

Fact Sheet: Countering ISIS Financing

February 27, 2024

ISIS remains a threat both regionally and globally. In the foreseeable future, the group's financial strength will most likely depend on three key factors: maintaining sufficient safe havens, evading financial controls, and sustaining global connectivity.

Syria and Iraq

Defeating ISIS Core in Syria and Iraq continues to be the Global Coalition's top priority in spite of the violent campaign by Iran-backed terrorist groups that undermines this critical mission. Since June 2023, U.S. forces have continued to conduct joint operations with the Iraqi Security Forces (including the Kurdish Peshmerga) and the Syrian Democratic Forces. These efforts resulted in the killing or capture of ISIS commanders, fighters, and facilitators across Iraq and Syria and have further degraded ISIS capacity to plan, support, and carry out terrorist attacks.

Despite suffering leadership losses, ISIS maintains organizational cohesion in Syria and Iraq and has access to significant funds, estimated between \$10 million and \$20 million, mostly held in cash and other liquid assets. Regional ISIS networks also continue to extort local populations as part of their effort to exert influence in parts of Syria and Iraq. In addition, ISIS members continue to receive contributions from like-minded sympathizers through informal funds transfer networks to secure the release of ISIS associates from detention, particularly in northeastern Syria.

Africa

ISIS global leadership has consistently prioritized independent revenue streams. The group probably perceives relatively less counterterrorism pressure on its revenue streams in Africa as compared with Iraq and Syria. Since 2019, ISIS has been increasingly relying on Africa-based branches to generate revenues probably because the group perceives less counterterrorism pressure in Africa compared to the Middle East. ISIS in Somalia (ISIS-Somalia) has generated millions of dollars from extortion and exploited the Somali financial system to launder money through businesses, hawalas, banks, and mobile money transfers. Since 2022, the ISIS branch in Somalia probably has been ISIS's primary revenue generator, earning approximately \$6 million mostly from extortion and local taxes. This amount of ISIS expenditures in Somalia could be covered entirely through revenue acquired from extortion of local businesses.

ISIS's al-Karrar Office, the group's regional General Directorate of Provinces (GDP) in Somalia, has largely recovered since the January 2023 killing of its leader Bilal al-Sudani. Recently, al-Karrar Office has routed funding through various hawalas in the region, including South Africa, to ISIS branches in Central Africa. As part of Global Coalition member pressure on ISIS financial activities in Somalia, on July 27, 2023, the United States [sanctioned](#) Somalia-based ISIS financial leader Abdiweli Mohamed Yusuf. He reports to al-Karrar Office emir Abdiqadir Mumin and ISIS-Somalia emir Abdirahman Fahiye Isse Mohamud, both of whom were sanctioned by the United States. Yusuf played a key role in the delivery of foreign fighters, supplies, and ammunition on behalf of the ISIS affiliate in Somalia, which has disbursed funds and guidance to ISIS branches and networks across the continent.

ISIS has used South Africa-based banks to transfer funds from the GDP to ISIS in Central Africa. In addition, ISIS in east and southern Africa primarily uses hawalas to transfer funds. ISIS financial facilitators that transfer funds internationally could be vulnerable to disruption through targeted financial sanctions. Following the U.S. Treasury Department [designation](#) of South Africa-based ISIS cell leader Farhad Hooper in March 2022, he publicly stated that his South Africa-based bank accounts were closed and that his businesses could not operate in the country. Since mid-2021, South Africa-based ISIS officials have probably tried to improve local fundraising primarily through extortion and criminal activity.

Other ISIS branches and networks in Africa continue to raise funds largely by extorting the civilians in the areas where they operate. The ISIS branch in the Democratic Republic of the Congo (ISIS-DRC) supplements its funding from ISIS by taxing illegal gold mines and smugglers as well as operating artisanal mining projects. The ISIS branch in West Africa (ISIS-West Africa) has established a proto-state administration that relies on enforced religious taxation for regular funding, although the group continues to struggle financially. Currently, ISIS in the Sahel lacks a steady stream of income and has limited access to potential extortion sources, such as companies or mineral extraction locations. It is possible that that over the course of one year, ISIS in the Sahel could generate as much as \$6 million, but much of that money probably would come from war spoils, which are not a steady source of income.

Central, South, and Southeast Asia

The Global Coalition is concerned about the ISIS branch in the Central Asia region (ISIS-Khorasan) and its efforts to increase the use of its base in Afghanistan to establish external financial and logistical cells that could enable terrorist attacks worldwide. ISIS-Khorasan serves as a regional hub, transferring hundreds of thousands of dollars to financial facilitators as well as providing personnel and weapons to support external operations. Kidnapping for ransom and extortion also provide a significant amount of money to the group.

Since mid-2023, multiple Coalition partners took actions to disrupt ISIS-Khorasan financial facilitation networks in the Middle East, Central Asia, and South Asia. On July 31, 2023, the U.S. Treasury Department [sanctioned](#) 37 Maldives-based ISIS and ISIS-Khorasan operatives, financial facilitators and related companies. Members of this large ISIS network had direct ties to ISIS-Khorasan leadership in Afghanistan and were involved in funding terrorist attack plots. Counterterrorism authorities and financial regulators are also working to counter ISIS funds transfers in virtual assets across Asia.

Virtual Assets

Although ISIS continues to rely mostly on cash couriers and informal money services businesses, an increasing number of ISIS affiliates experiment with using virtual assets to raise and transfer funds across multiple jurisdictions. For example, we observed the ISIS global network, including ISIS-West Africa, making payments using virtual assets, in particular the stablecoin Tether. In response, over a dozen countries have taken steps to regulate and supervise virtual asset service providers and have taken disruptive actions to deter ISIS and other terrorist groups from abusing the emerging financial technology sector. For example, on January 30, 2024, the

U.S. Treasury Department [sanctioned](#) two Egypt-based ISIS cybersecurity experts in part for providing guidance to ISIS leadership on the use of virtual assets.

Additionally, on November 21, 2023, the U.S. Treasury Department [announced the largest enforcement actions in its history](#) by assessing penalties of roughly \$4.4 billion in two settlement agreements with Binance—the world’s largest virtual assets service provider—for egregious violations of U.S. anti-money laundering and sanctions laws. Binance allowed criminals and terrorist groups, including ISIS, to transact freely without filing a single suspicious activity report. The settlement agreements subject Binance to increased scrutiny for five years through a third-party monitor, who will ensure Binance’s compliance with required remedial measures to improve its compliance program and fully exit from the United States. By taking this action, the United States stresses the need for countries to implement and effectively enforce AML/CFT frameworks to mitigate ISIS exploitation of their financial systems.