



Highlights of [GAO-06-632T](#), a testimony to the Subcommittee on Oversight and Investigations, Committee on Financial Services, House of Representatives

Why GAO Did This Study

Disrupting terrorists' financing is necessary to impede their ability to organize, recruit, train, and equip adherents. U.S. efforts to strengthen domestic and global security include, among others, the provision of training and technical assistance in countering terrorist financing abroad. An interagency Terrorist Financing Working Group (TFWG), chaired by the U.S. Department of State (State), coordinates the delivery of this training and technical assistance to "priority" countries—those considered most vulnerable to terrorist financing schemes—as well as to other vulnerable countries. In addition, the Department of the Treasury (Treasury) Office of Foreign Assets Control (OFAC) leads U.S. efforts to block access to designated terrorists' assets that are subject to U.S. jurisdiction.

In response to multiple congressional requesters, GAO examined U.S. efforts to combat terrorist financing abroad, publishing the report in October 2005. In this testimony, GAO discusses the report's findings about challenges related to (1) TFWG's coordination of the counter-terrorism-financing training and technical assistance abroad and (2) Treasury's measurement of results and provision of information needed to assess OFAC's efforts to block terrorist assets.

www.gao.gov/cgi-bin/getrpt?GAO-06-632T.

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

Agencies Can Improve Efforts to Deliver Counter-Terrorism-Financing Training and Technical Assistance Abroad

What GAO Found

Under State's leadership, TFWG has coordinated the interagency delivery of counter-terrorism-financing training and technical assistance—for example, providing training and placing resident advisors—in more than 20 priority countries as well as other vulnerable countries. However, TFWG's effort has been hampered by the absence of a strategic and integrated plan. GAO found that the effort lacks three elements that are critical to strategic planning for operations within and across agencies:

- Key stakeholder acceptance of roles and practices
- Strategic alignment of resources with countries' needs and risks
- A process to measurement the effort's results

For example, two key TFWG stakeholders, State and Treasury, disagree about the extent of State's leadership as chair of TFWG. GAO recommended that State and Treasury, with other government agencies, implement an integrated strategic plan that addresses these challenges and sign a Memorandum of Agreement to improve coordination of counter-terrorism-financing training and technical assistance abroad. State and Treasury responded that they are taking several steps to improve the interagency process, but they did not address all of GAO's recommendations.

OFAC undertakes a number of efforts related to the blocking of terrorists' assets. For example, OFAC compiles evidence as a basis for designating terrorist groups and individuals. However, GAO found limitations regarding Treasury's measurement of results and provision of information about OFAC's efforts.

- **Inadequate measures.** At the time of GAO's review, Treasury lacked adequate measures to assess the results of OFAC's efforts. OFAC was in the process of developing new measures, which it recently completed. Although GAO has not reviewed them, these measures may enable officials overseeing OFAC to ascertain the strengths and weaknesses of its efforts as well as hold OFAC managers accountable. GAO recommended that, in addition, Treasury develop an OFAC-specific strategic plan that describes, among other things, how its performance measures relate to general program goals and objectives. As of March 30, Treasury had not yet finalized the strategic plan.
- **Insufficient information.** Treasury's yearly report to Congress on terrorist assets blocked does not provide sufficient information for Congress to assess OFAC's progress. For instance, the report shows the total dollar value of blocked terrorist assets held under U.S. jurisdictions but does not show changes from amounts of assets blocked in previous years. GAO recommended that Treasury provide information on such changes, along with other key performance metrics, in its annual Terrorist Assets Report. Treasury responded that it would discuss with Congress recrafting the report to address congressional interests.