

March 18, 2015

John E. Smith
Acting Director
Office of Foreign Assets Control
U.S. Dept. of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Re: Call to Designate George Haswani in Light of HESCO's Apparent Facilitation of ISIS Oil Trade

Dear Mr. Smith:

I am writing on behalf of the Counter Extremism Project (“CEP”), a non-partisan, non-profit international policy organization formed in 2014 to confront the growing threat from extremist groups and extremist ideology. The purpose of this letter is to convey our concern about the alleged actions of Syrian businessman George Haswani (a.k.a. Heswani; Hasawani; Al Hasawani). As you know, the European Union recently designated Haswani for his alleged primary role in facilitating oil trade between the extremist terrorist group Islamic State in Iraq and al-Sham (“ISIS,” a.k.a. “ISIL” a.k.a. “IS” a.k.a. “Islamic State”) and the Syrian government under Bashar al-Assad.

According to the EU Council, Haswani – using his “close ties to the Syrian regime” – “provides support and benefits from the regime through his role as a middleman in deals for the purchase of oil from ISIL by the Syrian regime.” (Official Journal of the European Union, [“Council Implementing Regulation \(EU\) 2015/375: Annex, A. Persons \[203. George Haswani\],”](#) added 3/7/15) Based on the foregoing, we believe that Haswani merits an immediate addition to the U.S. Office of Foreign Assets Control’s (OFAC) list of Specially Designated Nationals (SDN).

CEP previously wrote to Mr. Haswani in the wake of reports that he and his company, HESCO Engineering & Construction Co. (“HESCO”), have been facilitating illicit oil trade between ISIS and the Syrian regime. Haswani is reportedly “a Syrian-Greek businessman with “direct access” to Syrian president Bashar al-Assad, [and] is responsible for broking contracts between Isis and the Syrian regime, according to a diplomat familiar with the new EU sanctions.” (*Financial Times*, [“New EU Syria sanctions reveal regime collusion with ISIS,”](#) 3/7/15)

Throughout Syria and Iraq ISIS has seized several oil and gas fields and associated infrastructure. It has been widely reported that ISIS smuggles oil and gas via trucks, tankers, and existing pipelines in order to generate cash revenues from its control of these resources. ISIS is also reportedly selling oil and gas to the Assad regime in Syria including from fields nominally under the control of the titular Syrian state. Due to crippling international sanctions the Assad regime has resorted to buying oil from ISIS to fulfill its energy requirements as part of a “tacit, opportunistic understanding” between the two parties. (Tony Badran, “[Minority Report](#),” in NOW, 5/9/2014)

As your colleague former U.S. Treasury Undersecretary for Terrorism and Financial Intelligence David Cohen has noted, “[w]ith the important exception of some state-sponsored terrorist organizations, ISIL is probably the best-funded terrorist organization we have confronted...earn[ing] approximately \$1 million a day from oil sales.” (U.S. Department of the Treasury, “[Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, “Attacking ISIL’s Financial Foundation”](#),” 10/23/14) Indeed, “IS’s funding mostly avoids the formal financial system,” with oil sale revenues appearing to represent a significant proportion of its financing. (Reuters, “[U.S. warns of sanctions on buyers of Islamic State oil](#),” 10/23/14)

The EU’s recent action appears to confirm reports that Haswani and HESCO play a critical role in this highly lucrative ISIS-Syria oil trade by personally handling transactions, acting as the middleman “to make cash drops in Palmyra for the Islamic State’s oil.” (all4Syria, “[Who is George Haswani who facilitates the sale and purchase of oil between the Islamic State and the Syrian Regime?](#)” [in Arabic],¹ 9/2/14) Employing his pre-existing close ties and influence with the Assad regime – including strong personal ties with Bashar al-Assad himself – Haswani has been “able to forge a relationship with the group [ISIS] that led to an understanding to transport crude from the fields it took over to regime areas, in return for financial and cash transfers, which [Haswani] handled.” (al-akhbar English, “[Maaloula Nun Captors Seek Release of All Islamist Prisoners in Roumieh](#),” 1/27/14; Tony Badran, “[Minority Report](#),” in NOW., 5/9/2014)

President Obama has called for a wide coalition to contribute to the global battle against extremism. In a recent op-ed published in the *Los Angeles Times*, the President declared, “We must stand united internationally and here at home...” Recognizing that “military force alone cannot solve this problem...” the President added “[w]e also have to confront the violent extremists – the propagandists, recruiters *and enablers* – who may not directly engage in terrorist acts themselves...” (*LA Times*, “[President Obama: Our fight against violent extremism](#),” 02/18/15 – emphasis added)

The U.S. Department of the Treasury has also explicitly stressed the need to target facilitators of ISIS’s oil trade. In his remarks from October 2014, David Cohen issued a bold proclamation that

“[t]he middlemen, traders, refiners, transport companies, and anyone else that handles ISIL’s oil should know that we are hard at work identifying them, and that we have tools

¹ Available at <http://all4syria.info/Archive/165946>.

at hand to stop them. We not only can cut them off from the U.S. financial system and freeze their assets, but we can also make it very difficult for them to find a bank anywhere that will touch their money or process their transactions.”

(U.S. Department of the Treasury, [“Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, “Attacking ISIL’s Financial Foundation”](#),” 10/23/14) Furthermore, in consultation with the U.S. Treasury, the President is authorized to impose sanctions on persons who “assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism...” (U.S. Department of the Treasury Office of Foreign Assets Control, [“Executive Order 13224: Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism,”](#) 2/26/15)

The alleged activities of Haswani and HESCO in supporting violent extremist groups such as ISIS clearly merits a robust and immediate response. We hope OFAC will take appropriate action to disrupt the alleged ISIS-related business activities of Haswani, HESCO and its affiliated entities and subsidiaries. In doing so, OFAC will severely degrade the ability of extremist “enablers” such as Haswani to facilitate ISIS’s illicit oil trade and establish a powerful precedent, and deterrent for others seeking to put profits before international peace and security.

Thank you for your kind attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Mark Wallace". The signature is written in a cursive, flowing style.

Ambassador Mark D. Wallace

Cc: The Honorable Adam J. Szubin
Acting Under Secretary for Terrorism and Financial Intelligence