



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

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OIG-CA-17-001

MEMORANDUM FOR DEPARTMENT OF DEFENSE  
LEAD INSPECTOR GENERAL

FROM: Kieu T. Rubb /s/  
Audit Director

SUBJECT: Operation Inherent Resolve - Summary of Work Performed by the  
Department of the Treasury and Office of Inspector General Related  
to Terrorist Financing, ISIL, and Anti-Money Laundering

This summary provides an update to the Department of the Treasury (Treasury) programs to combat terrorist financing and specific examples of activities to disrupt Islamic State of Iraq and the Levant's (ISIL) financing. These activities occurred subsequent to our July 2016 summary.

As previously discussed, Treasury has global terrorism authorities to target the activities of extremist groups, including ISIL. Treasury's Office of Terrorism and Financial Intelligence (TFI) is dedicated to disrupting the ability of terrorist organizations to fund their operations. Within TFI, the Office of Foreign Assets Control (OFAC) administers the U.S. foreign sanction programs and the Financial Crimes Enforcement Network (FinCEN) administers the Bank Secrecy Act (BSA).<sup>1</sup> For this quarter, Treasury imposed sanctions on two individuals.

#### Treasury's Efforts to Combat Terrorism

On September 15, 2016, Treasury imposed sanctions on two individuals who provided support and services to ISIL. The announcement identified Mohamad Alsaied Alhmidan

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<sup>1</sup> The Currency and Foreign Transactions Reporting Act of 1970, which is commonly referred to as BSA, requires U.S. financial institutions to assist U.S. government agencies to detect and prevent money laundering. Specifically, the act requires financial institutions to keep records of cash purchases of negotiable instruments, file reports of cash transactions (CTRs) exceeding \$10,000 (daily aggregate amount), and to report suspicious activity (SARs) that might signify money laundering, tax evasion, or other criminal activities. BSA is also referred to as the "anti-money laundering" law (AML). Several AML acts, including provisions in Title III of the USA PATRIOT Act of 2001, have been enacted to amend the BSA.

and Hussam Jamous as Specially Designated Nationals pursuant to Executive Order (E.O.) 13224.<sup>2</sup> Alhmidan provided logistical support and facilitated the movement of tens of thousands of dollars and foreign fighters for ISIL. Jamous facilitated financial transactions on behalf of ISIL and was involved in the movement of foreign fighters. Additionally, Jamous served as a financial intermediary for ISIL members and received funds on their behalf. Because of these designations, all property and interests in property of Alhmidan and Jamous subject to U.S. jurisdictions are blocked and U.S. persons are prohibited from engaging in transactions involving Alhmidan and Jamous.

For this quarter's summary, we used information provided in previous quarters' summaries. For reference, we are providing copies of the following documents (as separate attachments) used to prepare this summary:

- September 15, 2016, Treasury Press Release, *Treasury Sanctions Key ISIL Financial Facilitators*
- September 15, 2016, Office of Foreign Assets Control, *Specially Designated Nationals List Update*

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<sup>2</sup> E.O.13224, *Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism*, targets terrorists and those providing support to terrorists or acts of terrorism.