



Rep. Tom Emmer on Majority Whip Tom Emmer gives remarks at Financial Services hearing

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****REP. TOM EMMER:**

** Thank you, Madam Chair. And I want to thank Chairman McHenry for holding this important hearing today. And I want to thank you, all of our witnesses, our witnesses for your testimony. On October 10th, 2023, the Wall Street Journal reported that between August 2021 and June 2023, Hamas received 41 million in digital assets and the Palestinian Islamic Jihad received 93 million in digital assets. Undersecretary Nelson, is this Treasury's assessment too? Because the world's leading blockchain analytics firms have called this a misinterpretation of the data and that the amount that any terrorist might have received is significantly smaller.

****UNDERSECRETARY NELSON:**

** Thank you for that question, Congressman. And yes, I think that assessment largely tracks with our own, the numbers noted in the Wall Street Journal piece talked about wallets, but not necessarily the, you know, sort of disaggregated among the wallet's customers. It's assets that people had in their wallets as opposed to what was specifically going to the Palestinian Islamic Jihad in Hamas. That's what we think is most likely. And we also assess that terrorists still prefer, frankly, to use traditional products and services, but this is something that we were obviously monitoring very closely.

****REP. TOM EMMER:**

** And I appreciate that. How much do you think actually got into the hands of Hamas or the Palestinian Islamic Jihad?

****UNDERSECRETARY NELSON:**

** I think we can have a classified conversation about precise numbers or expectations. I think we have done, both Hamas and the PIDs, a good job at identifying the virtual asset service providers that they've relied on and the financial facilitators that they have historically relied on that would tend to use virtual assets. So we don't expect the number is very high, particularly-

****REP. TOM EMMER:**

** I'd love to take you up on that because I sent a letter with several other members right after this erroneous Wall Street Journal report asking for specific information. So we'll take you up on that offer. Undersecretary Nelson, you said that digital assets are not the preferred means of terrorist financing, but I want to be clear, digital assets were not even a popular tool for Hamas or the Palestinian Islamic Jihad, correct?

****UNDERSECRETARY NELSON:**

** I think that's correct. And one of the reasons that is is because our work with our counterparts in Israel prior to October 7th-



****REP. TOM EMMER:**

** I'll give you credit for that, but I'm going to reclaim my time because I really want to make just a record here because regardless, to be clear, Hamas is using crypto in relatively small amounts compared to what's been widely reported. That's correct.

****UNDERSECRETARY NELSON:**

** That's our assessment, yeah.

****REP. TOM EMMER:**

** Does Treasury have a responsibility to correct the record here? And perhaps this is involving some of the classified information you're talking about because I understand that like today with FINCEN, Treasury has acknowledged that digital assets are not the preferred financial product for terrorists, but Treasury has the data to paint the correct narrative of crypto and how it's used. And instead we have senators who are legislating on these false figures and major CEOs using these figures to inform their perspectives on digital assets. Sure, we can go to chain analysis and use their third-party reporting, but Treasury already has the data. So doesn't Treasury have a responsibility to correct the record here?

****UNDERSECRETARY NELSON:**

** And we've put out a number of reports on illicit finance risk in the context of virtual assets. And I think we have clearly stated while there is not a significant uptake that we perceive currently that it is an area of opportunity that we know terrorist groups could use. And we have seen some, not Hamas necessarily, but other terrorist organizations, particularly focused on the ability to use crypto to move their finance.

****REP. TOM EMMER:**

** I appreciate that, but I'm talking about the misinformation that the Wall Street Journal has suggested and that certain senators are doing, trying to base legislation on that would literally destroy innovation in this country. And I take it that you don't have a position then as to whether Treasury has an obligation to correct this record with the data that they have. It seems to me that they would. I wanna thank you and your colleague for being here again today. And in my opinion, the Treasury must do a better job with all the data it has to paint an accurate narrative of digital assets and not perpetuate a false one. And with that, Madam Chair, I yield back.

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