

Benefactors of Terror

Donations Rise in Funding Asian Militants

(February 27, Singapore City, Sri Lanka Guardian) Islamic militants across Southeast Asia have become increasingly dependent on donations, including zakat or alms (charity), to finance bombings because governments have tightened bank controls, according to security experts. More than 50 percent of terrorist financing in the region now comes from individual donations, said Arabinda Acharya of the International Centre for Political Violence and Terrorism Research in Singapore.

"It's now the largest source of money for militants because it's difficult to detect," he said at a July 2009 workshop in Manila, Philippines, on countering the financing of terrorism, adding that Islamic jihadists have been avoiding formal channels. But he believed the money passing through informal methods, such as couriers, was not as substantial as that funneled by al-Qaida support groups before the deadly 2001 attacks in the United States. After the 9/11 attacks, Acharya said militants elsewhere in the world had moved their funds out of banks and invested them in stocks, gems, real estate, insurance and other financial instruments.

"We learned that Islamic militants in India were speculating in stocks and those in Africa were buying diamonds and other gemstones," he said, adding those in Southeast Asia rely more on donations from charity organizations and from zakat, which is usually but not exclusively collected at mosques.

In the Philippines, Acharya said the deadliest militant group, the Abu Sayyaf, was forced to go into kidnapping and extortion because the money it was getting from foreign and local donors was not enough to finance bombings. Citing a classified Philippine police report, he said the Abu Sayyaf abandoned a 2006 plot to blow up targets in Manila and plans to build a chemical plant in the south because its funds from abroad were drying up.

Since the 1990s, the Abu Sayyaf has collected more than 20 million pesos (\$439,500) from zakat in the southern Philippines alone. Although the amount it raises from kidnapping and extortion dwarfs this sum, zakat contributions are increasing, said Rodolfo Mendoza, deputy head of the national police's investigation division.

"Zakat has contributed a lot in the continuity of the struggle of the Abu Sayyaf," Mendoza said, adding the rebels had been using the Internet to gain more donations from people and groups abroad by showing Muslims' struggle in the south.

Rohan Gunaratna, a Singapore-based counterterrorism expert and author of the book *Inside al Qaeda*, believes the Abu Sayyaf continues to receive foreign funding from the Middle East, but it passes through Indonesia. "The Abu Sayyaf is able to survive because of the flow of funds from Jemaah Islamiyah and an Indonesia-based charity group, Kompak," Gunaratna said. He also said Saudi Arabia has now replaced Pakistan and Afghanistan as the main source of funds for Muslim rebels in the south of the mainly Christian Philippines.

"Money received from overseas is channeled through front, cover and sympathetic organizations based in the south," Gunaratna said, adding these groups take the face of religious, educational, humanitarian and human rights organizations. In the past, officials identified the Saudi-based International Islamic Relief Organization and Kompak as sources of funds for Muslim militants in the Philippines.

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Misplaced Charity

Not all donations to terrorist organizations are intentional. Legitimate-seeming but terror-supporting charities can attract donors “who are unaware that the money they donate for humanitarian purposes actually funds terror,” according to the recent study by The Washington Institute for Near East Policy entitled “The Money Trail:

Finding, Following and Freezing Terrorist Finances.” And while some charities are founded specifically to support terrorist fundraising, others are infiltrated and co-opted by terrorists. Some nonprofit organizations carry out both humanitarian projects and fund terrorism. It can be difficult to sort the good from the bad.

An article published in the electronic journal Strategic Insights states that a charity may be more likely to be illegitimate if it has:

- A mission concerned with very specific issues rather than general charity. An organization collecting funds for “the plight of the Tamil people” is more likely to be funneling money to a group like the Liberation Tigers of Tamil than a group with a global focus, for example.
- Anomalies in donation patterns. If an issue-specific charity donates a large amount to an unrelated cause, a general charity shows a great deal of interest in a specific issue, or a local charity ignores local issues for international ones, this should raise suspicion.

The United Nations uses this method of monitoring, and the Financial Action Task Force on Money Laundering recommends it; it has resulted in arrests.

- Affiliation with Islam. There are many legitimate Islamic charities, but “an unusually high proportion of Islamic nongovernmental organizations include military aid as part of a humanitarian package,” says the Strategic Insights article, and the CIA estimates that one-third of Islamic NGOs support terrorist groups or employ people suspected of terrorist connections.

It is important to remember charities showing warning signs are not necessarily funding terrorism; the above are just indicators that authorities may want to monitor closely.

Ultimately, neither authorities nor donors can control where contributions go, especially if they move overseas.

Illegitimate Groups

Charities with ties to terrorism include the Philippine and Indonesian branch offices of the International Islamic Relief Organization, which the U.S. Treasury Department has linked to fundraising for al-Qaida and related terrorist groups. A U.S.-based charity called Care International, Inc., was also found to be involved in fundraising to support radical jihad, despite claiming in its articles of incorporation that it was exclusively involved in “charitable, religious, educational and scientific purposes.” (Care International, Inc., is not affiliated with the legitimate global relief group CARE International.) And the president of the Sri Lankan Sangha Council of America and Canada wrote in a letter to the Indian prime minister that donations from ethnic Tamils intended for use by Tamil charities had “been used instead for the cause of an elusive Tamil ‘motherland,’ spearheaded by a megalomaniac terrorist fighting for an illegitimate independent state” that “many of the good Tamil people overseas were duped into supporting.”

In the post-9/11 world, according to the Washington Institute for Near East Policy study, it is more difficult for terrorists to use the legitimate banking system to move their funds, but this also makes it more difficult for authorities to track funds moved through informal systems. NGOs, like charities, are weak spots in monitoring the movement of terrorist funds. More thorough monitoring could help thwart the abuse of charitable donations to fund terrorism.

(Sources: Reuters and Forum magazine)