

THE “ESSENTIAL” FINANCIAL WAR
ON TERRORISM
(A PRIVATE CITIZEN’S VIEWS)

OSTERREICH
19-20/01/04

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AGENDA

THE WAR ON TERRORISM

THE FINANCIAL WAR ON TERRORISM

WHY IS THE FINANCIAL WAR ON TERRORISM “ESSENTIAL?”

EFFORTS IN THE UNITED STATES

INTERNATIONAL EFFORTS

SOME SUCCESSES

WHAT ELSE NEEDS TO BE DONE?

ADDITIONAL SOURCES OF INFORMATION

QUESTIONS AND (HOPEFULLY) ANSWERS

THE WAR ON TERRORISM

TERRORISM IS NOT NEW

EVENTS OF SEPTEMBER 11, 2001

SUBSEQUENT EVENTS – BALI BOMBINGS, ETC.

WAR ON MANY FRONTS

- Geographical – Middle East, Central & South Asia, North America, Europe, Asia, Latin America, Africa
- Functional/Dimensional – Political, Legal and Law Enforcement, Informational, Financial, Military, Border Control, Commerce, etc.
- Multi-national – Nations, Governmental Organizations, Non-Governmental Organizations.
- Multiple Governmental Levels – National, Provincial/States, Counties/Municipalities, Citizens
- Threat – Global, Borderless, Multi-faceted, Cellular/Informal Organizations

LEGISLATION AND PROGRAMS

U.S. EXECUTIVE ORDER 13224

- Targets terrorist support structures and assets

USA PATRIOT ACT

- New tools to combat terrorist financing and money laundering

OTHER INITIATIVES

- Suspicious Activity Report Program (Banks)
- Container Security Initiative, Customs-Trade Partnership Against Terrorism
- Terrorism Risk Insurance Program
- Terrorist Financing Rewards Program

MONEY LAUNDERING

WHAT IT IS

THE SCALE

THE PROCESSES

EFFECT ON BUSINESS AND ECONOMIC GROWTH AND DEVELOPMENT

THE COSTS OF MONEY LAUNDERING

ANTI-MONEY LAUNDERING TARGETS

- **Terrorist Assets**
- **Informal Value Transfer Systems (e.g. “Hawalas, etc.)**
- **Abused Charities and Non-Profit Organizations**
- **Counterfeiting**
- **Smuggling and Criminal Activities**

IMPORTANCE OF OUR FINANCIAL INFRASTRUCTURES

“Stopping Terrorism Starts with Stopping the Money”

STRATEGY TO COMBAT TERRORIST FINANCING

TARGETED INTELLIGENCE GATHERING

FREEZING OF TERRORIST-RELATED ASSETS

LAW ENFORCEMENT ACTIONS

DIPLOMATIC EFFORTS AND OUTREACH

SMARTER REGULATORY SCRUTINY

INTERNATIONAL STANDARD SETTING

**CAPACITY-BUILDING FOR OTHER GOVERNMENTS & THE
FINANCIAL SECTOR**

OUTREACH TO THE PRIVATE SECTOR

**OBJECTIVE: PREVENT ACTS OF TERRORISM IN THE
SHORT AND LONG TERM BY IDENTIFYING AND
DISRUPTING TERRORIST OPERATIONS AND THEIR
SUPPORTED FINANCIAL NETWORKS***

**(*REQUIRES AN INTEGRATED, INTER-AGENCY STRATEGY
AND INTERNATIONAL COOPERATION)**

**ADDITIONAL SOURCES OF INFORMATION
(www.)**

treas.gov

fincen.gov

dhs.gov

fatf-gafi.org

cftc.gov

INTERNATIONAL EFFORTS

UN SECURITY COUNCIL RESOLUTIONS 1373 & 1390

- Disruption of terrorist financing

G-7 ACTION PLAN TO COMBAT THE FINANCING OF TERRORISM

- Support for UN Convention the Suppression of Terrorism
- Support of active FATF Role
- Development of Financial Intelligence Units

FINANCIAL ACTION TASK FORCE

- Multi-national
- Recommendations and Compliance
- Anti-Money Laundering Standards

G-20 ACTION PLAN ON TERRORIST FINANCING

- Implementation of UN Measures
- FIUs and information sharing
- Technical assistance

INTERNATIONAL FINANCIAL INSTITUTIONS

- International Monetary Fund
- World Bank

EGMONT GROUP

- 69 FIUs
- Improve Information Exchange
- Reporting of Suspicious Financial Activities
- Joint studs of Money Laundering Vulnerabilities

INTERNATIONAL LAW ENFORCEMENT COOPERATION

- Interpol
- Bilateral and multilateral working arrangements

EFFORTS IN THE UNITED STATES

DEPARTMENTS – HOMELAND SECURITY, TREASURY, JUSTICE, STATE, DEFENSE, etc.

- Department of Homeland Security (Customs & Border Protection, Infrastructure Protection and Information Analysis, etc.)
- Department of the Treasury (Executive Office for Terrorist Financing and Financial Crimes, Office of Foreign Assets Control (OFAC), Financial Crime Enforcement Network (FinCEN))

OPERATION GREEN QUEST

FEDERAL BUREAU OF INVESTIGATION

INTELLIGENCE AGENCIES

STATE AND LOCAL LAW ENFORCEMENT