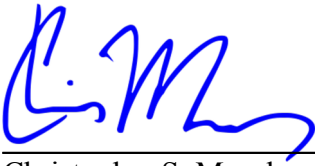
  
Gary C. Peters  
United States Senator

  
Mark Kelly  
United States Senator

  
Cory A. Booker  
United States Senator

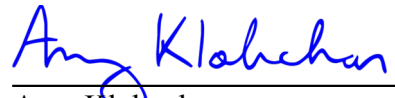
  
Benjamin L. Cardin  
United States Senator

  
Richard Blumenthal  
United States Senator



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Christopher S. Murphy  
United States Senator



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Amy Klobuchar  
United States Senator



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Emanuel Cleaver, II  
Member of Congress



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Dan Goldman  
Member of Congress



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Steven Horsford  
Member of Congress



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Marcy Kaptur  
Member of Congress



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Chris Pappas  
Member of Congress



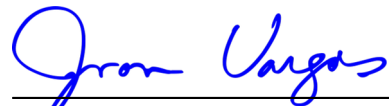
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Katie Porter  
Member of Congress



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Eric Swalwell  
Member of Congress



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Juan Vargas  
Member of Congress



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



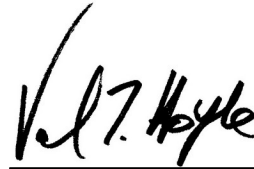
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Mikie Sherrill  
Member of Congress



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Chris Deluzio  
Member of Congress



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Val Hoyle  
Member of Congress



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Ann McLane Kuster  
Member of Congress



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Jared Moskowitz  
Member of Congress



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Jamie Raskin  
Member of Congress



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Raja Krishnamoorthi  
Member of Congress



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James P. McGovern  
Member of Congress



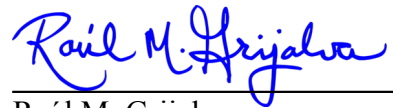
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Elissa Slotkin  
Member of Congress



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Chrissy Houlahan  
Member of Congress



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Raúl M. Grijalva  
Member of Congress



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Bill Foster  
Member of Congress



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Colin Z. Allred  
Member of Congress



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Sara Jacobs  
Member of Congress



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Troy Carter  
Member of Congress



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Mike Levin  
Member of Congress



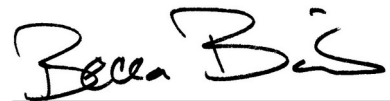
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David Scott  
Member of Congress



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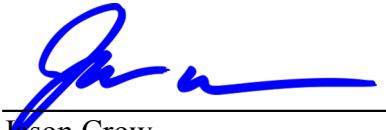
Seth Moulton  
Member of Congress



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Becca Balint  
Member of Congress





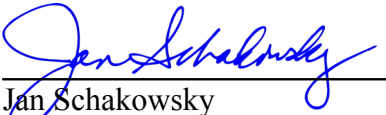
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Jason Crow  
Member of Congress



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Morgan McGarvey  
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Jan Schakowsky  
Member of Congress



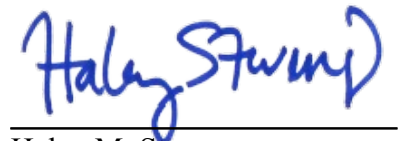
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Barbara Lee  
Member of Congress



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Lori Trahan  
Member of Congress



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Haley M. Stevens  
Member of Congress



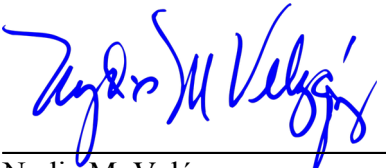
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Jake Auchincloss  
Member of Congress



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Norma J. Torres  
Member of Congress



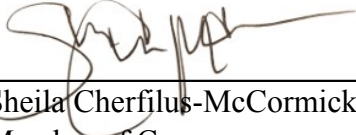
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Nydia M. Velázquez  
Member of Congress



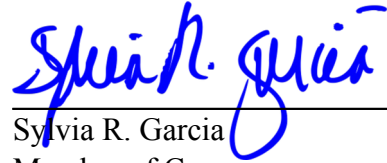
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Jim Tokuda  
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Sheila Cherfilus-McCormick  
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Sylvia R. Garcia  
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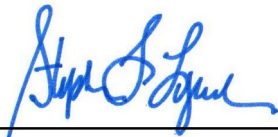
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Al Green  
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Joyce Beatty  
Member of Congress



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Stephen F. Lynch  
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David J. Trone  
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Madeleine Dean  
Member of Congress



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Pramila Jayapal  
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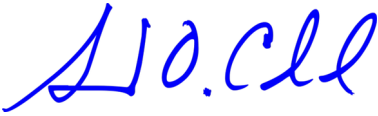
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Lauren Underwood  
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Veronica Escobar  
Member of Congress



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Salud Carbajal  
Member of Congress



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Greg Stanton  
Member of Congress



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Nikema Williams  
Member of Congress



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Dean Phillips  
Member of Congress



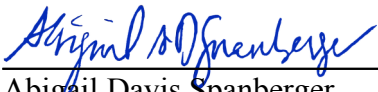
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Debbie Wasserman Schultz  
Member of Congress



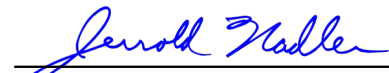
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Donald G. Davis  
Member of Congress



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Abigail Davis Spanberger  
Member of Congress



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Terrold Nadler  
Member of Congress



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Eleanor Holmes Norton  
Member of Congress



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Steve Cohen  
Member of Congress

*Frederica S. Wilson*

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*Adam B. Schiff*

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Member of Congress

*Linda T. Sánchez*

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Member of Congress

*Jennifer L. McClellan*

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Jennifer L. McClellan  
Member of Congress

*Hank Johnson*

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

*Kevin Mullin*

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Kevin Mullin  
Member of Congress

*Mark Pocan*

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Mark Pocan  
Member of Congress

*J. Luis Correa*

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Member of Congress

*Mike Quigley*

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Mike Quigley  
Member of Congress

*Lois Frankel*


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Lois Frankel  
Member of Congress



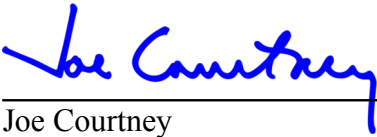
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Deborah K. Ross  
Member of Congress



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Jim Himes  
Member of Congress



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Joe Courtney  
Member of Congress



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Ruben Gallego  
Member of Congress



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Josh Gottheimer  
Member of Congress



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Lisa Blunt Rochester  
Member of Congress



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Shri Thanedar  
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