

Money Flow in the Age of ISIS

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ABOUT THE AUTHORS



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Brief Analysis

Part of a series: [Counterterrorism Lecture Series \(https://www.washingtoninstitute.org/policy-analysis/series/counterterrorism-lecture-series\)](https://www.washingtoninstitute.org/policy-analysis/series/counterterrorism-lecture-series)

or see Part 1: [U.S. Efforts against Terrorism Financing: A View from the Private Sector \(/policy-analysis/us-efforts-against-terrorism-financing-view-private-sector\)](/policy-analysis/us-efforts-against-terrorism-financing-view-private-sector)

A senior FBI official discusses the evolving challenges of combating jihadist funding in the age of the so-called Islamic State.

Earlier today, the section chief of the FBI Counterterrorism Division addressed a Policy Forum at The Washington Institute as part of the Counterterrorism Lecture Series. The following is his prepared statement for the record.

Good afternoon. Thank you to everyone at The Washington Institute for hosting me today. I would like to personally thank Matt Levitt for inviting me here. I am pleased to be able to provide you with an overview of how we are adapting and evolving to the current threat of ISIL and the challenges the United States and its partners are facing.

I have had the pleasure of working with the Washington Institute for several years, participating in many fine events, in my previous assignments within the Bureau. I am honored to be invited back in my new role as Section Chief of the FBI's Terrorist Financing Operations Section.

ADAPTING AND EVOLVING TO STAY AHEAD OF THE THREAT

Before I comment specifically on the financial aspect of the threat posed by ISIL, I want to address how the FBI is constantly adapting and evolving to stay ahead of the threat of international terrorism. Our Deputy Director [spoke here around the same time last year \(http://www.washingtoninstitute.org/policy-analysis/view/how-the-fbi-is-evolving-to-meet-threats-in-a-changing-environment\)](http://www.washingtoninstitute.org/policy-analysis/view/how-the-fbi-is-evolving-to-meet-threats-in-a-changing-environment) during which he noted that, as the U.S. Government's lead domestic intelligence agency, the FBI has become a threat-focused, intelligence-driven organization. As such, the Bureau is committed to the full integration of intelligence in operations.

One way we integrate intelligence into operations is through our Fusion Cell Model which integrates our intelligence and operational elements through teams of analysts embedded with Special Agents in operational divisions. These analysts evaluate both national and international information and provide intelligence on current and emerging threats across programs -- making connections that are not always visible at the Field level. Within TFOS, we add the additional value of integrating Financial Analysts into this model.

We are also addressing and staying ahead of the threat by working with our state, local, federal, and international partners. Whether it is through our Joint Terrorism Task Forces (JTTFs), Field Intelligence Groups, the Fusion Centers, or the USIC, we know that to succeed against this threat we are only as good as the strength of our partnerships. The importance of these partnerships is critical in developing the financial picture of the terrorism threat.

PRIVATE SECTOR PARTNERSHIPS

Partnering with private sector has been a focus of TFOS prior to my arrival and one that I have continued to champion.

So how do we accomplish that? It is through a rigorous schedule of outreach and training events with private industry. In partnership with the Treasury Department's Financial Crimes Enforcement Network, the FBI conducts ongoing outreach and education with our financial industry counterparts. The financial industry's efforts and resources dedicated to detecting and reporting suspicious financial activities through suspicious activity reports (SARs) have been important components in our efforts to identify terrorist financing. SAR reporting is a critical tripwire to detect possible terrorist financiers as well as to identify associates of known terrorists. The analysis of SAR information aids in the development of an overall terrorist financing threat picture and can assist TFOS in identifying trends or patterns of suspicious activity around the country. This information can also identify previously unknown associates of terrorism subjects.

In conjunction with the Treasury Department, TFOS conducts an annual training session with the New York Federal Reserve to provide the financial industry with updated trend information regarding terrorist financing. This year's conference included over 200 attendees from the financial sector interested in learning how to maximize their resources to more effectively identify and report suspicious financial activity. These outreach efforts provide an opportunity for the financial sector to receive the latest terrorist financing threat and trend information, as well as share in best practices for the rapid identification and reporting of suspicious financial activity.

Such meetings allow us to better inform private industry of emerging trends, what indicators to look for, thereby, enhancing their operations and reporting to the government. The proactive work of the private sector, specifically through their new and maturing Financial Intelligence Units, cannot be understated. The work done by these FIUs can be that missing piece of the puzzle to identify someone here or abroad who is planning or supporting plans to attack our interests.

THE THREAT OF ISIL

In the last five years, the JTTFs successfully disrupted more than 100 counterterrorism threats. In the last year alone, we have arrested dozens of Americans who have either attempted to travel overseas to fight for ISIL or provide financial or logistical support. However, even with those success stories, the threat we face, in terms of both understanding and combatting them, have never been more complex.

While core Al Qaeda has been degraded, our counterterrorism efforts are challenged by a combination of the decentralization of the violent extremist movement in the case of ISIL and the general instability in the Middle East and North Africa.

ISIL has learned lessons from Al Qaeda to rise to prominence in a relatively short period of time. By decentralizing its method of spreading its ideology, ISIL has been extremely effective at targeting English-speaking audiences through multiple social media sites. Al Qaeda's use of the Internet and social media, for example AQAP's *Inspire Magazine*, has provided ISIL a blueprint to recruit and provide guidance on how to attack our critical infrastructure and economy. ISIL's *Dabiq Magazine* and its massive following on social media have allowed it to reach tens of thousands throughout the world, furthering their goal of inspiring individuals to plan and conduct attacks in Australia, Europe, and the U.S.

As Director Comey said last Thursday there are "hundreds, maybe thousands" of people across the country who are receiving recruitment overtures from the terrorist group or directives to attack the U.S. He added that "It's like the devil sitting on their shoulders, saying 'kill, kill, kill.'"

FOREIGN FIGHTERS

This messaging has attracted thousands of individuals from across the world interested in fighting along ISIL. The FBI regularly engages with U.S. Government agencies, the Intelligence Community, and our foreign counterparts in an effort to pursue increased information sharing with our partners on identified foreign fighters, combating radicalization, and exchanges regarding community outreach programs and policing strategies. Through this collaboration, the FBI is working hard to ensure foreign fighters from other nations do not enter the United States undetected. The FBI has also expanded its team within our Counterterrorism Division to fully track, analyze, and ultimately neutralize the threats emanating from the region to the United States, a team for which TFOS is an integral member.

Given the prolonged nature of the conflict in the region and the expertise in which ISIL spreads its message through social media, the FBI remains concerned that U.S. persons will continue to be attracted to the region and may attempt to travel to fight.

FINANCIAL INTELLIGENCE (FININT)

From the early days of TFOS, it became apparent to us the critical importance of the financial intelligence (FININT) in identifying the hijackers and the larger network of those responsible for the 09/11 attacks. Even with that critical lesson, the value of FININT is sometimes an overlooked and unappreciated piece of the intelligence picture. You often hear about the critical role of Human Intelligence (HUMINT) or Signals Intelligence (SIGINT) in detecting and disrupting terrorist activity but not nearly as often do you hear about the role of FININT. The FININT is much more complex than simply reviewing bank accounts of known or suspected terrorists. When combining the FININT with the other "INT"s, we are able to build a complete picture.

We have all seen the reporting of ISIL's financing through oil, kidnappings, extortion, theft, and taxation. To date, the amount of outside financial support is minimal in comparison to their revenue producing activities within those areas. However, the financial tracking of ISIL and foreign fighters is not simply limited to their activity within the areas it controls, it also allows us to develop a broader picture of the financial support and reach beyond those immediate areas. By "following the money" we are not only able to identify individuals and networks who are financially supporting ISIL but it also enables us to identify foreign fighters and aspirant travelers before they depart the U.S. and other countries.

CONCLUSION

To succeed in combating terrorism we must remain intelligence-driven and continue our close collaboration with our government, law enforcement and the financial industry partners around the world. Partnerships are absolutely necessary for the success of the FBI's counterterrorism mission.

Thank you again for having me here today. I'm happy to take your questions. ❖

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