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'Gov't, banks not doing enough to cut off terror financing'

by **DAVID DIZON**
 abs-cbnNEWS.com

A foreign expert on terrorism on Monday said the Philippine government must partner with financial institutions to curb and eventually eliminate terrorist activities in the country.

Dr. Rohan Gunaratna, head of the Singapore-based International Center for Political Violence and Terrorism Research (ICPVTR), said some terrorist networks in Southeast Asia have flourished because of the failure of governments to work with the private sector, particularly banks.

"It is only through partnerships with the private sector, particularly banks and communities, that government can identify and cut off financing to terrorist groups," he said at the 1st

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International Workshop on Countering the Financing of Terrorism in Quezon City.

Gunaratna described terrorist financing as making and moving money or generating money through diverse sources. He said the money is then funnelled to cells and operational units of various terrorist groups.

Arabinda Acharya, ICPVTR Strategic Projects manager, said law enforcement groups should follow the money trail and focus on cutting off terrorists' financing by working with banks.

He said intelligence reports have shown that some terrorist plots in the Philippines failed to push through because of lack of resources.

He said some terrorist groups also use non-profit organizations, including charities, as front organizations to move funds in the country.

Gunaratna said financing or fund-raising is one of the ten support functions of front organizations of terrorist support groups. The other functions are spreading of propaganda, recruitment, procurement, transportation of procured items, safehouses, travel, communication, training camps and setting up multiple identities.

He said some terrorist support groups "politicize and radicalize local communities and recruit members" in the guise of socio-civic causes. He pointed out, however, that none of the terrorists' activities will push through without money.

"Terrorists cannot terrorize without money, without resources. Training costs money, planning costs money, explosives cost money and plane tickets cost money. Even an al-Qaeda operative once said a brother needs two things for jihad – the self and money," Acharya said.

'Reverse money laundering'

Acharya cited several sources of terrorist financing including ransom money, internal funds, charities, "ghanimah" or things taken after battle and donations from the Muslim world.

He said one challenge facing law enforcement authorities is investigations into terrorist financing failing to produce actionable intelligence to prosecute terrorist supporters.

He said another challenge to countering finance terrorism is distinguishing money laundering activities from terrorism financing especially since similar tools are used by money launderers and terrorist financiers to disguise the money.

He said one way to distinguish one from the other is the large volume of transactions funnelled by money launderers compared to the small, incremental amounts sent by terrorist financiers to their support groups.

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He said terrorist financiers also use “reverse money laundering” in which the money comes from legitimate sources but is used for illegal activities.

Gunaratna said the Philippine government should also strengthen local laws on city financial investigation to combat terrorist activities. He said city financial investigation would help the government narrow its focus on specific groups or individuals suspected of financing or fronting terrorist organizations.

He said city financial investigators could be bankers, auditors or accountants who know how the financial systems work.

Acharya said traditionally, terrorism and financial crime were law enforcement problems. “But now private sector should be tapped because any terrorist attack in a country will have an effect on the economy.”

Added Gunaratna: “Fighting terrorism is like solving a jigsaw puzzle. No one has the whole puzzle. You only get parts of it. Until we bring the different pieces together, we cannot see the whole picture. “

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