

Charity Officials Press for Federal Antiterrorism Restrictions to Be Relaxed

After years of raising concerns that the federal government's antiterrorism rules constrain charities from performing humanitarian work overseas and dissuade Americans from giving, nonprofit officials are growing slightly more hopeful that some of those policies might be modified. A group of charity leaders has been gathering with officials from the National Security Council and the Treasury Department since June for informal discussions about the laws, regulations, and guidelines enacted after September 11, 2001, to prevent charitable money from getting into terrorists' hands.

Nonprofit officials have long said that the rules are unfair and make donors hesitant to give for fear of coming under government scrutiny.

Among the biggest complaints: the power of the Treasury Department to unilaterally shut down charities or freeze their assets without obtaining a warrant or providing a reason; guidelines for giving overseas that some groups say are onerous and alarmist; and measures that impose criminal penalties on those who provide money, food, medical aid, and other assistance to groups of people deemed terrorists by the government, even if donors are unaware their support is going to such ends.

Nonprofit leaders have also expressed concern about millions of dollars in charity assets that Treasury froze when it designated those groups as supporters of terrorism.

Kay Guinane, program manager for the Charity and Security Network, a project of the government monitoring group OMB Watch, said that while it is far too soon to know what might come out of the meetings, government officials were "taking it very seriously."

A Treasury spokeswoman said the agency is "increasing our dialogue and building on our partnership with the Muslim community and the charitable sector to promote safe and effective charitable activity."

Adding to some charity leaders' hopefulness are a handful of court cases brought in behalf of nonprofit groups.

In late August, an appeals court ruled unconstitutional the Treasury Department's move in February 2006 to freeze the assets of KindHearts, a Muslim charity in Ohio, without obtaining a warrant or telling the charity why the action was taken. A spokeswoman for the Treasury Department would not comment on whether the agency plans to appeal, citing a policy of not commenting on the specifics of cases.

In a second case, an appeals court in California found unconstitutional language that criminalizes the indirect provision of "services" to charities that support terrorists. The ruling did not, however, overturn provisions criminalizing gifts of food, medical aid, and other kinds of support. The government has asked the Supreme Court to hear the case.

Many charity leaders are pinning their hopes on comments made by President Obama in Cairo in June. In a speech on U.S.-Middle East relations, Mr. Obama noted that the antiterror rules have made it more difficult for Muslims to fulfill their religious obligation to support charity. He also expressed a commitment to working with American Muslims.

Michael German, a lawyer at the American Civil Liberties Union, said he and other participants in the meetings with the White House and Treasury have tried to educate the government that the rules have broad consequences for nonprofit groups, potentially constraining the work not just of Muslim charities but of all organizations.

Other participants at the meetings have included representatives from the Council on Foundations, the International Center for Not-for-Profit Law, InterAction, Muslim Advocates, and the Muslim Public Affairs Council.

Seeking Advice

Ms. Guinane says that lawyers working with her group have drafted a set of recommendations for changing the antiterror rules and will be asking nonprofit officials to weigh in on the draft document shortly.

Suggestions proposed to date by her group, the ACLU, and other organizations have included: an executive order limiting the authority of the Treasury Department, legislation that would modify the "material support" provisions, and more outreach to donors so they know whether it is safe for them to give.

The group is also pressing for more Congressional oversight of the antiterror policies. Rep. Barney Frank, the Massachusetts Democrat who chairs the House Financial Services Committee, has expressed interest in holding such a hearing, though no date has been set, according to a spokeswoman for the committee.

And earlier this month, Senator Russ Feingold, Democrat from Wisconsin, introduced an amendment to the USA Patriot Act that would revise the "material support" provisions so that donors would be criminally liable only if they intended to support terrorism.

Mohammed Alomari, chief operating officer at Life for Relief and Development, a Muslim charity in Michigan, says he was encouraged by Mr. Obama's comments and by the administration's outreach to Muslim groups as part of its summer volunteerism drive, United We Serve.

But says he is waiting to see the administration take concrete action. His charity has lost some donors in recent years as a result of the political climate, he says.

Some supporters in the United States were approached by government officials and told not to give, he says. Charities abroad were warned against working with his organization.

"Reassuring people takes time," says Mr. Alomari. "You can scare them one day, and it can take months or years to recover."