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UNRWA Exposed:

Examining the Agency's Mission and Failures

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Chairman Mast, Chairman Smith, Ranking Member Crow, Ranking Member Wild, and distinguished members of both subcommittees, thank you for the opportunity to address you today on this important issue.

The United Nations Relief and Works Agency (UNRWA) is not a refugee agency. It's not even an international organization in the truest sense of the term.

What began as a political weapon in the Arab world's campaign to destroy the State of Israel after its founding has evolved into an internationally funded, locally staffed foreign aid entitlement program that incites violence against Israel, subsidizes U.S.-designated foreign terrorist organizations, denies Palestinians their basic human rights, and blocks the pathways to a sustainable peace between Israel and the Palestinians.

Unlike the United Nations High Commissioner for Refugees (UNHCR), which has less than 19,000 international employees to manage 29.4 million refugees — not to mention tens of millions more internally displaced persons (IDPs), asylum-seekers, and stateless people — across 135 countries, UNRWA employs more than 30,000 Palestinians to service a claimed figure of 5.9 million Palestinian refugees.¹

Who are the people UNRWA purports to serve? We are told they are refugees dating back to a population of 700,000 that left their homes during Israel's 1948 Independence War. But as former Secretary of State Mike Pompeo revealed in early 2021, fewer than "200,000 Arabs displaced in 1948 are still alive and most others are not refugees by any rational criteria."² Somehow, a similar number of Jewish refugees expelled by Arab states in 1948 were absorbed into Israel, the United States, Europe, and countries around the world. But Arab refugees of the conflict were kept as refugees living under Egyptian, Jordanian, Lebanese, and Syrian rule — with their children, grandchildren, and great-grandchildren inheriting this refugee status as well.

That preposterous definition for guaranteed refugee status in perpetuity also has fiscal consequences. A population of 700,000 that has almost entirely died out is now, generations later, calculated as reaching 6 million. Between 1950 and 2018, U.S. taxpayers contributed more than \$6 billion to UNRWA.³ President Biden has contributed \$1 billion since just 2021 alone.⁴ Putting the policy debate aside, the cost curve alone is unsustainable as a backdoor mandatory spending provision of the U.S. budget.

¹ "Meet our people," *The UN Refugee Agency*, accessed January 25, 2024. (<https://www.unhcr.org/get-involved/work-us/careers-unhcr/meet-our-people>); "Where we work," *UNRWA*, accessed January 25, 2024. (<https://www.unhcr.org/about-unhcr/where-we-work>); "Figures at a Glance," *The UN Refugee Agency*, accessed January 25, 2024. (<https://www.unhcr.org/about-unhcr/who-we-are/figures-glance>); "10 Things to Know About the UN Relief and Works Agency (UNRWA)," *Foundation for Defense of Democracies*, January 11, 2024. (<https://www.fdd.org/analysis/2024/01/11/10-things-to-know-about-the-un-relief-and-works-agency-unrwa>)

² @SecPompeo, *X*, January 14, 2021. (<https://twitter.com/SecPompeo/status/1349832113923780610>)

³ Jim Zanotti, "U.S. Foreign Aid to the Palestinians," *Congressional Research Service*, December 12, 2018. (<https://crsreports.congress.gov/product/pdf/RS/RS22967>)

⁴ Edward Lawrence, Andrew Miller, and Lauren Shank, "Palestinian group accused of harboring terrorists received \$1B from Biden admin: report," *Fox Business*, October 18, 2023. (<https://www.foxbusiness.com/politics/palestinian-group-accused-harboring-terrorists-received-1b-biden-admin>)

But the policy implications of this cannot be ignored — because they present a grave danger to our national security and the security of Israel. Today, UNRWA’s clients are Palestinians trapped in the label of refugee — Palestinians who are forced to internalize that label and get brought up with the hatred and resentment that comes with that label’s political and economic limitations. With that label comes a vision — a manifest destiny — that one day the Jews will be driven into the Mediterranean Sea — and all these so-called “refugees” will return to their land. Put simply, UNRWA raises children to internalize the genocidal campus slogans you see on college campuses today — only they will be perpetrators of the genocide, not the college kids cheering it on. In that respect, October 7 was the logical conclusion of UNRWA’s indoctrination.

And as my friend Mr. Sheff has exposed and describes in his testimony, the education materials UNRWA provides Palestinian children is a crucial element of that genocidal indoctrination.⁵

But even though UNRWA calls them refugees and teaches them how to internalize that label, they are not refugees. Gaza has a population of 2.1 million. UNRWA lists 1.7 million of them as refugees — people who have lived in Gaza for generations, under Egyptian, Israeli, and then Hamas control.⁶ What an absurd statistic intended to advance a political agenda, not reflect reality. Turn on the news and look at the photos in Gaza where media reports Israeli military operations in so-called “urban refugee camps.”⁷ What is an urban refugee camp? That is a made-up term. These are cities.

To be sure, there are Palestinian communities under UNRWA’s jurisdiction where people live in abject poverty. Their lives are tragic, denied an economic future because of a UN mandate that forces them to live in such squalor. But squalor does not make someone a refugee.

Addressing the myriad challenges we face because of UNRWA starts by recognizing what UNRWA is and what it isn’t — and restructuring the U.S. government’s approach to UNRWA accordingly. UNRWA is not a refugee agency. Period. What should we call it? A welfare entitlement agency? A make-work project for Palestinians? A substitute for genuine Palestinian institution-building, self-responsibility, and self-sufficiency? Take your pick. But it’s not a refugee agency.

Why then does the State Department’s Bureau of Population, Refugees and Migration (PRM) have responsibility for this organization? It should not. PRM protects UNRWA inside the U.S. Government — the bureau suffers from acute clientitis. Wresting oversight of UNRWA away from PRM is an overlooked but long-overdue bureaucratic priority. This could be handled by the International Organizations bureau on an interim basis as we press for a change in mandate and transition of UNRWA’s responsibilities.

⁵ Ash Obel, “Report finds incitement, antisemitism still prevalent in UNRWA classrooms,” *The Times of Israel* (Israel), March 15, 2023. (<https://www.timesofisrael.com/report-finds-incitement-antisemitism-still-prevalent-in-unrwa-classrooms>)

⁶ “Where We Work,” *UNRWA*, accessed January 25, 2024. (<https://www.unrwa.org/where-we-work/gaza-strip>)

⁷ Najib Jobain, Wafaa Shurafa, and Samy Magdy, “Israeli military says Gaza ground offensive has expanded into urban refugee camps,” *Associated Press*, December 26, 2023. (<https://apnews.com/article/israel-hamas-war-news-12-26-2023-698c895797ccb057d13fe4f68690c98b>)

UNRWA, of course, has no board of directors. Yet we have no say in who leads the agency, no governance pathway to change its policies, no access to an independent audit, and no ability to verify the basic information it reports.

In 2019, we saw reports of “credible and corroborated” corruption allegations against senior UNRWA personnel. In an internal review that leaked to the press, UNRWA detailed “sexual misconduct, nepotism, retaliation, discrimination, and other abuses of authority” among its top brass.⁸ UNRWA’s then Commissioner-General Pierre Krahenbuhl resigned in the aftermath of an internal investigation.⁹ You may recognize Krahenbuhl’s name. He was just appointed to lead the International Committee of the Red Cross.¹⁰ In other words, there is zero accountability for corruption.

UNRWA claims to serve 5.9 million people. Is that number accurate? Can you verify it? U.S. states that run big government programs regularly perform program integrity audits to root out fraud and abuse. The Government of Lebanon, for example, has previously accused UNRWA of inflating its numbers.¹¹ Past attempts I spearheaded as a congressional staffer to involve the Government Accountability Office, inspector generals and outside auditing firms all failed — either due to UNRWA asserting the UN’s single-audit principle or the lack of security cooperation by the Palestinian Authority, with PRM blocking and tackling for UNRWA along the way.

Did it strike anyone as odd that after years of non-stop emergency appeals, always claiming the budget sky was falling, when the United States — the largest historical annual contributor to UNRWA — halted all contributions from 2018-2020, the agency magically endured? Or that even after the Biden administration restored funding and poured \$1 billion into UNRWA in under three years, the agency returned to sky-is-falling emergency appeals — well before October 7 and the ensuing conflict? Does that sound like proper management or a proper fleecing?

From a simple taxpayer accountability and good government perspective, UNRWA is one of the most reckless discretionary spending programs in history. If this is where the criticisms ended, it would be enough to demand a comprehensive overhaul and rethinking of U.S. aid to areas where UNRWA operates.

But the problems only get worse from here.

⁸ “Report alleges ethical abuses at UN agency for Palestinian refugees,” *France 24* (France), July 30, 2019. (<https://www.france24.com/en/20190730-palestinian-territories-United-Nations-Relief-Works-Agency-UNRWA-refugees>); Oliver Holmes, “Officials at UN agency for Palestinians face ethical abuse claims,” *The Guardian* (UK), July 29, 2019. (<https://www.theguardian.com/world/2019/jul/29/officials-at-un-agency-for-palestinians-accused-of-ethical-abuses>)

⁹ Peter Beaumont, “Head of UN Palestinian refugee agency resigns amid misconduct inquiry,” *The Guardian* (UK), November 6, 2019. (<https://amp.theguardian.com/world/2019/nov/06/pierre-krahenbuhl-steps-down-head-un-agency-palestinian-refugees-investigation>)

¹⁰ Agence France-Presse and Times of Israel Staff, “Red Cross taps controversial former UNRWA commissioner as its new director-general,” *The Times of Israel* (Israel), December 22, 2023. (<https://www.timesofisrael.com/red-cross-taps-controversial-former-unrwa-commissioner-as-its-new-director-general>)

¹¹ “Lebanon census turns up two-thirds fewer Palestinians than expected,” *Associated Press*, December 22, 2017. (<https://www.timesofisrael.com/lebanon-census-turns-up-two-thirds-fewer-palestinians-than-expected>)

UNRWA has a terrorism problem, and the U.S. taxpayer has been underwriting it for decades. Americans are just waking up to this problem in the wake of October 7.

We've seen the reports of Hamas terror tunnels discovered next to or under UNRWA schools.¹² And not just since October 7. I'm including here footnotes for stories about these tunnels in 2017, 2021 and 2022.

We've seen the social media accounts of UNRWA employees supporting terrorism and antisemitism.¹³ My friend, Mr. Neuer, has exposed countless such employees and is presenting that evidence here today.

And we've even seen the report of a released hostage who was held in the attic of an UNRWA teacher's home.¹⁴

These aren't new phenomena. We've seen UNRWA schools used as rocket-launching platforms — and rockets even stored inside UNRWA schools.¹⁵ We've seen an UNRWA school headmaster moonlighting as an Islamic Jihad terrorist.¹⁶

And we've seen the hotbed of terrorism that grows inside UNRWA's communities — not just in Gaza but in the West Bank and Lebanon. Look at the Jenin Refugee Camp in the West Bank where Israel continues to operate to defend Israelis against Hamas and other terror cells.¹⁷ Look at Lebanon's Ain al-Hilweh refugee camp where terrorist groups continue to battle each other — with no Israeli presence or military activity whatsoever.¹⁸ At least 28 people dead in two rounds

¹² Ariane Mandell, "UNRWA discovers Hamas tunnel under Gaza schools," *The Jerusalem Post* (Israel), June 9, 2017. (<https://www.jpost.com/Arab-Israeli-Conflict/UNRWA-discovers-Hamas-tunnel-under-Gaza-schools-496394>); "Photos show Hamas tunnel dug underneath courtyard of UNWRA school in Gaza," *The Times of Israel* (Israel), June 11, 2021. (<https://www.timesofisrael.com/photos-show-hamas-tunnel-dug-underneath-courtyard-of-unwra-school-in-gaza/>); "UNRWA discovers terrorist tunnel under Gaza school," *The Jerusalem Post* (Israel), December 1, 2022. (<https://www.jpost.com/arab-israeli-conflict/gaza-news/article-723788>); "IDF claims to have destroyed Hamas tunnel near UNRWA school," *CNN*, November 8, 2023. (https://edition.cnn.com/middleeast/live-news/israel-hamas-war-gaza-news-11-08-23/h_68692ccc4b7f1387e0cbe664c3f5dd0b)

¹³ "Telegram group with 3,000 UNRWA teachers praises October 7 attacks," *The Jerusalem Post* (Israel), January 10, 2024. (<https://www.jpost.com/israel-news/article-781531>)

¹⁴ @bokeralmog, X, November 29, 2023. (<https://twitter.com/bokeralmog/status/1729934849161494658>)

¹⁵ "IDF reveals new terrorist rocket launch sites near Gazan schools," *Jewish News Syndicate*, December 14, 2022. (<https://www.jns.org/idf-reveals-new-terrorist-rocket-launch-sites-near-gazan-schools/>); Ilan Ben Zion, "Rockets found in UNRWA school, for third time," *The Times of Israel* (Israel), July 30, 2014. (<https://www.timesofisrael.com/rockets-found-in-unrwa-school-for-third-time/>)

¹⁶ Adam Entous, "Gaza headmaster was Islamic Jihad 'rocket-maker,'" *Reuters*, May 5, 2008. (<https://www.reuters.com/article/middleeastCrisis/idUSL05686115>)

¹⁷ Emanuel Fabian, "Three Hamas members nabbed by IDF in first Jenin refugee camp raid in 2 months," *The Times of Israel* (Israel), September 4, 2023. (<https://www.timesofisrael.com/clashes-reported-as-idf-raids-jenin-refugee-camp-for-first-time-in-2-months/>)

¹⁸ Nada Homsy, "Heavy fighting continues in Lebanon's Ain Al Hilweh refugee camp despite ceasefire," *The National* (UAE), August 1, 2023. (<https://www.thenationalnews.com/mena/lebanon/2023/08/01/ain-al-hilweh-ceasefire-reduces-fighting-at-palestinian-refugee-camp/>)

of fighting with so many families, including children, displaced ... an underreported story.¹⁹ Do we see the pattern here?

When you ask UNRWA, why do you allow terrorists to establish bases of operations in your communities, they tell you that host governments are responsible for security — not UNRWA. You get the same answer, by the way, when you ask why UNRWA schools use textbooks that teach Palestinians to grow up to massacre Jews like they did on October 7 — talk to the host government. How convenient. Every problem UNRWA creates is someone else's responsibility — and yet the requests for more money continue without any independent oversight.

Why does UNRWA have a terror problem? Because it's structured to have one.

The United Nations does not recognize Hamas, Islamic Jihad, Hezbollah, or the Popular Front for the Liberation of Palestine (PFLP) as terrorist groups — even though each one is designated by the United States as a foreign terrorist organization. UNRWA is a UN-mandated agency, so UNRWA does not recognize these groups as terrorist organizations, either.

To UNRWA, Hamas and Islamic Jihad are political identifiers. And UNRWA makes clear it doesn't discriminate based on politics. And since we've established UNRWA is not an international organization — it's a local welfare agency that employs 30,000 Palestinians to provide benefits to millions more — it is guaranteed that UNRWA employs, contracts with, and provides benefits to members of designated foreign terrorist organizations and their families.

We've seen how Hamas wields its influence over UNRWA. After the 2021 Israel-Hamas war, UNRWA recalled its Gaza director after a Hamas backlash against him. His crime? He gave a media interview in which he credited the Israeli military for its precision targeting.²⁰ You see, when it comes to the UN, telling the truth about what goes on in Gaza can get you fired.

That same official knew a thing or two about Hamas tunneling operations around UNRWA facilities, too. A few months after his removal, Matthias Schmale told NPR News, "Many people told me through my four years, there's tunnels everywhere and it's a safe assumption."²¹ Anyone who claims today that UNRWA was not aware of the Hamas terror infrastructure around its facilities is not telling the truth.

Nearly 17 years ago, I sat in a meeting with an UNRWA official as a congressional staffer and asked a simple question: Is it possible the families of Hamas terrorists are beneficiaries of UNRWA's cash assistance program. The answer was yes — since the program only looks at financial need, not "political affiliation." Nothing has changed.

¹⁹ "Ain Al Hilweh death toll rises as yet another ceasefire breaks down," *The National* (UAE), September 13, 2023. (<https://www.thenationalnews.com/mena/lebanon/2023/09/13/ain-al-hilweh-death-toll-rises-as-yet-another-ceasefire-breaks-down>)

²⁰ "UN agency withdraws director from Gaza after threats," *Associated Press*, June 4, 2021. (<https://apnews.com/article/united-nations-middle-east-b03eb29c5b9286fff1d6b80cf6539294>)

²¹ Daniel Estrin, "He was the top U.N. official in Gaza. An Israeli TV interview cost him his post," *NPR*, November 18, 2021. (<https://www.npr.org/2021/11/18/1056254276/gaza-united-nations-schmale-palestinians-israel>)

Around the same time, Congress had discovered that the US Agency for International Development had provided a grant to the Islamic University of Gaza, which was affiliated with Hamas.²² As a staffer, I helped lead the bipartisan investigation into the matter, which exposed a critical flaw in our assistance programs: The lack of counterterrorism vetting.

Over time, USAID developed a process to collect identifying information from grantees and contractors to ensure the U.S. intelligence community had no information tying them to terrorism. I have long advocated we demand the same for international organizations that operate in high-risk environments for terror finance. That ought to begin with UNRWA.

As it stands today, UNRWA is not required to submit its staff, contractors, or beneficiaries for counterterrorism vetting. UNRWA need only certify to the State Department that it takes steps to prevent U.S.-provided funding from directly going to individuals who engage in acts of terrorism, pursuant to Section 301(c) of the Foreign Assistance Act. And at the same time, in its formal agreement with UNRWA, the State Department acknowledges that UNRWA “cannot engage in controversies of a political...nature.”²³

Let’s be honest. We have talked about the inadequacy of 301(c) for 20 years. And despite many congressional initiatives at various times to amend it, here it stands as an arcane law that does nothing to stop UNRWA’s budget from subsidizing terrorism. The GAO told the House and Senate in November 2003 that we were not doing enough to prevent these funds from going to terrorism.²⁴ And now we sit here, pretending to be shocked to learn that UNRWA is fully complicit in the Hamas terror infrastructure in Gaza — its war crimes and crimes against humanity? Of course UNRWA’s complicit.

No, it’s not a shock. It’s a horror movie, decades in the making, co-produced by the U.S. taxpayer. The madness had finally stopped in 2018 when U.S. funding was halted — and UNRWA’s remaining donors were quietly talking about the need for reform. And then the spigot came back on in 2021 — and the U.S. resumed its policy of indirectly subsidizing Hamas in Gaza.

Put these numbers in perspective. According to the Associated Press, from 2014-2020, UN agencies spent nearly \$4.5 billion in Gaza, including \$600 million in 2020 alone. More than 80 percent of that funding was channeled through UNRWA.²⁵ With roughly 30 percent of UNRWA’s client population in Gaza, and \$1 billion provided to UNRWA by the United States alone since 2021, we’ve added another \$300 million to Hamas’s subsidized budget over the last three years.

²² “School linked to Hamas gets U.S. cash,” *The Washington Times*, March 4, 2007.

(<https://www.washingtontimes.com/news/2007/mar/4/20070304-114147-5932r>)

²³ Framework for Cooperation Between the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the United States of America, 2021-2022, accessed on January 25, 2024. (<https://www.state.gov/wp-content/uploads/2021/07/2021-2022-US-UNRWA-Framework-Signed.pdf>)

²⁴ U.S. General Accounting Office, “Department of State (State) and United Nations Relief and Works Agency (UNRWA) Actions to Implement Section 301(c) of the Foreign Assistance Act of 1961,” November 17, 2023. (<https://www.gao.gov/assets/gao-04-276r.pdf>)

²⁵ “A look at the billions of dollars in foreign aid to Gaza,” *Associated Press*, December 20, 2021. (<https://apnews.com/article/business-middle-east-israel-foreign-aid-gaza-strip-611b2b90c3a211f21185d59f4fae6a90>)

And what did we get? Miles of terror tunnels. Thousands of rockets. The October 7 massacre. Don't tell me UNRWA funding didn't subsidize every single aspect of the Hamas terror infrastructure in Gaza — since every dollar spent by UNRWA was a dollar Hamas could divert to terrorism.

Members of the committee, as Congress now debates a multi-billion dollar emergency supplemental aid package that is set to include money for Gaza, can you in good conscience support funding that you know will help subsidize those who perpetrated the worst massacre of Jews since the Holocaust?

I strongly urge you to demand strict conditions on any aid provided to UN organizations operating in Gaza. No taxpayer money should go to groups that refused to recognize Hamas, Islamic Jihad, and Hezbollah as terrorist organizations. No taxpayer money should go to any agency whose employees and contractors — at the very least — haven't undergone U.S. counterterrorism vetting. No taxpayer money should go to any organization that operates schools without the United States first approving the textbooks and curriculum used in those schools. And no money should be obligated until an agency like UNRWA submits to an independent beneficiary audit to root out waste, fraud, and abuse.

That's the here and now. But what about the future? Many today are asking the important question of what will come next in Gaza after Israel dismantles Hamas. One thing that should not come next is the continued presence of UNRWA — an agency whose mandate, teachings, and propaganda inherently incite hatred of Israel, antisemitism, and terrorism. This is a moment to push the reset button and try something new — a path for Palestinians to escape the shackles of UNRWA's phony refugee status and reach their maximum economic potential. They may finally have a chance for real peace.

Congress should block any attempt by the administration to include UNRWA in the future of Gaza after Hamas falls.

Many policymakers are looking for ways to distribute aid quickly, and UNRWA's existing infrastructure makes that the easy answer. But nothing stops us from removing UNRWA from the equation and turning over infrastructure to an organization like the UN High Commissioner for Refugees — which has a mandate to care for internally displaced persons. And while the people living in Gaza are not refugees, they are indisputably IDPs today — giving UNHCR rather obvious jurisdiction. Congress could force the issue by mandating a phase-out of assistance provided to UNRWA and making money available to UNHCR instead. This would be complementary to, not in substitute of, the counterterrorism and textbook vetting requirement previously discussed.

In summary, to prevent further U.S. taxpayer dollars from subsidizing terrorism, inciting antisemitism, and denying Palestinians their basic human rights, Congress should take the following actions:

- 1) Require the State Department to remove PRM's oversight of UNRWA and replace it with the IO bureau until such time as aid is transitioned away from UNRWA completely;
- 2) Modernize Section 301 (c) of the Foreign Assistance Act to prohibit assistance to a UN agency operating in the West Bank, Gaza, Lebanon, and Syria unless the secretary of state certifies to Congress that the United States has completed an annual counterterrorism vetting for all its employees, contractors, and beneficiaries;
- 3) Prohibit further funding for UN agencies operating in the West Bank, Gaza, Lebanon and Syria unless the secretary of state certifies to Congress that the United States has completed an annual beneficiary verification audit and provided the audit to the appropriate committees;
- 4) Prohibit UN agencies from using textbooks, curricula, and other education materials provided by the Palestinian Authority and instead require U.S.-approved or provided materials be used in their place;
- 5) Prohibit aid to any UN agency unless the secretary of state certifies that such agency recognizes Hamas, Islamic Jihad, Hezbollah, and the PFLP as terrorist organizations;
- 6) Prohibit assistance to UNRWA in the emergency supplemental — make funds available for UNHRC support to IDPs instead.