



GLOBAL NONPROFIT INFORMATION NETWORK

7. A BETTER COUNTERTERRORISM STRATEGY WOULD IMPROVE CHARITIES' EFFECTIVENESS AND KEEP AMERICA SAFER

A better regime for preventing terrorists from using charities¹ to raise and move funds would lead to more effective philanthropy and allow charities to carry messages of tolerance and hope to the world's troubled regions. Rather than using ineffective procedures that do not protect against legal sanction, charitable resources should be preserved for effective methods of due diligence; innovative aid and development programs abroad could be funded, and decisions would be made based on mission and need. An approach rooted in fundamental principles of justice would be more effective in preventing terrorism. Crafting this new approach begins with effective Congressional oversight that considers the expertise and viewpoints of charitable organizations, a brake against the currently unchecked powers of the Executive, and demanding explanations in search of a better approach. What we want is more collaboration, more cooperation.

We support the U.S. government's efforts to protect the American people and keep funds out of terrorists' hands. Our goal is not to oppose the government's efforts, but to make them more effective, both through effective tracking of charitable funds and services, and through the "soft power" of effective American philanthropy.

Congress should begin real oversight and, in addition, allow charities into the hearing room. The American system of checks and balances is only effective when all branches participate. Congressional posture to date has been unquestioning acceptance of Executive Branch assertions and policies. By forcing the Executive to prove its assertions and demonstrate the effectiveness of their policies, Congress helps make those policies better, even without new legislation.

In addition, representatives of the thousands of charities and billions of dollars at work globally have no real voice in determining policies that go to the core of their operations. And charities have unmatched expertise in strategies for ensuring proper use of charitable funds and services. Their inclusion in oversight hearings and future legislative actions will strengthen, rather than hinder, government efforts, while helping shape policies in ways that allow charities to operate more effectively at every level.

Congress and the Executive Branch should request input from a coalition of charitable organizations regarding a major revision of the current standards.

With the up-front support of Congress and of appropriate Executive Branch agencies, a coalition of charities representing a cross-section of strategies and missions should come together to reach an agreement on a series of reforms designed to create a new legal regime that answers legitimate government security concerns while lessening the operational barriers currently faced by charitable organizations. The reformed legal regime should begin by reflecting the priorities below.

- Current Treasury Voluntary Guidelines and the Risk Matrix should be abandoned and replaced with standards consistent with the capacities and traditional best practices of charitable organizations and with a safe harbor for good faith efforts to comply.
- The process for designating charities or individuals as terrorist supporters and including them on the SDGT List should be reformed; charities should be listed only on the basis of set criteria and credible evidence.
- Charities under investigations should be allowed a fair process, including the rights to present evidence on their own behalf, to use traditional methods for review of classified evidence and, if designated

terrorist supporters, to appeal that provides real independent review.

- Charities whose assets are frozen should be granted a “parole” – freedom to resume operations under government supervision – if charges are not brought and convictions not obtained after a reasonable period of time.
- A process for transfer of frozen charitable funds to credible organizations should be established for charities that request such transfers or when the organizations have become defunct.
- The practice of profiling charities by mission, grantmaking strategy or geographic focus and singling them out for unwarranted scrutiny must end.

There is no evidence that funds diverted from charitable purposes are a significant source of support for terrorism. Charities are eager to work with the government to ensure that this remains the case. However, the government’s post-9/11 response to the charitable sector has been confusing, burdensome, unfair and ineffective. As a result, charities are less able to carry out their missions – losing opportunities to project a positive American image abroad – yet our nation is not made measurably safer. Charities do have a responsibility to exercise oversight over their grantees or international partners and to make reasonable efforts to ensure that

funds or services are not inappropriately diverted; their competence at traditional vetting allows them to meet this obligation as effectively as possible. **To encourage charitable work, federal safe harbor procedures should be established and penalties brought in line with those imposed on private corporations.**

Charity and security are not mutually exclusive. In fact, today, they depend on one another.

¹ “Charities” refers to direct service organizations, advocacy organizations, foundations, and organizations supporting social change.

The Global Nonprofit Information Network (GNIN) was launched in March 2007 to foster information sharing focused on counterterrorism measures affecting charitable organizations and global civil society. The GNIN initiative is co-hosted by Grantmakers Without Borders (www.gwob.net), OMB Watch (www.ombwatch.org) and Urgent Action Fund for Women’s Human Rights (www.urgentactionfund.org).



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(This is the final part in GNIN’s seven part series on charities and counterterrorism policy.)