

Treasury Designates Key Financial Facilitator for the Islamic State's Afghanistan Branch

November 22, 2021

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated Ismatullah Khalozai, an individual who has acted as a financial facilitator for the Islamic State's Khorasan Province (ISIL-Khorasan), active in Afghanistan and commonly referred to as "ISIS-K." This individual has provided support to ISIS-K's operations in Afghanistan by facilitating international financial transactions that fund human trafficking networks and facilitating the movement of foreign fighters who seek to escalate tensions in Afghanistan and the region.

"The Biden Administration is committed to rooting out terrorist financing networks around the world," said Director of the Office of Foreign Assets Control Andrea Gacki. "Today's designation underscores the United States' determination to prevent ISIS-K and its members from exploiting the international financial system to support terrorist acts in Afghanistan and beyond."

Today's action is being taken pursuant to Treasury's counterterrorism authority, Executive Order (E.O.) 13224, as amended. ISIL-Khorasan was designated as a Specially Designated Global Terrorist pursuant to E.O. 13224 and as a Foreign Terrorist Organization by the Department of State pursuant to Section 219 of the Immigration and Nationality Act in January 2016.

OFAC is taking this action in coordination with the U.S. Department of State, which today designated Sanaullah Ghafari, Sultan Aziz Azam, and Maulawi Rajab as Specially Designated Global Terrorists (SDGTs) for their roles as leaders of ISIS-K.

ISMATULLAH KHALOZAI

Ismatullah Khalozai has been an international financial facilitator for ISIS-K and has carried out missions for senior ISIS leadership. For a period of two years, Ismatullah Khalozai operated a Turkey-based hawala business to transfer funds to finance ISIS-K operations.

Previously, he operated a United Arab Emirates-based financing scheme, which involved sending luxury items to international destinations for resale to generate funds in support of ISIS-K.

Ismatullah Khalozai has also carried out human smuggling operations for ISIS-K, including personally smuggling an ISIS-K courier from Afghanistan to Turkey.

Treasury designated Ismatullah Khalozai pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIL-Khorasan.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the individual named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. Unless authorized by a general or specific license issued by OFAC or otherwise exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of designated or otherwise blocked persons.

Furthermore, engaging in certain transactions with the individual designated today entails risk of secondary sanctions pursuant to E.O. 13224, as amended. Pursuant to this authority, OFAC can prohibit or impose strict conditions on the opening or maintaining in the United State of a correspondent account or a payable-through account by a foreign financial institution that either knowingly conducted or facilitated any significant transaction on behalf of a Specially Designated Global Terrorist.

For information concerning the process for seeking removal from any OFAC list, including the Specially Designated Nationals and Blocked Persons List, please refer to OFAC's [Frequently Asked Question 897](#). Additional information regarding sanctions programs administered by OFAC can be found [here](#).

[View identifying information on the individual designated today.](#)

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