

# Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the Royal United Services Institute in London, the United Kingdom

October 27, 2023

## *As Prepared for Delivery*

Thank you, Tom, and thank you all for joining me at RUSI today.

Three weeks ago, Hamas militants brutally attacked Israel. More and more grisly details continue to trickle out, shocking and horrifying the world anew.

But unfortunately, Hamas is not alone in reaching new lows of depravity. It was not so long ago that the world saw in horror Russia's brutal massacre of Ukrainian civilians in Bucha.

We may feel removed from the barbarism of these attacks, but the truth is both Hamas and the Kremlin have found ways to remain connected to the international financial system and use it to enable their brutality.

Over the years, we have made it harder, costlier, and more painful for bad actors like these to take advantage of our institutions and systems. But as we evolve our work, bad actors evolve their tactics too.

Hamas has built their own illicit networks for terror by taking many of the same steps the Kremlin is taking to avoid our financial sanctions. And much like many Russian elites, senior Hamas officials often live in luxury, while the average Gazan faces dire living conditions.

Ultimately, the Kremlin and groups like Hamas have similar goals—to undermine our democracies and the international world order while sowing hate and discord.

## **TODAY'S CHALLENGE**

So, while the United States Treasury Department is laser-focused today on dismantling Hamas's financial networks, we recognize that this work is part of a broader effort. State and non-state actors alike have sought to unravel our democratic institutions, using illicit finance to fund their efforts.

I'm here with you all today in London because I know that these problems are bigger than any one country. Combatting the destabilizing effects of terrorism requires committed partnerships and coordinated action.

To that end, I'm pleased to share that today, the United States is announcing new sanctions targeted at Hamas financing and meeting with our UK colleagues today to expand our efforts. Today's action targets additional assets in Hamas's investment portfolio and individuals who facilitate sanctions evasion. Today's designations also underscore the critical role Iran plays in providing financial, logistical, and operational support to Hamas and our commitment to curtailing it.

We are grateful for the partnership with His Majesty's across the last two decades of efforts to curtail terrorist financing and in partnering with us to address today's challenges. Both of our countries know too well that terrorism is a threat to all of us.

Hamas and associated terrorist groups have long sought to destroy Israel and attack those in the region and around the world that do not ascribe to their hate-filled ideology.

These groups need financial resources to help fuel their hate. To do so, they have developed ways to access or circumvent our financial systems.

Almost immediately after its horrific attacks, Hamas solicited donations to fund its continued terrorist activities. Our goal is to cut off those financial resources, while ensuring humanitarian aid can continue to flow to the Palestinian people in Gaza.

In service of this goal, we have launched three initiatives.

First, we are stepping up the use of financial sanctions, like those we've announced today to degrade and disrupt Hamas's financial network. While Hamas itself has been under sanctions for decades, we must go after new, emerging shell companies, middlemen, and facilitators.

Second, we are working with partners and allies around the globe to increase information-sharing and collaboration to tackle terrorist financing. Hamas should have nowhere to hide.

Third, we are directly engaging with stakeholders, including financial institutions, to ensure they are taking steps to prevent illicit financial flows to these organizations while continuing to permit legitimate humanitarian support.

That's why soon after the attacks, we issued urgent guidance identifying warning signs of Hamas-related activity for businesses.

## SANCTIONS

Last week, at President Biden and Secretary Yellen's direction, the United States announced a set of sanctions that sought to degrade and disrupt Hamas's financial network.

Collectively, the action targeted ten key Hamas group members, operatives, and financial facilitators in Gaza and elsewhere.

We sanctioned a Gaza-based virtual currency exchange and its operator, which was used by multiple terrorist groups, including Hamas, to transfer funds. We also have taken steps to address systemic illicit finance risks posed by virtual currency mixing, a service that is often abused by illicit actors.

The tools we have allow us to be both surgical in our targeting and expansive in the breadth of our efforts.

Overall, the United States has targeted nearly 1,000 individuals and entities connected to terrorism and terrorist financing by the Iranian regime and its proxies, including Hamas, Hizballah, and other Iran-aligned terrorist groups in the region. And the work of the United States is bolstered by taking joint actions in Europe, including the asset freezes the United Kingdom and European Union have imposed on Hamas.

It is important for us to always recognize that Hamas does not represent the Palestinian people. As President Biden said, we are all heartbroken by the tragic loss of Palestinian life. As do all people, Palestinians deserve dignity and a right to self-determination.

This is why it is critically important that humanitarian assistance be able to flow to Palestinians in Gaza, including financial assistance. As all of our sanctions programs have a carveout for humanitarian assistance and activities that support basic human needs, our tools allow us to target individuals, entities, and networks that have diverted and laundered money, while ensuring that legitimate humanitarian financial flows can continue to innocent civilians who need it most.

Last December, the United States led a United Nations Resolution that implemented a standardized humanitarian carveout across U.N. sanctions regimes. The Treasury Department has issued general licenses to the transport of disaster relief, health services, medicine, food, and other humanitarian aid. In addition, we published a comprehensive review of our economic and financial sanctions that promoted best practices for calibrating sanctions to allow for humanitarian aid.

## COORDINATION

In all of this work, we recognize the need for coordination because the threat of terrorist attacks is a global one.

In addition to our meetings today in London, earlier this week, the Executive Committee of the Terrorist Financing Targeting Center (TFTC) held an urgent meeting in Riyadh, Saudi Arabia.

The U.S and Saudi Arabia co-chaired this meeting with Gulf Cooperation Council (GCC) countries, which focused on redoubling our efforts to go after terrorist financing and facilitation of humanitarian aid to the people of Gaza.

This group will continue to work to identify, track, and share information about terrorist financing networks and coordinate joint disruptive actions. The U.S. and the members of the TFTC are focused on how to mobilize our collective resources to counter threats to our collective interests.

Later this week I will be in Brussels meeting with EU officials, and we look forward to working with the other European countries and jurisdictions to further disrupt Hamas's efforts.

We recognize the importance of taking on these challenges with our partners as a coalition. In the face of sanctions, a target's first reaction is to seek safety elsewhere. They transfer money, exchange currencies, and relocate operations—all in an attempt to continue their illicit activities.

We stand ready to work with countries around the world to ensure that terrorists and those who enable them have nowhere to hide their money.

## ENGAGEMENT

Beyond our coordination with governments, we are also focused on working closely with the private sector.

We are committed to engaging with financial institutions, digital asset firms, and others on steps they can take to prevent terrorists from being able to move money. We know the vast majority of these stakeholders want to help us root out terrorist financing and we look forward to continuing our partnership. But, there are those in the digital asset space who wish to innovate without regard to consequences instead of doing so responsibly, including protecting against illicit financing.

Let me be clear, we will use every tool available to go after any person or platform that is facilitating the movement of resources for terrorists.

Our expectation is that financial institutions and digital asset companies and others in the virtual currency ecosystem will take steps to prevent terrorists from being able to access resources. If they do not act to prevent illicit financial flows, the United States and our partners will.

And, I want to reiterate, our engagements also focus on how to ensure the flow of legitimate financial assistance continues. Over the course of the past weeks, we have remained in touch with humanitarian groups and financial institutions to identify steps we can take to continue to permit these legitimate flows.

## CONCLUSION

In each of these three facets, we know there is a lot of work left to do. The United States and the United Kingdom must continue to collaborate, because even as we develop and deploy new tools, we know our adversaries are reacting and adapting.

In taking on these challenges we face, the United States has no better partner than the United Kingdom.

Our economic, diplomatic, and moral strength lies in our shared commitment to our values and our unity in action. They are at the heart of our Special Relationship.

Thank you again for being here again today, I'm looking forward to our discussion.

###