

# **Ranking Member Kathleen Rice Opening Statement**

## **Subcommittee Markup**

**Thursday, May 18, 2017**

First, I'd like to discuss my bill H.R. 2433, the "Homeland Security Assessment of Terrorists' Use of Virtual Currencies Act.

We know that most large-scale terrorist funding occurs through traditional methods like cash-based money transfers.

But, as noted in a new report by the Center for a New American Security, evidence suggests that terrorist groups have also used virtual currencies to support themselves and fund their operations.

Virtual currency systems could prove to be more appealing for terrorists, because these systems offer high-speed and low-cost networks and access to users all over the world.

For example, we know that terrorist groups in Gaza have solicited support in Bitcoin, and there has been at least one report that ISIS has used the cryptocurrency as well.

There is concern that virtual currencies may be particularly attractive to "lone wolf" terrorists, because of the smaller scales of funding needed to execute an attack.

We are still in the early stages of evaluating whether terrorists will use virtual currencies as one-off sources of payments and transfers, or if this will ultimately become the preferred terror finance method on a much larger scale.

In order to review this emerging threat and financing method, my bill would require the DHS Office of Intelligence and Analysis to develop and disseminate a threat assessment regarding terrorists' use of virtual currencies.

Further, to ensure that this information is shared throughout the law enforcement community, my bill requires the threat assessment be shared with state, local, and tribal law enforcement, including those offices that operate within state, local and regional.

Today, we will also be considering several bills focused on improving information-sharing between state and local law enforcements by utilizing fusion center networks and bolstering the DHS Office of Intelligence and Analysis, as well as the Office of State and Local Law Enforcement.

As we commemorate "Police Week," I think it's a fitting time for us to focus on empowering our state and local law enforcement partners and providing the resources they need to do their jobs.

I urge my colleagues to join me in supporting these bills.