

## 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.