



COUNCIL *on* FOUNDATIONS

June 19, 2006

The Honorable Stuart Levey
Under Secretary for Terrorism and Financial Intelligence
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Under Secretary Levey:

The Council on Foundations has been coordinating a working group of private foundations and public charities in responding to the Treasury Department's *Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities*. Andrea Keller of the Office of Terrorist Financing and Financial Crimes recently briefed the working group on revisions that the department is making to the *Guidelines* in response to comments from the working group and others. In the course of the discussion, Ms. Keller told us that the Office of Foreign Assets Control is preparing a risk matrix for the risk that charity funds will be diverted to the support of terrorism and that the risk matrix would be a companion to the revised *Guidelines*.

As the working group discussed with Ms. Keller, we believe that there should be an opportunity for interested groups to comment on the risk matrix before it is issued in final form. We believe that the risk matrix is more likely to be a useful document if it is informed by the experience of foundations that make grants internationally and public charities that conduct activities overseas. In this connection, we note that earlier discussions of "red flags" included some factors, such as several charities sharing a common address, that are actually quite common practice in the charitable world. Accordingly, we are asking that the Office of Foreign Assets Control make the risk matrix available for public comment prior to issuing it in final form.

Sincerely,

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c: Barbara Hammerle, :Acting Director, Office of Foreign Assets Control
Andrea Keller, Policy Analyst, Office of Terrorist Financing and Financial Crimes