The Honorable Brian E. Nelson  
Under Secretary for Terrorism and Financial Intelligence  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington D.C., 20220

Jake Sullivan  
National Security Advisor  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

October 17, 2023

Dear Under Secretary Nelson and Mr. Sullivan:

We write to express our grave concern regarding reports that, in the months leading up to their brutal and horrific October 7th attack on Israel, Hamas and Palestinian Islamic Jihad (PIJ) raised millions of dollars in crypto – evading U.S. sanctions and funding their operations.1 Indeed, between August 2021 and this past June, the two groups raised over $130 million in crypto, and moved millions among each other, “with PIJ sending over $12 million in crypto to Hezbollah since 2023.”2 As the Wall Street Journal reports, “[r]esearchers who study Hamas’s financing said crypto remains one of a number of tools the group uses to raise funds.”3 Given the clear and present danger posed by the financing of these and other militant organizations, we ask the Administration to provide additional details on its plan to prevent the use of crypto for the financing of terrorism.

On the morning of October 7th, Hamas militants fired an estimated 2,200 rockets towards Israel, as hundreds of militants entered Israel on motorcycles and motorboats.4 As of October 11, 2023, over 1,200 people have died in Israel as a result of the attacks, and 2,900 have been wounded.5 While “[i]t couldn’t be determined whether the crypto they received was directly used to finance the assault,”6 Hamas has been clear in its solicitations for crypto about the intended use of the assets. As the group said in a Telegram post asking for bitcoin, “[t]he reality of jihad is the expenditure of effort and energy, and money is the backbone of war.”7

---

2 Id.
3 Id.
5 Id.
7 Id.
Both the Israeli and U.S. governments have warned of the threat that crypto poses in the fight against terrorism. The Israeli government has seized crypto assets from terrorist organizations – including Hamas and Hezbollah – before.\textsuperscript{8} As recently as August 2023, the country’s National Bureau for Counter-Terror Financing ordered the seizure of 67 PIJ-owned accounts with Binance, the world’s largest crypto exchange.\textsuperscript{9} Despite these and other seizures, experts believe that only “a small percentage of the overall amount of funds that flowed through” Hamas and PIJ wallets has been seized.\textsuperscript{10}

That the deadly attack by Hamas on Israeli civilians comes as the group has become “one of the most sophisticated crypto users in the terror-finance domain”\textsuperscript{11} clarifies the national security threat crypto poses to the U.S., and our allies. Congress and this Administration must take strong action to thoroughly address crypto illicit finance risks before it can be used to finance another tragedy. As Congress considers legislative proposals designed to mitigate crypto money laundering and illicit finance risks, we urge you to swiftly and categorically act to meaningfully curtail illicit crypto activity and protect our national security and that of our allies. We therefore request answers to the following questions regarding Treasury’s plans to address the serious national security threats posed by the use of cryptocurrency to finance terrorism no later than October 31, 2023:

1. What steps is the Biden Administration taking to address the use of cryptocurrency by terrorist organizations, including but not limited to Hamas, PIJ, and Hezbollah?
2. Reports indicate that Hamas and PIJ collectively raised over $130 million in crypto between August 2021 and June 2023.\textsuperscript{12} Is this consistent with the Administration’s estimates? Does the Administration have an estimate of the value of crypto assets remaining in wallets controlled by these groups?
3. Does the Administration have an estimate of what percentage of Hamas, PIJ, and Hezbollah’s total funding moves through cryptocurrency channels? Does the Administration know how those funds are utilized and through what means?
4. What challenges does the Administration face in arresting the success of groups like Hamas in raising funds via cryptocurrency? How is it addressing those challenges?
5. Reports suggest that PIJ held crypto accounts at Binance, and that PIJ “primarily used the stablecoin tether” to transact.\textsuperscript{13}
   a. What information does the Administration have about which actors are facilitating the sending and exchange of digital assets to and between terrorist organizations like Hamas, PIJ, and Hezbollah?
   b. Which actors are facilitating the exchange of cryptocurrency for other assets, including those exchanged for weapons?
   c. Where are these actors based?
   d. What actions has the Administration taken against these actors?

\textsuperscript{9} Id.
\textsuperscript{10} Id.
\textsuperscript{11} Id.
\textsuperscript{12} Id.
\textsuperscript{13} Id.
6. What additional statutory tools does the Administration need to address the national security threats posed by illicit use of crypto by terrorist organizations?

7. What additional resources does the Administration need to address the national security threats posed by illicit use of crypto by terrorist organizations?

Sincerely,

Elizabeth Warren  
United States Senator

Roger Marshall, M.D.  
United States Senator

Sean Casten  
Member of Congress

John Kennedy  
United States Senator

Sherrod Brown  
United States Senator

Jeanne Shaheen  
United States Senator

Chris Van Hollen  
United States Senator

Ben Ray Luján  
United States Senator
Brad Sherman  
Member of Congress  
Ranking Member,  
Subcommittee on Capital Markets

Mikie Sherrill  
Member of Congress

Chris Deluzio  
Member of Congress

Val Hoyle  
Member of Congress

Ann McLane Kuster  
Member of Congress

Jared Moskowitz  
Member of Congress

Jamie Raskin  
Member of Congress

Raja Krishnamoorthi  
Member of Congress

James P. McGovern  
Member of Congress

Elissa Slotkin  
Member of Congress
Chrissy Houlahan
Member of Congress

Raúl M. Grijalva
Member of Congress

Bill Foster
Member of Congress

Colin Z. Alfred
Member of Congress

Sara Jacobs
Member of Congress

Troy Carter
Member of Congress

Mike Levin
Member of Congress

David Scott
Member of Congress

Seth Moulton
Member of Congress

Becca Balint
Member of Congress
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jason Crow</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Morgan McGarvey</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Jan Schakowsky</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Barbara Lee</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Lori Trahan</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Haley M. Stevens</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Jake Auchincloss</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Norma J. Torres</td>
<td>Member of Congress</td>
</tr>
<tr>
<td>Nydia M. Velázquez</td>
<td>Member of Congress</td>
</tr>
</tbody>
</table>
Salud Carbajal
Member of Congress

Nikema Williams
Member of Congress

Debbie Wasserman Schultz
Member of Congress

Abigail Davis Spanberger
Member of Congress

Eleanor Holmes Norton
Member of Congress

Greg Stanton
Member of Congress

Dean Phillips
Member of Congress

Donald G. Davis
Member of Congress

Jerrold Nadler
Member of Congress

Steve Cohen
Member of Congress
Deborah K. Ross
Member of Congress

Jim Himes
Member of Congress

Joe Courtney
Member of Congress

Ruben Gallego
Member of Congress

Josh Gottheimer
Member of Congress

Lisa Blunt Rochester
Member of Congress

Shri Thanedar
Member of Congress