

Hamas's Benefactors: A Network of Terror

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Chairman Ros-Lehtinen, Chairman Poe, Ranking Member Deutch, Ranking Member Sherman, and distinguished members of these subcommittees, on behalf of the Foundation for Defense of Democracies, I thank you for the opportunity to discuss with you today the state sponsors of the Palestinian terrorist group Hamas.

Hamas poses many challenges in the Middle East. It is one of the primary impediments to peace between Israel and the Palestinians. Its violent attacks have killed hundreds of Israelis over the years, prompted wars, and derailed diplomacy. The group also poses a political and military challenge to the Palestinian Authority (PA), which is admittedly not an ideal partner for the United States or Israel, but is currently the best of a bad lot. It is for these reasons that Hamas's finances need to be countered.

Tracking Hamas's finances is complicated. The movement maintains a complex network of charities and front companies across the Middle East and even here in the United States. The way that funds move from one entity to another is typically shrouded from the public eye. But in some cases, particularly when states are involved, Hamas's financial activities have been exposed. In this testimony, I endeavor to identify the jurisdictions where financial, military, and material support to Hamas is prevalent. I also identify members of Hamas abroad who may hold significant funds in their accounts. I will conclude with several recommendations of possible policy options for the United States Congress and the Administration.

Steps Taken

Before addressing some the current challenges, it is worth briefly reviewing some of Washington's successes in battling Hamas finance. The U.S. Treasury has done an admirable job in encumbering Hamas's ability to raise and move money over the last 20 years.

It began in the Clinton administration in 1995, when the president declared Hamas to be a designated terrorist organization. This was followed by the designation of Hamas in 1997 as a Foreign Terrorist Organization. After the September 11 attacks, Hamas was designated by the Treasury as a specially designated global terrorist (SDGT) entity.¹ The Treasury also scored a major win against Hamas finance here in the United States with the designation of the Holy Land Foundation for Relief and Development. Mousa Abu Marzook, a long-standing senior Hamas figure, was one of its board members.² The Foundation is still fighting legal battles.³

In 2003, Treasury designated a raft of senior Hamas figures, including: Khaled Meshal (Politburo chief), Imad al-Alami (envoy to Iran and Syria), Osama Hamdan (Lebanon envoy), Mousa Abu Marzook (Egypt-based politburo), Ahmed Yassin (Hamas founder, assassinated 2004), and Abdel Aziz Rantisi (Yassin's successor, assassinated 2004). Treasury in 2003 also

¹ "Protecting Charitable Organizations: Additional Background Information on Charities Designated Under Executive Order 13224," *U.S. Department of the Treasury Website*, accessed September 4, 2014. (http://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/protecting-charities_execorder_13224-e.aspx)

² "הטייקונים של חמאס: ח'אלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014. (<http://www.globes.co.il/news/article.aspx?did=1000957870>)

³ Terry Baynes, "Muslim Charity Leaders Lose Appeal in Hamas Case," *Reuters*, December 7, 2011. (<http://www.reuters.com/article/2011/12/08/us-crime-hamas-idUSTRE7B707L20111208>)

targeted five Hamas charities: Commite de Bienfaisance et de Secours aux Palestiniens (France), The Association de Secours Palestinien (Switzerland), The Palestinian Relief and Development Fund also known as Interpal (U.K.), The Palestinian Association in Austria, and the Sanabil Association for Relief and Development (Lebanon).⁴

Following Hamas's electoral victory in 2006, Treasury authorized U.S. financial institutions to reject all transactions with members of the Palestinian Legislative Council elected on the Hamas party slate.⁵ The list of individuals included more than 100 Hamas members not previously designated, including prominent Hamas officials, such as Ismail Haniyeh and Mahmoud al-Zahar.⁶ Treasury also took action against KindHearts, an NGO based out of Ohio, for allegedly financing Hamas.⁷

In 2007, Treasury designated al-Salah Society based in the Palestinian Territories. The charity was accused of financing schools, stores, and the purchase of land for Hamas members. It also employed a number of members of the Izz al-Din al-Qassam Brigades, the armed wing of Hamas.⁸ Al-Salah Society was also believed to have a connection to Hamas accounts at Arab Bank – the defendant in a terrorism finance case currently being litigated.⁹

Treasury followed up in 2009 with the designation of an umbrella organization that controlled al-Salah, known as the Union of Good or *Ittilaf al-Kheir*. The group was created by Hamas leadership in late 2000 in order to transfer funds raised by affiliates for Hamas-managed projects in the West Bank and Gaza. The Union of Good employed a number of Qassam Brigades members.¹⁰ The Union also included the Turkish flotilla, the IHH, which has very close ties to Hamas (and will be discussed below).

In 2010, Treasury targeted the Islamic National Bank (INB) of Gaza, as well as Hamas's al-Aqsa TV. Hamas opened INB in Gaza City in 2009 without approval from the Palestinian Monetary Authority and PA. Hamas's finance office in Gaza subsequently wired INB €1.1 million, which then was paid to members of the Qassam Brigades. Al-Aqsa TV, a vitriolic tool of incitement, was designated as a terrorist entity after the Hamas leadership in Damascus allocated hundreds of thousands of dollars for the station's budget.¹¹

⁴ U.S. Department of the Treasury, Office of Foreign Assets Control, "What You Need to Know About U.S. Sanctions," August 29, 2014. (<http://www.treasury.gov/resource-center/sanctions/programs/documents/terror.pdf>)

⁵ U.S. Department of the Treasury, Press Release, "Palestinian Legislative Council (PLC) List," April 12, 2006. (<http://www.treasury.gov/resource-center/sanctions/Terrorism-Proliferation-Narcotics/Pages/index.aspx>)

⁶ U.S. Department of the Treasury, Press Release, "NS-PLC List," April 12, 2006. (http://www.treasury.gov/resource-center/sanctions/Programs/Documents/plc_list.pdf)

⁷ U.S. Department of the Treasury, Press Release, "Treasury Freezes Assets of Organization Tied to Hamas," February 19, 2006. (<http://www.treasury.gov/press-center/press-releases/Pages/js4058.aspx>)

⁸ U.S. Department of the Treasury, Press Release, "Treasury Designates Al-Salah Society Key Support Node for Hamas," August 7, 2007. (<http://www.treasury.gov/press-center/press-releases/Pages/hp531.aspx>)

⁹ "Bank Accounts For Hamas-Controlled Organizations," *Osen LLC*, accessed September 4, 2014. (<http://www.osenlaw.com/content/bank-accounts-hamas-controlled-organizations>)

¹⁰ U.S. Department of the Treasury, Press Release, "Union of Good," February 3, 2009. (<http://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/protecting-union-of-good.aspx>)

¹¹ U.S. Department of the Treasury, Press Release, "Treasury Designates Gaza-Based Business, Television Station for Hamas Ties," March 18, 2010. (<http://www.treasury.gov/press-center/press-releases/Pages/tg594.aspx>)

In 2012, Treasury targeted Al-Waqfiya and Al-Quds Charities (Lebanon). Both organizations raise money for programs and projects in the Palestinian Territories for Hamas. Al-Waqfiya is a member of the Union of Good.¹²

Egypt and the Collapse of the Syria-Iran Axis

Despite these efforts, Hamas continued to finance itself with relative ease. But Hamas's fortunes in recent years have taken a significant hit.

For one, the downfall of the Muslim Brotherhood government in Egypt was a blow to Hamas finance and the movement's de facto government in the Gaza Strip. Egypt under Mohammed Morsi was a major external base of Hamas operations. One senior Israeli official once called it the "back office of Hamas." The same official indicated to me that elements of the Brotherhood's financial network were bankrolling Hamas, even as Egypt's economy cratered.¹³ Egypt was so central to Hamas's operations, the movement held a round of internal elections in the Egyptian capital.¹⁴

In the weeks after Morsi's ouster, the new regime froze the accounts of at least 30 Brotherhood figures,¹⁵ including at least one significant contributor to Hamas's coffers, according to a senior Israeli security official. Although it is possible that some Hamas money remains unfrozen in Egypt, Cairo is still hunting Muslim Brotherhood and Hamas accounts.¹⁶ According to one Israeli report, Cairo-based Hamas leader Mousa Abu Marzook is currently worth \$2-\$3 billion.¹⁷ Arab media sources put Abu Marzook's net worth at \$3 billion.¹⁸ It is unclear whether Cairo has seized these assets or if Marzook is under investigation.

The regime of President Abdel Fattah al-Sisi has also destroyed more than 1,639 subterranean smuggling tunnels connecting Egypt to Gaza.¹⁹ The importance of the destruction of the tunnels cannot be emphasized enough. The crackdown has made bulk cash smuggling—the primary way Hamas's bank accounts can be replenished—exceedingly difficult. Tunnels also augmented Hamas's income over the past decade because Hamas taxed the goods that came through them. The tunnels were first created as a means to smuggle weapons into the coastal enclave, but after Hamas conquered Gaza, prompting Israel to impose a blockade, the tunnels became a key artery for a wide range of goods to keep the economy running. Hamas, as Gaza's de facto rulers,

¹² U.S. Department of the Treasury, Press Release, "Treasury Sanctions Two Hamas-Controlled Charities," October 4, 2012. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1725.aspx>)

¹³ Phone interview with senior Israeli official, July 21, 2013.

¹⁴ "Hamas Re-Elects Exiled Leader Meshaal For A New Term: Official," *Al-Arabiya* (Saudi Arabia), April 2, 2013. (<http://english.alarabiya.net/en/2013/04/02/Hamas-re-elects-exiled-leader-Meshaal-for-a-new-term-official.html>)

¹⁵ Aya Ibrahim, "Funds Of Qaradawi, 29 Other MB Frozen," *The Cairo Post* (Egypt), May 13, 2014. (<http://thecairopost.com/news/110206/news/funds-of-qaradawi-29-other-mb-frozen>)

¹⁶ Interview with Arab diplomat, Washington D.C., September 4, 2014.

¹⁷ "הטייקונים של המאס: האלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014. (<http://www.globes.co.il/news/article.aspx?did=1000957870>)

¹⁸ "مليارديرات "حماس": هنية يملك اربعة مليارات.. ومشعل خمسة.. و ابو مرزوق ثلاثة.. والله عيب يا اعلام مصر ان تهبط الى هذا المستوى في حملاتكم التحريضية على قادة بتصدون لاشبع عدوان Ra'i al-Youm (United Kingdom), July 26, 2014. (<http://www.raialyoum.com/?p=127306>)

¹⁹ "Egypt Army Destroys 13 More Gaza Tunnels," *Agence France Presse*, July 27, 2014. (<http://news.yahoo.com/egypt-army-destroys-13-more-gaza-tunnels-093712884.html>)

reportedly collected at least \$365 million in taxes each year from the tunnel trade.²⁰ During Morsi's presidency, Hamas reportedly charged Gazans nearly eight times the subsidized price of Egyptian fuel being imported into Gaza. It is also believed that the wealth of Hamas leaders—some of whom may even be billionaires—was primarily derived from the 20 percent tax established on products smuggled through the tunnels on the Gaza border with Egypt.²¹

Ala al-Rafati, the Hamas economy minister, last year told Reuters that these anti-tunnel operations cost Hamas \$230 million—about one-tenth of Gaza's GDP.²² And that was before another estimated 900 tunnels were destroyed.

All of this came at a horrendous time for Hamas. Until 2012, the faction relied heavily on Iran and Syria for financial support. But the civil war in Syria prompted Hamas to reconsider this relationship. The Hamas leadership left its longtime base in Damascus after the carnage in Syria became too great. The Sunni Palestinian group could not maintain its credibility among Palestinians if it stood by the Assad regime as it killed Sunnis and Palestinians by the thousands. Before Hamas left Damascus, the group's assets there were estimated at nearly \$550 million.²³ But it is unclear if Hamas leaders were able to leave with those funds in hand.

In the end, Iran reportedly cut a significant amount of its funding to Hamas.²⁴ The relationship between Hamas and Iran is not defunct. Cooperation continues, as noted below. But without as much direct financial support from Iran, Hamas was forced to turn to the Muslim Brotherhood bloc to make ends meet.

Qatar

Qatar appears to have filled much of the void left by Iran. Some of the support it provides is political. During the recent Gaza war between Hamas and Israel, Qatar played a crucial political role for Hamas, pushing a plan designed to benefit the terrorist group above all else. The Qataris angled for a one-sided deal that would have ignored Israel's security concerns, and pushed for Hamas's integration in the global economy.

But Qatar's role is not only a political one. As one Arab diplomat recently told me, "Qatar finances Hamas strongly."²⁵ In 2006, shortly after the elections that brought Hamas to power, Qatar offered \$50 million to what was then a Hamas-dominated Palestinian Authority

²⁰ David Lev, "IDF: Hamas Makes A Million A Day In 'Taxes' On Smuggled Goods," *Arutz Sheva* (Israel), February 11, 2013. (http://www.israelnationalnews.com/News/News.aspx/165125#.VANpC_mwJgl)

²¹ Doron Peskin, "Hamas Got Rich As Gaza Was Plunged Into Poverty," *YNet News* (Israel), July 15, 2014. (<http://www.ynetnews.com/articles/0,7340,L-4543634,00.html>)

²² Nidal al-Mughrabi, "Hamas Reeling From Egyptian Crackdown On Gaza Tunnels," *Aswat Masriya* (Egypt), July 21, 2013. (<http://en.aswatmasriya.com/news/view.aspx?id=2c404781-4e17-412e-8e03-7e2804bf7417>)

²³ Doron Peskin, "Hamas Got Rich As Gaza Was Plunged Into Poverty," *YNet News* (Israel), July 15, 2014. (<http://www.ynetnews.com/articles/0,7340,L-4543634,00.html>)

²⁴ Robert Tait, "Iran Cuts Hamas Funding Over Syria," *The Telegraph* (U.K.), May 31, 2013. (<http://www.telegraph.co.uk/news/worldnews/middleeast/palestinianauthority/10091629/Iran-cuts-Hamas-funding-over-Syria.html>)

²⁵ Interview with Arab diplomat, Washington, DC, September 4, 2014.

government.²⁶ In 2008, Palestinian officials claimed that Qatar provided Hamas with “millions of dollars a month” that was nominally intended for the people of Gaza.²⁷ In February 2012, Hamas announced that it would sign a deal with Qatar to receive \$250 million for reconstruction projects in Gaza, including 5,000 new homes and repairs to 55,000.²⁸ In August 2012, Qatar was reported to be opening an office in the Gaza Strip to oversee its various construction endeavors in the coastal enclave.²⁹

More famously, in October 2012, Qatar’s emir pledged \$400 million to Hamas during a high-profile visit to Gaza.³⁰ His was the only visit by a world leader to Gaza after Hamas took it over by force in 2007. While it is still unclear how much of these Qatari funds were delivered, U.S. officials are convinced that Qatar is bankrolling Hamas. In March of this year, David Cohen, Under Secretary for Terrorism and Financial Intelligence, confirmed that “Qatar, a longtime U.S. ally, has for many years openly financed Hamas.”³¹

After Hamas and Fatah reached a reconciliation agreement in May 2014, Qatar pledged \$60 million to help Hamas pay salaries to its Gaza employees.³² In July, Doha tried to transfer funds via Jordan’s Arab Bank to pay these salaries.³³ Arab Bank, currently battling a lawsuit on charges of financing Hamas, declined to process the payment, reportedly as a result of U.S. pressure.

Qatar is also the home base of Hamas leader Khaled Meshal. Expatriates in Doha speak of Meshal sightings the way New Yorkers talk of seeing Woody Allen. According to Qatar scholar Allen Fromherz, “after Jordan closed the offices of Hamas in 1999, Qatar offered to allow Khaled Meshal and some of his deputies to relocate to Qatar as long as they did not engage in overt political activities.” Fromherz noted that Meshal reportedly “regularly shuttle[d] between Doha and Damascus,” where Hamas’s external leadership maintained its headquarters until 2012.³⁴ Meshal, it is worth noting, may have parked some of his cash in Qatar. According to a

²⁶ Christopher M. Blanchard, “Qatar: Background and U.S. Relations,” *Congressional Research Service*, June 6, 2012, p. 5. (<http://www.au.af.mil/au/awc/awcgate/crs/r131718.pdf>)

²⁷ “Qatar Seen Bankrolling Hamas,” *The Washington Times*, March 5, 2008.

(<http://www.washingtontimes.com/news/2008/mar/05/qatar-seen-bankrolling-hamas/?page=all>)

²⁸ “Hamas, Qatar To Sign 250 Million USD Deal To Rebuild Gaza,” *Xinhua* (China), February 26, 2012.

(http://news.xinhuanet.com/english/world/2012-02/26/c_131432557.htm)

²⁹ “Official: Qatar To Open Office To Oversee Gaza Reconstruction,” *Ma’an News Agency* (Palestinian Territories), August 27, 2012. (<http://www.maannews.net/eng/ViewDetails.aspx?ID=514177>)

³⁰ Jodi Rudoren, “Qatar’s Emir Visits Gaza, Pledging \$400 Million To Hamas,” *The New York Times*, October 23, 2012. (http://www.nytimes.com/2012/10/24/world/middleeast/pledging-400-million-qatari-emir-makes-historic-visit-to-gaza-strip.html?_r=0)

³¹ David Cohen, “Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen Before The Center for a New American Security on ‘Confronting New Threats in Terrorist Financing,’” *Speech before the Center for a New American Security*, March 4, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

³² Patrick Goodenough, “U.S. Selling \$11B In Weaponry To Gulf State That Supports Hamas, Syrian Jihadists,” *CNS News*, July 16, 2014. (<http://www.cnsnews.com/news/article/patrick-goodenough/us-selling-11b-weaponry-gulf-state-supports-hamas-syrian-jihadists>)

³³ Elhanan Miller, “US Blocked Qatari Funds Intended For Hamas Employees,” *The Times of Israel* (Israel), July 15, 2014. (<http://www.timesofisrael.com/us-blocked-qatari-funds-intended-for-hamas-employees/>)

³⁴ Allen Fromherz, *Qatar: A Modern History*, (Washington, DC: Georgetown University Press, 2012), p. 104.

July 2014 report by the Israeli publication *Globes*, Meshal is currently worth \$2.6 billion.³⁵ Arab media sources put Meshal's net worth at somewhere between \$2.5 and \$5 billion.³⁶ Companies registered under the names of Meshal's wife, Amal al-Burini, and one of their daughters, are involved in real estate development projects, including a large shopping mall in Qatar.³⁷ Meshal's money is also reportedly held in Egyptian and Gulf-based banks,³⁸ as well as in a number of real estate projects in Saudi Arabia, Syria, and Dubai, all registered under different names.³⁹

Qatar also plays host to a gaggle of other senior Hamas figures. As part of the 2011 deal for the release of kidnapped Israeli soldier Gilad Shalit, 15 Hamas members released from Israeli prisons were deported to Qatar and are believed to still be operating there.⁴⁰ Additionally, upon the departure of the Hamas leadership from Damascus in 2012, a significant Hamas cadre of leaders relocated to Qatar.⁴¹ Izzat al-Rishq is one prominent member of the Hamas Politburo believed to be based in Qatar. He was deported from Jordan in 1999.⁴² Hossam Badran, a Hamas Politburo spokesman, is also based in Qatar.⁴³ Talal Ibrahim Abd al-Rahman Sharim is a member of the Qassam Brigades, also based in Qatar, who reportedly played a recent role in passing money and directives to Hamas cells in the West Bank.⁴⁴

Turkey

Like Qatar, Turkey was a strident supporter of Hamas during the recent conflict. But it may be a significant financial supporter of the terror group, as well. In December 2011, Palestinian news

³⁵ "הטייקונים של חמאס: האלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014. (<http://www.globes.co.il/news/article.aspx?did=1000957870>)

³⁶ "مليارديرات "حماس": هنية يملك اربعة مليارات.. ومشعل خمسة.. و ابو مرزوق ثلاثة.. والله عيب يا اعلام مصر ان تهبط الى هذا المستوى في " حملاتكم التحريضية على قادة يتصدون لابعث عدوان Ra'i al-Youm (United Kingdom), July 26, 2014. (<http://www.raialyoum.com/?p=127306>)

³⁷ "Hamas Leaders Worth Millions of Dollars From Allegedly Skimming Donations and Extortion: Is Anyone Surprised?" *Inquisitr*, July 18, 2014. (<http://www.inquisitr.com/1359383/hamas-leaders-worth-millions-of-dollars-from-allegedly-skimming-donations-and-extortion-is-anyone-surprised-update/>)

³⁸ "הטייקונים של חמאס: האלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014. (<http://www.globes.co.il/news/article.aspx?did=1000957870>)

³⁹ Doron Peskin, "Hamas Got Rich As Gaza Was Plunged Into Poverty," *YNet News* (Israel), July 15, 2014. (<http://www.ynetnews.com/articles/0.7340.L-4543634.00.html>)

⁴⁰ "مبعود صفقة تبادل حركة حماس وإسرائيل," *Wafa* (Palestinian Territories), January 10, 2011. (<http://www.wafainfo.ps/atemplate.aspx?id=9155>)

⁴¹ Fares Akram, "Hamas Leader Abandons Longtime Base In Damascus," *The New York Times*, January 27, 2012. (http://www.nytimes.com/2012/01/28/world/middleeast/khaled-meshal-the-leader-of-hamas-vacates-damascus.html?_r=0)

⁴² "السيرة الذاتية للأستاذ عزت الرشق," *The Islamic Resistance Movement Information Office Website*, January 30, 2011. (<http://www.hamasinfo.net/ar/default.aspx?xyz=U6Qq7k%2bcOd87MDI46m9rUxJEpMO%2bi1s7iQ8HskLemI5SM%2brbC0Fmcp6%2fLmV15Kd4zuWWY48rKTYegzTa5OxMn6k8OOr%2fufXwrx1D%2ftVuLv2H%2bLaGaG8S197HrF5VU48dQ93LRqEcwM%3d>)

⁴³ "Mideast Divisions Cloud Gaza Cease-Fire Efforts," *Mashable*, July 19, 2014, (<http://mashable.com/2014/07/19/gaza-cease-fire-efforts/>); Maram Hussein, "All Options Are On The Table: Hamas Official," *Qatar Tribune* (Qatar), August 6, 2014. (<http://www.qatar-tribune.com/viewnews.aspx?n=0927F2AB-E7B6-414F-BB5F-5F893B63DF98&d=20140806>)

⁴⁴ Yonah Jeremy Bob, "Shin Bet Busts Palestinian Footballer For Meeting With Hamas Terrorist in Qatar," *The Jerusalem Post* (Israel), June 11, 2014. (<http://www.jpost.com/Sports/Palestinian-soccer-player-admits-to-meeting-with-Hamas-operative-while-in-Qatar-356003>)

sources reported that Recep Tayyip Erdoğan, then prime minister of Turkey, “instructed the Ministry of Finance to allocate \$300 million to be sent to Hamas’s government in Gaza.”⁴⁵ Both Turkey and Hamas denied this, but Reuters⁴⁶ and the Israeli *Haaretz*⁴⁷ published subsequent reports citing this number. It is also unclear how much of this assistance was delivered, if any.

Turkey, meanwhile, has not been shy about the other financial and material support it provides to the Hamas government in Gaza. Turkey has provided funds for schools,⁴⁸ hospitals,⁴⁹ mosques,⁵⁰ and other supplies⁵¹ to the Hamas regime in Gaza, with additional funds that helped Hamas rebuild after its November 2012 war with Israel. More is expected after this most recent conflict. To be sure, these funds may help the population of Gaza, and that should be welcomed. But Turkey’s rather politicized support also legitimizes Hamas in the process.

As if this were not troubling enough, there appears to be a flow of unofficial funds from Turkey to Hamas. According to an Egyptian publication, Muslim Brotherhood groups sent several million dollars to Gaza to help assist civilians to build their houses destroyed in the recent war on the strip. According to the report, a financial officer from Hamas named Essam al-Da’alis did not distribute the funds to civilians to build their homes, but rather dispersed the funds to prominent members of the militant group.⁵²

There is also concern here in Washington over the charity that was behind the 2010 flotilla to Gaza, which led to clashes on the high seas. In or around 2001, the Humanitarian Relief Foundation (IHH) became part of the Union of Good, the aforementioned umbrella organization chaired by the Qatar-based cleric Sheikh Yusef al-Qaradawi, who is known for encouraging suicide bombings against Israeli civilians.⁵³ The U.S. Treasury Department has expressed its

⁴⁵ Saed Bannoura, “Turkey To Grant Hamas \$300 Million,” *International Middle East Media Center*, December 3, 2011. (www.imemc.org/article/62607)

⁴⁶ Nidal al-Mughrabi, “Hamas Quietly Quits Syria as Violence Continues,” *Reuters*, January 27, 2012. (www.reuters.com/article/2012/01/27/us-syria-hamas-idUSTRE80Q0QS20120127)

⁴⁷ Zvi Bar’el, “Turkey May Provide Hamas With \$300 Million In Annual Aid,” *Haaretz* (Israel), January 28, 2012. (www.haaretz.com/news/diplomacy-defense/turkey-may-provide-hamas-with-300-million-in-annual-aid-1.409708)

⁴⁸ “Gaza Govt Constructs, Refurbishes 50 Security Buildings,” *Ma’an News Agency* (Palestinian Territories), January 24, 2012. (www.maannews.net/eng/ViewDetails.aspx?ID=454664)

⁴⁹ “Turkey Building Hospital In Gaza Despite Difficulties,” *Today’s Zaman* (Turkey), July 19, 2011. (www.todayszaman.com/news-250982-turkey-building-hospital-in-gaza-despite-difficulties.html)

⁵⁰ “Turkey To Help Rebuild Mosques In Gaza Strip,” *Hurriyet Daily News* (Turkey), January 12, 2012. (www.hurriyetdailynews.com/turkey-to-help-rebuild-mosques-in-gaza-strip.aspx?pageID=238&nID=11286&NewsCatID=338%29)

⁵¹ Elad Benari, “Israel Allows Turkish Food Trucks into Gaza,” *Arutz Sheva* (Israel), March 7, 2013. (www.israelnationalnews.com/News/News.aspx/165959#.Uml2aPmshsl)

⁵² “مصدر: ”حماس“ استولت على أموال قدمها التنظيم الدولي للاحوان ل”غزة“,” *Al-Youm al-Sab’a* (Egypt), August 16, 2014. (<http://www.youm7.com/story/2014/8/16/%D9%85%D8%B5%D8%AF%D8%B1%D8%AD%D9%85%D8%A7%D8%B3%D8%A7%D8%B3%D8%AA%D9%88%D9%84%D8%AA%D8%B9%D9%84%D9%89%D8%A3%D9%85%D9%88%D8%A7%D9%84%D9%82%D8%AF%D9%85%D9%87%D8%A7%D8%A7%D9%84%D8%AA%D9%86%D8%B8%D9%8A%D9%85%D8%A7%D9%84%D8%AF%D9%88%D9%84%D9%89%D9%84%D9%84%D8%A5%D8%AE%D9%88%D8%A7%D9%86%D9%84%D9%80%D8%BA/1821885#.VAir5PldWn>)

⁵³ “The Union of Good – Analysis and Mapping of Terror Funds Network,” *Israel Security Agency Website*, accessed September 4, 2014. (www.shabak.gov.il/english/enterrordata/reviews/pages/coalition.en.aspx)

concerns over whether the IHH provided Hamas with material assistance.⁵⁴ To date, however, no designation has been issued, and the IHH continues to operate openly in Gaza.⁵⁵

Turkey also serves as the headquarters for the man described as the founder of the West Bank's Izz al-Din al-Qassam Brigades. The Israeli news website *Ynet* reported last year that Saleh al-Arouri "operates out of Turkey, with the backing of the Turkish government."⁵⁶ While al-Arouri's activities are generally below the radar, it is believed that he is raising funds for Hamas. Last year, the Israel Security Agency (Shin Bet) announced the arrest of two Palestinians involved in smuggling money for Hamas from Jordan to the West Bank.⁵⁷ During their interrogation, the suspects ceded that some of the money was being smuggled on behalf of al-Arouri.⁵⁸

Al-Arouri is also believed to be in charge of Hamas's terrorist operations in the West Bank, despite some claims that he is simply a member of Hamas's political wing.⁵⁹ In January, a senior Israeli military official confirmed this when he told *Israel Hayom* that Hamas's recent West Bank operations are "directed from Gaza via Turkey."⁶⁰ More recently, in August, the Israelis announced that al-Arouri was at the center of a plot to bring down the Palestinian Authority government of Mahmoud Abbas in the West Bank. Al-Arouri recruited the leader of the operation, according to reports.⁶¹

Despite all of this, or perhaps because of it, al-Arouri is held in high regard in Turkey. In March 2012, for example, he was part of a Hamas delegation that took part in talks with Turkish officials, including Erdoğan. The following October, al-Arouri joined Hamas politburo chief Khaled Meshal for a high-level meeting with Erdoğan in Ankara.⁶² He is also granted freedom of travel abroad for Hamas activities, including to Gaza and for a recent trip to meet the amir of Kuwait.

⁵⁴ "Treasury Official On Fight Against Terrorist Financing," *Wikileaks*, December 4, 2009.

(<http://cablegatesearch.net/cable.php?id=09ANKARA1725>)

⁵⁵ "Filistin-Gazze," *IHH Website*, accessed September 5, 2014. (<http://filistin-gazze.ihh.org.tr/>)

⁵⁶ Alex Fishman, "Leaving Prison, Returning To Terror," *Ynet News* (Israel), October 21, 2013.

(www.ynetnews.com/articles/0.7340.L-4443522.00.html)

⁵⁷ David Barnett, "Israel Indicts More Palestinian Terror Cells," *The Long War Journal*, April 18, 2013.

(www.longwarjournal.org/threat-matrix/archives/2013/04/israel_indicts_more_palestina.php)

⁵⁸ "מעורבות פעיל ששוחרר ב'עסקת שליט' בהכוונת טרור," *Israel Security Agency* (Israel), accessed July 16, 2013.

(www.shabak.gov.il/publications/publications/Pages/shotef170413.aspx)

⁵⁹ "Haniyeh in Cairo Today, Abu Marzouk Official In Charge Of The Media," *Al Hayat* (Egypt), April 24, 2013.

(<http://alhayat.com/Details/506404>)

⁶⁰ Yoav Limor, "'There Is No Intifada'," *Israel Hayom* (Israel), January 10, 2014.

(www.israelhayom.com/site/newsletter_article.php?id=14651)

⁶¹ "Israel Says It Foiled Hamas Plan For Massive Attacks On Israel, Coup Against PA," *Times of Israel* (Israel),

August 18, 2014. (www.timesofisrael.com/israel-says-it-foiled-hamas-plan-for-coup-against-pa-in-west-bank/)

⁶² "Hamas Delegation to Visit Turkey," *Ma'an News Agency* (Palestinian Territories), March 16, 2012;

(www.maannews.net/eng/ViewDetails.aspx?ID=468536) & "مشعل و وفد من حركة حماس يلتقي رئيس الوزراء التركي," *Hamas Information Office Website*, October 8, 2013.

(www.hamasinfo.net/ar/default.aspx?xyz=U6Qq7k%2bcOd87MDI46m9rUxJEpMO%2bi1s7STpp4vS%2fUt0HKuuRVD1acVijjinOOQgBfLZoCZz7lptMYIzS3uLdx0MPfjTKdx8fXL7m8XoPzWJ4XAP3cevAhA2%2f0fg5kyeO34KvGJ8XorE%3d)

Speaking at an Istanbul conference of a group headed by Yusef al-Qaradawi, the International Union of Muslim Scholars (IUMS), al-Arouri announced last month that his terrorist group had carried out the kidnapping and killing of three Israeli teens in the West Bank in June. Interestingly, Hamas had denied its responsibility at the time of the attack. But as the war neared its end, with Turkey's deputy prime minister in the audience,⁶³ al-Arouri took the opportunity to laud the triple murder as a "heroic operation" carried out by Hamas operatives with the broader goal of sparking a new Palestinian uprising.⁶⁴

Al-Arouri is not the only Hamas figure in Turkey, either. In 2011, Israel released 10 Hamas operatives to Turkey as part of the prisoner exchange deal with Hamas that secured the release of Gilad Shalit. Among the Hamas figures believed to have gone to Turkey include Mahmoud Attoun and Taysir Suleiman. Both were sentenced to life terms in Israeli prison for murder. Both men today appear on television and lecture in Turkey and around the world about the merits of Hamas.⁶⁵

Iran

Qatar and Turkey appear to be Hamas's top patrons right now. But Iran still plays a huge role. To be sure, Iran and Hamas have grown apart in recent years, owing primarily to the disagreement over the Syrian civil war. But the relationship is still an enduring one. In a July 2014 letter regarding the latest Gaza conflict, Major General Qassem Suleimani, Commander of Iran's Islamic Revolutionary Guard Corps Qods Force (IRGC-QF), described the leaders of Hamas as "my dear brothers" and reaffirmed Iran's support to the terrorist group.⁶⁶

Iran was one of the early supporters of Hamas. In 1992, Hamas and Iranian officials reached an agreement that led to the formation of a political and military alliance.⁶⁷ According to FDD's chairman, testifying in 1995 in his capacity as Director of Central Intelligence, James Woolsey noted that Iran provided more than \$100 million to Hamas from 1988 to 1994.⁶⁸ In 1993, according to PLO allegations, Iran pledged an annual \$30 million subsidy to Hamas.⁶⁹ Osama Hamdan, a Hamas representative to Iran in 1994, openly gloated that the growing ties between Hamas and Iran came at the expense of the PLO after the latter's decision to enter into peace

⁶³ "Başbakan Yardımcısı İşler, Dünya Müslüman Alimler Birliği Toplantısına Katıldı," *Milliyet* (Turkey), (<http://www.milliyet.com.tr/basbakan-yardimcisi-isler-dunya-musulman-istanbul-yerelfotogaleri-4488477/>)

⁶⁴ "Hamas Admits Kidnapping Israeli Teen," *Associated Press*, August 21, 2014. (http://www.washingtonpost.com/world/middle_east/hamas-admits-kidnapping-israeli-teens/2014/08/21/6e70b51e-2957-11e4-8b10-7db129976abb_story.html)

⁶⁵ Jonathan Schanzer & Michael Argosh, "Lying Down With Dogs," *Foreign Policy*, August 20, 2014. (http://www.foreignpolicy.com/articles/2014/08/20/turkey_hamas_palestine_erdogan_abbas_israel)

⁶⁶ Behnam Ben Taleblu, "Analysis: What The Gaza War Means For Iran," *The Long War Journal*, August 1, 2014. (http://www.longwarjournal.org/archives/2014/08/what_the_gaza_war_me.php)

⁶⁷ Avraham Sela & Shaul Mishal, *The Palestinian Hamas: Vision, Violence, and Coexistence* (New York: Columbia University Press, 2000), page 97.

⁶⁸ R. James Woolsey, "Worldwide Intelligence Review," *Hearing before the Senate Select Committee on Intelligence*, January 10, 1995. (http://archive.org/stream/worldwideintelli00unit/worldwideintelli00unit_djvu.txt)

⁶⁹ "Hamas: The Organizations, Goals and Tactics of a Militant Palestinian Organization," *Congressional Research Service*, October 14, 1993. (<http://www.fas.org/irp/crs/931014-hamas.htm>)

negotiations with Israel.⁷⁰ In 1993, Egyptian intelligence reported that Iran was training up to 3,000 Hamas militants.⁷¹ Iran trained Qassam Brigades fighters in both Sudan and Iran. These fighters often returned to the West Bank and Gaza Strip for commando or suicide operations.⁷²

Iranian funding continued through the late 1990s,⁷³ and into the second intifada. But it was not until 2003 and 2004 that the financial relationship deepened. After a series of attacks in the Kingdom of Saudi Arabia by al-Qaeda, the Kingdom elected to reduce its support to violent groups around the region, including Hamas. This left a vacuum that Iran filled. Beginning in 2004, Khaled Meshal began to coordinate more of Hamas's military, political, and financial activities out of Damascus.⁷⁴ As he did, Meshal also turned increasingly to Tehran for both financing and training.⁷⁵

Iran became even more vital to Hamas's finances after Hamas's January 2006 electoral victory and the Western embargo that followed. A Hamas spokesman confirmed that Iran "was prepared to cover the entire deficit in the Palestinian budget, and [to do so] continuously." The *Bonyad-e Mostazafan va Janbazan* (Foundation of the Oppressed and War Veterans), a splinter of Iran's IRGC, reportedly opened its coffers to Hamas, providing critical financial support.⁷⁶ During a visit by Hamas Prime Minister Ismail Haniyeh to Tehran in December 2006, Iran pledged \$250 million in aid to compensate for the Western boycott.⁷⁷ Iran is also believed to have assisted in Hamas's overthrow of the Palestinian Authority in the Gaza Strip in 2007.⁷⁸

In October 2007, Secretary of State Condoleeza Rice openly stated her concerns about Iranian support to Hamas during congressional testimony.⁷⁹ Rice had plenty of reason to be concerned. A series of Treasury designations in 2006 and 2007 laid bare the extent of Iranian financial support to Hamas. In 2006, Treasury targeted Iran's Bank Saderat, noting that it was "used by the Government of Iran to transfer money to terrorist organizations, including...Hamas."⁸⁰ In 2007, the Treasury designated the Iran-based Martyrs Foundation, including its U.S. branch (Goodwill Charitable Organization), and described it as "an Iranian parastatal organization that

⁷⁰ Zaki Chehab, *Inside Hamas: The Untold Story of the Militant Islamic Movement*, (NY: Nation Books, 2007), pp. 140-142.

⁷¹ Yohanan Ramati, "Islamic Fundamentalism Gaining," *Midstream*, vol. 39, no. 2 (Feb/March 1993), p. 2.

⁷² Reuven Paz, "Hamas's Lessons From Lebanon," *Washington Institute for Near East Policy*, May 25, 2000. (<http://www.washingtoninstitute.org/policy-analysis/view/hamass-lessons-from-lebanon>)

⁷³ U.S. Department of State, "Patterns of Global Terrorism 1999," April 2000, p. 46. (<http://www.state.gov/www/global/terrorism/1999report/patterns.pdf>)

⁷⁴ For more, see Eben Kaplan, "Profile of Khaled Meshal," *Council on Foreign Relations*, July 13, 2006. (<http://www.cfr.org/publication/11111/>)

⁷⁵ Matthew Levitt, *Hamas: Politics, Charity and Terrorism in the Service of Jihad*, (New Haven CT: Yale University Press, 2006), p.174.

⁷⁶ Zaki Chehab, *Inside Hamas: The Untold Story of the Militant Islamic Movement*, (NY: Nation Books, 2007), p. 139.

⁷⁷ Meyrav Wurmsler, "The Iran-Hamas Alliance," *inFocus Quarterly*, Fall 2007. (<http://www.jewishpolicycenter.org/article/57>)

⁷⁸ Jonathan Halevi, "The Hamas Regime In The Gaza Strip: An Iranian Satellite That Threatens Regional Stability," *Jerusalem Center for Public Affairs*, August 30, 2008. (http://jcpa.org/wp-content/uploads/2012/08/iran_halevi.pdf)

⁷⁹ "Rice Says Two-State Solution In The Middle East Is In Jeopardy," *Associated Press*, October 24, 2007. (<http://www.haaretz.com/news/rice-says-2-state-solution-in-middle-east-in-jeopardy-1.231838>)

⁸⁰ U.S. Department of the Treasury, Press Release, "Treasury Cuts Iran's Bank Saderat Off From U.S. Financial System," September 8, 2006. (<http://www.treasury.gov/press-center/press-releases/Pages/hp87.aspx>)

channels financial support from Iran to several terrorist organizations in the Levant, including ... Hamas.”⁸¹ Treasury also designated the IRGC-QF, noting material support to Hamas, among others. Finally, a Treasury Department press release from 2007 claimed that Hamas had substantial assets deposited in Bank Saderat as early as 2005 and that Bank Saderat had transferred several million dollars to Hamas between 2006 and 2007.⁸²

In May 2008, *Asharq al-Awsat* reported that Iran was set to provide Hamas with \$150 million.⁸³ The following year, Egypt’s then-intelligence chief Omar Suleiman reportedly told the United States that Iran provided Hamas with \$25 million per month.⁸⁴

There was also a widespread recognition within the Israeli military that Hamas’s fighting capabilities had improved because of Iranian assistance. In March 2008, *The Sunday Times* reported that “Hamas had been sending fighters to Iran for training in both field tactics and weapons technology.”⁸⁵ Equipped with night vision goggles and other specialized hardware, the professionalism of the new Iranian-trained Hamas military led one veteran intelligence office in Israel to admit, “the Palestinians never looked like this.”⁸⁶

Beginning around 2009, Iran also began to increase its efforts to arm Hamas with missiles. The United States received multiple reports of Iranian missile smuggling via Sudan to the Gaza Strip.⁸⁷ In March 2011, Israeli authorities boarded the *Victoria* and seized numerous Iranian weapons, including anti-ship missiles, destined for Hamas.⁸⁸ During Operation Pillar of Defense in 2012, Hamas fired Iranian-engineered Fajr 5 missiles from Gaza into Israel—an indication that rockets were getting through, despite several successful Israeli interdictions.⁸⁹ More recently, in March 2014, the IDF intercepted a Panamanian-flagged cargo vessel identified as the *Klos-C* carrying M-302 rockets and other “advanced weaponry intended for terrorist organizations operating in the Gaza Strip shipped by Iran.”⁹⁰

⁸¹ U.S. Department of the Treasury, Press Release, “Twin Treasury Actions Take Aim at Hizballah’s Support Network,” July 24, 2007. (<http://www.treasury.gov/press-center/press-releases/Pages/hp503.aspx>)

⁸² U.S. Department of the Treasury, Press Release, “Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism,” October 25, 2007. (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>)

⁸³ “Iran Pledges To Continue Support Of Hamas,” *Asharq al-Awsat* (Saudi Arabia), May 26, 2008. (<http://www.asharq-e.com/news.asp?section=1&id=12877>)

⁸⁴ “Admiral Mullen's Meeting With Egis Chief Soliman,” *Wikileaks*, April 30, 2009. (<http://wikileaks.org/cable/2009/04/09CAIRO746.html>)

⁸⁵ Marie Colvin, “Iran Arming And Training Hamas Force,” *The Sunday Times* (U.K.), March 9, 2008. (Accessed via LexisNexis)

⁸⁶ Amos Harel, “Reservists: Hamas Fights Like An Army,” *Haaretz* (Israel), November 7, 2007. (<http://www.haaretz.com/hasen/spages/921630.html>)

⁸⁷ “Follow-Up To Information,” *Wikileaks*, January 22, 2009; (<http://wikileaks.org/cable/2009/01/09STATE5567.html>) & “IDF Deputy Chief Of Staff Discusses Gaza Operation Cast Lead And U.S.-Egyptian Roles To Slow Smuggling To Hamas,” *Wikileaks*, February 19, 2009. (<http://wikileaks.org/cable/2009/02/09TELAIVIV422.html>)

⁸⁸ Yaakov Katz, “Victoria’s Secret: The Inside Story Of An Arms-Laden Ship,” *The Jerusalem Post* (Israel), March 18, 2011. (<http://www.jpost.com/Defense/Article.aspx?id=212683>)

⁸⁹ Saeed Kamali Dehghan, “Iran Supplied Hamas With Fajr-5 Missile Technology,” *The Guardian* (U.K.), November 21, 2012. (<http://www.theguardian.com/world/2012/nov/21/iran-supplied-hamas-missile-technology>)

⁹⁰ David Barnett, “Israeli Navy Intercepts Iranian Weapons Shipment Headed For Gaza,” *The Long War Journal*, March 5, 2014. (http://www.longwarjournal.org/archives/2014/03/israeli_navy_interce.php)

During the most recent Gaza conflict, one Iranian official boasted that Tehran is “sending rockets and military aid [to Hamas].”⁹¹ Another official bragged that the estimated 4,000 projectiles launched by Hamas at Israel during the most recent round of fighting “are the blessings of Iran’s transfer of technology” to the Palestinian terror group.⁹² Hamas also maintains an indigenous rocket-making capability now. The speaker of the Iranian parliament, Ali Larijani, claimed that Hamas gained this capability with the help of Iranian training.⁹³ And now, after the fighting has stopped, Iran is threatening to arm the West Bank for the next battle with Israel.⁹⁴

It is worth noting here that a key figure in procuring Hamas funds and weapons for Hamas is believed to be a man named Imad al-Alami.⁹⁵ As recently as 2013, al-Alami, reportedly met with Larijani.⁹⁶ As Hamas’s representative to Tehran, al-Alami is a known quantity at the U.S. Treasury, which designated him in 2003.

Treasury, it should be noted, continues to target others involved in the Iran-Hamas financial pipeline. In August 2010, Treasury designated Hushang Allahdad, a senior financial officer of the IRGC-QF who “personally oversees distribution of funds to Levant-based terrorist groups and provides financial support for designated terrorist entities including...Hamas.”⁹⁷ The following year, the State Department designated Hamas operative Muhammad Hisham Muhammad Isma’il Abu Ghazala, noting his extensive links to Iran.⁹⁸ In August 2013, the Treasury designated four members of Hezbollah’s leadership including Khalil Harb, who is described as “overseeing work of the Islamic Resistance, including assisting with the smuggling of Hamas...operatives from Syria into the West Bank via Jordan.”⁹⁹

Over the last year, however, designations have trailed off somewhat, but not entirely. This may be due, in part, to the Administration’s reluctance to sanction Iran during the sensitive Joint Plan

⁹¹ Ali Hashem, “Did Iran Train Gaza Rocket Makers?,” *Al Monitor*, July 17, 2014. (<http://www.al-monitor.com/pulse/originals/2014/07/gaza-rockets-palestine-iran-self-sufficient.html>)

⁹² Ali Akbar Dareini, “Iran Says Country Has Transferred Missile Technology To Hamas,” *Associated Press*, August 4, 2014. (<http://www.usnews.com/news/world/articles/2014/08/04/iran-says-it-gave-missile-technology-to-hamas>)

⁹³ “Larijani Says Iran Gave Hamas Its Rocket Know-How,” *Naharnet*, July 24, 2014. (<http://www.naharnet.com/stories/en/140398>)

⁹⁴ “Iran ‘Will Arm Palestinians’ After Israeli Drone Downed,” *Agence France Presse*, August 25, 2014, (<http://www.dailystar.com.lb/News/Middle-East/2014/Aug-25/268380-iran-will-arm-palestinians-after-israeli-drone-downed-military.ashx#axzz3CYnMfJ8W>)

⁹⁵ “السيرة الذاتية للأستاذ عماد العلمي,” *The Islamic Resistance Movement Information Office Website*, January 30, 2011. (<http://www.hamasinfo.net/ar/default.aspx?xyz=U6Qq7k%2bcOd87MDI46m9rUxJEpMO%2bi1s7zT6haxRNqZhof%2fF11WqOiUasmwKSW9V1A5e9Ww9qEwuTK3ih1bvwOnDyWpX9PuUIAnsAPtCnfpWbTLB0jhg5kd%2bTUf5C3JuSQeygX3wwXZY%3d>)

⁹⁶ “Iran Always Ready To Assist Palestinian Fighters: Majlis Speaker,” *Press TV* (Iran), January 17, 2013. (<http://www.presstv.ir/detail/2013/01/17/284036/iran-always-ready-to-help-palestinians/>)

⁹⁷ U.S. Department of the Treasury, Press Release, “Fact Sheet: U.S. Treasury Department Targets Iran’s Support for Terrorism Treasury Announces New Sanctions Against Iran’s Islamic Revolutionary Guard Corps-Qods Force Leadership,” August 3, 2010. (<http://www.treasury.gov/press-center/press-releases/Pages/tg810.aspx>)

⁹⁸ U.S. Department of State, Press Release, “Terrorist Designation of HAMAS Operative Muhammad Hisham Muhammad Isma’il Abu Ghazala,” September 22, 2011. (<http://www.state.gov/r/pa/prs/ps/2011/09/173352.htm>)

⁹⁹ U.S. Department of the Treasury, Press Release, “Treasury Sanctions Hizballah Leadership,” August 22, 2013. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2147.aspx>)

of Action nuclear negotiations. For participating in these talks, Iran has received billions of dollars in sanctions relief as an inducement to relinquish its illicit nuclear program.

Sudan

Similar to its relationship with Iran, Hamas has long-standing ties with Sudan. The group's members regularly travel to Sudan to attend conferences, as well as to meet with Sudanese officials.¹⁰⁰ According to the State Department's annual *Country Reports on Terrorism*, Hamas fundraises in Sudan and maintains a presence there.¹⁰¹ Hamas has reportedly established a strong relationship with Sudanese government officials and uses Sudan as a key transit route to facilitate the movement of Iranian weapons to Gaza.¹⁰²

In the 1990s, Hamas maintained offices in Khartoum's Ammarat district,¹⁰³ and used Sudanese territory to train its operatives.¹⁰⁴ In 2001, *Maariv* reported that Israeli and U.S. intelligence believed that Sudan had become a "major haven" for terrorists from a number of Middle East terror groups, including Hamas. According to the report, "Iran transfers money to the terrorists in Sudan, provides Iranian trainers, and maintains regular contacts with Hamas and Islamic Jihad men." One security source noted, "many Hamas activists know for a fact that they have a place to run to. Therefore, they go to Sudan, where they can move freely."¹⁰⁵

In August 2002, Muntasar Talab Salamah Frej, a Palestinian from Gaza, was arrested by the Israel Security Agency (Shin Bet). The indictment against Frej charged him with receiving bomb-making training in Sudan, under the auspices of Hamas, in addition to a number of other terror-related charges.¹⁰⁶ More recently, in February 2010, multiple sources cited a report on the Lebanese *Al-Qanat* website that alleged that Hamas was training operatives in Sudan to fire rockets.¹⁰⁷ In January 2013, a delegation from Hamas's Interior Ministry, led by Fathi Hammad,

¹⁰⁰ "Sudanese President Meets With Hamas Leaders," *Sudan Tribune*, December 29, 2011; (<http://www.sudantribune.com/spip.php?article41131>) & "News of Terrorism and the Israeli-Palestinian Conflict January 9-15, 2013," *Meir Amit Intelligence and Terrorism Information Center*, January 16, 2013.

(http://www.terrorism-info.org.il/Data/articles/Art_20463/E_008_12_626838694.pdf)

¹⁰¹ U.S. Department of State, "Chapter 3: State Sponsors of Terrorism," August 18, 2011.

(<http://www.state.gov/j/ct/rls/crt/2010/170260.htm>)

¹⁰² Ethan Bronner, "With Longer Reach, Rockets Bolster Hamas Arsenal," *The New York Times*, November 17, 2012. (<http://www.nytimes.com/2012/11/18/world/middleeast/arms-with-long-reach-bolster-hamas.html>)

¹⁰³ Christopher Harmon, "Sudan's Neighbors Accuse It of Training Terrorists," *Christian Science Monitor*, December 19, 1995. (<http://www.csmonitor.com/1995/1219/19191.html>)

¹⁰⁴ Matthew Levitt, *Hamas: Politics, Charity and Terrorism in the Service of Jihad*, (New Haven: Yale University Press, 2006).

¹⁰⁵ "Israeli, US Intelligence Report Says Sudan Becoming Haven For Hamas, Hezbollah," *BBC Summary of World Broadcasts* (U.K.), March 14, 2001. (Accessed via LexisNexis)

¹⁰⁶ Amos Harel, "Hamas Trains Bomb Experts in Sudan," *Haaretz* (Israel), September 19, 2002.

(<http://www.haaretz.com/print-edition/news/hamas-trains-bomb-experts-in-sudan-1.33868>)

¹⁰⁷ Hillel Fendel, "New Details On Hamas-Iran Ties Revealed," *Arutz Sheva* (Israel), February 21, 2010;

(<http://www.israelnationalnews.com/News/News.aspx/136111#.UPhdeB2eON4>) & "Report: IRGC Training Hamas Operatives In Sudan," *The Middle East Media Research Institute*, accessed January 17, 2013.

(http://www.memrijtm.org/content/en/blog_personal.htm?id=2929¶m=APT)

visited Khartoum, and reached an agreement that will see Hamas members sent to Sudan for defense training.¹⁰⁸

Sudan's role as a physical transit point for smuggling operations, particularly to Egypt's Sinai Peninsula, is especially troubling. According to General Carter Ham, formerly of the U.S. Africa Command, "the most grave concern [regarding Iran in Africa] is the transiting of weapons and technology principally, but not exclusively, through Sudan."¹⁰⁹

In January 2009, Israel tracked a major weapons shipment, which included Fajr missiles, from Iran to Port Sudan. After arriving in Sudan, the weapons were put on a 23-truck convoy that was intended to traverse Egypt's Sinai and end up in the hands of Hamas smugglers near the Gaza border. Israeli sources, who confirmed that "dozens of aircraft" were involved in attacking the convoy, estimated that the shipment was probably the largest ever from Iran to Hamas via Sudan. In addition, *ABC News* reported that a ship carrying weapons off the coast of Sudan was struck by Israel around the same time.¹¹⁰

By 2010, Israeli officials learned that Fajr missiles were being "assembled locally after being shipped from Iran to Sudan, trucked across the desert through Egypt, broken down into parts and moved through Sinai tunnels into Gaza." In addition, they discovered that "the smuggling route involves salaried employees from Hamas along the way, and Iranian technical experts traveling on forged passports and government approval in Sudan."¹¹¹

On October 23, 2012, a series of airstrikes took place at the Yarmouk Industrial Complex outside of Khartoum. Sudanese officials quickly blamed Israel,¹¹² while Israeli officials stayed relatively quiet. Meanwhile, Iran,¹¹³ Hamas,¹¹⁴ and Hezbollah,¹¹⁵ condemned the strike and Iran soon sent two naval vessels to Sudan to "convey a message of peace and friendship to the region's

¹⁰⁸ "News of Terrorism And The Israeli-Palestinian Conflict January 9-15, 2013," *Meir Amit Intelligence and Terrorism Information Center*, January 16, 2013. (http://www.terrorism-info.org.il/Data/articles/Art_20463/E_008_12_626838694.pdf)

¹⁰⁹ "Leader Of U.S. Africa Command Discusses Security Challenges," *C-SPAN*, December 3, 2012. (<http://www.c-span.org/Events/Leader-of-US-Africa-Command-Discusses-Security-Challenges/10737436227/>)

¹¹⁰ Michael James, "Exclusive: Three Israeli Airstrikes Against Sudan," *ABC News*, March 27, 2009. (<http://blogs.abcnews.com/politicalradar/2009/03/exclusive-three.html>)

¹¹¹ Ethan Bronner, "With Longer Reach, Rockets Bolster Hamas Arsenal," *The New York Times*, November 17, 2012. (<http://www.nytimes.com/2012/11/18/world/middleeast/arms-with-long-reach-bolster-hamas.html>)

¹¹² "Sudan Blames Israel for Khartoum Arms Factory Blast," *BBC* (U.K.), October 24, 2012. (<http://www.bbc.co.uk/news/world-africa-20050781>)

¹¹³ "Iran: Israel's Attack On Khartoum Clear Violation Of Int'l Laws," *Fars News Agency* (Iran), October 25, 2012. (<http://www.thefreelibrary.com/Iran%3A+Israel's+Attack+on+Khartoum+Clear+Violation+of+Int'l+Laws.-a0306326349>)

¹¹⁴ "Hamas Condemns The Treacherous Zionist Aggression On The Brotherly Sudan," *Hamas Information Office Website*, October 25, 2012. (<http://www.hamasinfo.net/ar/default.aspx?xyz=U6Qq7k%2BcOd87MDI46m9rUxJEpMO%2Bi1s7uCR8tstCoAhoFkEeHxVKGx/Zhaf0o5uUXXuk8WQoieUZ8Cu4KFkzytBZwfxydOG%2BLA0LVpZAIGduJHvY4pPMUpkDt6665raeozk27VIyc%3D>)

¹¹⁵ Roi Kais, "Hezbollah Condemns Israeli 'Aggression' Against Sudan," *Ynet News* (Israel), October 25, 2012. (<http://www.ynetnews.com/articles/0.7340.L-4297066.00.html>)

countries and to provide safety at sea in light of maritime terrorism.”¹¹⁶ It is now believed that the Yarmouk facility was storing Fajr 5 rockets.

Today, Port Sudan is still the preferred hub for the transfer of Iranian weaponry to Hamas in the Gaza Strip. However, because of Egypt’s closure of the tunnels, less is getting through, thus rendering Sudan a less important player in the Hamas rocket pipeline. But, to be clear, this was not by choice.

In the meantime, Sudan appears to maintain a number of Hamas charities. For example, the Beirut-based Jerusalem Foundation International (JFI), which was designated in 2012,¹¹⁷ maintains a presence in Sudan under the name of “Al Quds International Institution.”¹¹⁸ In December 2011, during a visit to Khartoum, Hamas’s Ismail Haniyeh participated in a conference organized by the JFI. During his speech, he called for additional financial aid and political support.¹¹⁹

As an American Enterprise Institute report notes, Hamas is known to operate “a little business empire” in Sudan.¹²⁰ One recent item in the Kuwait-based *Al Seyassah* alleged that Hamas operates a company known as Hassan and Abed International for Roads and Bridges, based in Khartoum.¹²¹ The company appears in at least one Sudanese business listing.¹²² The company reportedly also has an unspecified connection to Abdel Baset Hamza, a former acquaintance of a number of al-Qaeda operatives, including Osama bin Laden.¹²³

The Gaza Tycoons Club

On a final note, as these two distinguished committees go about tracking Hamas finance, it is worth noting that at least two Hamas figures in Gaza are believed to have significant sums in their personal accounts. This is in addition to the other purported Hamas billionaires—Khaled Meshal and Mousa Abu Marzook—mentioned above.

¹¹⁶ “Iranian Warships Dock In Sudan Port Amid Row With Israel Over Factory Blast,” *Al Arabiya* (Saudi Arabia), October 30, 2012. (<http://www.alarabiya.net/articles/2012/10/30/246628.html>)

¹¹⁷ U.S. Department of Treasury, Press Release, “Treasury Sanctions Two Hamas-Controlled Charities,” October 4, 2012. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1725.aspx>)

¹¹⁸ “Contact Address,” *Jerusalem Foundation International*, accessed January 15, 2013. (<http://www.alquds-online.org/org/index.php?s=6&ss=27>)

¹¹⁹ “The Visits Of Ismail Haniya, Head Of The De-facto Hamas Administration In The Gaza Strip, To Egypt, Sudan, Turkey And Tunisia Were Meant To Strengthen Hamas’ Ties With The Various Countries, Reinforce The Legitimacy Of The Hamas Administration And Bolster Haniya’s Personal Status,” *Meir Amit Intelligence and Terrorism Information Center*, January 17, 2012. (http://www.terrorism-info.org.il/data/pdf/PDF_12_015_2.pdf)

¹²⁰ Ronald Sandee, “Islamism, Jihadism And Terrorism In Sudan,” *American Enterprise Institute*, August 6, 2004. (http://www.aei.org/files/2004/08/06/20040809_SANDEEremarks.pdf)

¹²¹ “السياسة” تكشف عن قائمة شركات تمويل “حماس” بشكل غير شرعي في دول “الخليجي”، *Palestinian Press Office - Denmark*, May 15, 2013. (http://www.fateh.dk/index.php?option=com_content&view=article&id=5703:2012-07-02-15-11-52&catid=122:2012-05-22-08-01-02&Itemid=314)

¹²² “Names Of Companies Operating In Sudan,” *Sudanese Economic Directory*, accessed May 28, 2013. (http://www.sudabiz.org/directory/com_view.php?pageNum_com=215&totalRows_com=11051&view=all)

¹²³ Peter Bergen, *Holy War, Inc.: Inside the Secret World of Osama bin Laden*, (New York: Free Press, 2001), p. 124 & Daniel Pearl, “In Sudan Bombing, ‘Evidence’ Depends On Who Is Viewing It,” *The Wall Street Journal*, October 28, 1998. (http://www.danielpearl.org/news_and_press/danielpearl_articles/102898_In_Sudan.pdf)

According to a July 2014 report by the Israeli publication *Globes*, Hamas's Gaza-based Prime Minister Ismail Haniyeh is currently worth approximately \$4 billion. Most of his assets are believed to be registered in Gaza under the name of his son-in-law, Nabil, and his 11 other children, as well as in the name of other low-level Hamas officials. All of Haniyeh's 12 children reportedly have houses in the Gaza Strip worth at least \$1 million each.¹²⁴ It's unclear how much of this property was damaged during the Gaza war.

According to the same report, Ayman Taha, who is responsible for coordination between Hamas's external and internal leadership, has joined the ranks of Hamas's tycoons. He recently constructed a house in the Gaza Strip worth at least \$1 million.¹²⁵ Taha allegedly purchased properties and made deals for Hamas in the Gaza Strip, ensuring that Hamas officials received their dividends.¹²⁶

Policy Recommendations

There are some steps that Congress and the Administration can take to continue to hinder Hamas finances.

1. Washington should openly encourage Egypt's continued operations against the tunnels, and other operations that have hindered Hamas finances. Egypt, in my estimation, has in some ways done more to weaken Hamas financially than the United States and Israel combined. Cairo has done this because it believes it is in the Egyptian national interest, despite tensions with Washington. Egypt should receive our assistance in this area. Egypt can reportedly benefit from additional technical support in uncovering the tunnels along the Gaza border. There may also be other military equipment that Washington can provide.¹²⁷
2. Qatar should be pressured to cease its funding to Hamas. It should be asked to expel Khaled Meshal and the other figures currently based there. Qatar should also be pressed to freeze all Hamas funds in Qatari banks. If they do not, the U.S. should push forward with new Treasury designations, and not only of Hamas operatives. The designation of Qatari institutions where Hamas parks its cash could send a message to Doha that Washington is serious.
3. Another measure Congress could take is to put a hold on the \$11 billion arms deal the U.S. recently signed with Qatar.¹²⁸ This deal included: 24 AH-64E Apache attack helicopters,¹²⁹ one

¹²⁴ "הטייקונים של חמאס: ח'אלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014. (<http://www.globes.co.il/news/article.aspx?did=1000957870>)

¹²⁵ "הטייקונים של חמאס: ח'אלד משעל שווה 2-5 מיליארד דולר, סגנו אבו-מרזוק שווה 2-3 מיליארד דולר," *Globes* (Israel), July 24, 2014; (<http://www.globes.co.il/news/article.aspx?did=1000957870>) & Doron Peskin, "Hamas Got Rich As Gaza Was Plunged Into Poverty," *YNet News* (Israel), July 15, 2014. (<http://www.ynetnews.com/articles/0,7340,L-4543634,00.html>)

¹²⁶ Doron Peskin, "Hamas Got Rich As Gaza Was Plunged Into Poverty," *YNet News* (Israel), July 15, 2014. (<http://www.ynetnews.com/articles/0,7340,L-4543634,00.html>)

¹²⁷ Interview with Arab diplomat, Washington, DC, September 4, 2014.

¹²⁸ U.S. Army Security Assistance Command, Press Release, "U.S., Qatar Sign Letters on \$11 Billion in Helicopters, Defense Systems," July 18, 2014. (http://www.army.mil/article/130183/U_S_Qatar_Sign_Letters_on_11_Billion_in_Helicopters_Defense_Systems/)

MIM-104F Patriot PAC-3 missile defense system,¹³⁰ and 500 Javelin guided missiles.¹³¹ There is also a Boeing deal in the works for three 737 Airborne Early Warning and Control (AEW&C) aircraft,¹³² not to mention other possible sales.¹³³ Such deals should be put on hold until Qatar's financing of Hamas is addressed.

4. Yet another Congressional measure that could pressure Qatar is to order an assessment of the cost and effort needed to remove U.S. personnel from the al-Udaid airbase. There are other countries in the region willing to host our military. We should at least see what would be needed to make the transition. This could let the Qataris know how serious we are about their role in financing Hamas, not to mention their support of a host of other violent non-state actors throughout the Middle East.

5. Similarly, Turkey should be pressured to cease its funding to Hamas. It should be asked to expel Saleh al-Arouri and the other figures currently based there. Ankara should also be pressed to freeze all Hamas funds in Turkish banks. If they do not, the U.S. should push forward with new Treasury designations. This should include Hamas operatives, front companies, charities, and Turkish banks that contain Hamas accounts. It might also include the IHH, the flotilla charity that is close to the ruling AK Party and has long been suspected of supporting Hamas.

6. Security and intelligence cooperation is reportedly quite good between Ankara and Washington. Congress and the Administration may be able to work through these various agencies, using both carrots and sticks, to exert pressure on Turkey to halt its cooperation with Hamas.

7. Washington may also have some leverage with Turkey through pending arms sales. Ankara is currently set to receive two 737 Peace Eagle Airborne Early Warning and Control (AEW&C) aircraft from the United States. In February, Turkey signed a deal with U.S. helicopter manufacture Sikorsky to co-produce 109 S-90 Black Hawk Helicopters.¹³⁴ In August, the State

¹²⁹ U.S. Defense Security Cooperation Agency, Press Release, "Qatar – AH-64D Apache Block III Longbow Attack Helicopters," July 12, 2014. (<http://www.dsca.mil/major-arms-sales/qatar-ah-64d-apache-block-iii-longbow-attack-helicopters>).

¹³⁰ Tom Kington, "Raytheon Aims To Sign \$2B Qatar Patriot Deal By Year End," *Defense News*, July 15, 2014. (<http://www.defensenews.com/article/20140715/SHOWSCOUT15/307150022/Raytheon-Aims-Sign-2B-Qatar-Patriot-Deal-by-Year-End>).

¹³¹ U.S. Defense Security Cooperation Agency, Press Release, "Qatar – Javelin Missiles," March 28, 2013. (<http://www.dsca.mil/major-arms-sales/qatar-javelin-missiles>).

¹³² Gareth Jennings, "Qatar To Procure 737 AEW&C," *IHS Jane's*, March 27, 2014. (<http://www.janes.com/article/36118/qatar-to-procure-737-aw-c>).

¹³³ U.S. Defense Security Cooperation Agency, Press Release, "Qatar – AN/FPS-132 Block 5 Early Warning Radar," July 29, 2013; (<http://www.dsca.mil/major-arms-sales/qatar-anfps-132-block-5-early-warning-radar>) U. S. Defense Security Cooperation Agency, Press Release, "Qatar – Terminal High Altitude Area Defense (THAAD)," November 5, 2012; (<http://www.dsca.mil/major-arms-sales/qatar-terminal-high-altitude-area-defense-thaad>) & Salman Siddiqui, "Rafale can 'Easily Meet Qatar's Defence Needs'," *Gulf Times*, March 31, 2014. (<http://www.gulf-times.com/qatar/178/details/386596/rafale-can-%E2%80%98easily-meet-qatar%E2%80%99s-defence-needs%E2%80%99>)

¹³⁴ Burak Bekdil, "Turkey, Sikorsky Sign \$3.5 Billion Helicopter Deal," *Defense News*, February 21, 2014. (<http://www.defensenews.com/article/20140221/DEFREG01/302210022/Turkey-Sikorsky-Sign-3-5-Billion-Helicopter-Deal>)

Department approved a \$320 million sale of AIM-120C-7 AMRAAM missiles to Turkey.¹³⁵ Earlier this year, the State Department approved a \$170 million sale of up to 48 MK 48 Mod 6 torpedoes to Turkey.¹³⁶ Turkey also signed a deal for the purchase of six CH-47F Chinook heavy-lift helicopters for \$400 million.¹³⁷ There are a great many other deals in the works.¹³⁸ They, too, can be put on hold if Turkey does not cooperate.

8. Regardless of what steps are taken, Congress should call for GAO investigations and intelligence assessments of both countries. Dedicated hearings on each country may also be useful. Both Turkey and Qatar serve as U.S. allies while simultaneously qualifying as state sponsors of terrorism, to the letter of U.S. law. And the problems do not end with Hamas. Both countries have been involved in a plethora of illicit financial activity with a wide array of terrorist groups and rogue states. To be clear, the goal is to change the behavior of both countries and to preserve these alliances, if at all possible.

9. While Washington has no pending arms sales to Iran, it may have some leverage with Iran through the nuclear negotiating process. Washington should consider demanding a cessation of Hamas finance as part of a final package in the ongoing JPOA negotiations. Indeed, Iran's support to a wide array of terrorist groups has received scant discussion during the 10 months of the talks. If the talks are extended yet again, there should be no further sanctions relief granted until Iran has verifiably halted its terrorism support, along with other important concessions directly tied to the nuclear challenge. This is, to put it mildly, a sensitive issue, given how much is at stake with the JPOA talks. But it may be the only leverage America has with regard to Iran's support for terrorism, outside of traditional sanctions.

¹³⁵ U.S. Defense Security Cooperation Agency, Press Release, "Turkey – AIM-120C-7 AMRAAM Missiles," August 12, 2014. (<http://www.dsca.mil/major-arms-sales/turkey-aim-120c-7-amraam-missiles>)

¹³⁶ U.S. Defense Security Cooperation Agency, Press Release, "Republic of Turkey – MK 48 Torpedoes," May 12, 2014. (<http://www.dsca.mil/major-arms-sales/republic-turkey-mk-48-torpedoes>)

¹³⁷ Umit Enginsoy & Burak Bekdil, "Turkey Signs Deal To Buy Six CH-47 Copters," *Defense News*, August 15, 2011. (<http://www.defensenews.com/article/20110815/DEFSECT01/108150302/Turkey-Signs-Deal-Buy-Six-CH-47-Copters>)

¹³⁸ U.S. Department of Defense, Press Release, "Contracts," August 20, 2014; (<http://www.defense.gov/contracts/contract.aspx?contractid=5356&source=GovDelivery>) U.S. Department of Defense, Press Release, "Contracts," August 28, 2014;

(<http://www.defense.gov/contracts/contract.aspx?contractid=5363&source=GovDelivery>) U.S. Department of Defense, Press Release, "Contracts," August 6, 2014;

(<http://www.defense.gov/contracts/contract.aspx?contractid=5345&source=GovDelivery>) U.S. Department of Defense, Press Release, "Contracts," August 5, 2014;

(<http://www.defense.gov/contracts/contract.aspx?contractid=5344&source=GovDelivery>) U.S. Department of Defense, Press Release, "Contracts," July 31, 2014;

(<http://www.defense.gov/contracts/contract.aspx?contractid=5341&source=GovDelivery>) Raytheon, Press Release, "Raytheon to Provide Torpedo Integration on Alenia Aermacchi Aircraft for Turkish Navy," July 17, 2014;

(<http://www.marketwatch.com/story/raytheon-to-provide-torpedo-integration-on-alenia-aermacchi-aircraft-for-turkish-navy-2014-07-17>) U.S. Department of Defense, Press Release, "Contracts," June 25, 2014;

(<http://www.defense.gov/contracts/contract.aspx?contractid=5315&source=GovDelivery>) U.S. Department of Defense, Press Release, "Contracts," April 7, 2014;

(<http://www.defense.gov/Contracts/Contract.aspx?ContractID=5257>) U.S. Department of Defense, Press Release, "Contracts," December 17, 2013; (<http://militaryedge.org/articles/boeing-awarded-contract-harpoon-missiles/>) &

U.S. Department of Defense, Press Release, "Contracts," December 4, 2013. (<http://www.defense.gov/contracts/contract.aspx?contractid=5178>)

10. Regardless of what the nuclear talks yield, Iran's terrorism finance activities must continue to be punished through sanctions. There appears to be a temptation on the part of the P5+1 to welcome Iran back into the formal financial sector if a deal is reached. This is exactly what Hamas and other terror groups are waiting for. Washington must remain committed to disrupting the Iran-Hamas pipeline, and designate more Iranian entities that finance Hamas. Treasury must continue to enforce the existing sanctions, as well.

11. With regard to Sudan, America lacks leverage after years of sanctions and punitive measures. But two areas of focus could yield some results: the border with Egypt and Port Sudan. If both are monitored more carefully by U.S. intelligence and other allied services, it may be possible to prevent new Iranian weapons and material from reaching the Gaza Strip.

On behalf of the Foundation for Defense of Democracies, I thank you again for inviting me to testify before these distinguished subcommittees.