



September 2023

# VIOLENT EXTREMISM

## Agencies' and Financial Institutions' Efforts to Link Financing to Domestic Threats

Accessible Version

## Why GAO Did This Study

In 2022, DHS, FBI, and NCTC concluded that domestic violent extremists, fueled by various ideological and sociopolitical grievances, posed a sustained threat of violence to the American public, democratic institutions, and government and law enforcement officials.

GAO was asked to review the funding mechanisms and financial activity of domestic violent extremists. This report examines: (1) available information about the sources of funds and financial activity of domestic violent extremists; (2) the difficulties of identifying and linking financial activity to violent extremist activity; and (3) U.S. agency efforts to share information with each other and the public to identify and track such funding and financial activity.

GAO reviewed documentation and reports from Treasury, intelligence and law enforcement agencies, and international and nonprofit organizations focused on violent extremism. GAO also interviewed Treasury, NCTC, FBI, and DHS officials; experts in terrorist financing or extremism; and representatives of 11 financial institutions and seven other private-sector entities.

## What GAO Recommends

GAO recommends that NCTC, in consultation with FBI and DHS, ensure the process for future updates of the indicators booklet clarifies that Treasury can and should seek input from FinCEN. DHS, FBI, Treasury and NCTC did not comment on the recommendation.

View [GAO-23-105928](#). For more information, contact Michael Clements at (202) 512-8678 or [ClementsM@gao.gov](mailto:ClementsM@gao.gov) or Triana McNeil at (202) 512-8777 or [McNeilT@gao.gov](mailto:McNeilT@gao.gov).

## VIOLENT EXTREMISM

### Agencies' and Financial Institutions' Efforts to Link Financing to Domestic Threats

## What GAO Found

Under U.S. law, domestic terrorism is generally defined as involving criminal acts dangerous to human life occurring in the U.S. or its territories that appear intended to coerce a civilian population or influence or affect the conduct of government. The Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS) use the term domestic violent extremism to refer to a variety of domestic terrorism threats.

Domestic violent extremists commonly self-finance their attacks through generally legal means (for example, using income or savings to pay for travel) in small dollar amounts, according to experts. Government reports and research also identified the risks of domestic violent extremist groups using other licit mechanisms to finance their activities, such as selling merchandise with messages supporting their cause. Many of these mechanisms implicate First Amendment protections (e.g., free speech), thereby limiting the ability to monitor the activity to the same extent as unprotected activity.

These characteristics make it difficult for financial institutions and for agencies to identify the financial behavior of domestic violent extremists as suspicious or linked to a violent activity. Some financial institutions (which must report suspicious financial activity to the Department of the Treasury) indicated that unless a customer expressed some sort of terrorist sentiment or violent intent, they would have little way of knowing a transaction was related to violent extremism. Most investigations of such extremists that lead to criminal charges do not include charges for financial crimes, according to DOJ officials. But they also noted that information about their financial activity can help investigators establish patterns of behavior or identify leads.

Multiple mechanisms exist to share information on suspicious financial activities related to threats from domestic violent extremists.

- Treasury's Financial Crimes Enforcement Network (FinCEN) shares financial information and analysis related to ongoing investigations with law enforcement agencies and engages with banks and other financial institutions. It also coordinates with international partners about the risks of the financial activity of domestic violent extremists.
- Since 2015, the National Counterterrorism Center (NCTC), FBI, and DHS, have produced a booklet on indicators of violent extremist mobilization to aid law enforcement and the public in identifying threats of violence. The most recent version (2021) includes some indicators of suspicious financial activity, such as sudden disposal of personal assets. However, FinCEN was not involved in development of these indicators, partly because the process relied on the Intelligence Community. Although Treasury's Office of Intelligence and Analysis was included in the process, previous updates have not solicited input from FinCEN. NCTC officials said the booklet was not an intelligence product and they supported agencies seeking relevant expertise. As the threat of domestic violent extremism continues to evolve, FinCEN's expertise could help further refine and update financial indicators in future booklets.

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## Abbreviations

AML	anti-money laundering
BSA	Bank Secrecy Act
DHS	Department of Homeland Security
DOJ	Department of Justice
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
JTTF	Joint Terrorism Task Force
NCTC	National Counterterrorism Center
ODNI	Office of the Director of National Intelligence

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SAR  
Treasury

suspicious activity report  
Department of the Treasury

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September 13, 2023

The Honorable Sherrod Brown  
Chairman  
Committee on Banking, Housing and Urban Affairs  
United States Senate

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
House of Representatives

The Honorable Bennie Thompson  
Ranking Member  
Committee on Homeland Security  
House of Representatives

The Honorable Josh Gottheimer  
House of Representatives

The White House and multiple federal agencies report that domestic terrorism is a serious and evolving threat.<sup>1</sup> According to the Office of the Director of National Intelligence (ODNI), domestic violent extremists are individuals based and operating primarily in the United States, without direction or inspiration from a foreign terrorist organization or foreign power. These individuals seek to further political or social goals wholly or partly through unlawful acts of force or violence.<sup>2</sup> In 2022, the Department of Homeland Security (DHS), Federal Bureau of Investigation (FBI), and National Counterterrorism Center (NCTC) concluded that domestic violent extremists, fueled by various ideological and sociopolitical grievances, posed a sustained threat to the American public, democratic institutions, and government and law enforcement officials. In 2021, the Financial Crimes Enforcement Network (FinCEN) issued national priorities for anti-

<sup>1</sup>In this report, we generally use domestic violent extremists to describe the terrorist threat. Some federal agencies also use the term domestic terrorist, often because it is statutorily defined, and we adopt that term when an agency uses it. See 18 U.S.C. § 2331(5). We discuss how the two terms are defined later in this report.

<sup>2</sup>Office of the Director of National Intelligence, *Domestic Violent Extremism Poses Heightened Threat in 2021* (Washington, D.C.: Mar. 1, 2021).

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money laundering (AML) and countering the financing of terrorism, one of which focuses on foreign and domestic terrorist financing.<sup>3</sup>

You asked us to review the financing of domestic terrorists and domestic violent extremists. This report examines (1) what is known about the primary mechanisms that domestic violent extremists use in the United States, and abroad to finance their activities; (2) how private-sector entities identify suspicious financial activity related to the financing of domestic violent extremists; and (3) how U.S. agencies coordinate and share information with each other and the public to identify and track the sources of funding for domestic violent extremists.

To address our first and third objectives, we reviewed reports, guidance, court documents, and other documentation from DHS, Department of Justice (DOJ), Department of the Treasury, and ODNI. We also analyzed DOJ press releases for 18 defendants with domestic-terrorism-related prosecutions that included financial crime charges. These cases were identified by DOJ from a search of its CaseView database from 2011-2022.<sup>4</sup> We used these cases to provide illustrative examples. Based on our review of CaseView guidance and codebooks, among other things, we determined that these data are sufficiently reliable for describing selected domestic terrorism cases that included a financial crime charge. We also interviewed officials from DHS, DOJ, and Treasury, including the Internal Revenue Service Criminal Investigation Division, and NCTC, which is part of ODNI. We interviewed law enforcement officials from three interagency task forces focused on combating terrorism.

We also conducted a literature search and searched databases for articles from scholarly journals, government publications, and trade publications that were issued in 2017–2022.<sup>5</sup> Review of these studies and

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<sup>3</sup>Financial Crimes Enforcement Network, *Anti-Money Laundering and Countering the Financing of Terrorism National Priorities* (Washington, D.C.: June 30, 2021). The eight priorities are: (1) corruption; (2) cybercrime, including relevant cybersecurity and virtual currency considerations; (3) foreign and domestic terrorist financing; (4) fraud; (5) transnational criminal organization activity; (6) drug trafficking organization activity; (7) human trafficking and human smuggling; and (8) proliferation financing.

<sup>4</sup>DOJ's Executive Office for United States Attorneys' CaseView is a case management system that contains information from 94 U.S. Attorneys' Offices regarding criminal and civil matters, cases, appeals, and personnel resources.

<sup>5</sup>The literature search included a targeted search of aggregated databases, a search of Google Scholar using relevant search terms, and a limited review of publications from START, the National Consortium for the Study of Terrorism and Responses to Terrorism at the University of Maryland.

their citations helped us identify additional articles and publications for review. From our literature review, we identified researchers with knowledge of financing of domestic violent extremist activity, eight of whom we interviewed. We also interviewed three academics and knowledgeable industry officials (identified through our prior work on anti-money laundering, terrorist about mechanisms that domestic violent extremists and domestic terrorists use to raise funds and finance activities.

To address our second objective, we conducted two discussion groups with representatives of a total of 11 financial institutions. These discussion groups included staff from institutions that are members of two trade organizations—the Bank Policy Institute and the Independent Community Bankers of America, who were familiar with the risks related to domestic violent extremist and terrorist financing.<sup>6</sup> We also conducted a discussion group with representatives of five payment processors, arranged for by the Electronic Transaction Association, which identified members who were familiar with these risks.<sup>7</sup>

In addition, we interviewed representatives from two social media companies selected because they were among the largest in the United States. We reviewed publicly available information about how social media companies evaluate threats and enforce their community guidelines, particularly to prevent illicit financial activity over their platforms. Based on companies identified during our literature reviews and interviews, we reviewed the terms of service or community use guidelines for five social media companies (including the two we interviewed), two crowdsource funding platforms, and two payment processors.

We conducted this performance audit from March 2022 to September 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe

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<sup>6</sup>We chose these groups because of their wide-ranging membership and ability to help us engage with a cross section of institutions from community banks to national and international financial institutions.

<sup>7</sup>We requested the assistance of the Electronic Transactions Association because it represents a wide range of payment companies that allowed us to obtain views and perspectives across the industry.

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that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### Domestic Terrorism and Domestic Violent Extremism

Domestic terrorism is defined in federal law as activities that occur primarily within the territorial jurisdiction of the United States; involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any state; and appear to be intended to

- intimidate or coerce a civilian population,
- influence the policy of a government by intimidation or coercion, or
- affect the conduct of a government by mass destruction, assassination, or kidnapping.<sup>8</sup>

FBI and DHS use domestic violent extremism to refer to a variety of domestic terrorism threats. According to FBI and DHS, the word “violent” is important because mere advocacy of political or social positions, political activism, use of strong rhetoric, or generalized philosophic embrace of violent tactics does not constitute violent extremism and may be constitutionally protected.<sup>9</sup> FBI and DHS continually assess threats, and since 2019 have categorized domestic violent extremism into five specific threats:

- Racially or ethnically motivated violent extremism;
- Anti-government or anti-authority violent extremism,

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<sup>8</sup>18 U.S.C. § 2331(5).

<sup>9</sup>Under FBI policy and federal law, no investigative activity may be based solely on activity protected by the First Amendment, or the apparent or actual race, ethnicity, national origin, religion, gender, sexual orientation, or gender identity of the individual or group. Federal Bureau of Investigation and Department of Homeland Security, *Strategic Intelligence Assessment and Data on Domestic Terrorism* (Washington, D.C.: October 2022). See 5 U.S.C. § 552a(e). Similarly, DHS’s Office of Intelligence and Analysis is prohibited from engaging in any intelligence activities for the purpose of affecting the political process in the United States or for the sole purpose of monitoring activities protected by the First Amendment or the lawful exercise of other rights secured by the Constitution or laws of the United States. DHS policy prohibits any intelligence activities based solely on an individual’s or group’s race, ethnicity, gender, religion, sexual orientation, gender identity, country of birth, or nationality.



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- Animal rights or environmental violent extremism,
  - Abortion-related violent extremism, and
  - All other domestic terrorism threats.

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## Federal Agency Roles and Responsibilities

**DOJ.** FBI is responsible for leading law enforcement and domestic intelligence efforts to prevent and disrupt terrorist attacks against U.S. persons and interests. Attorney General guidelines authorize the FBI to detect, obtain information about, and prevent or protect against federal crimes or threats to national security.<sup>10</sup> Within FBI headquarters, the Counterterrorism Division manages FBI's Domestic Terrorism Program.

The FBI-led Joint Terrorism Task Forces (JTTF) investigate domestic and international terrorism threats, and according to officials, collect and share information and intelligence. JTTFs are specialized investigative units within FBI field offices, composed of task force officers from federal, state, and local law enforcement.

Other DOJ components support the countering of domestic terrorism threats through prosecutions, intelligence information sharing, and research, among other things. The Domestic Terrorism Unit within the Counterterrorism Section of the National Security Division has several functions including prosecuting and coordinating domestic terrorism cases and supporting DOJ's work in implementing the whole-of-government strategy on countering domestic terrorism. Within DOJ, the Executive Office for U.S. Attorneys supports 93 U.S. Attorneys who are responsible for prosecuting federal crimes, including those related to domestic terrorism.<sup>11</sup>

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<sup>10</sup>The Attorney General's Guidelines for Domestic FBI Operations define a threat to national security as international terrorism, espionage and other intelligence activities, sabotage, and assassinations conducted by, for, or on behalf of foreign powers, organizations, or persons; foreign computer intrusion; and other matters determined by the Attorney General consistent with Executive Order 12333 or any successor order. Department of Justice, Attorney General Guidelines for Domestic FBI Operations (Washington, D.C.: Sept. 29, 2008).

<sup>11</sup>While there are 94 federal districts, there are 93 U.S. Attorneys, as one U.S. Attorney represents the federal districts in both Guam and the Northern Mariana Islands.

**Treasury.** FinCEN is responsible for administering the Bank Secrecy Act (BSA).<sup>12</sup> BSA requires financial institutions to maintain records, file reports with FinCEN, and take other steps to detect and prevent money laundering and the financing of terrorism. The information provided by financial institutions is used by law enforcement and other government agencies to pursue illicit activity and actors. For example, covered financial institutions must file suspicious activity reports (SAR) with FinCEN in connection with certain transactions the financial institution reasonably believes are relevant to a possible violation of law or regulation, including laws related to the financing of terrorism.<sup>13</sup> FinCEN has authority to enforce compliance with the BSA's requirements, including implementing regulations and imposing civil money penalties for violations of the BSA. It also analyzes information in BSA reports and shares such analysis with appropriate federal, state, local, and foreign law enforcement agencies. In addition, FinCEN publishes analyses containing trends and methods in money laundering and other financial crimes.

Also within Treasury, the Internal Revenue Service-Criminal Investigation Division investigates violations of tax laws and financial crimes, including money laundering and terrorism financing activity. Other Treasury components support the countering of domestic terrorism through public policy and intelligence. The Office of Terrorist Financing and Financial Crimes coordinates the department's anti-money laundering and countering financing of terrorism efforts, among other responsibilities. The Office of Intelligence and Analysis is responsible for integrating the Department's intelligence functions with the larger Intelligence Community.

**DHS.** To carry out its mission, the Secretary of Homeland Security has broad statutory rights of access to information relating to threats of

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<sup>12</sup>31 U.S.C. § 310.

<sup>13</sup>31 U.S.C. § 5318(g). For example, under FinCEN's regulations, banks, must file a SAR if a transaction involves or aggregates at least \$5,000 in funds or other assets and the bank knows, suspects, or has reason to suspect that the transaction (1) involves funds derived from or intended to disguise illegal activities, (2) is designed to evade any BSA requirements, (3) has no business or apparent lawful purpose or (4) is not the type of transaction in which the customer would normally be expected to engage and the bank knows of no reasonable explanation for the transaction. Each federal banking regulator also established additional criteria for the filing of a SAR by financial institutions under its supervision, such as a requirement to file a SAR for suspicious activity involving suspected insider abuse at any dollar amount.

terrorism possessed by other federal agencies.<sup>14</sup> The Office of Intelligence and Analysis is the primary office within DHS responsible for collecting, analyzing, integrating, and disseminating intelligence and other information related to domestic terrorism. The specific responsibilities of the Office of Intelligence and Analysis related to domestic terrorism activities include collecting and analyzing information and building an information-sharing environment.

**ODNI.** The Director of National Intelligence serves as head of the U.S. Intelligence Community and acts as the principal adviser to the President and National Security Council on intelligence matters related to national security.<sup>15</sup> Within ODNI, the National Counterterrorism Center (NCTC) leads and integrates the national counterterrorism effort across the Intelligence Community.

NCTC is the primary organization responsible for “analyzing and integrating” all U.S. government intelligence pertaining to terrorism and counterterrorism, except for intelligence that pertains exclusively to domestic terrorism.<sup>16</sup> Although NCTC’s activities are focused primarily on international counterterrorism, it is authorized to receive domestic counterterrorism intelligence from other sources, such as DHS’s Office of Intelligence and Analysis, which has a statutory duty to support NCTC’s mission.<sup>17</sup> Furthermore, NCTC officials stated that as soon as they determine a threat to be domestic in nature, NCTC notifies FBI, which assumes the investigative lead role. NCTC supports FBI and DHS in three main areas: analytic production and outreach to the Intelligence Community, real-time incident reporting, and investigative case support to

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<sup>14</sup>6 U.S.C. §§ 121(d)(4), 122(a)(1).

<sup>15</sup>50 U.S.C. § 3023(b). The U.S. Intelligence Community consists of 18 organizations, such as the Central Intelligence Agency, Treasury’s Office of Intelligence and Analysis, and intelligence components of the five military services in the Department of Defense. ODNI, which heads the Intelligence Community, works to ensure that standards, processes, and tools across the community are standardized and efficient. 50 U.S.C. § 3003(4).

<sup>16</sup>50 U.S.C. § 3056(d)(1).

<sup>17</sup>6 U.S.C. § 121(d)(1); 50 U.S.C. § 3056(e)(1) (noting that NCTC “may receive intelligence pertaining exclusively to domestic counterterrorism from any Federal, State, or local government or other source necessary to fulfill its responsibilities and retain and disseminate such intelligence.”). The Privacy Act of 1974 prohibits agencies from maintaining records about how U.S. citizens and lawful permanent residents exercise their First Amendment rights. A law enforcement exception authorizes agencies to maintain information about an individual’s First Amendment activities if “pertinent to and within the scope of an authorized law enforcement activity.” 5 U.S.C. § 552a(e)(7).

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identify any ties to international terrorism. NCTC contributes to a variety of analytical products, including those related to work on the transnational dynamics of violent extremism.

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## Domestic Violent Extremists Commonly Use Licit Sources and Mechanisms to Fund Their Activities

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### Attacks Typically Financed with Personal Funds

Domestic violent extremists typically use small amounts of personal funds to engage with others supporting an extremist ideology and to plan for and carry out violent attacks, according to analysis conducted by FinCEN, several federal agency officials and experts we interviewed, and literature we reviewed.<sup>18</sup> During the radicalization stage, the financing methods typically are licit (for instance, employment income, savings, or tax refunds). ODNI reported that attackers are often radicalized independently by consuming violent extremist material online and mobilize without direction from a group or organization.<sup>19</sup> Prior to an attack, domestic violent extremists may use their resources to engage in licit activities to spread their ideology and engage with others sharing the same ideology. This includes obtaining literature that supports their message, traveling to attend gatherings or other events at which an extremist ideology is promoted, or engaging with online extremist forums and other platforms.

Similarly, the activities involved in preparing for an attack may involve small amounts of personal funds. *Treasury's 2022 National Terrorist Financing Risk Assessment* states that domestic violent extremists typically use cash, checks, or a debit or credit card linked to their personal bank accounts for any financial transactions related to their violent plot. The Financial Action Task Force (FATF) reported that attacks carried out

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<sup>18</sup>For example, see Alexandra T. Evans and Heather J. Williams, *How Extremists Operate Online, A Primer*, (Santa Monica, Calif., RAND Corporation: April 2022); Anti-Defamation League, *Funding Hate: How White Supremacists Raise Their Money* (New York, N.Y.: 2017); and The Soufan Center, *White Supremacy Extremism: The Transnational Rise of the Violent White Supremacist Movement* (New York, N.Y.: September 2019).

<sup>19</sup>Office of the Director of National Intelligence, *Domestic Violent Extremism Poses Heightened Threat in 2021*.

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recently relied on small amounts of cash and did not involve sophisticated planning or preparation.<sup>20</sup> DOJ and DHS officials told us that domestic violent extremist attackers rarely solicit funds, engage in fundraising, or seek external monetary support to commit violence. DHS officials also said the plots tend to be simple, only requiring vehicles, firearms, or explosives.

For example, FBI identified the individual who carried out a 2022 shooting in Buffalo, New York, as a domestic violent extremist using personal funds to finance his violent activity. The individual purchased a firearm, tactical gear, and a wearable camera online using personal funds. He raised funds by selling personal items such as clothes and silver coins, and also tried to raise funds by selling shares of stock. Similarly, the shooter in the attack at a Walmart in Texas in 2019 purchased his weapons legally using personal funds.

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### Treasury and Others Have Identified Other Financing Methods Used by Domestic Violent Extremists

Treasury, FATF, and literature we reviewed identified the risks of domestic violent extremist groups using other licit mechanisms to raise funds and finance their activities (see table 1).<sup>21</sup> Many of these mechanisms implicate First Amendment protections (e.g., free speech), thereby limiting the ability of the government to investigate the activity as described earlier. Experts we interviewed indicated that violent extremists may use these methods regardless of ideology.

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<sup>20</sup>FATF is an intergovernmental body that sets internationally recognized standards for countering money laundering and the financing of terrorism and proliferation of weapons of mass destruction. In June 2021, FATF reported on the financing risks of ethnically or racially motivated terrorists. FinCEN, as part of Treasury's delegation to FATF, participates in developing FATF's reports. See Financial Action Task Force, *Ethnically or Racially Motivated Terrorism Financing* (Paris, France: June 2021).

<sup>21</sup>For example, see Daveed Gartenstein-Ross, Varaha Koduvayur, and Samuel Hodgson, *Crypto-Fascists: Cryptocurrency Use by Domestic Violent Extremists* (Washington D.C.: March 2022); George Washington University Program on Extremism and the National Counterterrorism Innovation and Technology Education Center, *Anarchists/Left-Wing Extremism in America: Trends in Radicalization, Recruitment, and Mobilization*, (Washington, D.C.: November 2021); and Southern Poverty Law Center, *Funding Hate: How Extremists Like Those That Attacked the Capitol Are Making Money Off the Internet* (Montgomery, Ala.: April 2021).

**Table 1: Licit Funding Mechanisms That Domestic Violent Extremists Might Use**

Licit funding mechanism	Description <sup>a</sup>
Crowdfunding	Crowdfunding is the funding of a project or cause using small amounts of money from a large number of people. Domestic violent extremists may use crowdfunding to raise money to cover travel costs for a rally or event or to cover legal fees following arrest.
Solicitation of donations	An announcement may solicit donations to the extremist’s virtual currency wallet or other third-party payment service account.
Livestreaming	Groups or individuals may raise money while livestreaming an ideological message. Some livestreaming sites require that viewers purchase a special currency that can only be used on their site to donate to live streamers.
Merchandise sales	Funds may be raised through sales of merchandise, such as T-shirts with messages that support the extremist’s ideology.
Membership fees or dues	Funds may be raised through membership fees or dues to extremist organizations, which may provide access to newsletters, online content, conferences, or other opportunities to interact with other members of the group.
Entertainment events	Ticket sales to events, such as mixed martial arts events, where others with extremist ideology gather, may be used to raise money.

Source: GAO analysis of information from the Department of the Treasury and Financial Action Task Force as well as officials with knowledge of how domestic violent extremists operate. | GAO-23-105928

<sup>a</sup>Some of these activities may be protected by the First Amendment to the U.S. Constitution because they constitute a form of speech, expression, or both. According to the Office of the Director of National Intelligence, mere advocacy of political or social positions, political activism, use of strong rhetoric, or generalized philosophic embrace of violent tactics may not constitute violent extremism, and may be constitutionally protected. See Office of the Director of National Intelligence, *Domestic Violent Extremism Poses Heightened Threat in 2021* (Washington, D.C.: March 2021).

Individuals planning domestic violent attacks also may use illicit methods to finance their activities, including theft, fraud, and drug trafficking, according to *Treasury’s 2022 National Terrorist Financing Risk Assessment*. For example in 2017, five men associated with a neo-Nazi group sold methamphetamine to help fund a planned bombing in Pennsylvania, according to a federal indictment.

### Limited Evidence Exists of Financial Connections Between Domestic and International Violent Extremists

Limited evidence exists of financial connections between U.S.-based domestic violent extremists and international terrorists, according to Treasury and several officials and experts we interviewed. Crowdfunding sites serve as a financial connection between domestic violent extremists and foreign entities, according to several researchers and experts. For example, an international crowdfunding effort associated with a European extremist group collected donations from U.S. individuals. According to FBI officials, there also have been instances in which crowdfunding

efforts associated with domestic violent extremists received support from individuals outside the United States.

Some domestic violent extremists and international terrorists have also been known to communicate and network through transnational online networks, according to federal government and United Nations publications and interviews with several officials and experts. For example, in 2022, DHS reported that some domestic violent extremists in the United States praised an October 2022 shooting at a lesbian, gay, bisexual, trans, queer + bar in Slovakia and encouraged additional violence. The attacker in Slovakia posted a manifesto online espousing white supremacist beliefs and his admiration for prior attackers, including some in the United States.<sup>22</sup> In a 2020 report, the United Nations Security Council Counter-Terrorism Committee Executive Directorate noted that fundraising by extremists plays an important role in supporting and promoting violent extremist literature and that money is often raised to fund a culture of extremism and may be accessed by those aspiring to carry out violent attacks.<sup>23</sup>

According to Treasury, ODNI, and an expert with whom we spoke, some domestic violent extremists (particularly those racially or ethnically motivated) have traveled abroad to network with like-minded individuals or international terrorists.<sup>24</sup> Furthermore, FBI officials told us that transnational racially or ethnically motivated terrorists have plotted attacks and encouraged violence against government officials in Australia and throughout Europe. Such transnational racially motivated violent extremists often call for attacks in the United States and allied countries. Some racially motivated violent extremist attacks in the United States were partially inspired by similar attacks overseas and by narratives from transnational racially motivated violent extremists. FBI does not have information to support that foreign racially motivated violent extremists directly assisted any attack in the United States.

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<sup>22</sup>Department of Homeland Security, *National Terrorism Advisory System Bulletin* (Washington, D.C.: Nov. 30, 2022).

<sup>23</sup>Counter-Terrorism Executive Directorate United Nations Security Council, *Member States Concerned by the Growing and Increasingly Transnational Threat of Extreme Right-Wing Terrorism*, (New York, N.Y.: Apr. 2020).

<sup>24</sup>For example, see *Domestic Violent Extremism Poses Heightened Threat in 2021*.

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## Financial Institutions and Other Private-Sector Entities Face Challenges in Identifying Suspicious Activity by Violent Extremists

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### Financial Institutions Use Multiple Information Sources to Identify Suspicious Activity

Financial institution representatives we interviewed told us they rely on internal and external information sources to identify suspicious activity that could be associated with domestic violent extremists and domestic terrorists.<sup>25</sup> Internal sources include the information they must collect on customers at account opening to verify identity and understand the nature of the relationship between the financial institution and the customer (customer due diligence).<sup>26</sup> This information serves to provide a baseline understanding of customer's typical deposits, withdrawals, and other financial activity. Institutions then use both automated systems and compliance personnel to monitor for and identify suspicious activity. Unusual or suspicious activity is flagged for further analysis and an institution may file a suspicious activity report, as required by FinCEN regulations.

External sources of information include FinCEN, law enforcement agencies, other financial institutions, and publicly available information. The information can be public (such as FinCEN's 2021 national priorities and Treasury's *National Strategy for Combatting Terrorist and Other Illicit Finance*) or generated through information-sharing efforts, such as the 314(b) process. Section 314(b) of the USA PATRIOT Act provides financial institutions a safe harbor (protections from liability) to share information with one another to better identify and report activities that

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<sup>25</sup>We spoke with representatives of four national and international institutions, seven community banks, and five payment processors.

<sup>26</sup>All federally regulated banks and some other types of financial institutions must establish Anti-Money Laundering /Countering the Financing of Terrorism compliance programs. 31 U.S.C. § 5318(h). In addition to federally regulated banks, customer identification programs and customer due diligence requirements apply to other financial institutions, including brokers or dealers in securities, mutual funds, and futures commission merchants.



may involve money laundering or terrorist activities.<sup>27</sup> For example, one community bank told us it used the 314(b) process in a situation that it believed could be related to financing for domestic violent extremism. The bank contacted other financial institutions to get a broader picture of some account activity and was able to pass information to federal law enforcement.

Financial institution representatives also told us they obtain information on risks related to terrorism financing from international entities such as FATF and the Egmont Group (which facilitates information sharing and cooperation among its member financial intelligence units).<sup>28</sup> They said that red flags for international terrorist financing, such as unusual transfers of funds among related accounts or activity inconsistent with the customer's business, generally are applicable to domestic terrorist financing.

Additionally, some national institutions told us their internal financial intelligence departments use publicly available information such as media reports to help identify customers who could have links to domestic terrorism or extremist groups. Financial institutions also said that they maintain relationships with law enforcement agencies to share information, including the FBI. For example, two institutions told us that as soon as they becomes aware of a domestic terrorist event, they deploy a team to analyze if the attacker is a customer and notify law enforcement as appropriate.

Financial institutions also can identify individuals and organizations with potential ties to international terrorism by screening parties against U.S. government lists of bad actors, such as the State Department's list of Foreign Terrorist Organizations or Treasury's Office of Foreign Assets Control list of Specially Designated Nationals and Blocked Persons.<sup>29</sup>

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<sup>27</sup>Pub. L. No. 107-56, § 314(b), 115 Stat. 272, 308 (2001).

<sup>28</sup>The Egmont Group is an informal group of 166 financial intelligence units whose goal is to provide a forum for financial intelligence units to share information and improve cooperation.

<sup>29</sup>For example, Executive Order 13224 gives the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, the authority to designate and block the assets of foreign individuals and entities that have committed, or pose a significant risk of committing, acts of terrorism. Property that is subject to designation and blocking must be in the United States or come in possession or control of U.S. persons. Exec. Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001). Treasury's Office of Foreign Assets Control administers and enforces economic and trade sanctions.

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Financial institutions can more heavily monitor international entities that officially have been designated a terrorist group, according to experts. However, according to Treasury, these tools are not generally applicable in the context of addressing domestic terrorism because the legal authorities that underpin counter-terrorism sanctions are primarily focused on foreign persons engaged in terrorist activities.

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### Social Media and Other Companies Use Multiple Information Sources to Evaluate Risks

Social media and other companies—some of which facilitate financial transactions—generally prohibit illegal or violent content on their platforms. We examined the terms of service and other user agreements for five social media companies, two crowdfunding sites, and two third-party payment processors. We found the policies varied in terms of the specificity of prohibited behavior. Some companies have policies that specifically prohibit activity on their platform that encourages harm or violence, while others only say they will remove content that could be considered unlawful. The two crowdfunding sites whose policies we reviewed, use third-party payment processors for the transfer of funds over their platforms. One company’s policy made specific reference to how those third-party payment processors would monitor transactions. The other provided links to the payment processors’ terms of service.

Representatives of the two social media companies told us they attempt to limit the ability of domestic violent extremists and other terrorists to use their platforms for fundraising by removing them altogether. Not all these platforms allow for the transfer of funds, but those that do generally have BSA compliance programs or rely on third-party payment processors that have such programs.<sup>30</sup>

In an effort to detect planning for or communication about violence over their platforms, representatives of §§social media companies, and payment processors report using a variety of open-source, government-issued, and internal data and information. For example, one social media company stated it uses multiple information sources to moderate its content and analyze the risks of violent groups or individuals using its

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<sup>30</sup> FinCEN regulation 31 CFR § 1010.100(ff)(5)(i) defines a money transmitter. Whether an entity falls within this definition is a matter of facts and circumstances. 31 CFR § 1010.100(ff)(5)(i).

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platform. It may use government-issued reports to help spot trends or to focus resources on a certain type of group or individual.

Representatives of another social media company said its sources include users who report content that promotes activity associated with domestic violent extremists. Representatives of the company said that once identified, they remove content that could be associated with promoting domestic violent extremist activity and report potential threats to law enforcement agencies.

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### Identifying Suspicious Financial Activity of Domestic Violent Extremists Is Challenging

Identifying financial transactions of domestic violent extremists as suspicious may be difficult because, as discussed earlier, these individuals generally do not engage in illicit financial activity and their transactions typically are in small amounts and involve personal funds. Some of the financial institutions we interviewed agreed that unless a customer expressed some sort of terrorist sentiment or violent intent, they would have little way of knowing that a transaction was related to domestic violent extremism. Additionally, Treasury noted in its 2022 *National Terrorist Financing Risk Assessment* that the self-financing nature of domestic violent extremist funding makes it challenging for financial institutions and law enforcement to identify such activity. Third-party payment processors told us they do not have access to underlying purchase information, and the underlying activity is typically licit in any case. Financial institution representatives told us that typically it is only after a violent attack has occurred See 18 U.S.C. § 2331(5) that they become aware that a customer engaged in extremist activities.

As previously discussed, FinCEN established national priorities to combat money laundering and counter terrorism financing and help financial and other institutions meet their BSA/AML obligations. According to FinCEN, forthcoming regulations will specify how financial institutions should incorporate the eight priorities—one of which is foreign and domestic terrorist financing—into their risk-based AML programs. FinCEN officials said that they have been working with the financial regulators on this

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rulemaking.<sup>31</sup> In anticipation of the regulations, financial institution representatives told us they have been focusing on training staff on what to look or listen for, even in passing, from customers that might indicate involvement in domestic violent extremism.

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## U.S. Agencies Share Information and Investigate the Financial Activity of Domestic Violent Extremists, but Have Charged Few Financial Crimes

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### Federal Agencies Incorporate BSA Reporting into Their Investigative and Analytic Efforts

Officials told us that the financial component of investigations of domestic violent extremists is minimal because the subjects of their investigations generally are not engaged in illicit financial activity. However, federal agencies use and analyze BSA reporting to investigate the financial activity of domestic violent extremists. For instance, agency officials said that FBI investigators use SAR data and other BSA reporting to generate leads and support their investigations of domestic violent extremists and domestic terrorist activity.

**JTTFs.** FBI special agents from three JTTFs told us that, as part of any investigation, they explore leads to identify illicit activity and build a profile of the investigation's subjects. This can include using BSA data to develop and understand a pattern of financial activity. For example, investigators may examine suspicious financial transactions for activities such as travel to tactical training camps, purchases of weapons and bomb-making parts, and purchases of precursor chemicals for making synthetic opioids.

FBI officials told us BSA data can help identify connections between individuals that could aid investigations. If there is evidence of a predicate crime, FBI can subpoena financial institutions for account information that

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<sup>31</sup>FinCEN indicated that it planned to issue in December 2023 a Notice of Proposed Rulemaking pursuant to section 6101(b)(2)(C) of the Anti-Money Laundering Act. William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. Pub. L. No. 116-283, § 6101(b)(2)(C), 134 Stat. 1188, 4550-51 (2021).

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may be additional to what the institution reported to FinCEN, according to officials from one JTTF.

FBI officials also told us that analysts at their Strategic Engagement Unit review BSA data and disseminate relevant information to FBI field offices about potential threats. According to FBI officials at a JTTF, any SARs that indicate a potential domestic terrorism threat in their respective jurisdictions are passed on from the Strategic Engagement Unit and their teams will examine the information to determine if a domestic terrorism investigation is warranted.

**SAR Review Teams.** SAR Review Teams—led by IRS-Criminal Investigation—are generally operational in all 94 federal judicial districts and analyze SARs from financial institutions. Team representatives told us they analyze SARs and other BSA data to identify patterns, emerging risks, and potential investigative leads. IRS-Criminal Investigations and FinCEN officials said SARs generally do not contain enough information on their own to connect the activity to a domestic violent extremist threat without further corroboration through other investigative mechanisms. However, if a connection is established, the teams will pass information on domestic violent extremists and domestic terrorism-related risks to FBI or JTTF representatives, who have authority to investigate that activity.

**FinCEN.** In its role as the U.S. financial intelligence unit, FinCEN analyzes SAR and other BSA reporting to identify trends, patterns, and potential investigative leads for law enforcement agencies. FinCEN prepares analytical products in support of law enforcement investigations of domestic violent extremists and domestic terrorists, using their tools for analyzing BSA reporting. For example, in 2021 FinCEN conducted an analysis on financial trends potentially linked to U.S.-based domestic violent extremists at the request of DHS, according to FinCEN officials.

FinCEN also has shared information with other entities to support their efforts to identify suspicious activity. The White House reported in 2021 that Treasury, which includes FinCEN, was exploring ways to enhance the identification and analysis of financial activity associated with domestic terrorists and their foreign counterparts.<sup>32</sup>

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<sup>32</sup>Executive Office of the President, National Security Council, *National Strategy for Countering Domestic Terrorism*, (Washington, D.C.: June 2021).

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## Criminal Charges against Domestic Violent Extremists Have Not Focused on Illicit Financial Activity

Most domestic terrorism cases have not included charges for financial crimes. Because much of the financial activity in which domestic violent extremists and domestic terrorists engage is legal or constitutionally protected, DOJ officials told us it is not common to bring charges for financial crimes. FBI officials at JTTFs told us that to open a domestic terrorism-related investigation, the threat actor must have engaged in activity that meets FBI investigative criteria for domestic terrorism: that the threat or use of violence was intended to intimidate or coerce in furtherance of political or social objectives in violation of federal law.<sup>33</sup> Therefore, the criminal charges are more likely to focus on those threats or uses of violence. JTTF officials also told us that bringing financial crimes charges are generally more difficult than other charges, particularly if a violent crime occurred. In a 2023 report that included a review of DOJ data on domestic terrorism-related prosecutions from October 2011 through July 2021, we found that most criminal charges related to protected persons and places or firearms, dangerous weapons, and explosives.<sup>34</sup>

JTTF officials said that, if the subjects of a domestic terrorism investigation are involved in illicit financial activity, fraud (such as tax or unemployment insurance fraud) is the most prominent form of such illicit financial activity. However, JTTF officials noted it is difficult to link the fraud to the support of domestic violent extremist activity. We analyzed DOJ press releases for 18 defendants with domestic terrorism-related prosecutions that included financial crime charges in fiscal years 2011-2019 and found that most of the financial crime-related charges were for

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<sup>33</sup>The FBI's criteria related to domestic terrorism is derived from the statutory definition of domestic terrorism found at 18 U.S.C. § 2331(5).

<sup>34</sup>Protected persons and places charges include 18 U.S.C. § 1751 (Presidential and Presidential staff assassination, kidnapping, and assault); 18 U.S.C. § 1752 (Restricted building or grounds); and 40 U.S.C. § 5104 (Unlawful activities involving the U.S. Capitol building or grounds). See GAO, *Domestic Terrorism: Further Actions Needed to Strengthen FBI and DHS Collaboration to Counter Threats*, [GAO-23-104720](#) (Washington, D.C.: Feb. 22, 2023).

tax violations.<sup>35</sup> Specifically, 10 of the cases included tax violations (such as filing false tax returns), 10 included charges for mail fraud, six included charges for bank fraud, and six included charges for wire fraud. In one case we reviewed, a New York man who was involved in a domestic violent extremist group was convicted in 2013 of tax and fraud charges for trying to defraud the Internal Revenue Service of \$36 million.<sup>36</sup> In another case, a South Carolina man involved in a domestic violent extremist group was found guilty in 2019 of tax and wire fraud in a scheme to defraud individuals, including some elderly individuals.<sup>37</sup>

In contrast to international terrorism investigations, FBI and DOJ officials told us their authorities for investigating domestic violent extremism and domestic terrorism are limited, in part because no federal statute specifically criminalizes domestic terrorism.<sup>38</sup> With international terrorism investigations, FBI and DOJ can apply the charge of *providing material support or resources to a designated foreign terrorist organization*.<sup>39</sup> DOJ and FBI officials told us that such a charge of providing material support or resources to a designated foreign terrorist organization does not apply to domestic terrorists because they do not qualify under the relevant statutory definition as a terrorist organization.<sup>40</sup> However, the separate and distinct crime of providing material support to *terrorists* does apply to domestic terrorists.<sup>41</sup> For example, in April 2023, two men were

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<sup>35</sup>We asked DOJ to search its CaseView database for domestic terrorism-related prosecutions that also include financial crime charges under eight different financial crimes statutes between 2011 and 2022. DOJ did not find any cases meeting these criteria from 2020 through 2022.

<sup>36</sup>U.S. v. Glenn R. Unger, 1:12-CR-579 (N.D.N.Y. indictment filed on Dec. 19, 2012).

<sup>37</sup>U.S. v. Ronald Allen Wright, 3:18-78 (U.S. District of South Carolina, 2019).

<sup>38</sup>While there is no federal crime of domestic terrorism, individuals whose conduct involves domestic terrorism may be federally prosecuted under a wide range of criminal statutes.

<sup>39</sup>18 U.S.C. § 2339B.

<sup>40</sup>The term “terrorist organization” means an organization designated as a terrorist organization under section 219 of the Immigration and Nationality Act. 18 U.S.C. § 2339B(g)(6).

<sup>41</sup>18 U.S.C. § 2339A.

sentenced for conspiring to provide material support for a plot to attack power grids in the United States.<sup>42</sup>

According to DOJ and FBI officials, the U.S. government also does not have the same mechanisms for designating domestic violent extremists and domestic terrorists as terrorist organizations as it does for foreign entities and individuals. Foreign entities and individuals designated as terrorist organizations can be denied access to the U.S. financial system.<sup>43</sup> Such designations also can assist law enforcement actions by foreign governments and other U.S. agencies. However, FBI officials at a JTTF told us it could be an instance in which U.S.-based domestic violent extremists were charged with material support of a group designated as a foreign terrorist organization.

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## Information-Sharing on Domestic Violent Extremist Financing Includes Foreign Partners and Private Sector

### Treasury Shares Information with Various Industry and Foreign Partners

Treasury uses existing mechanisms to share information with private-sector entities and foreign partners on identifying and combating the financing of domestic violent extremists and domestic terrorists. For example, in April 2023 Treasury hosted a roundtable with public- and private-sector participants on the use of virtual assets by domestic violent extremists and by foreign violent extremists who are racially and ethnically motivated. According to Treasury, the roundtable discussions focused on how these violent extremists raised, moved, or used funds using virtual assets. They also discussed challenges in identifying and reporting misuse of virtual assets by these groups, along with potential opportunities for collaboration.

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<sup>42</sup>U.S. v. Christopher Brenner Cook, 2:22-cr-19-3 (S.D. Ohio, 2023); U.S. v. Jonathan Allen Frost, 2:22-cr-19-2 (S.D. Ohio, 2023).

<sup>43</sup>For example, Executive Order 13224 gives the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, authority to designate and block the assets of foreign individuals and entities that commit, or pose a significant risk of committing, acts of terrorism. Exec. Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001). Property that is subject to designation and blocking must be in the United States or come in possession or control of U.S. persons.



In parallel with this roundtable, Treasury established a web page of selected government publications about domestic violent extremists, their foreign analogues, and associated financial activity.<sup>44</sup> In addition, the FinCEN Exchange shares information with private-sector financial institutions, such as during a 2019 meeting that discussed lone-actor violent extremism.

Treasury also published additional reports illustrating aspects of the financing activity of domestic violent extremist. For example, the 2022 *National Terrorist Financing Risk Assessment* included a stand-alone section on cases and financing trends associated with domestic violent extremists and their foreign analogues. According to Treasury officials, the information in the risk assessment was drawn from a variety of sources including case examples, an analysis of BSA filings, and open source reporting.

FinCEN also participates in the Egmont Group, which promotes international cooperation and information exchange between financial intelligence units.<sup>45</sup> Through Egmont, FinCEN can request and share certain suspicious activity reporting with foreign counterparts to assist in investigations of potential money laundering and terrorist financing crimes. According to FinCEN, although foreign terrorists and U.S.-based domestic violent extremists may not necessarily coordinate their activities, other countries' financial intelligence units have information on related domestic violent extremist networks in their respective countries. They also may have information on trends and patterns in suspicious activity reporting on groups that share ideological beliefs. Additionally, FinCEN officials told us they responded to several requests in 2020 and 2021 for information from a foreign financial intelligence unit related to foreign individuals suspected of being linked to domestic violent extremist activity in their country.

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<sup>44</sup><https://home.treasury.gov/policy-issues/terrorism-and-illicit-finance/domestic-violent-extremism>.

<sup>45</sup>In July 2021, the Egmont Group published a report intended to present key lessons, best practices, and representative case examples to help enhance the fight against extreme right-wing terrorism financing. See Egmont Group, *FIU's Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism: State of Play and Perspectives* (Toronto, Canada: Oct. 26, 2021).

Treasury co-led the development of FATF's 2021 report on ethnically or racially motivated terrorism financing.<sup>46</sup> FinCEN participated in discussions with international counterparts to develop this report. Treasury officials told us they reviewed existing analyses of BSA data to confirm the case examples and conclusions in the report. Treasury officials said these examples and conclusions were developed from Treasury open-source research and a review of information from selected DOJ criminal cases. Additionally, FinCEN and other components from Treasury's Office of Terrorism and Financial Intelligence, participated in several international meetings at which domestic violent extremist and domestic terrorism financing was discussed. For example, in 2022 Treasury prepared presentations for a law enforcement forum in Berlin and a United Nations Office on Drugs and Crime Financial Disruption Workshop in Vienna.

#### Law Enforcement Agencies Interact with the Private Sector and State and Local Agencies

FBI officials told us that agents in the field regularly engage with financial institutions and other private-sector entities to provide additional guidance about potentially suspicious financial activity. These interactions occur both formally, such as through FinCEN Exchange, and informally. Some FBI officials said they provided local briefings to banks and other financial institutions on risks from domestic violent extremists. DHS officials told us their interactions with financial institutions and other private-sector entities on domestic terrorism and domestic violent extremist investigations primarily takes place through JTTFs.<sup>47</sup>

Anti-Terrorism Advisory Councils in each U.S. Attorney's Office are responsible for ensuring that the participating federal, state, and local agencies in their district work in a coordinated fashion and share information, according to DOJ. Coordinators for these councils work with JTTFs to coordinate among FBI field offices and their respective

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<sup>46</sup>Financial Action Task Force, *Ethnically or Racially Motivated Terrorism Financing* (Paris, France: June 25, 2021).

<sup>47</sup>In March 2023, DHS and federal partners also launched a web page to provide easier access to the public to resources designed to prevent targeted violence and terrorism. See <https://www.dhs.gov/prevention>.

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counterparts in federal, state, and local law enforcement, and intelligence agencies in conducting international and domestic investigations.

### Development of Indicators of Potential Domestic Violent Extremist Activity Did Not Involve FinCEN

Since 2015, NCTC, FBI, and DHS, have co-authored and published a booklet on indicators of violent extremist mobilization to aid law enforcement and the general public in identifying threats of violence.<sup>48</sup> The booklet has been updated three times since its initial publication. Its focus has evolved from the threat of homegrown violent extremists in the 2015 publication to U.S. violent extremists in the 2021 publication, which includes both homegrown violent extremists and domestic violent extremists.<sup>49</sup> According to DHS officials, this evolution reflects the increased threat from domestic violent extremists.

The booklet states that the indicators were developed to inform law enforcement, terrorism prevention practitioners, other first responders, community leaders, and the general public about both threats of violence and contextual behaviors that suggest an individual is mobilizing to commit violence. Two of the 42 indicators are specifically related to financial activity: (1) disposing of personal assets in an unusual manner, such as a sudden disposal of financial assets, and (2) sending or receiving unexplained financial resources or equipment to or from violent extremists.<sup>50</sup> Representatives of some financial institutions and social media companies told us they are aware of the indicators and incorporated them into their efforts to monitor for suspicious financial activity. Members of JTTFs also told us they have shared the indicators

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<sup>48</sup><https://www.dni.gov/index.php/nctc-newsroom/nctc-resources/3590-u-s-violent-extremist-mobilization-indicators-2021>

<sup>49</sup>FBI and DHS define a homegrown violent extremist as a person of any citizenship who has lived or operated primarily in the United States or its territories who advocates, is engaged in, or is preparing to engage in ideologically motivated terrorist activities (including providing support to terrorism) in furtherance of political or social objectives promoted by a foreign terrorist organization, but is acting independently of direction by a foreign terrorist organization.

<sup>50</sup>Other indicators relate to physical or virtual actions that may suggest an imminent violent attack, such as traveling to participate in a violent extremist activity, engaging in threatening interactions based on violent extremist ideology, conducting a dry run of an attack or assault, and posting or making unusual goodbyes or post-death instructions.

with private-sector entities in their regions to help them understand potential risks of violent activity.

NCTC officials said that as conditions change and the threat evolves, the need to update the indicators will be considered. NCTC officials said that the process for updating the booklet is handled through the Intelligence Community, which includes Treasury's Office of Intelligence and Analysis. But previous updates have not solicited input from FinCEN. Treasury officials told us that they would not typically share products from the Intelligence Community outside of their Office of Intelligence and Analysis. Subsequently, NCTC officials told us the booklet is not an intelligence product and that the agency points of contact on who they rely for updating the booklet can solicit input from others in their agencies with relevant expertise.

One of the four strategic pillars of the *National Strategy for Countering Domestic Terrorism* is to understand and share domestic terror-related information, which includes improving information-sharing on domestic terrorism threats and domestic violent extremism across the government and private sector to ensure that all relevant partners are equipped to take appropriate measures with this knowledge. FinCEN is uniquely positioned as the BSA administrator and owner of and primary analytical agency for BSA data to understand the financial activity of domestic violent extremists or terrorists, as well as any patterns related to their financial activity domestically and transnationally. Furthermore, because of its role leading the FinCEN Exchange meetings between law enforcement agencies and financial institutions, FinCEN serves as a conduit for sharing information among these entities. And, as a member of the Egmont Group, FinCEN is able to collaborate and share information with its international counterparts.<sup>51</sup>

As the threat of domestic violent extremism continues to evolve, FinCEN's broad-ranging expertise on illicit financial activity and trends could help further refine and update these indicators in future iterations of the mobilization indicators booklet. NCTC, FBI, and DHS officials said that FinCEN's expertise and analysis of financial activity of terrorists and extremists would be valuable in assessing or developing financial

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<sup>51</sup>The Egmont Group also identified as a best practice the importance of considering the role of the domestic financial intelligence unit in the risk analysis of the threat at the domestic level, especially regarding the operational and strategic information sharing to leverage financial intelligence. See The Egmont Group, *FIU's Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism* (2021).

indicators in future updates to the booklet. Treasury officials also agreed that FinCEN could provide useful input in future updates to the booklet and said in the next version of the booklet, it will solicit input from parts of Treasury beyond the Office of Intelligence and Analysis.

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## Conclusions

Multiple U.S. agencies—including FBI, DHS, and Treasury—have identified domestic violent extremists as the primary and most lethal domestic terrorist threat. Treasury also has identified challenges for law enforcement agencies and financial institutions in identifying suspicious financial activity associated with domestic violent extremist activity, in part because attacks generally are carried out using personal funds in small dollar amounts. As part of its strategy to combat domestic terrorism and domestic violent extremism, the White House has emphasized the importance of sharing information on these threats across all levels of government and private-sector partners.

One of the publicly available U.S. agency documents that identifies risk factors associated with domestic violent extremist threats—the 2021 *U.S. Violent Extremist Mobilization Indicators* booklet—was developed through the Intelligence Community. As the terrorist threat continues to evolve, using FinCEN as a resource in developing future updates to the booklet would ensure that potential financial indicators incorporate its views and expertise. This, in turn, would help the booklet’s authors to better analyze, distribute, and communicate information about domestic terrorism-related risks to law enforcement agencies, first responders, and community members. FinCEN, as BSA administrator and financial intelligence unit, also would be better positioned to share information from the booklet with financial institutions and international partners.

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## Recommendation for Executive Action

The Director of NCTC, in consultation with FBI and DHS, should ensure its process for developing any future updates to the *U.S. Violent Extremist Mobilization Indicators* booklet clarifies that Treasury can and should seek input and expertise from FinCEN on potential financial indicators. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to DHS, DOJ, NCTC, and Treasury for review and comment. DHS, DOJ, and Treasury provided technical comments that we incorporated where appropriate. NCTC did not provide comments.

We are sending copies of this report to the appropriate congressional committees and the Attorney General, Secretary of Homeland Security, Secretary of the Treasury, and the Director of National Intelligence. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact Michael E. Clements at 202-512-4800, [ClementsM@gao.gov](mailto:ClementsM@gao.gov) or Triana McNeil at 202-512-8777, [McNeilT@gao.gov](mailto:McNeilT@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix I.



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# Appendix I: GAO Contacts and Staff Acknowledgments

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