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PREPARED STATEMENT BY UNDERSECRETARY FOR ENFORCEMENT JIMMY GURULE

We continue to wage our relentless war on terror – both here in the U.S. and overseas. We are harvesting information, coordinating with our allies, and taking action against terrorist networks. We are seeing progress. We have frozen dollars and the assets of organizations, deterred donors and supporters, and forced terrorist backers to use riskier, more vulnerable methods of raising and moving money.

Our efforts are having real-world effects. Al-Qaida and other terrorist organizations are suffering financially as a result of our actions. Potential donors are being more cautious about giving money to organizations where they fear that the money might wind up in the hands of terrorists. In addition, greater regulatory scrutiny in financial systems around the world is further marginalizing those who would support terrorist groups and activities.

The war on terrorism is only beginning, and it is certain to demand constant vigilance. In the year since that terrible day, we have hit them hard. Our goal is to bankrupt their institutions and beggar their bombers. This war - the financial war against terrorism – is complicated and much more remains to be done. We are off to a good start, but this is a long-term war of attrition that we are waging. We will not relent.

As part of this campaign, today the Treasury Department designated the Global Relief Foundation under the authority of Executive Order 13224.

The Global Relief Foundation (GRF), has connections to, has provided support for, and has provided assistance to Usama Bin Ladin, the al Qaida Network, and other known terrorist groups.

One of the founders of GRF was previously a member of the Makhtab Al-Khidamat, the precursor organization to al Qaida. The GRF has received funding from individuals associated with al Qaida. GRF officials have had extensive contacts with a close associate of Usama Bin Ladin, who has been convicted in a U.S. court for his role in the 1998 bombings of the U.S. embassies in Kenya and Tanzania.

GRF members have dealt with officials of the Taliban, while the Taliban was subject to international sanctions.

The GRF has connections with known terrorist organizations and with known supporters of terrorist organizations, including the shipment of materiel to a terrorist organization operating in the Kashmir region and through financial transactions with a Texas-based charitable organization.

The United States today submitted this group's name to the UN sanctions committee for inclusion in its' consolidated list of entities and individuals whose assets UN member states are obligated to freeze pursuant to UN security council resolutions 1267 and 1390.

For those of you with additional questions about GRF, a fact sheet will be handed out at the end of this briefing.

Another key part of this campaign is also international coalition building - encouraging our allies to combat terrorist financing and ensuring that their work in this area remains complementary and supportive of US strategy.

To advance that goal, I depart this Sunday, to travel to Switzerland, Liechtenstein, Luxembourg, Denmark and Sweden.

I am traveling to engage high-level European officials - in the banking, finance and law enforcement communities - on matters relating to the fight against terrorist finance.

My three principal objectives are -

1. Maintaining Momentum: The key to this trip will be a renewal of momentum in combating the financing of terror by:

- underscoring importance of preserving international momentum in war against terrorist financing;
- pursuing improvements in operational effectiveness of blocking actions;
- obtaining commitments to strengthened law enforcement and regulatory efforts; and
- revitalizing the European targeting and designation process.

2. Creating Greater Public/Private Interaction: For years, the problem of money laundering was considered by many to be a strictly law enforcement concern. Recent anti-money laundering success has come as more and more financial sector participants see this as a system wide problem and accept their responsibility to do something about it.

Similarly with counter terrorist financing, the long term, effective solution lies in developing a pro-active private sector that can work with law enforcement to foster awareness and induce vigilance throughout the community of financial service providers.

And 3. Calling upon Europe to Take a Leadership Role: The USA Patriot Act is helping the US to catch up to many of Europe's anti-money laundering practices. Just as Europe and the European Union have been leaders in anti-money laundering efforts so they need to take a similar role with regard to the financing of terror. While we appreciate Europe's help with US initiatives in this area, we fully expect our European allies to be leaders in their own right as we collectively search for the most effective ways to disrupt and destroy the financial underpinnings of terror. European leadership should be in internal as well as external. Internally, our European allies must lead by example in adopting and implementing effective counter-terrorist financing regimes. Externally, we will rely on European leadership to:

- work with the FATF, the IFIs and the UN CTC in helping to provide technical assistance to those jurisdictions in need of such assistance;
- facilitate or support designation of new terrorist-related parties;
- continue to cooperate with US investigative and law enforcement efforts against terrorist financing.

Lastly, a story in the newspaper today suggests I am going to Europe with a "Saudi list." That is incorrect. I am going to Europe to encourage our allies to combat terrorist financing and ensure that their work in this area remains complementary and supportive of US strategy. While I will discuss high impact, high value Al Qaeda targets - as we always do - I am not traveling with a "Saudi list."

As President Bush has said, the U.S. is pleased with and appreciates the actions taken by the Saudis to date and is confident that they will continue to take the appropriate actions in the future. Saudi government cooperation in the war against terrorism has been substantial. Examples of such cooperation include:

- (a) joint designation with the U.S. of Bosnia-Herzegovina and Somalia branch of the Saudi-based charity Al-Haramain;
- (b) joint work with the Saudi government on regulating charities to prevent their abuse; and
- (c) worked with the Saudi government directly on identifying targets – the recent joint designation of Julaidan in a prime example of that.

To repeat, we're pleased with and appreciate the action that has been taken by the Saudis in our global war on terrorism.

I will now take a couple of questions.