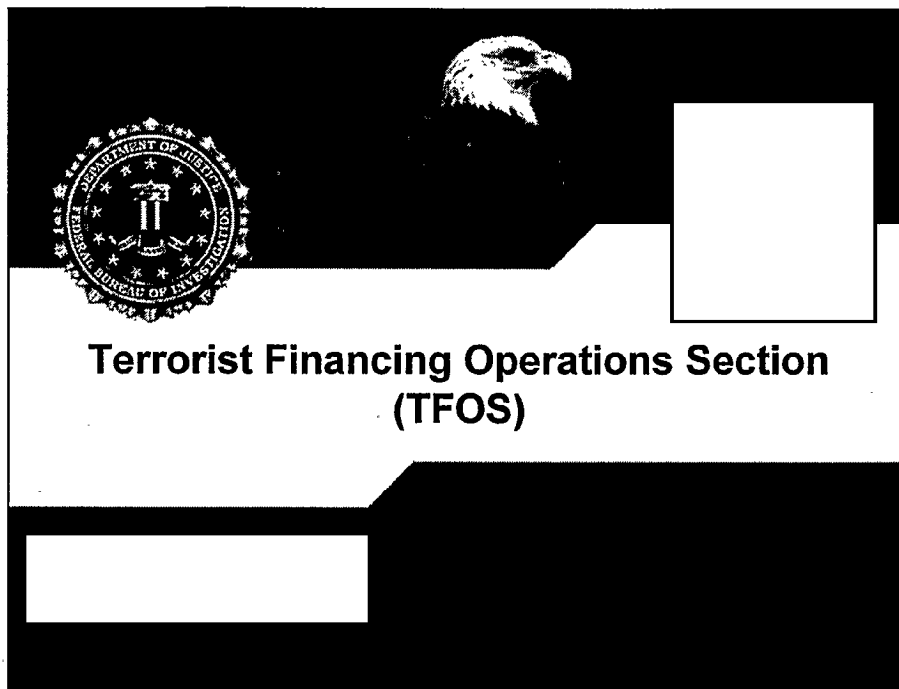


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DATE: 03-26-2012
CLASSIFIED BY 65179/DMH/BAW/STP/bls
REASON: 1.4 (c)
DECLASSIFY ON: 03-26-2037

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

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- *Provide an understanding of the mindset of the enemy.*
- *A familiarization with methods used by supporters of terrorism to raise and move money.*
- *A familiarization with financial tools available to law enforcement to disrupt or block avenues of terrorist financing.*

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- PREVENT
ADDITIONAL
TERRORIST
ATTACKS!
- DISRUPT
TERRORISTS
FINANCING.
- TRACK, SEIZE AND
FORFEIT ASSETS

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Critical skills needed to be successful in terrorism investigations:

- 1) INTERVIEWING
- 2) INFORMANT DEVELOPMENT AND
OPERATIONS
- 3) INVESTIGATIVE (Connecting the Dots)

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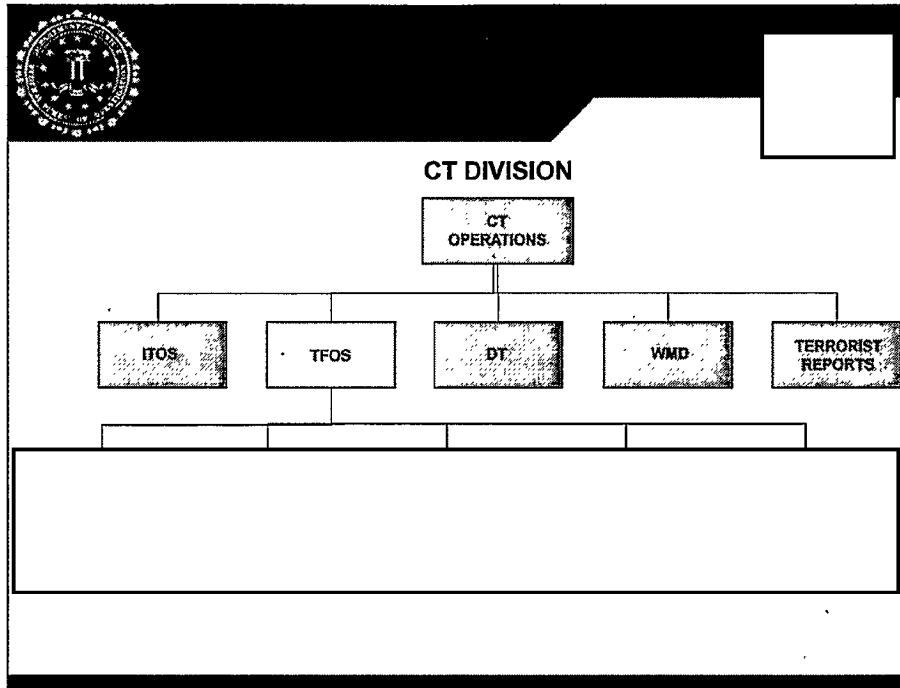


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- Conduct terrorist financing investigations
- Provide a centralized and coordinated financial investigative component for terrorism investigations
- Provide an enhanced predictive capability
- Develop terrorist identification mechanisms in order to disrupt and dismantle terrorist organizations and their funding mechanisms

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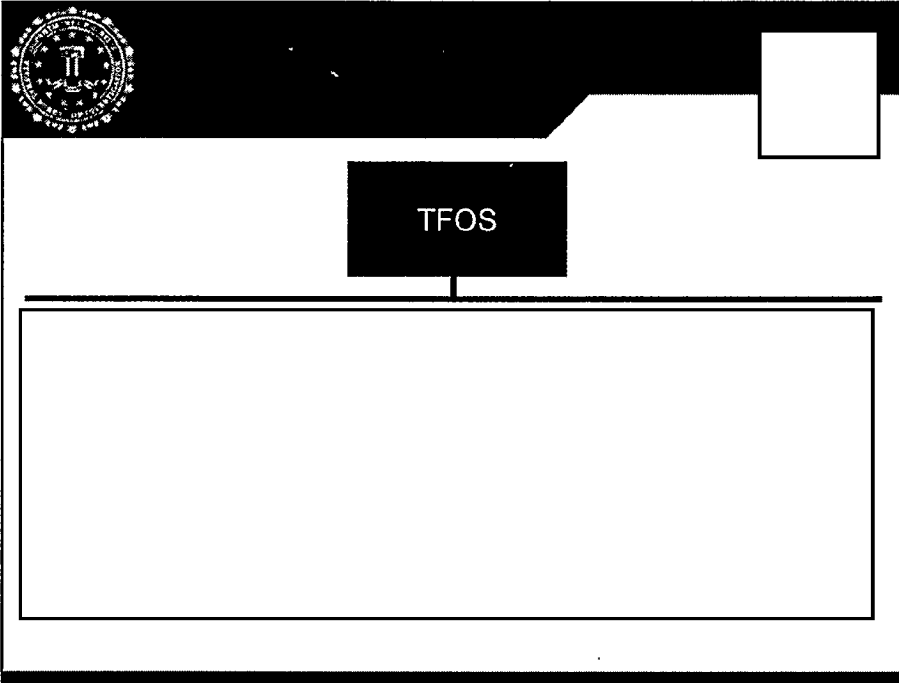


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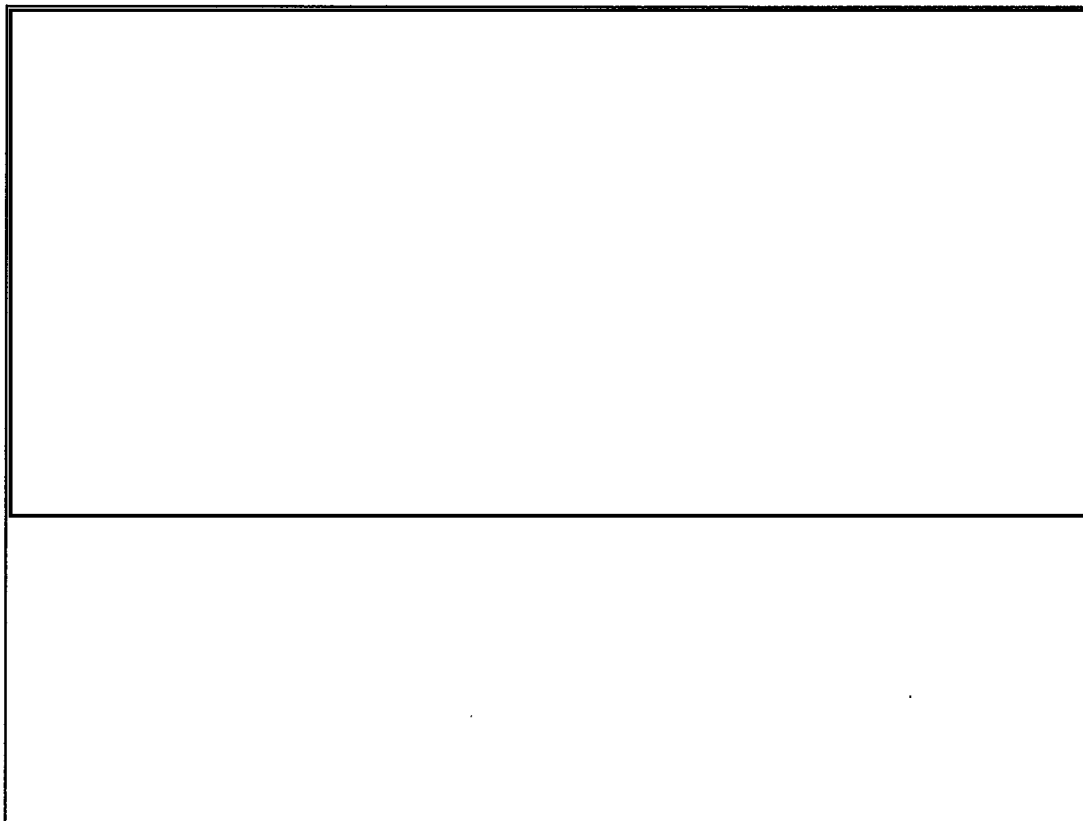
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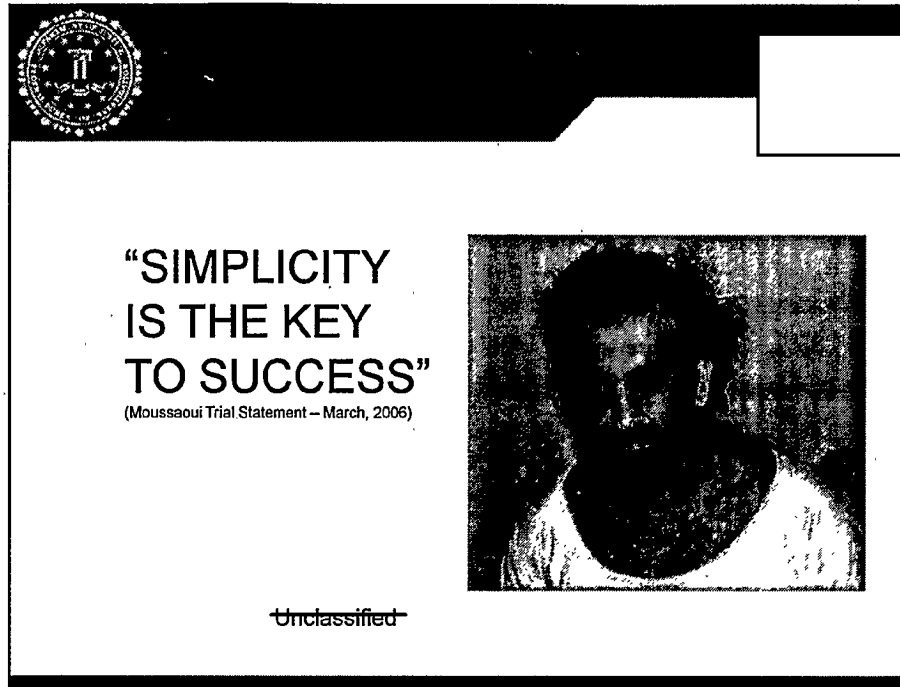
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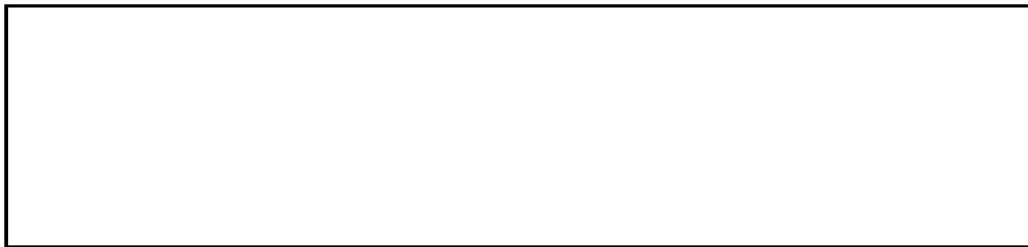
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KSM went to college in U.S. Considers U.S. Government like a big lumbering OX. It takes forever to make a decision and longer to correct a bad decision.



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VIDEO:

NBC News segment of KSM's confession at Gitmo.

We are in a war against terrorism.

The enemy is "hiding in plain sight" in the U.S. Most of the laws violated are "low priority" crimes.

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- Know the mindset of your enemy and how he operates.
- Everything available to you as a U.S. citizen is also available to the enemy.
- Do not underestimate the enemy and do not assume anything!
- Know who IS NOT the enemy!



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VIDEO:

TODAY Show, 1/27/2007, BRITBOM Video.

DISCUSSION After VT and in conjunction with the Khalid Qwaja segment at beginning of presentation.

DISCUSS The mindset of the enemy.

Abu Musab al-Zarqawi efforts to avoid capture including funding.

NOTE: Very difficult to track Funds in Middle Eastern Countries. Could be used legitimately for religious donations; support families or support jihad activities. Only support of jihad activities is illegal.

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COMPLEX because:

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SIMPLE because:

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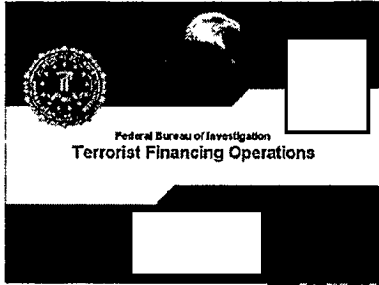
Law Enforcement Sensitive

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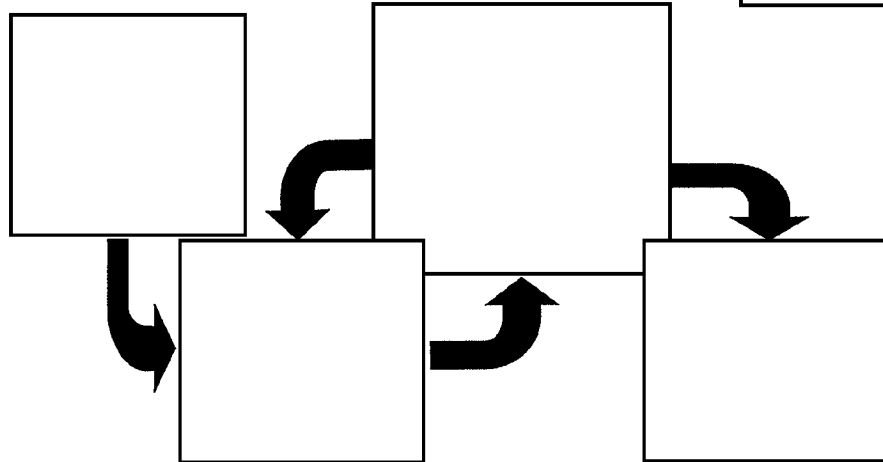


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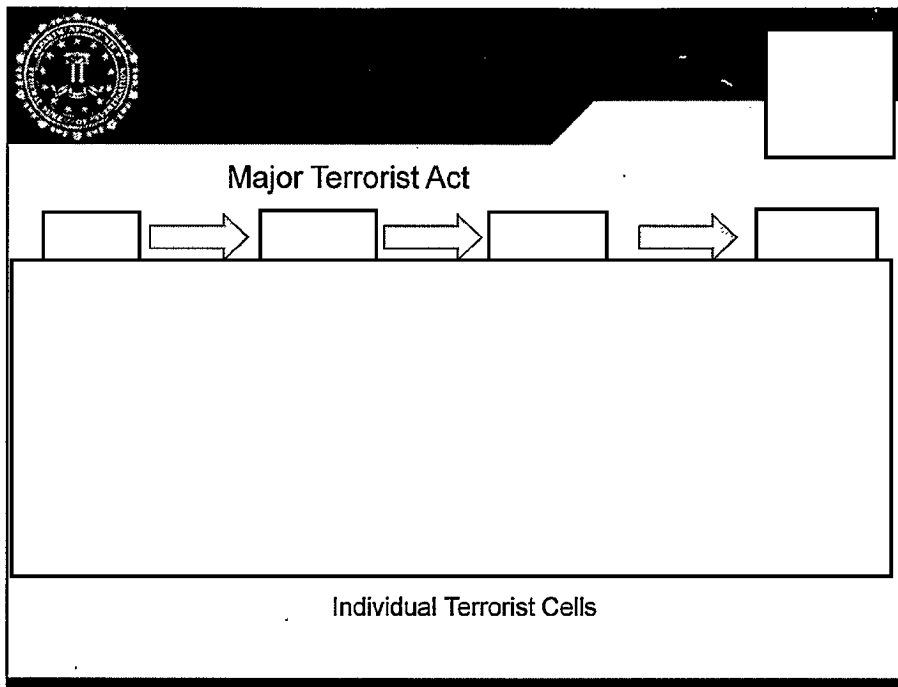
Examples not exhaustive

Money is the lifeblood of terrorism. Without it, terrorists can't train, plan, communicate, or execute their attacks. But with it, they can do immeasurable damage.

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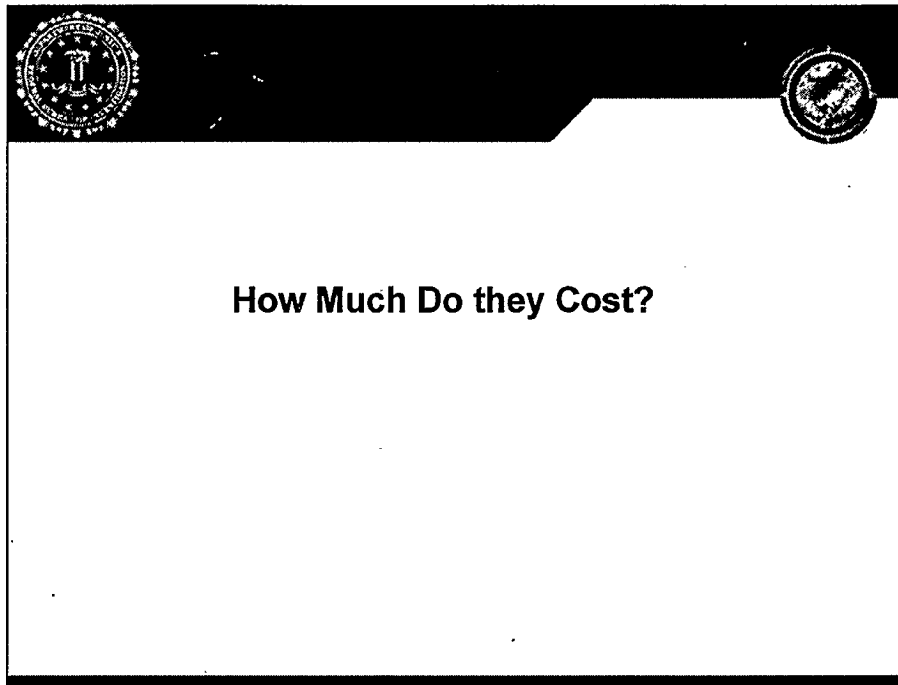


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Let's take a background look at some past terrorist attacks and what we will discover is that relatively not much money is needed to fund a terrorist attack.....

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- Date: July 7, 2005
- Attack: Suicide Bombings
- Targets: Underground Trains and Double Decker Bus
- Deaths: 52
- Injuries: over 700
- Cost: \$14,000

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9:00am July 7, 2005

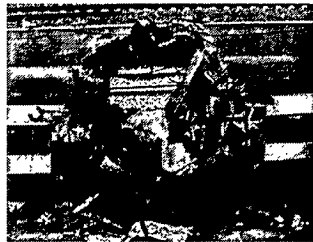
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- Date: March 11, 2004
- Attack: Backpack Bombs
- Targets: Train & Train Station
- Deaths: 191
- Injuries: 2050
- Cost: \$71,460

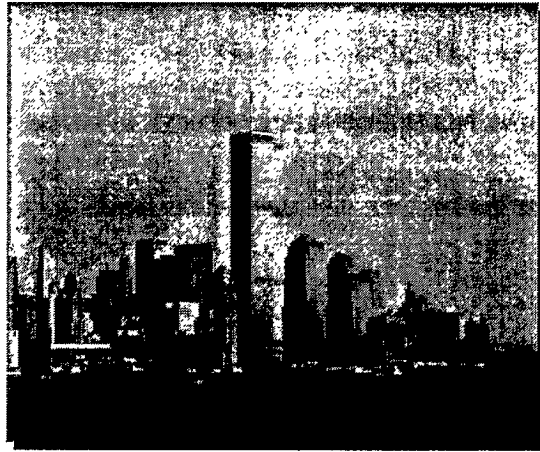


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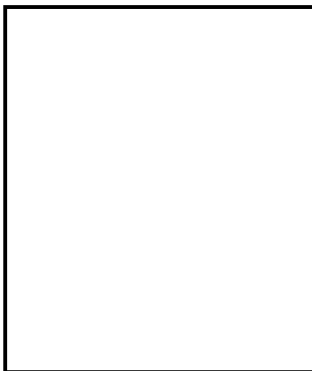


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- Six people killed
- More than 1,000 injured



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- The bombing caused approximately \$300 million in property damage
- The cleanup and repair operation cost approximately \$500 million

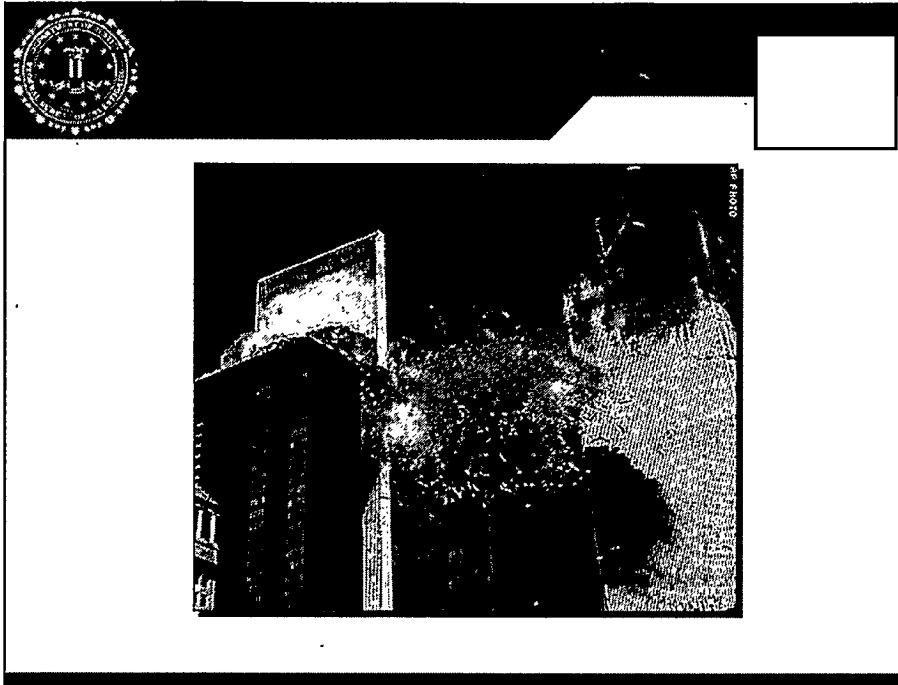
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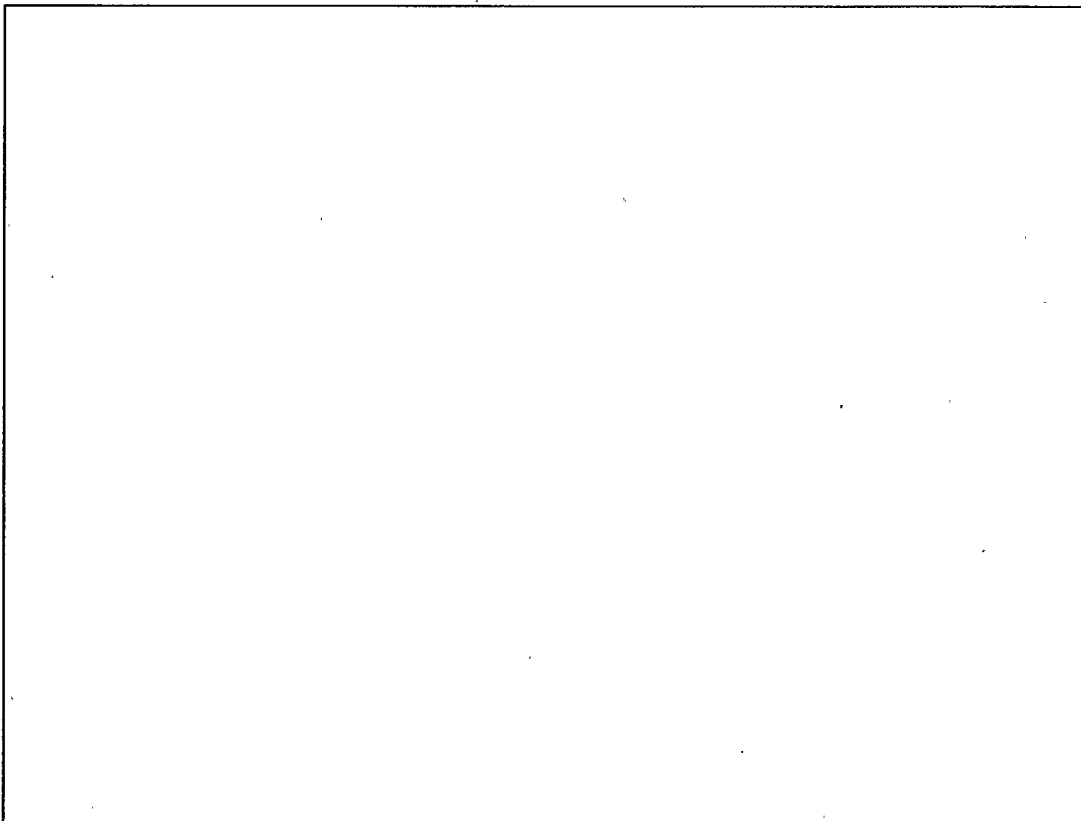
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- Estimated Cost – New York
 - **\$83 billion**
 - Approximately **\$67 billion** of the losses was expected to be covered by insurance, federal payments, or increased economic activity
- Rebuilding of the Pentagon
 - **\$576 million**
- Estimated income losses for all other metropolitan areas in the U.S.
 - **\$191 billion**

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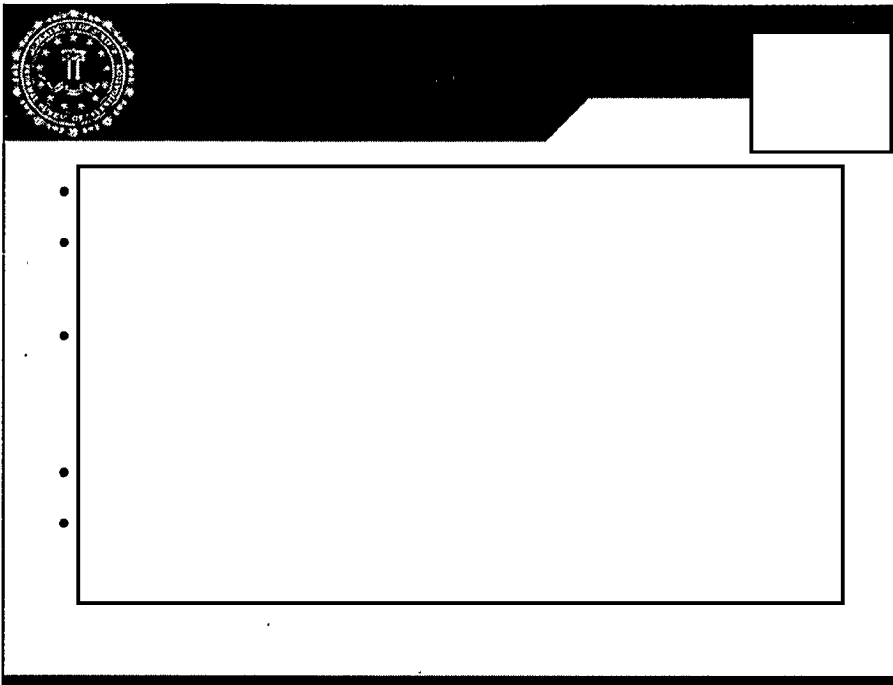
- IRS 501(c)(3) status allows donors to receive tax deductions for donations to charity, and charity is exempt from paying federal income tax

Two requirements for tax exempt status:

- Created exclusively for charitable purposes.
Common types include religious, educational and charitable.
- Insiders or private stakeholders cannot unduly benefit

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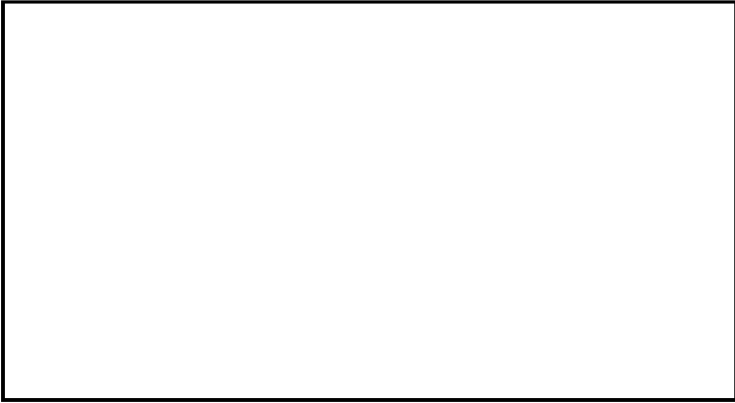
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Investigative plan:

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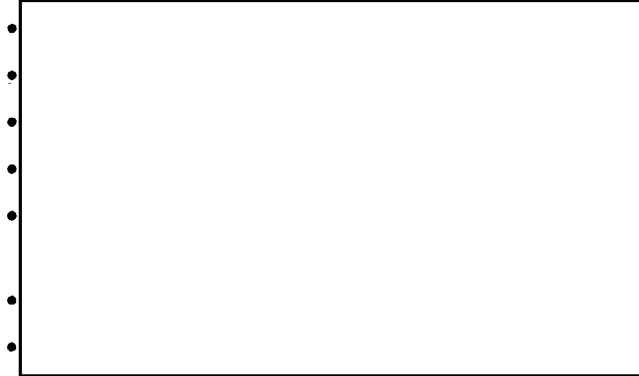
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- Tracing such financial activity provides information about:



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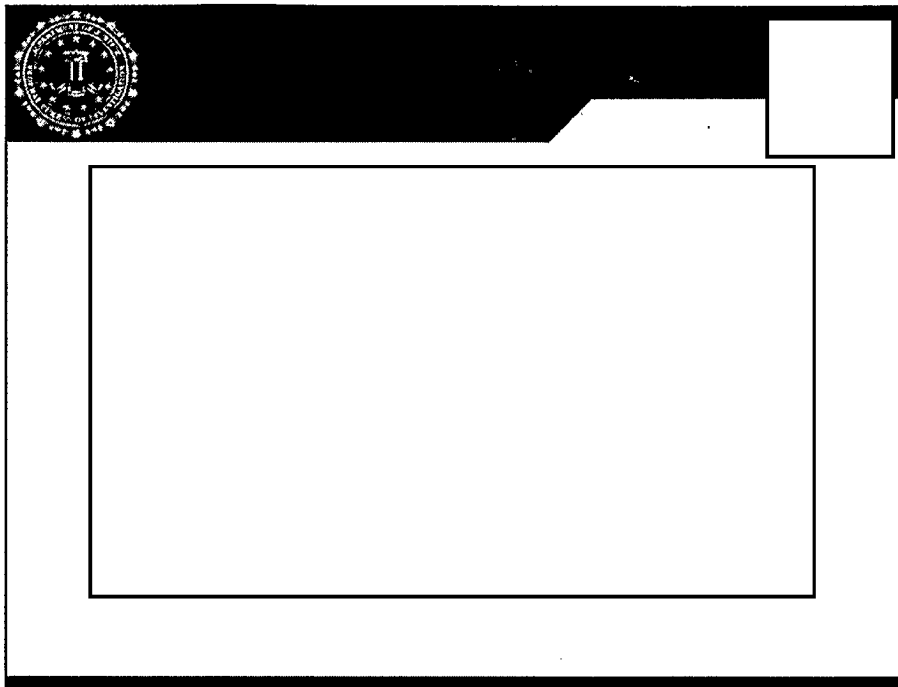


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- 501(c)(3) charities are subject to audit
- If NGO is operating in violation of 501(c)(3) requirements, the IRS may revoke the exempt status
- Excise taxes may be imposed based on the nature and severity of the violation
- Once status is lost, total revenues are subject to federal income taxation

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- Types of criminal acts used by terrorists

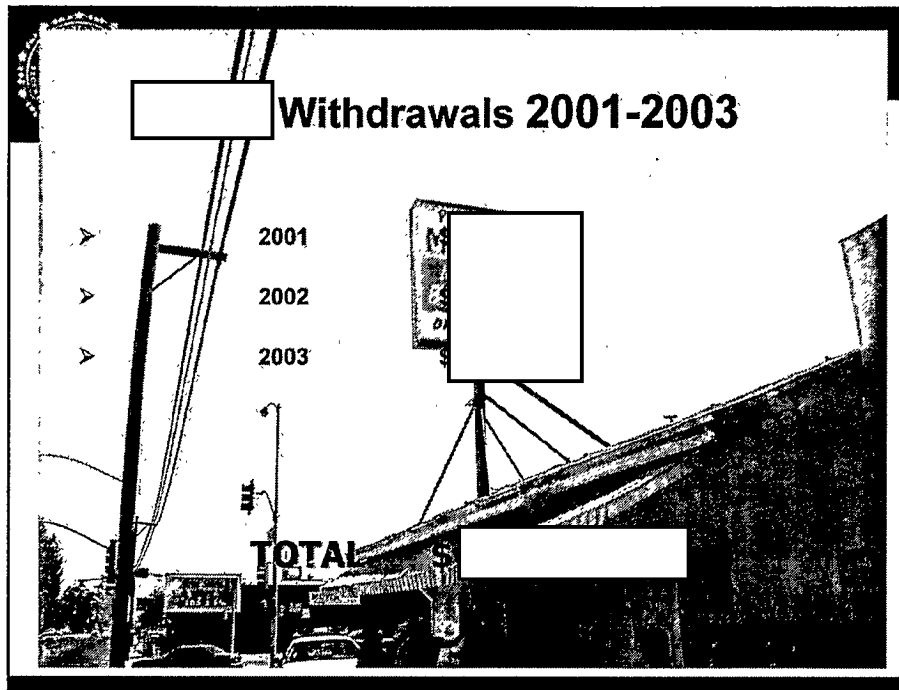


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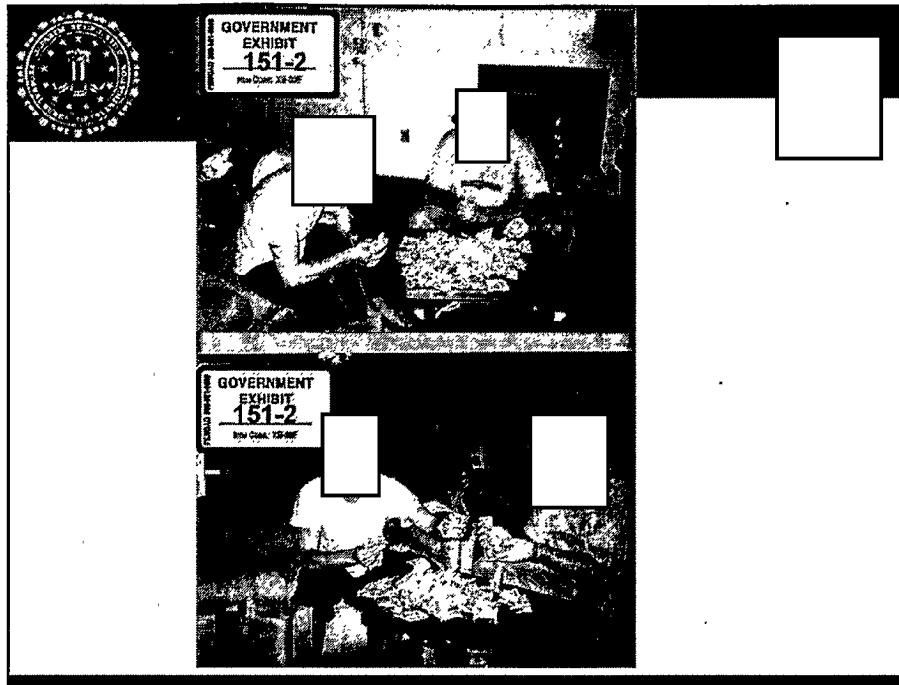
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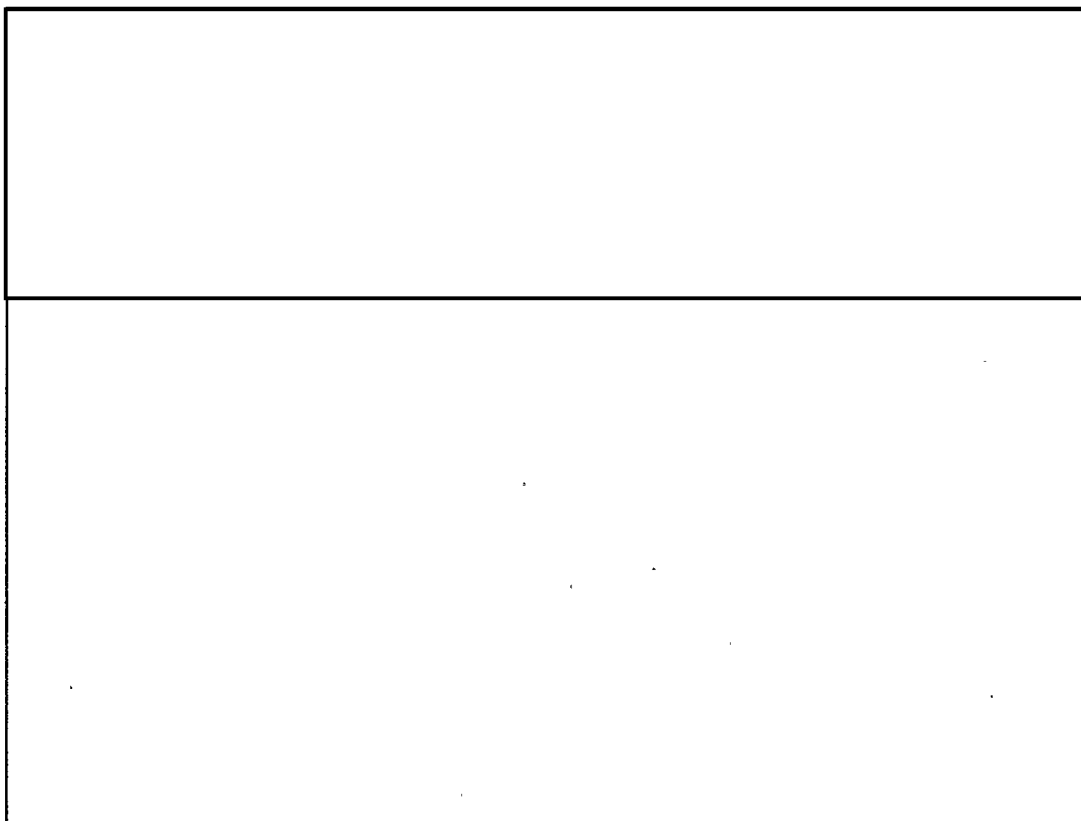
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- Identifies Funding of Terrorist Network
- Provides Intelligence
- Provides Evidence for Trial

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- T. 7 Section 2024 : Food Stamps Fraud
- T. 8 Section 1327: Immigration Fraud
- T.18 Section 152 : Bankruptcy Fraud
- T. 18 Section 175: Biological Weapons
- T. 18 Section 229: Chemical Weapons
- T. 18 Section 2342: Trafficking in contraband cigarettes
- T. 18 Section 2315: Smuggling
- T. 18 Section 922: National Firearms Act
- T. 18 Section 1014: False statements - banks and credit applications
- T. 18 Section 1341: Mail Fraud
- T. 18 Section 1343: Wire Fraud
- T. 18 Section 1344: Bank Fraud
- T. 18 Section 1425: Nationality & Citizenship Fraud
- T. 18 Section 1542: Passport & Visas Fraud
- T. 18 Section 1584: Involuntary Servitude
- T. 18 Section 1956: Racketeering.
- T. 18 Section 2314: Interstate Transportation of Stolen Property.
- T. 18 Section 2320: Trafficking in counterfeit goods and services
- T. 18 Section 641: Theft of Government Property
- T. 18 Section 1960: Unlicensed Money Transmitting Businesses.
- T.21 Section 848: Controlled Substances violations.
- T 22 Section 2778(c): Arms Export Control
- T 49 Section 46502: Crime Aboard Aircraft

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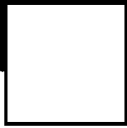
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- (1) (A) (ii) – Transporting illegal aliens
- (1) (A) (iii) – Harboring illegal aliens
- (1) (A) (iv) – Encourage or induce illegal aliens to enter or stay in U.S.
- (1) (A) (v) II – Aid & Abet
- All are felonies.
- All are SUAs for money laundering and asset forfeiture!

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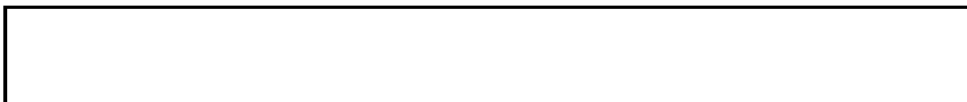


- Types

- Tracing such financial activity provides information about:
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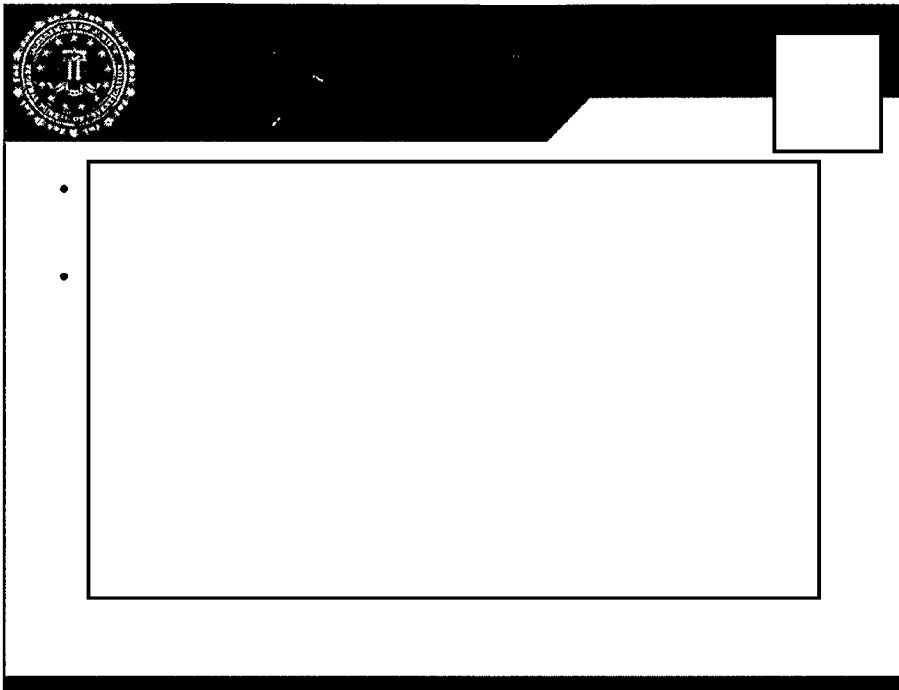
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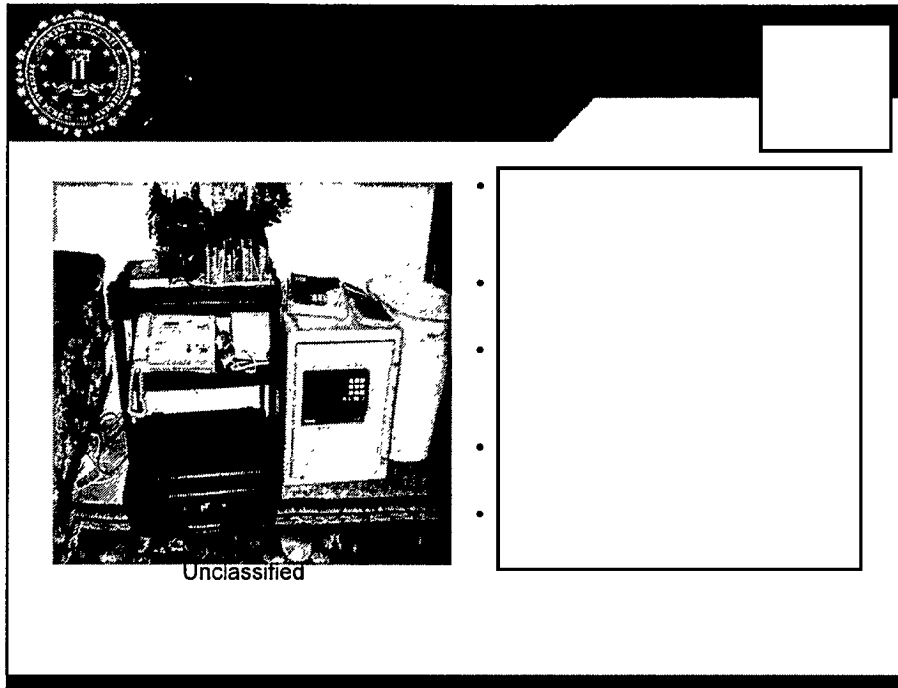
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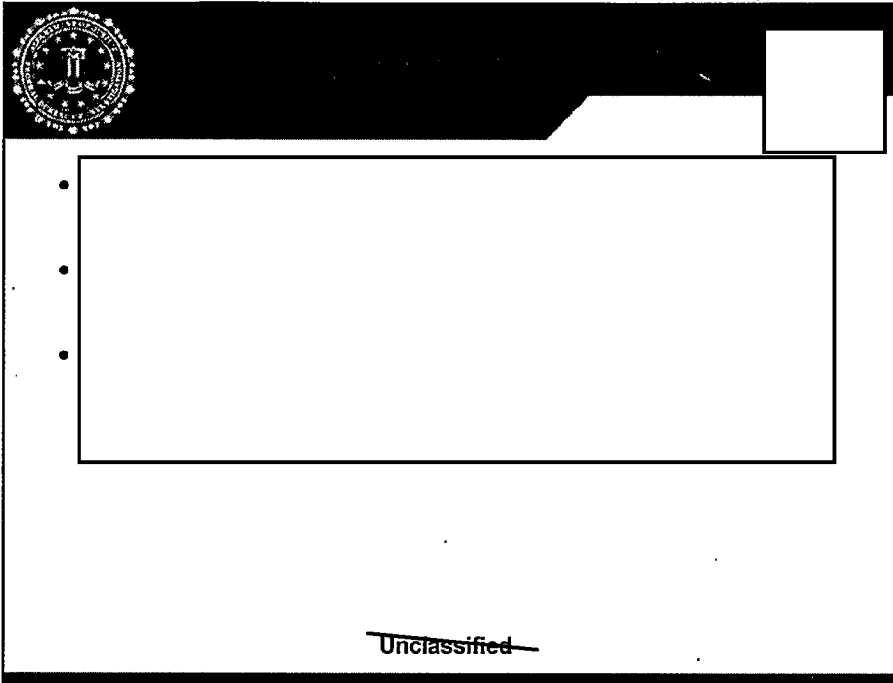
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VIDEO: NBC News, 11/7/2001 (4:00)

Hawala raids and explanation of how a Hawala operates.

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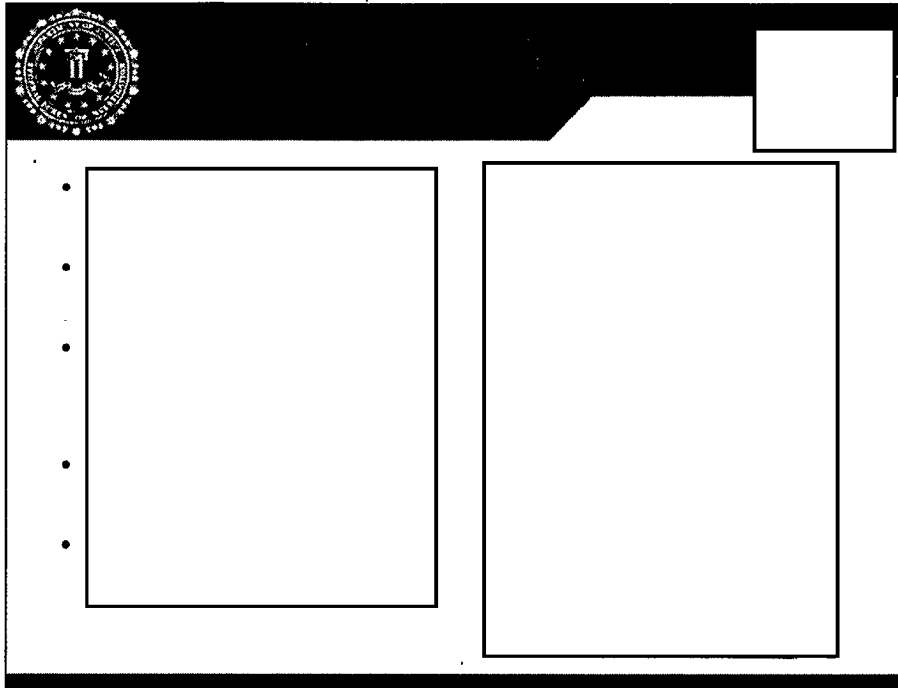


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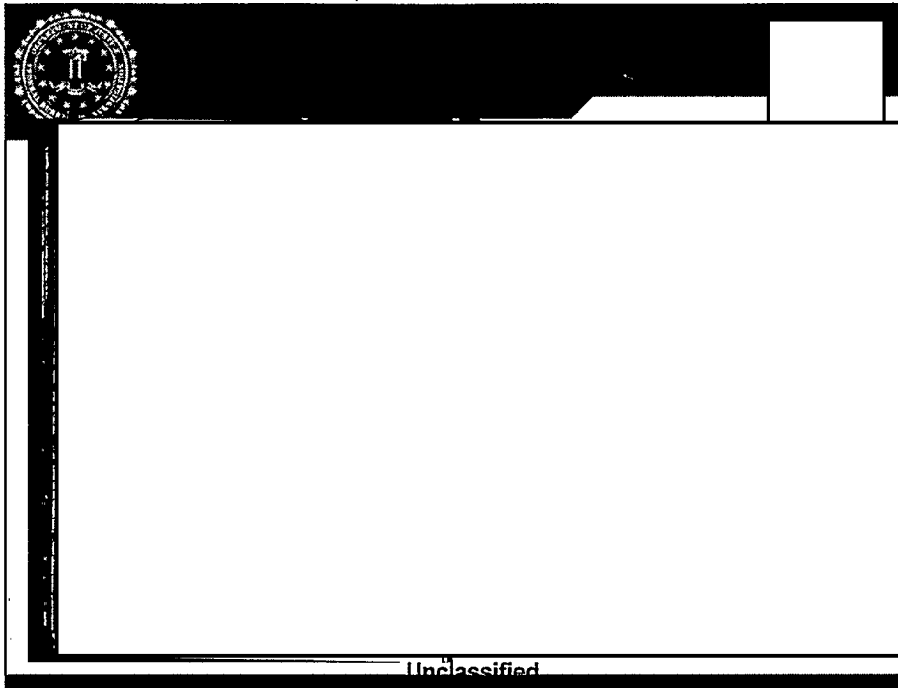
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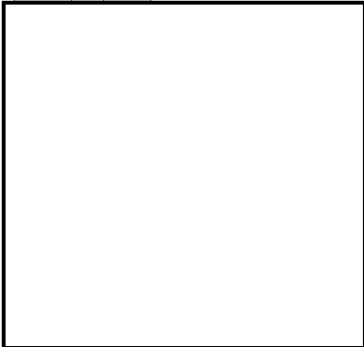
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- LEGAL:
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- ILLEGAL:
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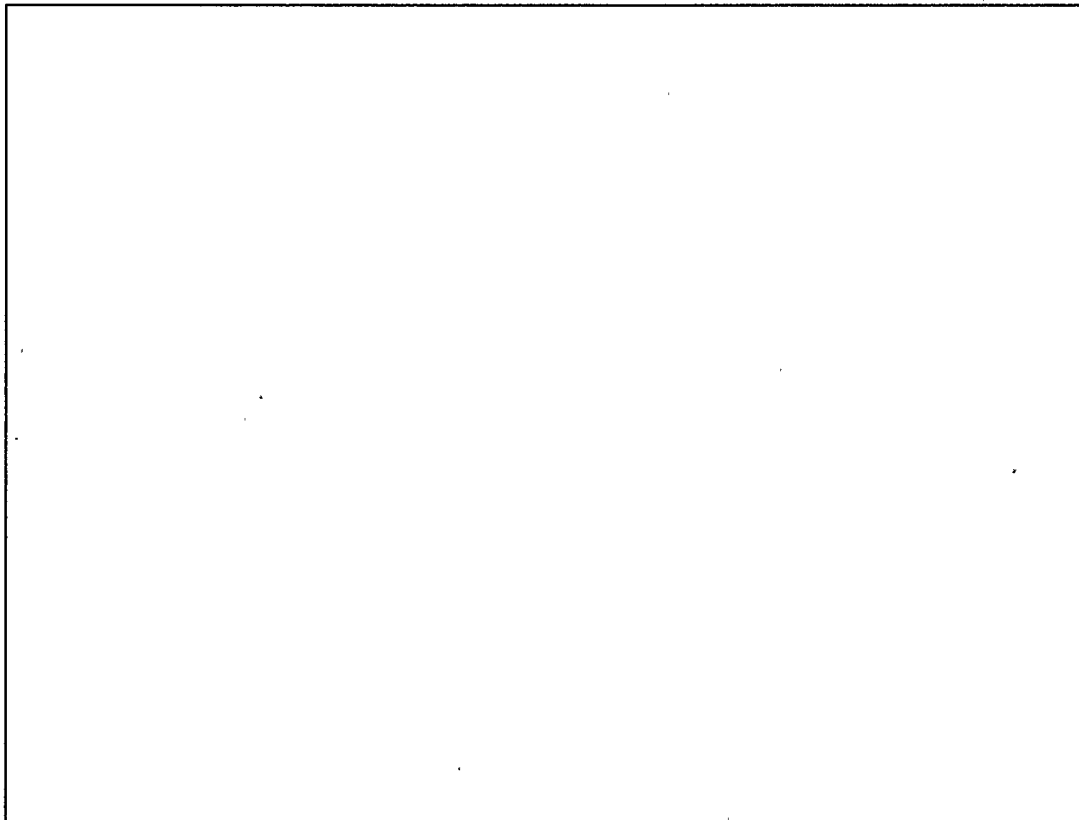
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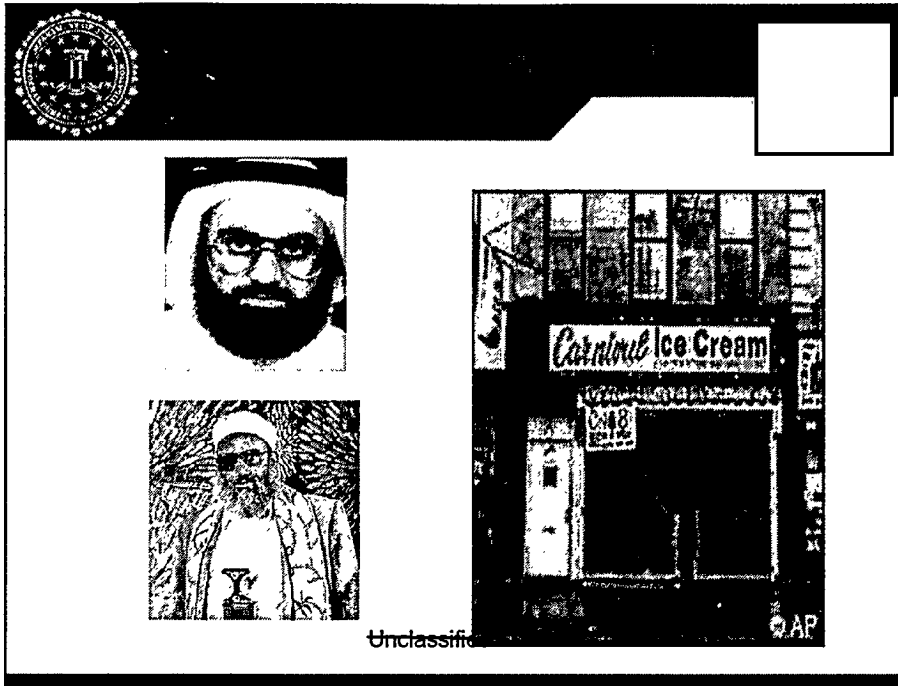
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- Arrested in Frankfurt, Germany on 1/10/03 on EDNY warrant for material support to Hamas and Al Qaeda.
- Chief Money Raiser for UBL and Sheik Zindani.
- Possessed the name & telephone number for ABAD ELFGEEH as a contact in the U.S. to move money.
- ELFGEEH admitted to source he moved money for ALMOAYAD.

Public Record - Trial

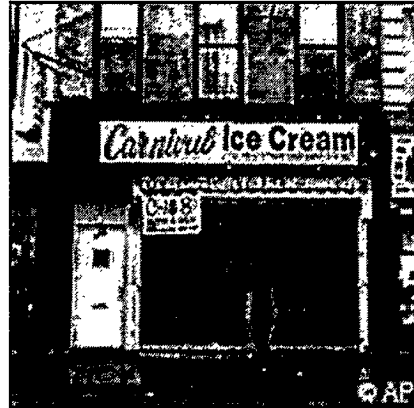
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- 1/18/2003 – NYO executed a material witness warrant for ABAD ELFGEEH, d/b/a CARNIVAL FRENCH ICE CREAM
- Obtained Consent to Search the premises.
- Recovered records of Hawala operation.



Public Record - Trial

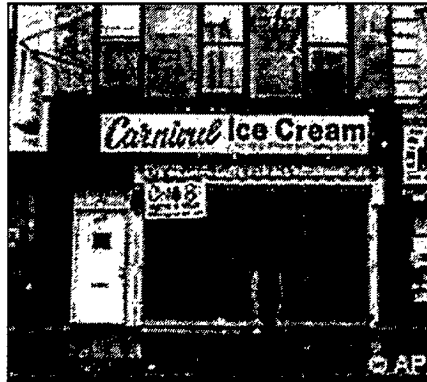
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- Total deposits 1996-2003
\$21.5M
- Total outbound wires same
period \$21.9M
- Wires produced by JPMC-
531 wires totaling \$18.2M
- 26 different countries
- 137 different beneficiaries

- 473 5th Ave, Brooklyn, NY



Public Record - Trial

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"Whoever, knowingly conducts, controls, manages, supervises, directs or owns all or part of an unlicensed money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both".

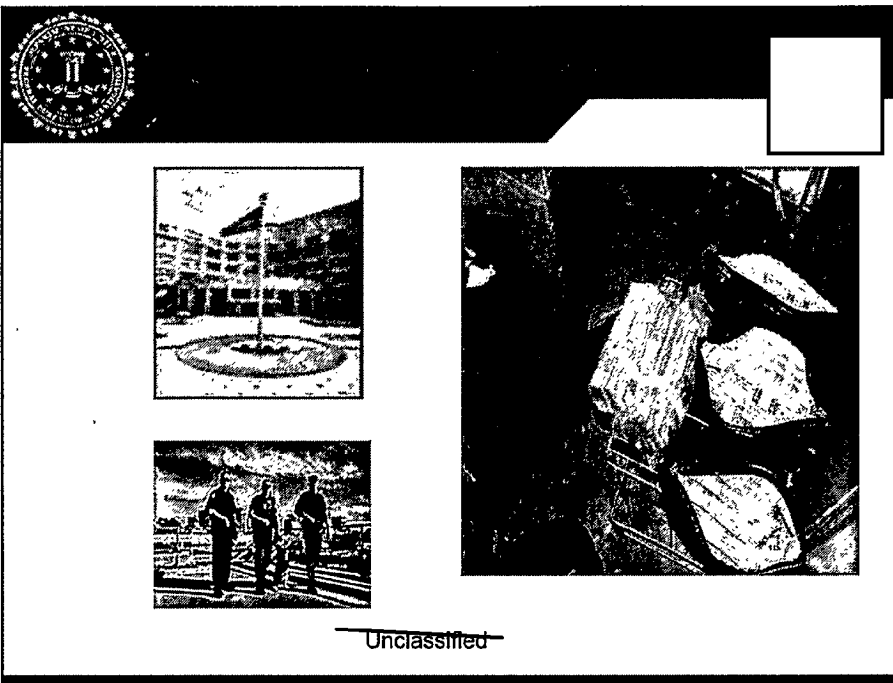
PATRIOT ACT (2001) removed the knowledge factor from the statute, no longer requiring that the defendant had knowledge of the registration requirements.

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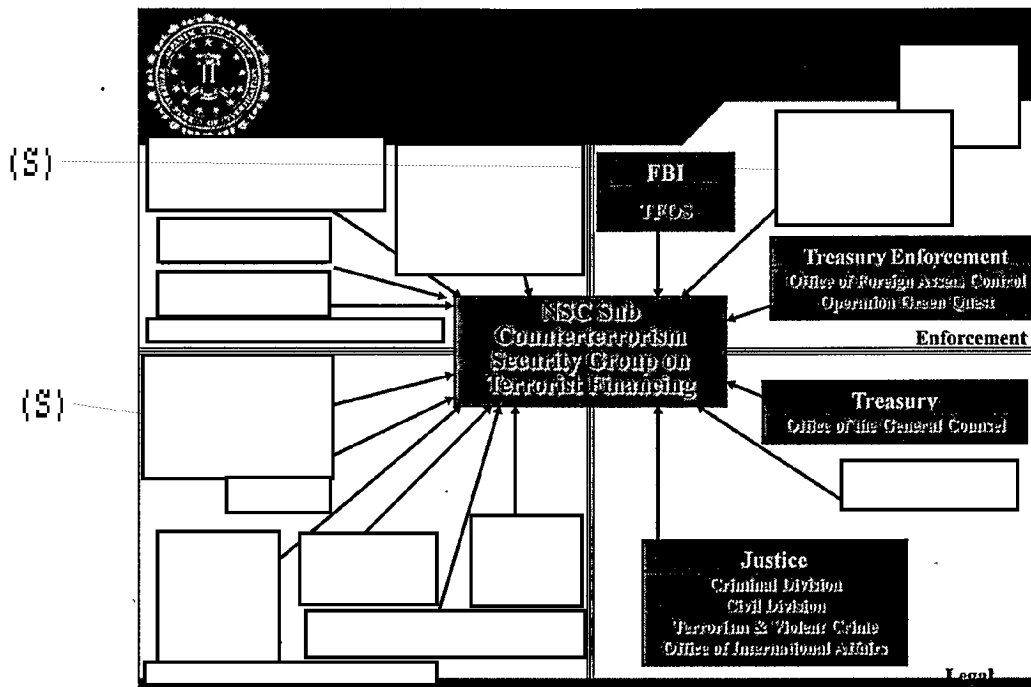


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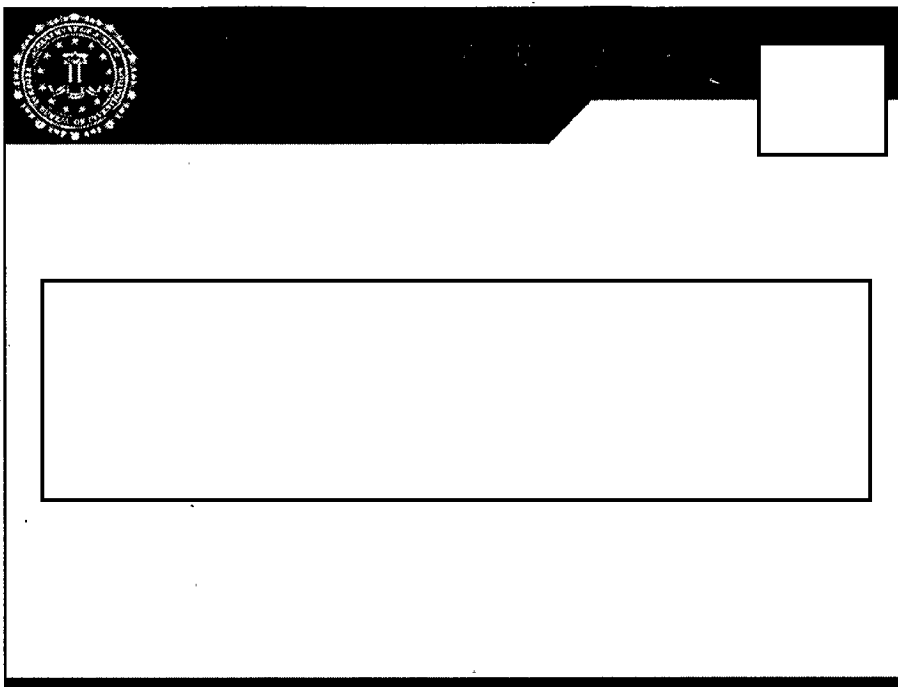
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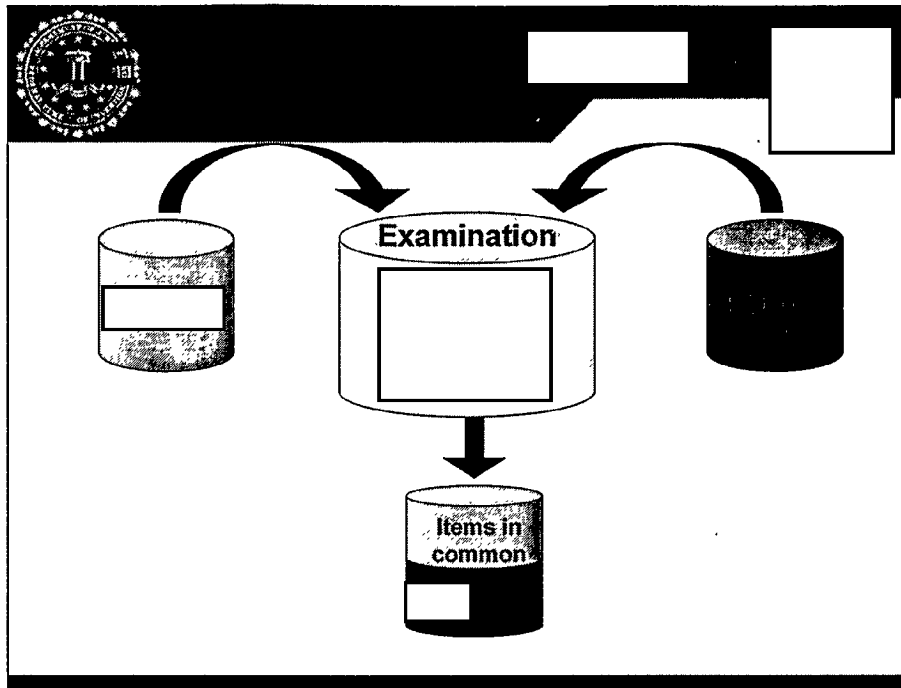
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For example: [REDACTED]

[REDACTED]

[REDACTED]

OLD METHOD: [REDACTED]

[REDACTED]

[REDACTED]

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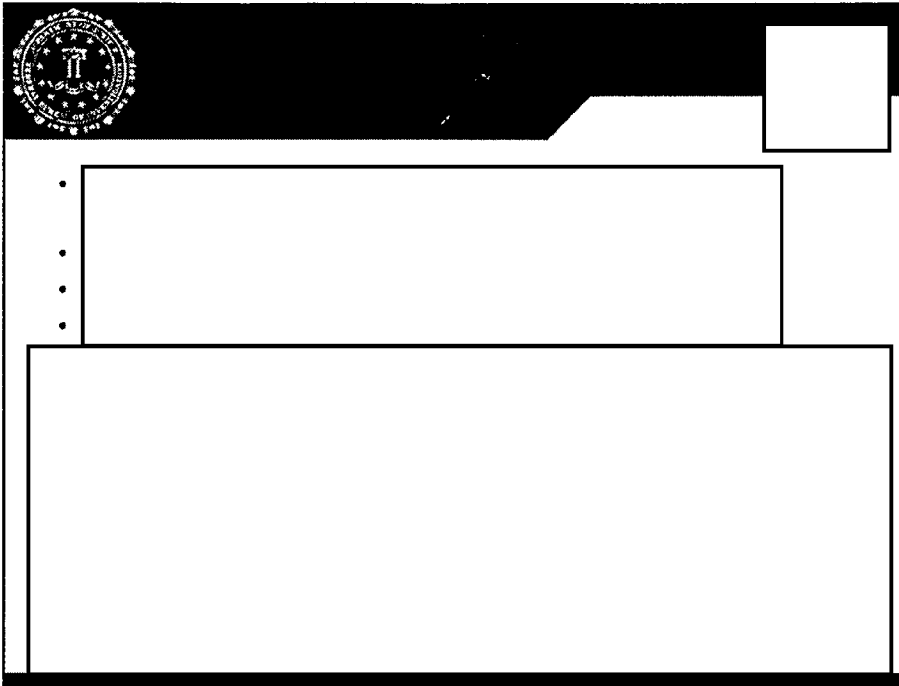
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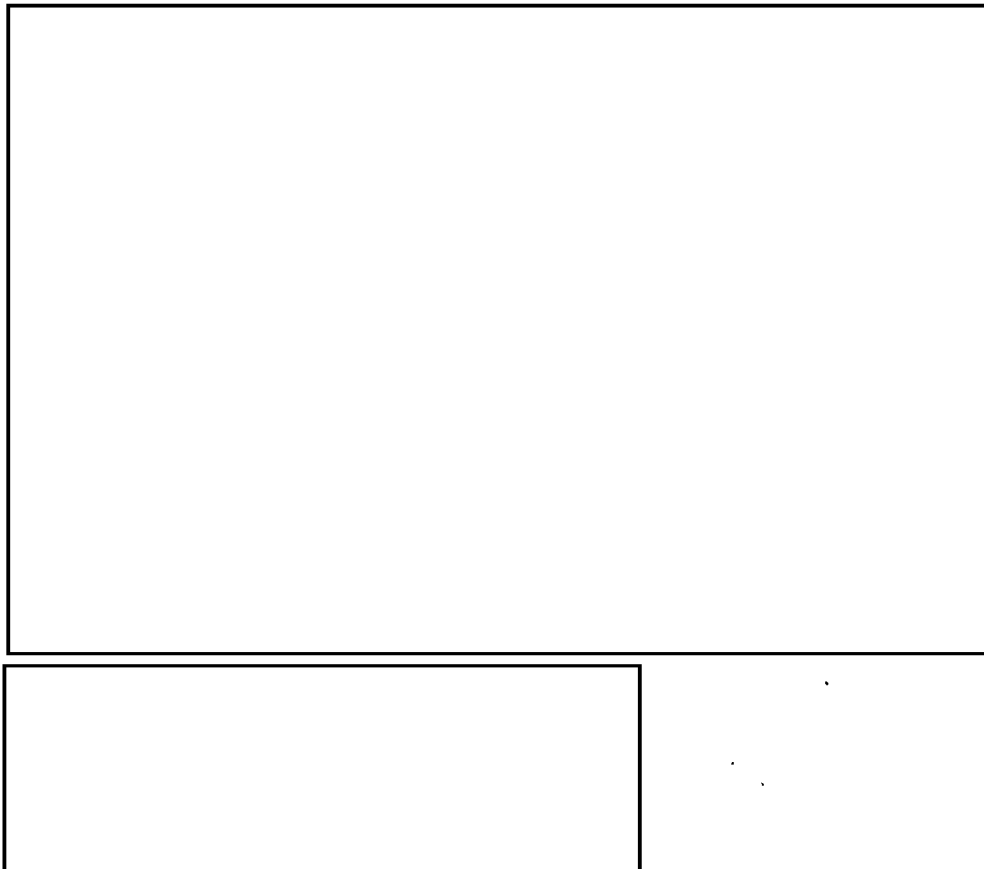
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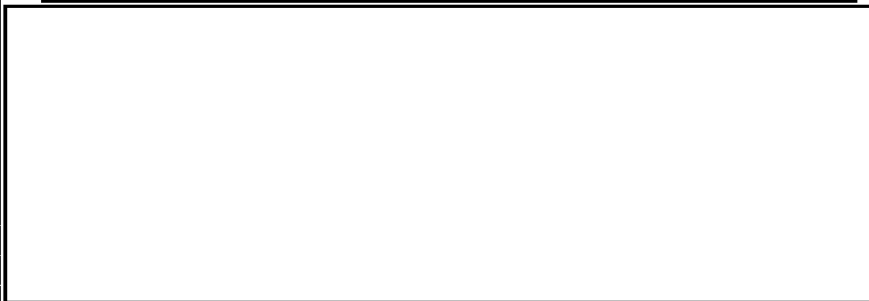


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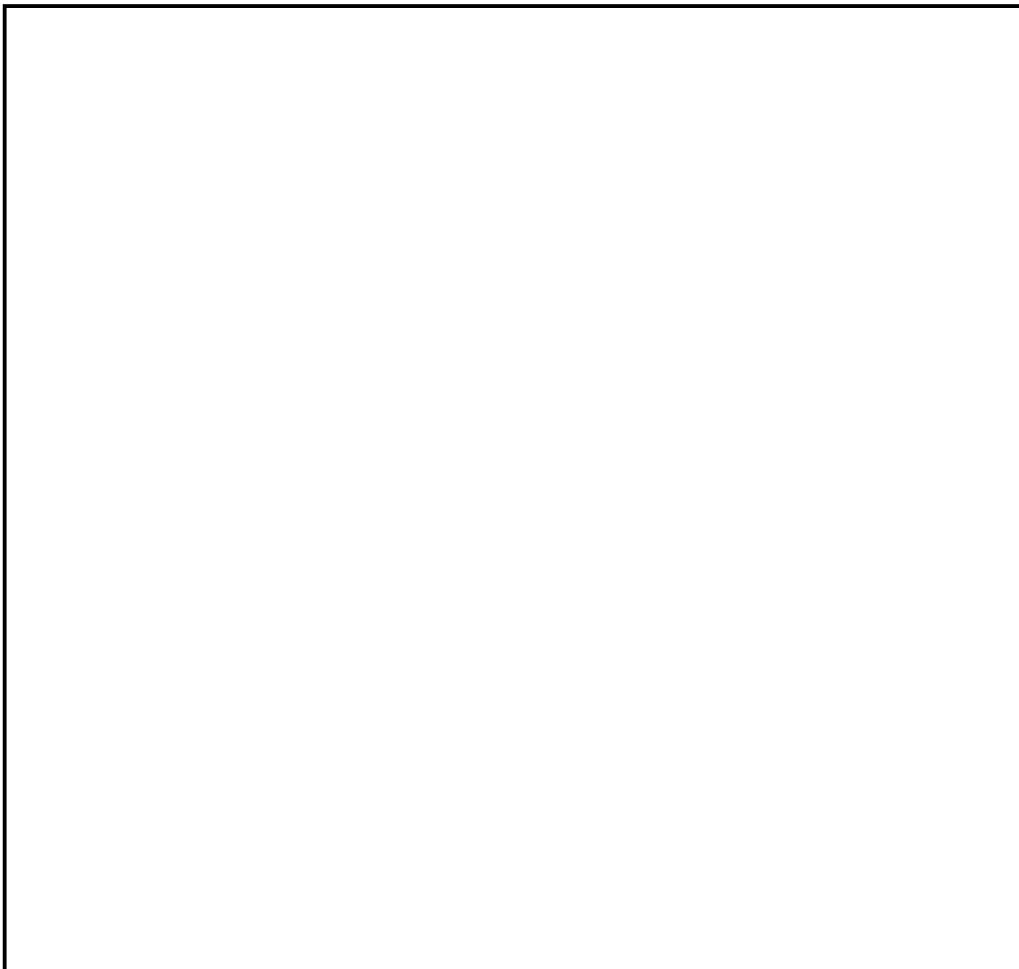
CTRs by Year and Transaction Amount



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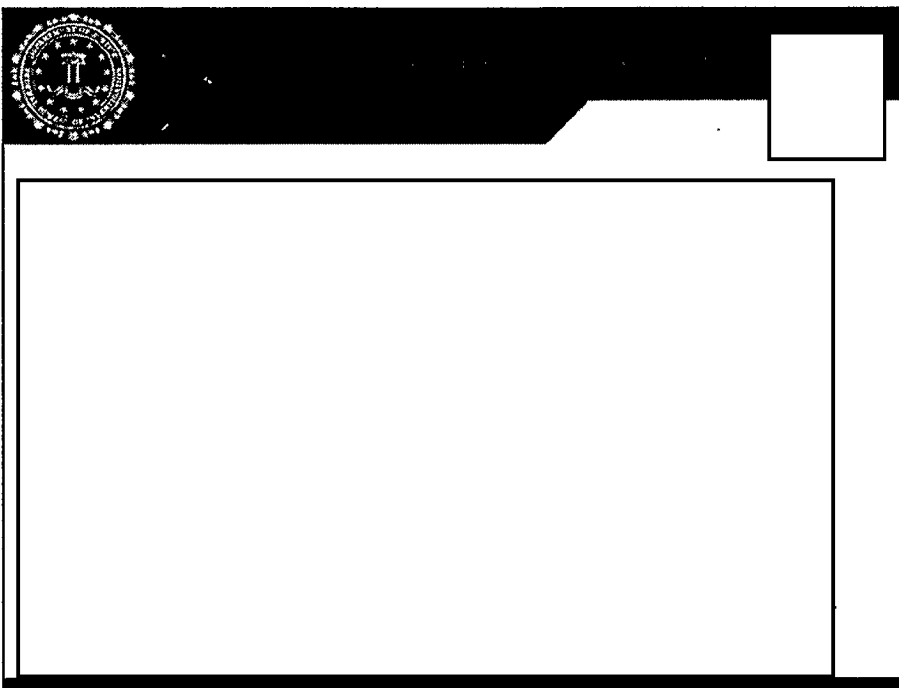
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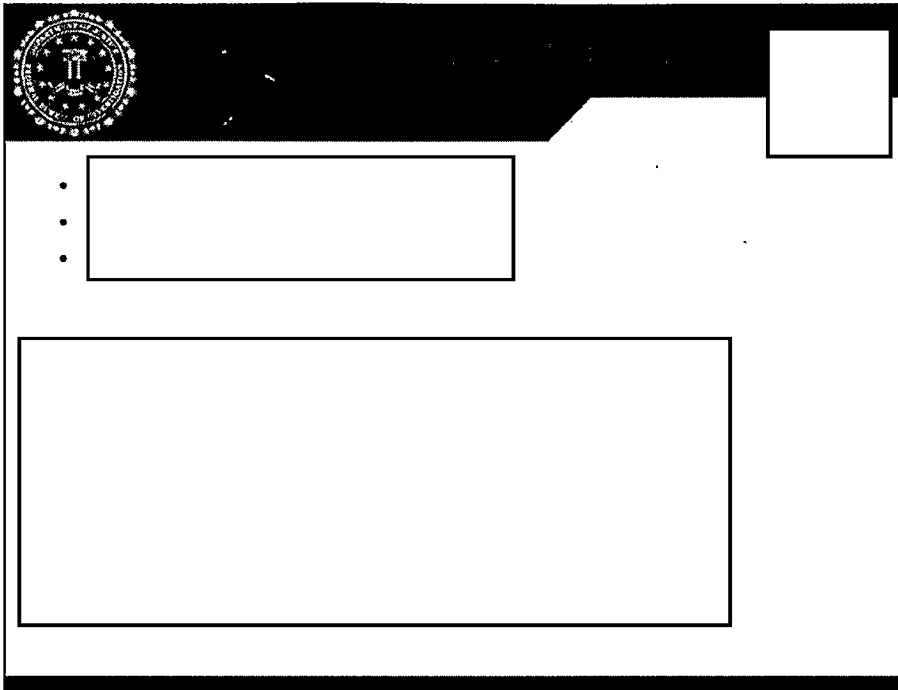
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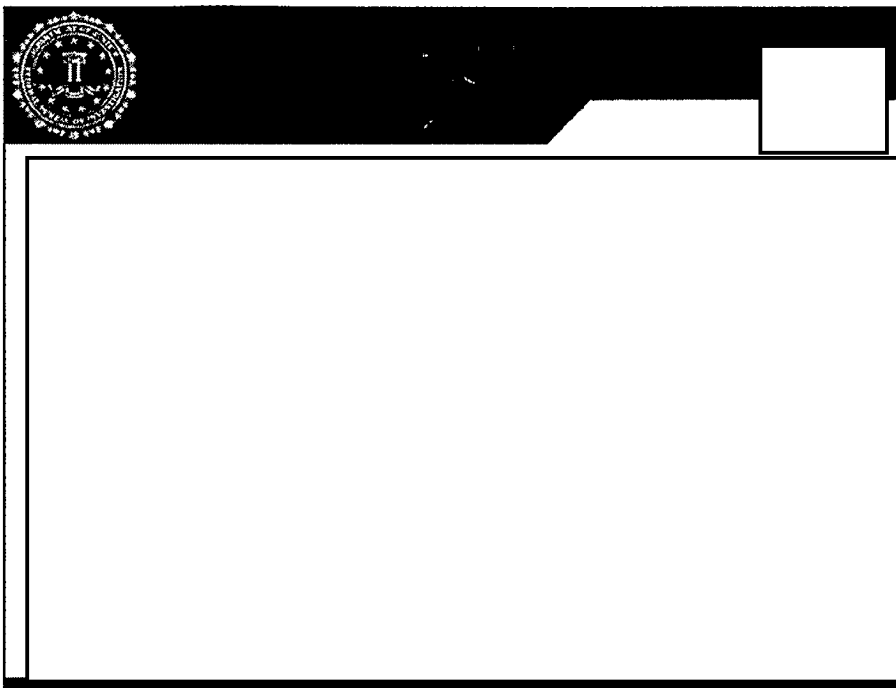


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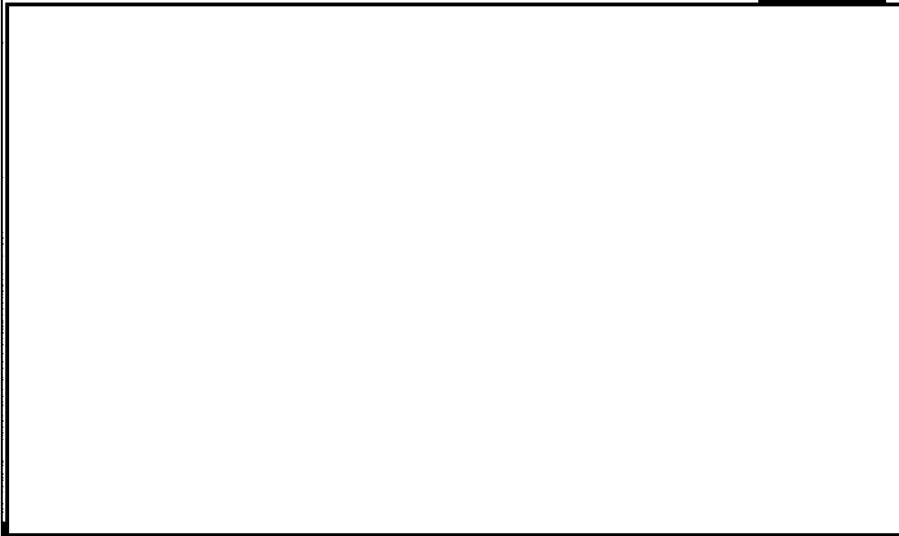
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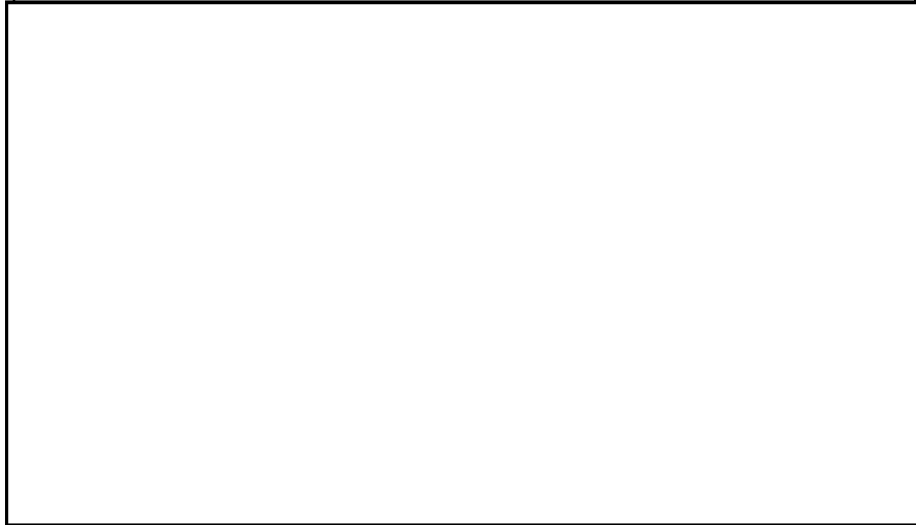
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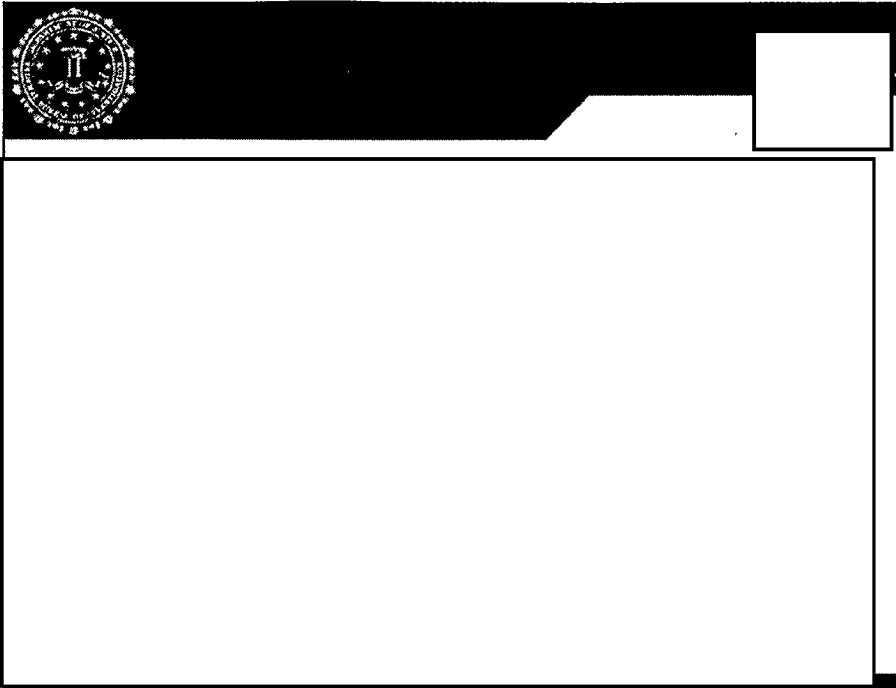
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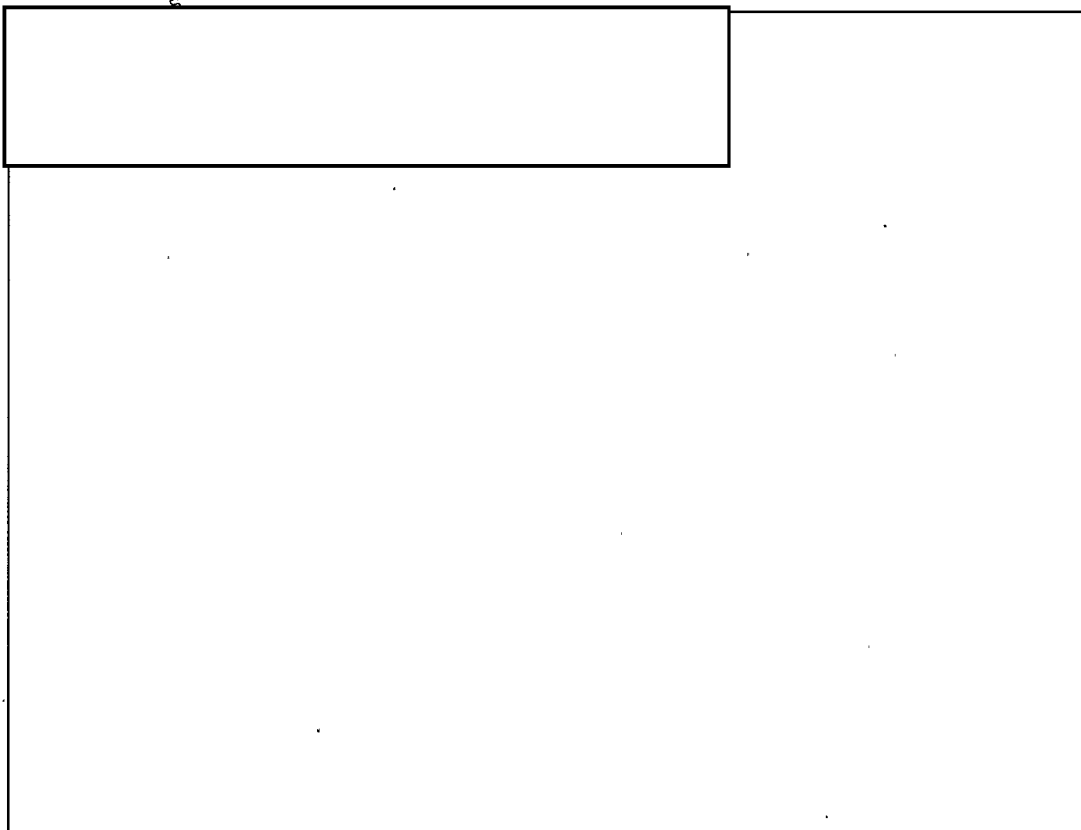
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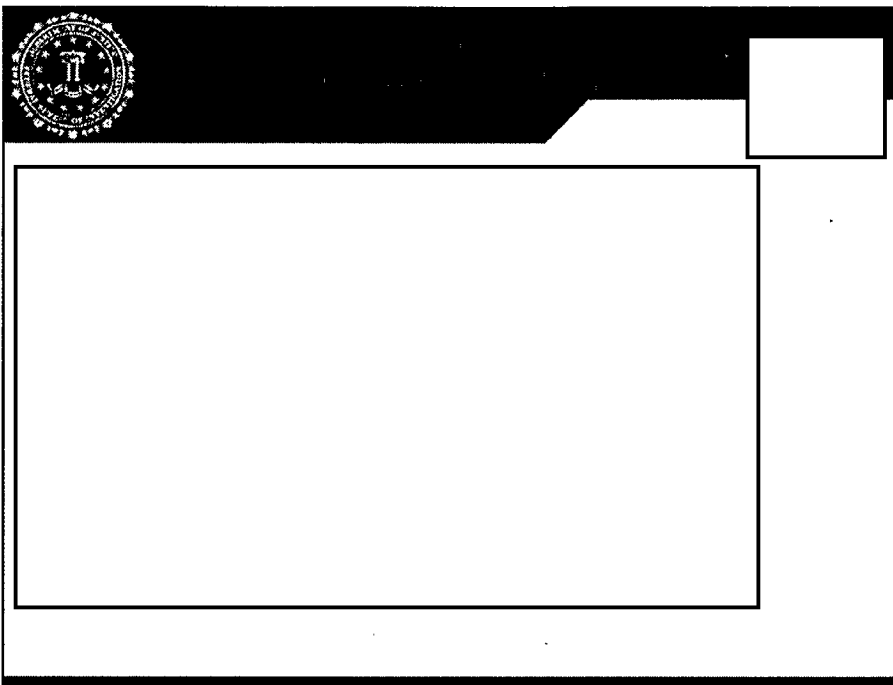
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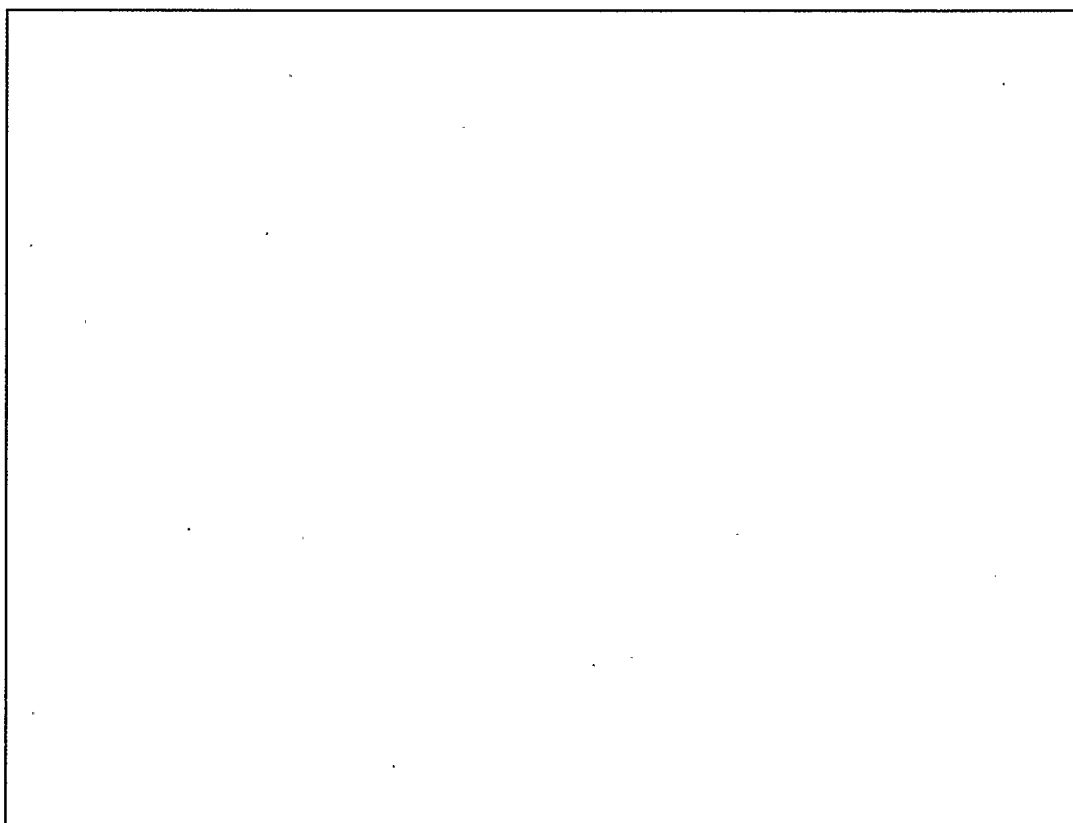
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Coordinator

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- Liaison/point of contact between JTTF and TFOS
- Provide guidance to JTTF on financial aspects of terrorism investigations
- Attend TFOS training and conferences
- Component of TFOS Emergency Response Network – assist in accessing financial data
- Help coordinate TFOS national initiatives
- Review field office investigations to identify nexus to terrorism financing
- Liaison to local banking and business community
- Deploy to domestic and international TFOS terrorist financing investigations and training endeavors

Serves as liaison and point of contact (POC) between the field office JTTF and TFOS, and provides guidance to the JTTF on financial aspects of their terrorism investigations;

Attends TFOS sponsored training and conferences;

Serves as an integral component of the TFOS Emergency Response Network, assisting TFOS in accessing financial data in the event of an exigent circumstance;

Helps coordinate TFOS national initiatives;

Coordinates the review of field office investigations to identify a potential nexus to terrorism financing;

Serves as liaison within the local banking and business community;

Participates in TFOS domestic and international deployments to assist in terrorist financing investigations and training endeavors.

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TFOS: Terrorist Financing Investigative Checklist As with every type of investigation, certain checks should always be done to gather identifiers and background on the subject. When querying these databases, investigators should also be looking for financial information.

It is recommended that the initial financial component of terrorism investigations include:

[Click here for more financial investigative resources.](#) (Coming soon.) Last modified at

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Cooperation with
Law Enforcement (LE)

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Technological Advancements

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- [Redacted]
- [Redacted]

Technological Regression

- [Redacted]
- [Redacted]

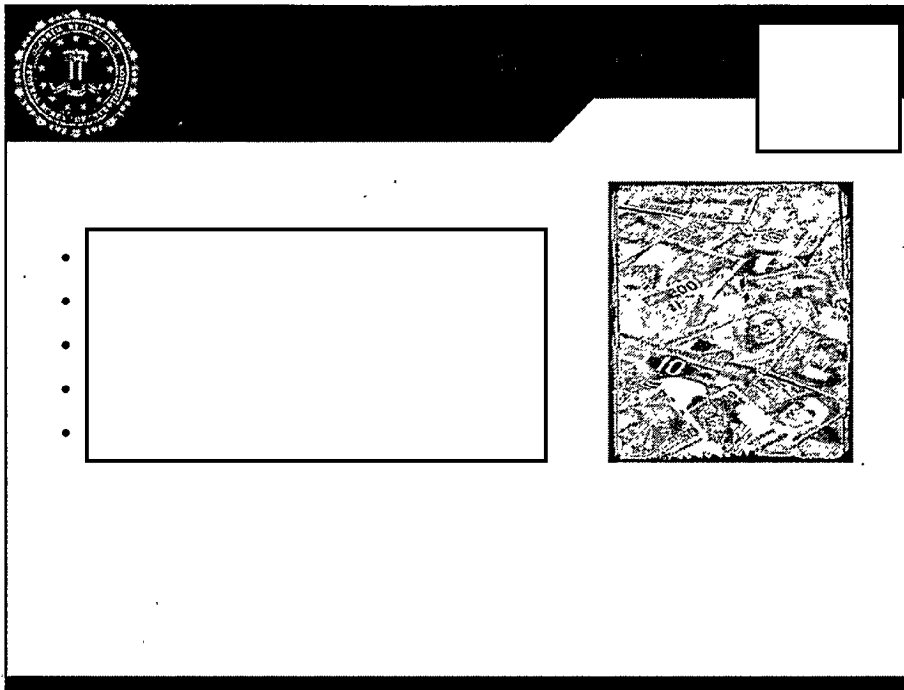
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We depend upon you to raise red flags when you see something that doesn't add up. You have done an outstanding job, and have helped those of us in the Bureau to do our jobs better. We need to continue this cooperation — and strengthen it. Because more challenges loom ahead, for all of us.

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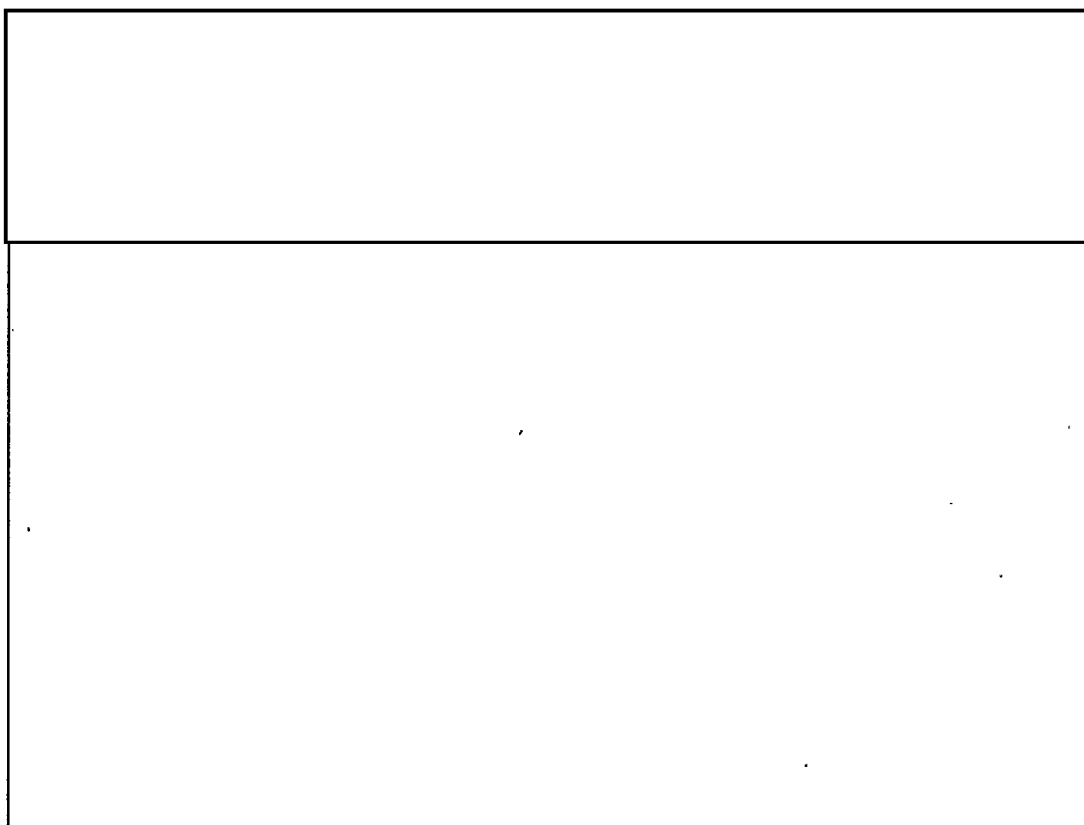
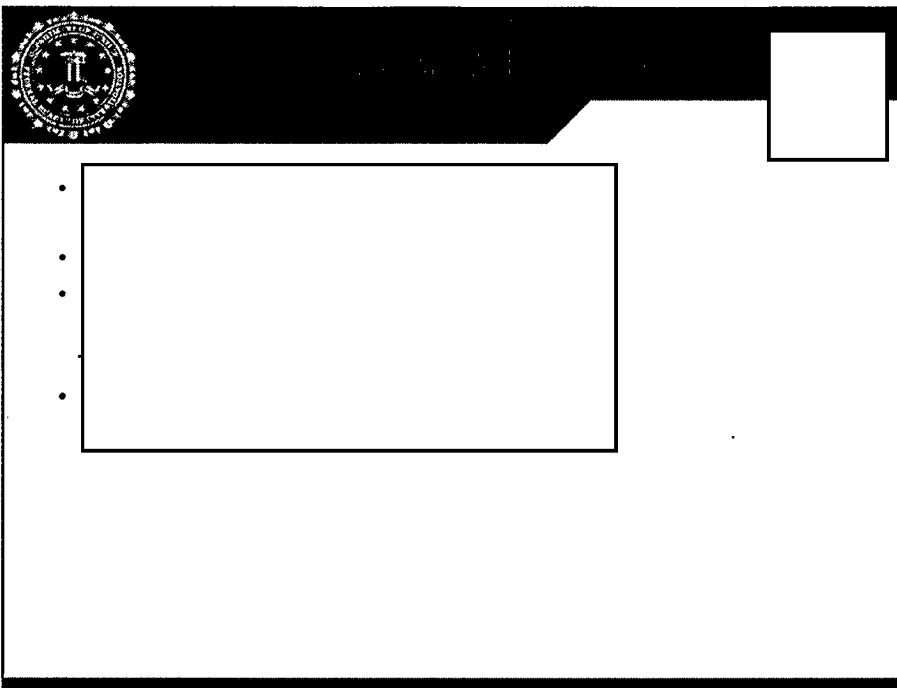
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1. Most money in today's world is electronic, and tangible cash is becoming less frequent. Electronic banking includes internet/online banking, debit cards, online bill payments, and internet business. Financial institutions offer many services in which a customer can transfer funds, purchase stocks, contribute to retirement plans—all without having to handle physical cash or checks. This provides lower hassle for the consumer and usually less expense.
2. On the other hand, the disadvantages may be significant. These include fraud, failure of technology, possible tracking of individuals and loss of human interaction.

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- Private Issue Currency
 - Backed by gold, non-gold, or combination
 - Not government issued
 - No central monetary authority

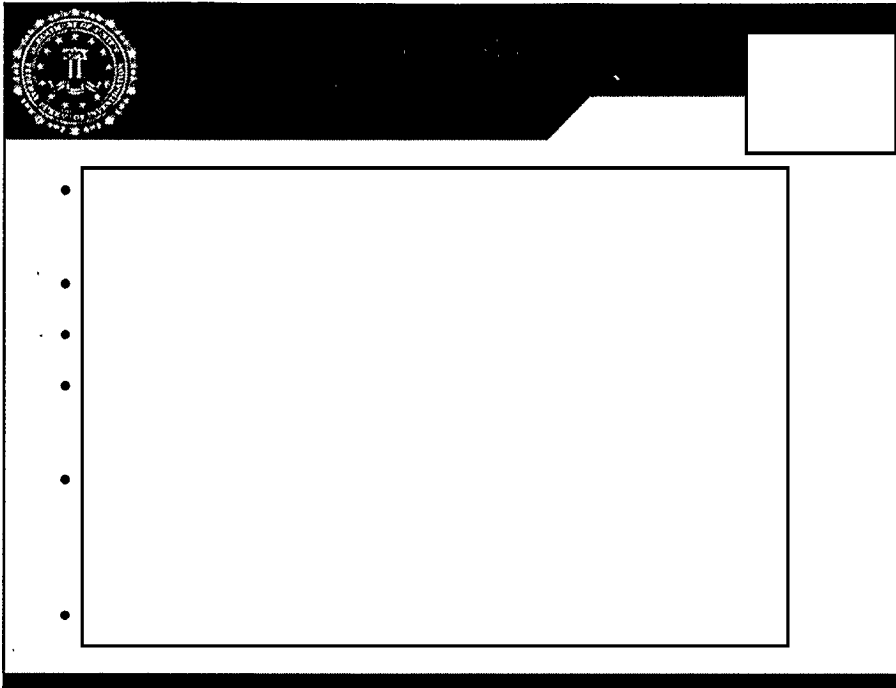
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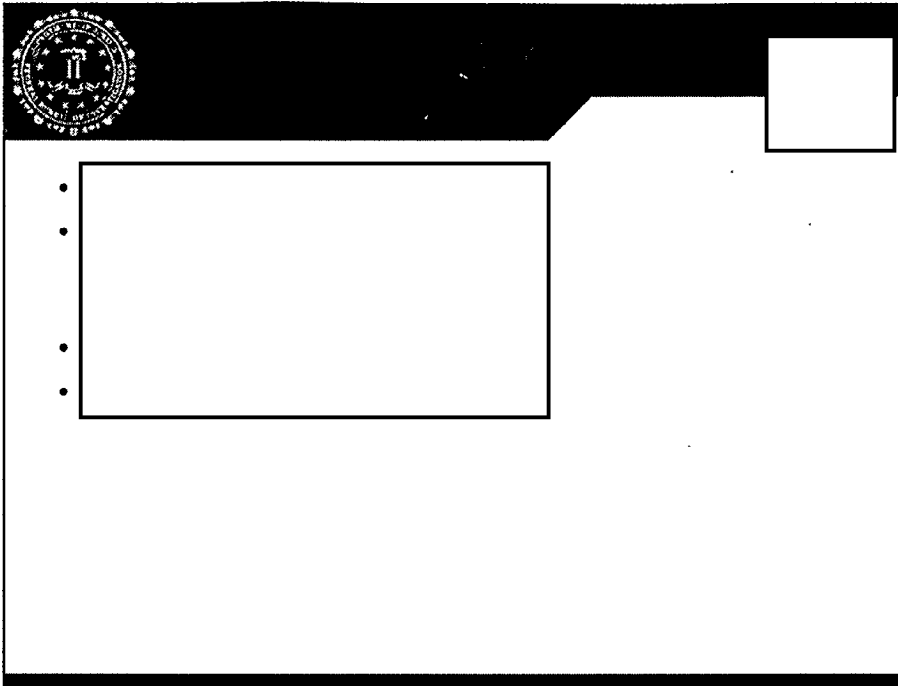
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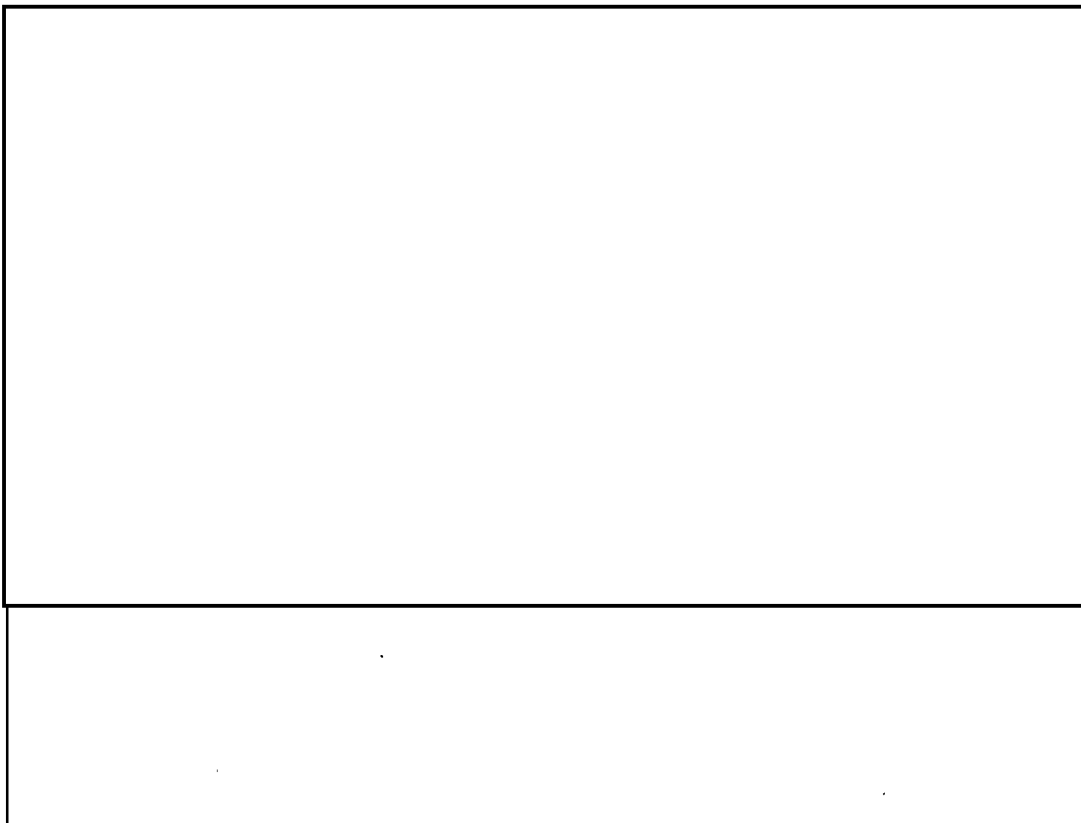
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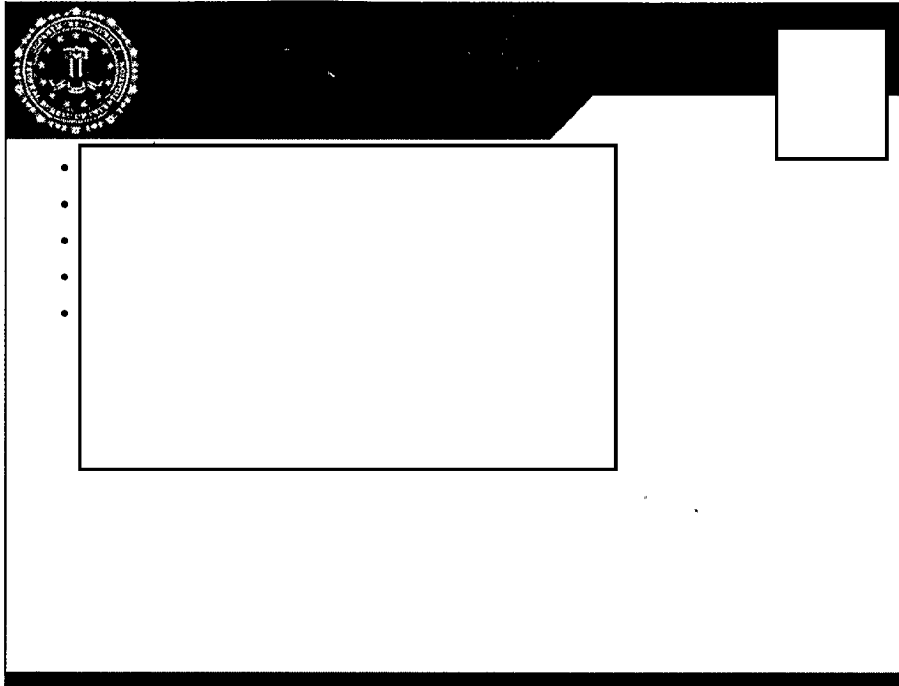
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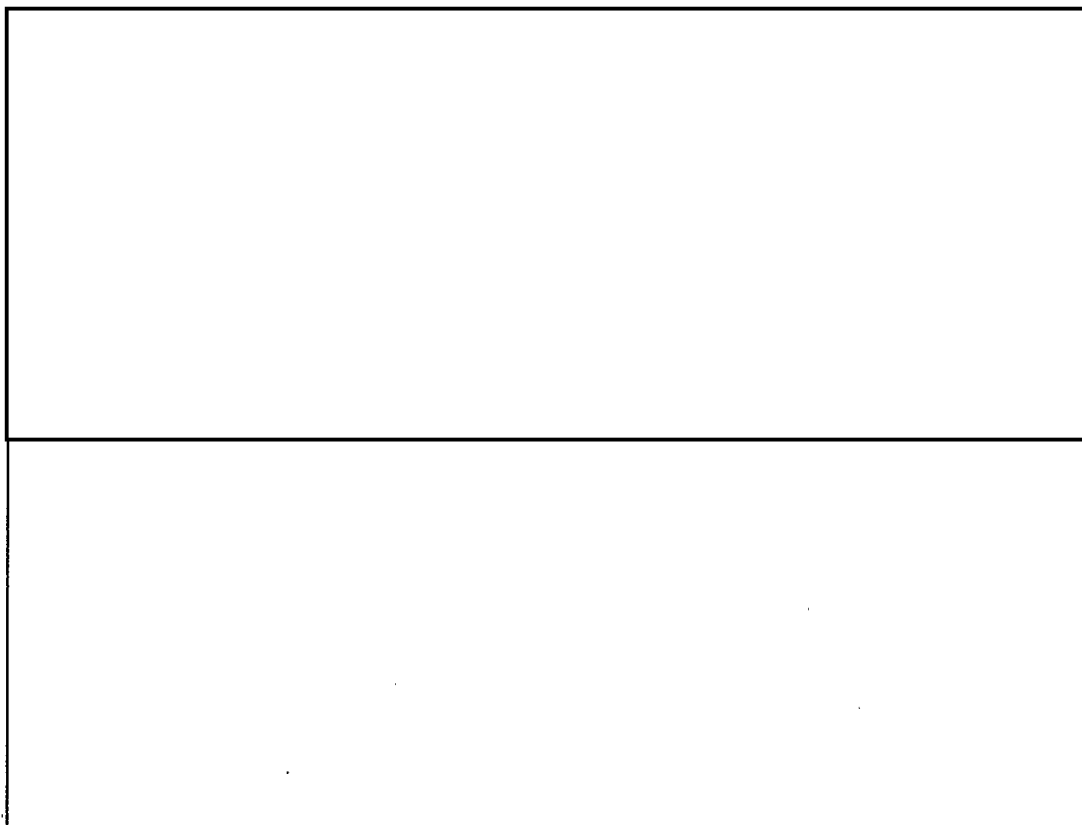
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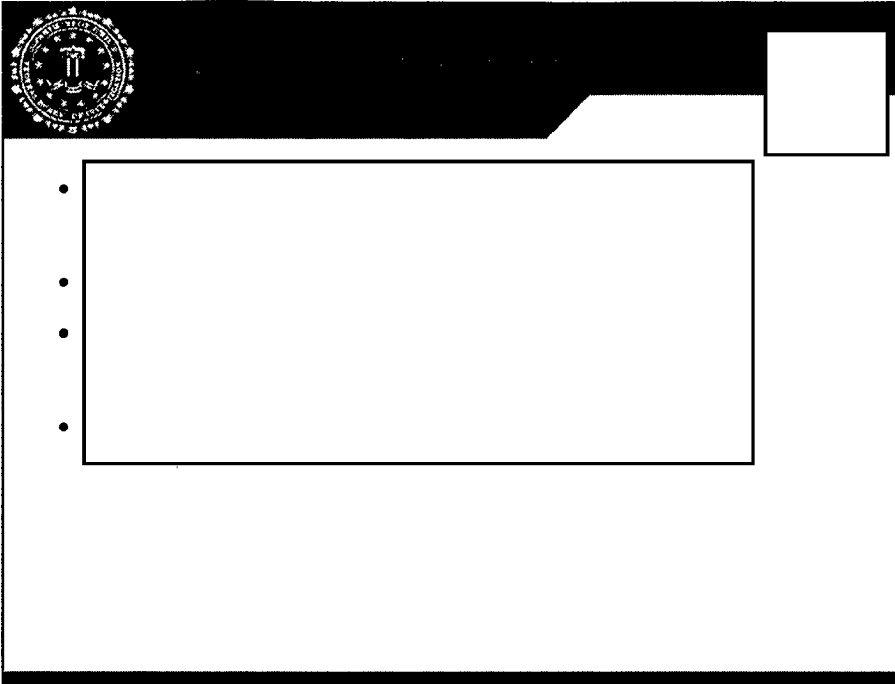
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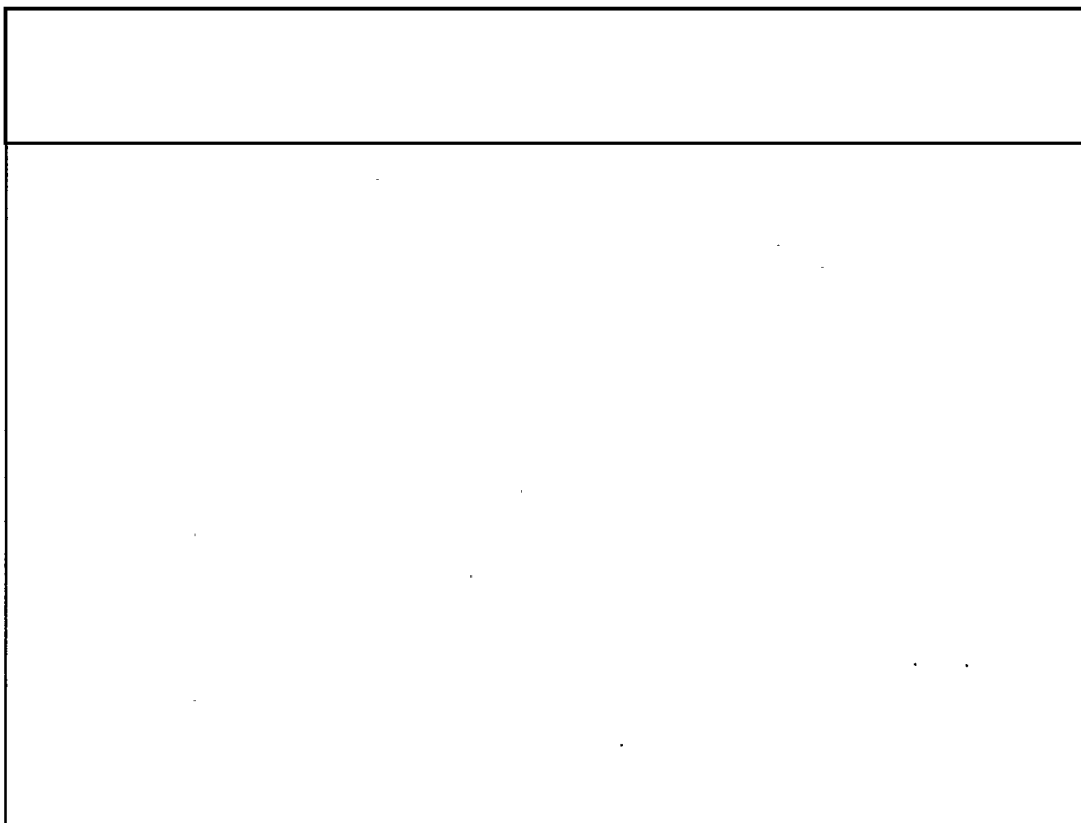
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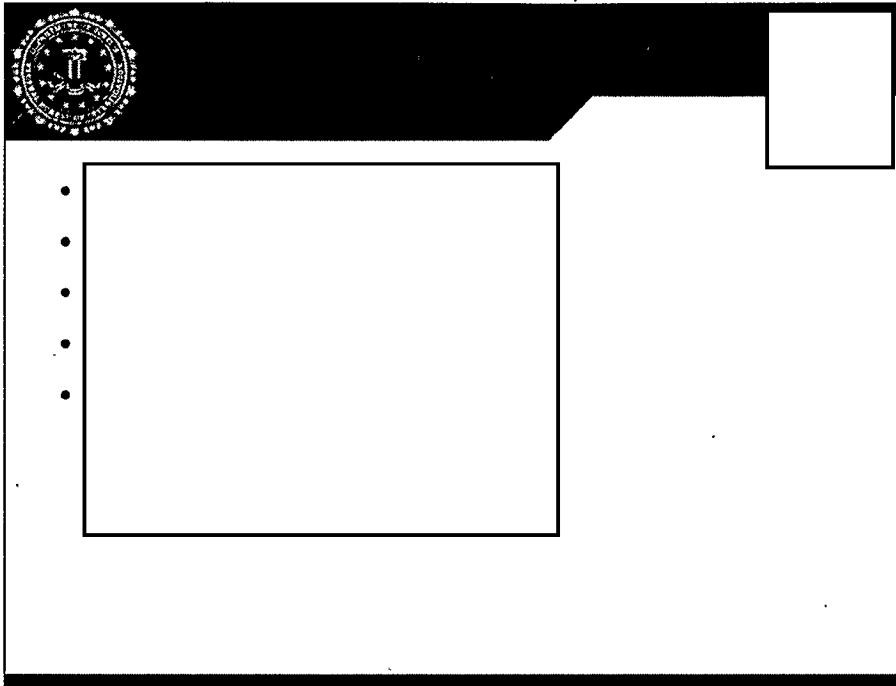
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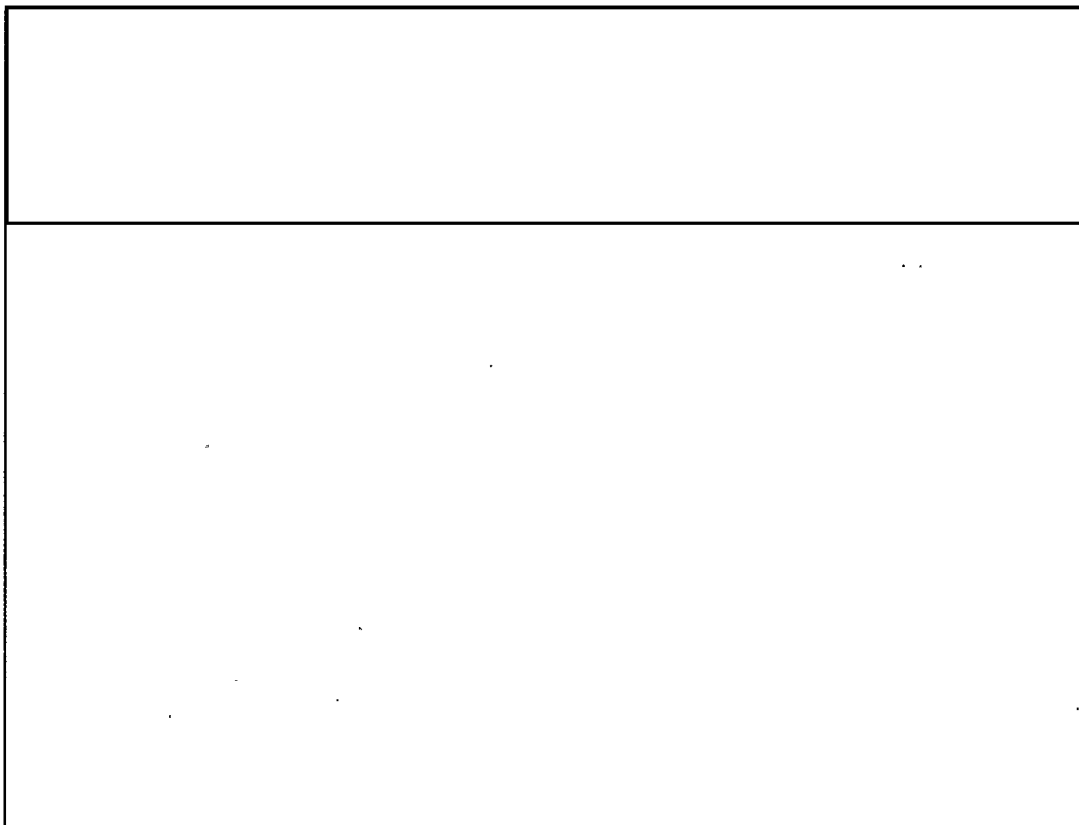
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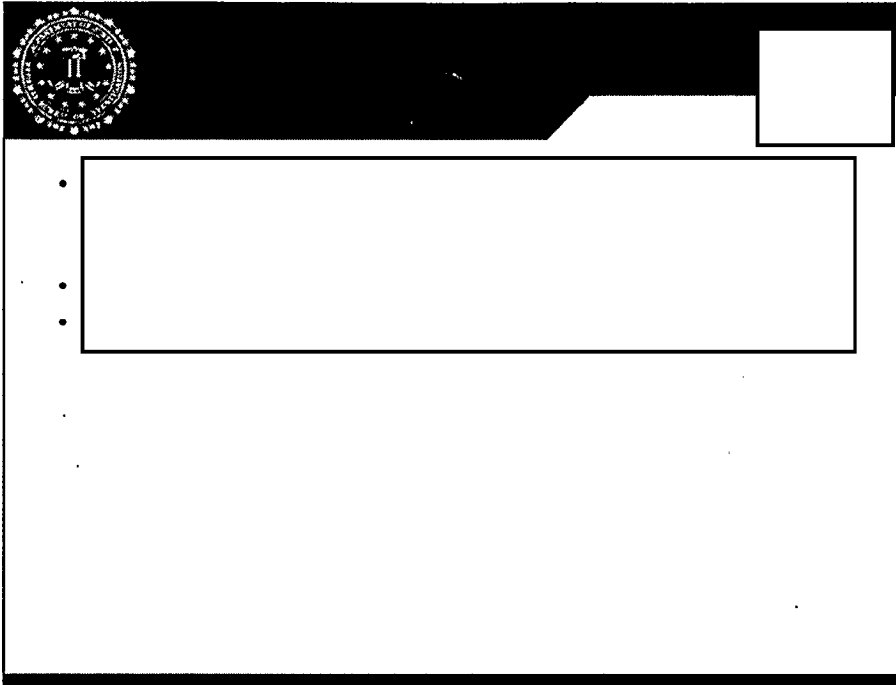
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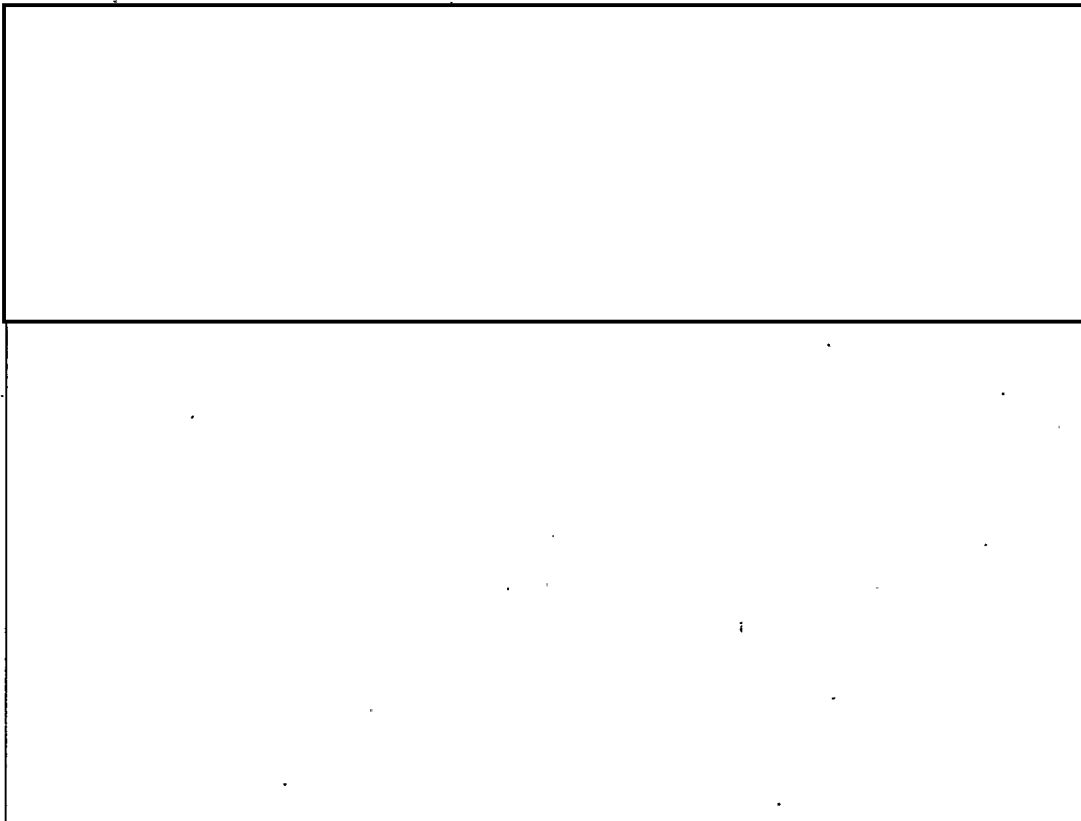
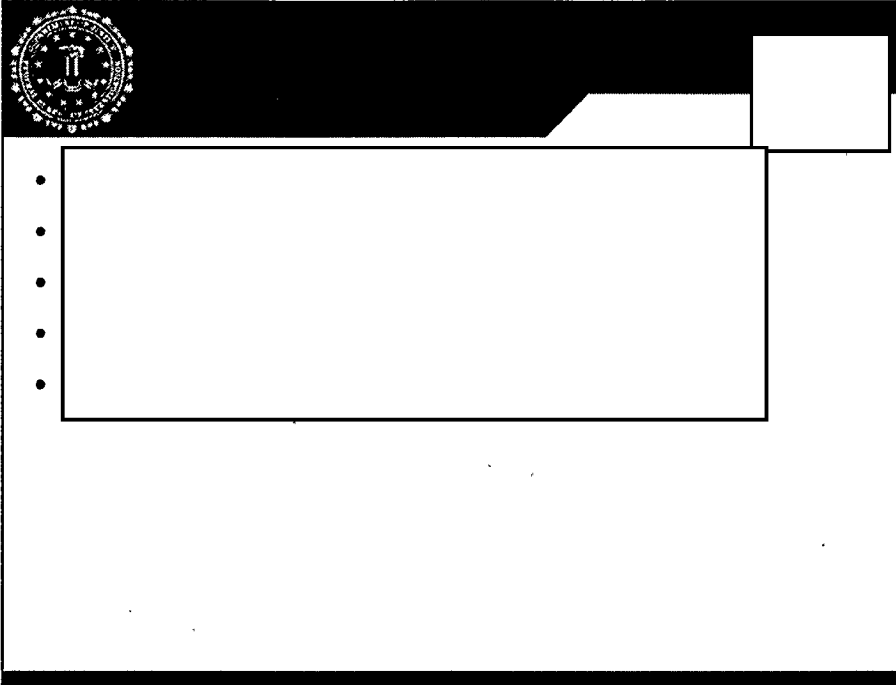
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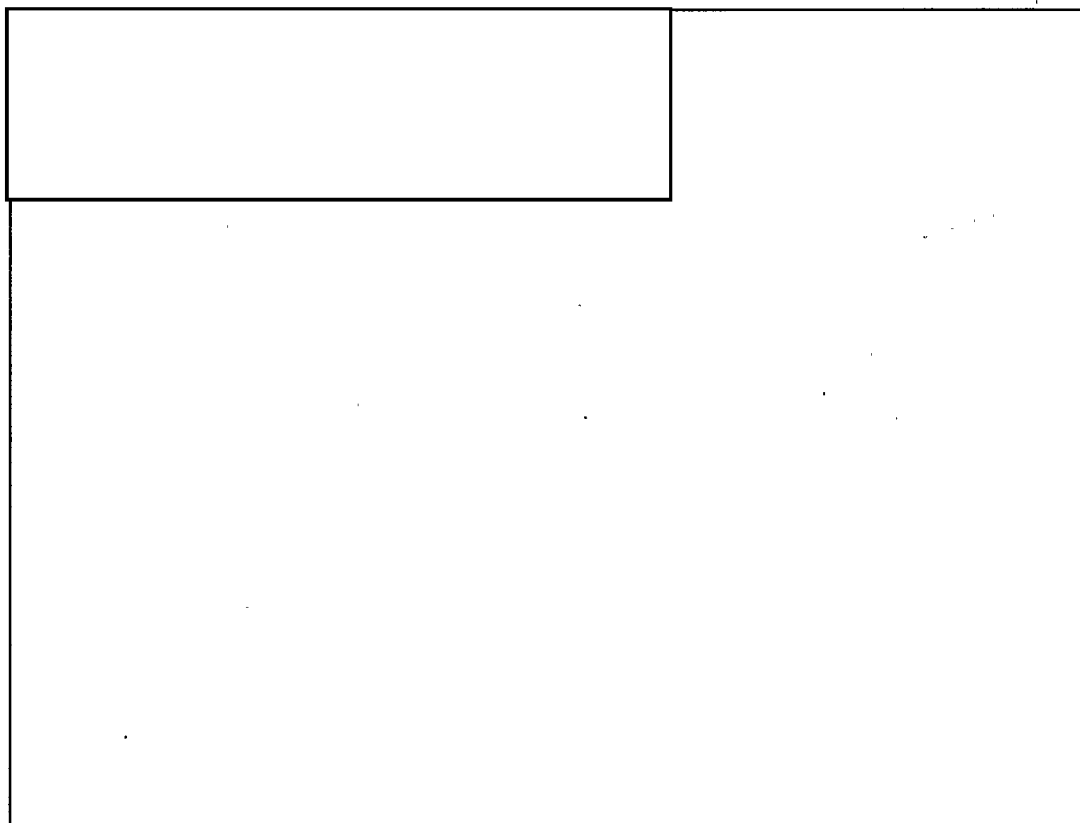
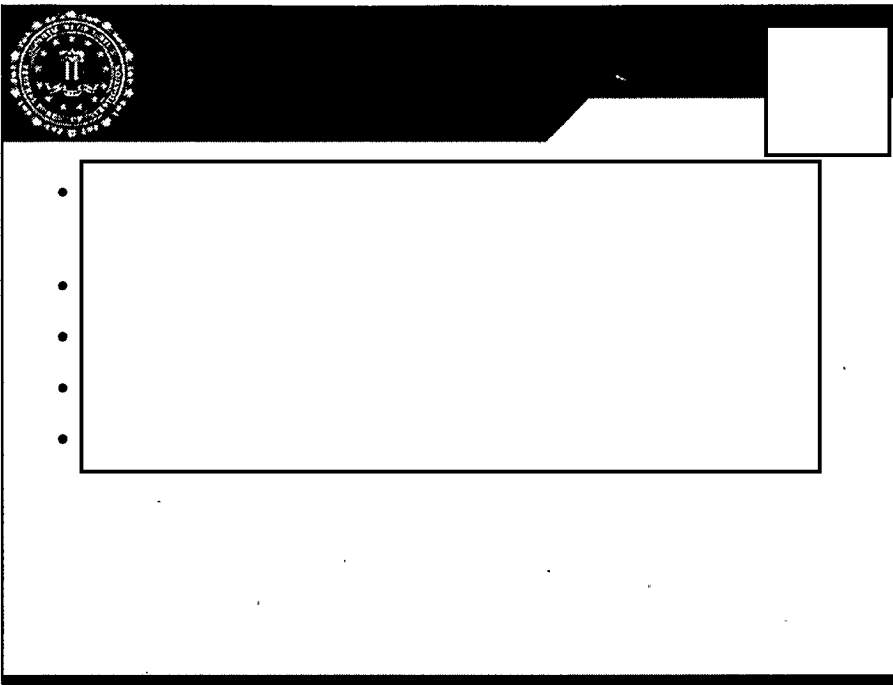
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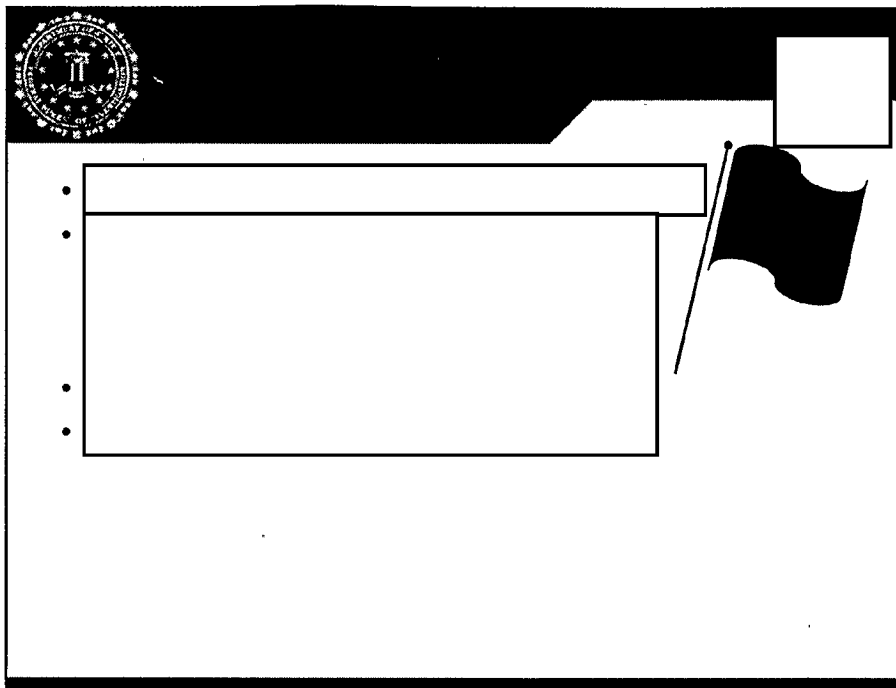
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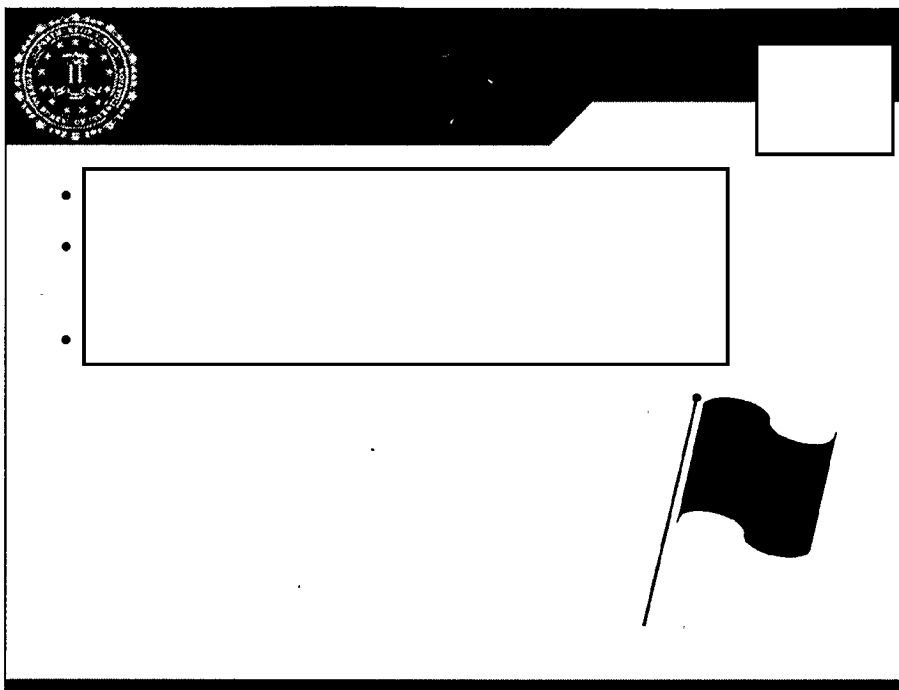


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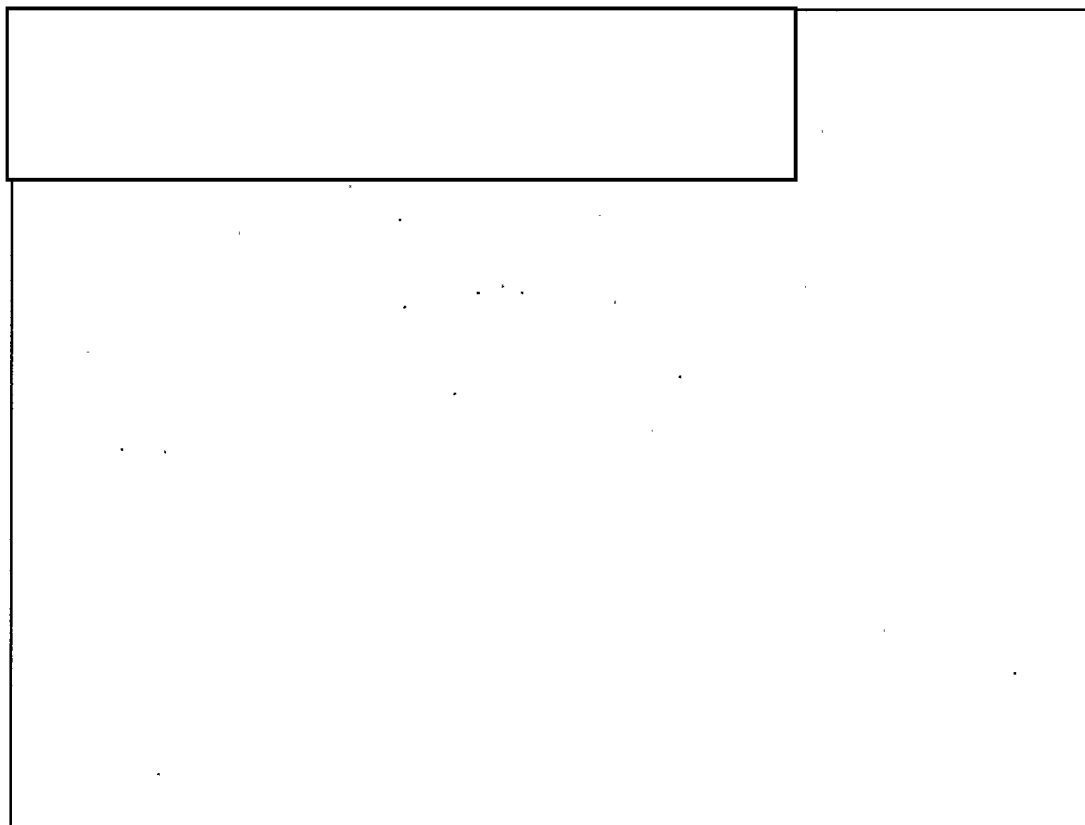
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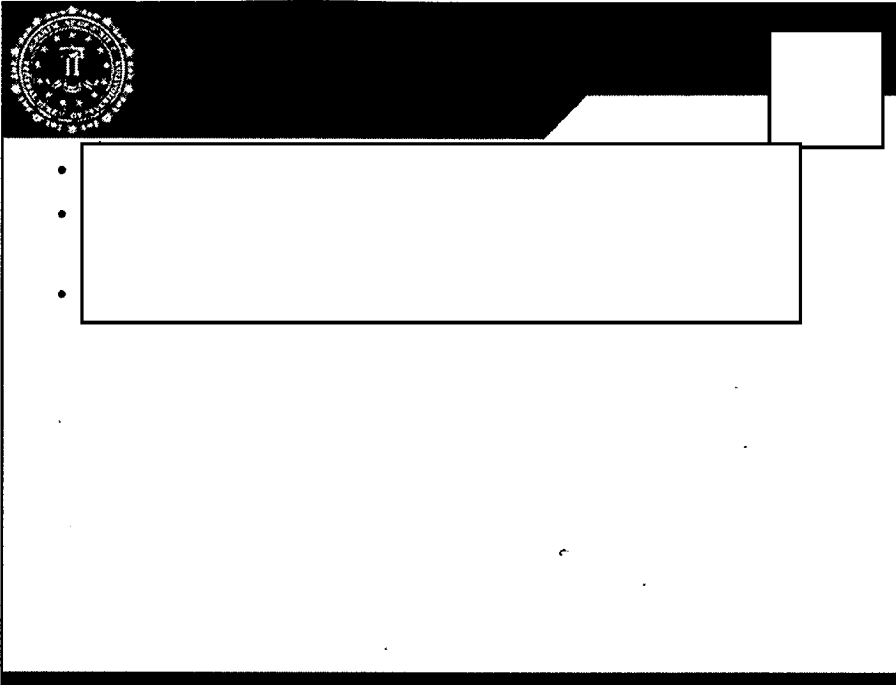
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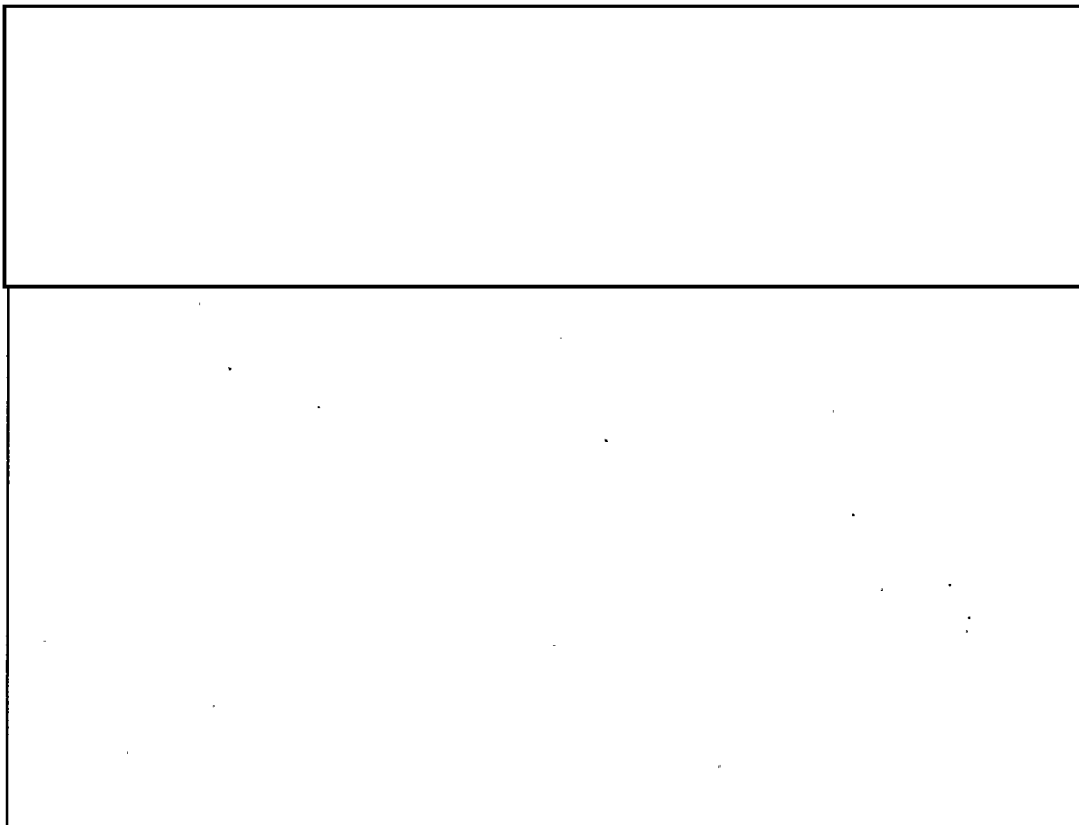
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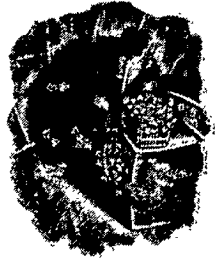
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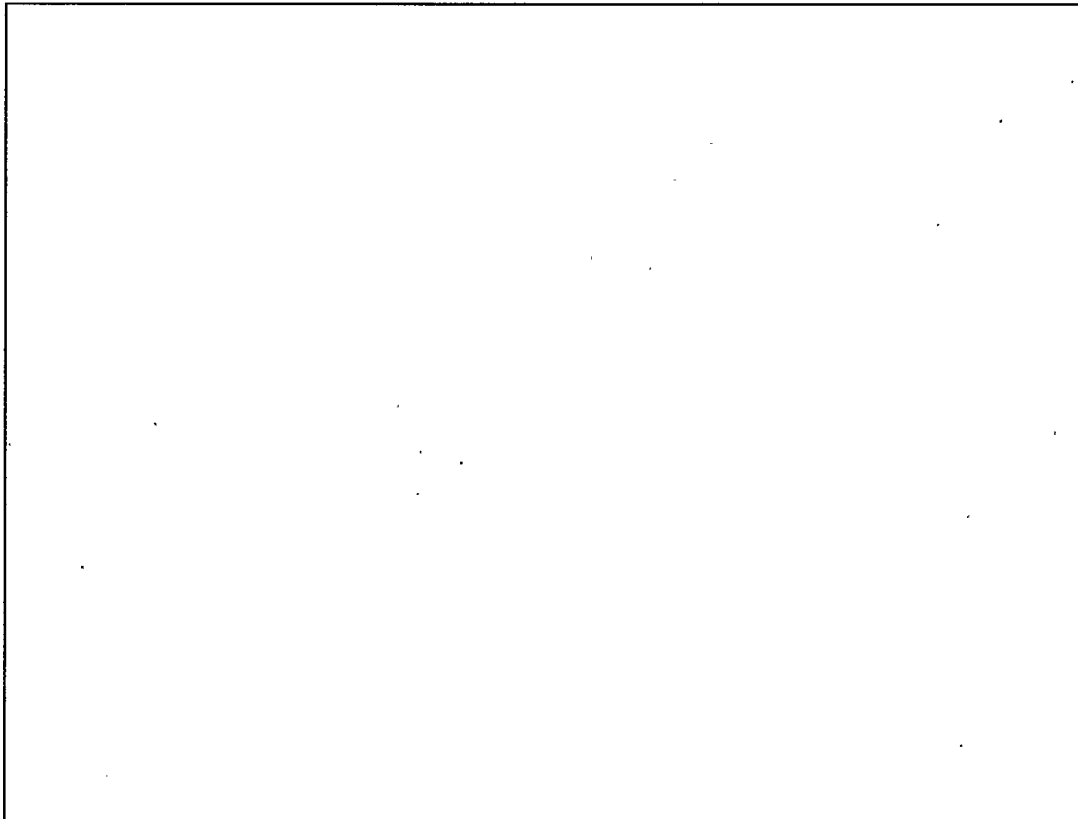
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FBI mortgage fraud investigations

- Increased from 102 in FY 2001 to 818 in FY 2006
- In FY 2006, over 28,000 mortgage fraud related 
- \$1 billion loss to US economy



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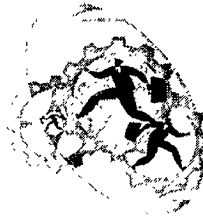
Frauds often involve collusion of industry insiders

- [Redacted]
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Groups of interest engaging in mortgage fraud

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Most Common Types of Fraud

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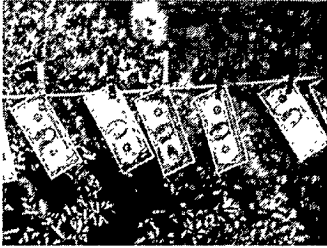
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Forecasted Trends

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Note:



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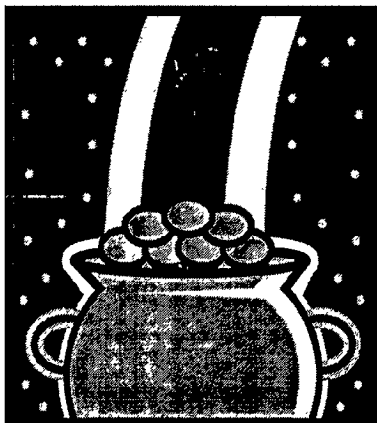
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~~Unclassified~~

- Title 18 U.S.C. Sections 956; 2339A or 2339B.
- Criminal intent and co-conspirators can be difficult to establish without using classified information.
- Other options are available.

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- Intelligence gathering
- Criminal investigations
- 
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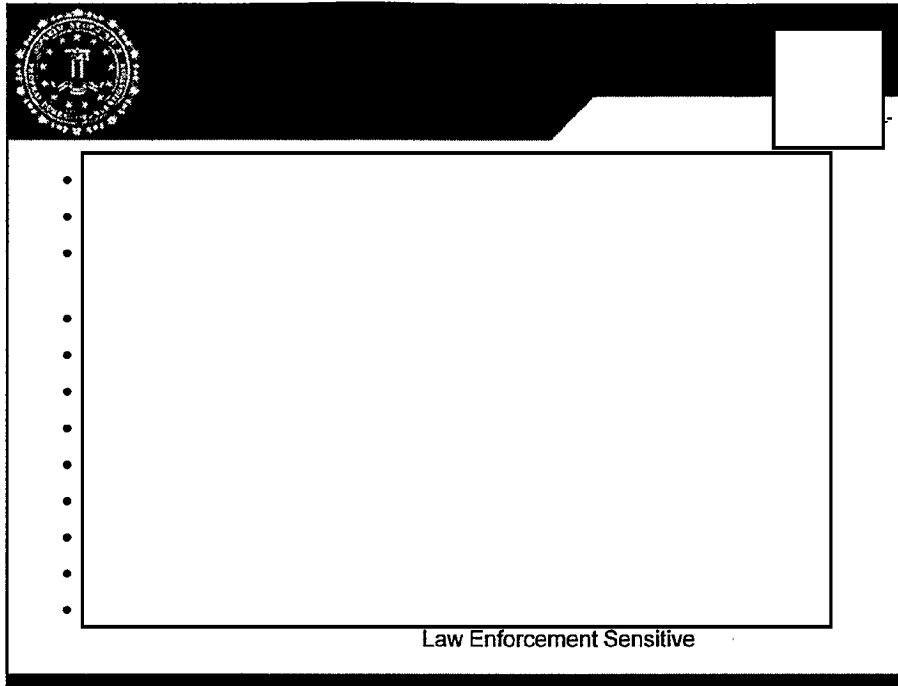
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The mission of the FBI's Terrorist Financial Review Group (FRG) is to:
Provide a centralized and coordinated: financial investigative
component, predictive capability, and terrorist identification mechanism
to identify disrupt, and dismantle terrorists and their funding
mechanisms

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Items in RED are critical to success.

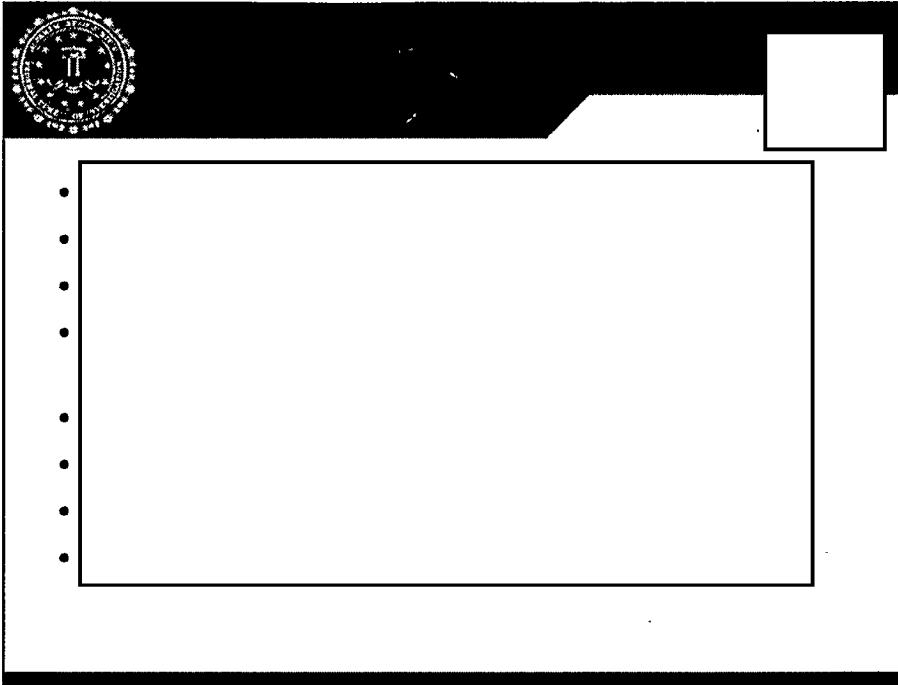
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- **Practical Exercise**

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Supervisory Special Agent
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