

Navigating US Regulations

Adapted from the broadcast audio segment; use the audio player to listen to the story in its entirety.

On a typical Monday, the office of Dr. Khalique Zahir is packed with patients seeking the services of the award-winning plastic surgeon. Today, things are on the quiet side, so Dr. Zahir is taking care of some additional business.

He's ordering arm splints for an upcoming trip to Sudan where he'll be performing cleft lip and palette surgeries on kids. In addition to being a member of the American Society of Plastic Surgeons, Dr. Zahir is a member, and past president of the Islamic Medical Association of North America (IMANA).

"In the post 9/11 time period, I think many of us as young physicians want to feel like we are giving something back other than money. I think many of our young leadership and many of our membership ask, what can we do to make a difference?"

IMANA teams travel the world to provide education and health services such as emergency care after disasters like the earthquake in Haiti. IMANA has an annual budget of about \$1.2 million. Dr. Zahir says that since 9/11, their donations are down by about 10-15%, which is much better than some other charities.

Today, donors are afraid of contributing to organizations where the funds could possibly end up finding their way into the hands of terrorists. And they also fear the increased scrutiny.

According to Islamic charities, the US government has over reached since 9/11. They point to Treasury Department statistics that show that less than 2% of terrorist funds come through US charities, and they say the US government has cast a wide net, and gone after charities without producing clear evidence of wrongdoing.

US government and former treasury officials disagree. They argue that terrorist funding through charities is a serious threat, and one that went ignored for years before 9/11. Even though a small minority of the thousands of Islamic charities are thought to be connected to terrorists, experts argue the charitable sector isn't taking enough responsibility for the problem.

Juan Zarate, a Senior Advisor at the Center for Strategic and International Studies, and the first Assistant Secretary of the Treasury for Terrorist Financing and Financial Crimes thinks from the standpoint of the US government, it's important to have tough terrorism finance policies.

"I think the bar has been raised for all charities, and in particular, those dealing in conflict zones to demonstrate to donors that they are transparent, that they know who they're dealing with, and that they aren't operating with a known terrorist organization."

Matthew Levitt, a former deputy assistant secretary for intelligence and analysis at the U.S. Treasury Department agrees.

"Lots of different anti-money laundering and counter terrorism finance alarms bells that would go off in other circumstances don't go off with charities. Money is always going in one direction, money is always going to conflict zones, money is ultimately being disbursed in cash, things that would otherwise say, 'Hey, wait a minute that reeks of potentially something of a money laundering potential,' well of course that's how charities function."

Where things have become particularly challenging to the US government and charities are places like Pakistan, Lebanon, or Gaza, where there is a volatile mix of terrorist organizations and tremendous human need. US law allows charities to work in any of these places, but there is a firm line they cannot cross when operating in terrorist territory.

"I think Gaza presents a difficult case for US policy, and obviously for the NGO community. But I think with respect to US policy, it is fairly black and white, and I think where you have a terrorist organization that in essence controls a territory and controls the financial and social operations of that territory... it is very hard for an NGO to operate in that environment without implicating itself," says Zarate.

In other words, there isn't much room to maneuver in Gaza without interacting with Hamas – which the US, the EU and others call a terrorist organization. In an extreme example under US law, giving pencils to

children in a school controlled by Hamas is considered providing material support to terrorists. The argument is that money is fungible.

Farhana Khera, Executive Director of Muslim Advocates – a non-profit that helps Islamic Charities navigate the current legal landscape, is concerned the US government has overstepped its bounds.

“Our concern is that there have been hundreds of people who have been questioned improperly. I think law enforcement will probably see all of our questions and investigations as fully legitimate, but I think that’s also tied to the very broad authority that the government has asserted for itself, to be able to investigate people.”

Given these tensions, Muslim Advocates is trying to help charities and donors avoid problems and has created an initiative with the Better Business Bureau where Islamic charities can receive accreditation if they pass 20 standards of accountability. So far, four charities have passed that bar, and many more are working towards accreditation.

Muslim Advocates and other charities want more transparency and clarity from the US government. The Treasury Department released a set of voluntary guidelines for all charities, but Khera says there is no tangible reward for following them.

Zarate says the US government can do a better job of explaining its policies and find constructive ways to communicate and partner with charities. But it’s not going to ease up the pressure on terrorist funding – especially when they are seeing results.

“For al-Qaeda, in particular, it has grown harder, costlier, riskier, for them to raise and move money around the world.”

But, Dr. Zahir says that despite the drop in donations and the concerns about the laws and regulations, IMANA will forge ahead.

“You know, that the old saying that if you’ve saved one life you’ve saved all of mankind is so very true, because it’s the small things you can do and contribute, not just only in money, but in time and effort, that make you come back for more.”