

## **IP627: Advanced Topics in Counter-Terrorism Financing**

Spring Semester 2007  
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McCone Building, Rm 213  
Office Hours: *Tuesdays, Thursdays 10-noon*  
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### **Course Description**

This course is a follow-up to the introductory course, IP555: Money Laundering and Terrorism Financing. While IP555 was designed to introduce students to the scope and methods of money laundering and terrorism financing, and both public sector and private sector counter-strategies, this seminar is designed to allow students to probe more deeply into case studies specific to terrorism financing and current policy responses. Readings will examine current and past CTF efforts as well as case studies of charitable organizations linked to terrorism financing and other investigations and prosecutions. Class discussions will explore the evolution of counter-terrorism financing efforts and strategies in the U.S., the EU, and the MENA region, as well as ongoing efforts within multilateral organizations such as the United Nations, FATF and FATF-style regional bodies.

### **Course Requirements and Assessment**

Students are expected to come prepared to class discussion having reviewed the readings and suggested discussion questions in advance. Class participation will count for 30% of the grade. Regular attendance and *quality* of contributions (not quantity) will be the standard by which discussion participants are judged. Students will also conduct research on a topic of their choice (in consultation with the professor). While the papers do not have to meet a minimum prescribed length, the bar will be set high for research methods. Students are strongly encouraged to collect primary source material (e.g. through interviews, surveys, etc.) and include at least two non-English-language sources in their bibliography. The research paper, due at the conclusion of the course, is worth 40% of the grade. And finally, students are required to present their research findings in front of the class. This does not have to be a formal presentation using software. It can be more creative than that, but presentations should be rehearsed with the professor in advance during her office hours.

### **Readings**

Nearly all of the readings for this seminar will be available online, with few exceptions. Students will also be encouraged to purchase the following book when it becomes available in March.

Giraldo, Jeanne K., and Trikunas, Harold A. ed.  
Terrorism Financing and State Responses: A Comparative Perspective.  
Palo Alto: Stanford University Press, 2006.

In addition to this book and the links listed below, students are also strongly encouraged to register on the following website, which provides links to other source material.

<http://www.terroristfinancing.com/index.php>

### **WEEK 1: Overview**

No assigned readings.

### **WEEK 2: Overview of US Efforts**

Testimony of Stuart Levey, Under Secretary, Office of Terrorism and Financial Intelligence, US Department of Treasury Before the Senate Committee on Banking, Housing and Urban Affairs, “A Current Assessment of Money Laundering and Terrorist Financing Threats and Countermeasures” April 4, 2006  
<http://www.ustreas.gov/press/releases/js4155.htm>

Testimony of Michael Morehart, Terrorist Financing Operations Section Chief, Counterterrorism Division, Federal Bureau of Investigation Before the Senate Committee on Banking, Housing and Urban Affairs, April 4, 2006  
<http://www.fbi.gov/congress/congress06/morehart040406.htm>

Money Laundering and Terrorist Financing in the Middle East and South Asia, E. Anthony Wayne, Assistant Secretary for Economic and Business Affairs, Testimony before the Senate Committee on Banking, Housing and Urban Affairs, Washington, DC  
July 13, 2005  
<http://www.state.gov/e/eb/rls/rm/2005/49564.htm>

Statement of Under Secretary Stuart Levey on the Terrorist Finance Tracking Program, June 23, 2006  
<http://www.ustreas.gov/press/releases/js4334.htm>

### **WEEKS 3 and 4: CHARITIES**

National Commission on Terrorist Attacks Upon the United States, Terrorist Financing Staff Monograph Ch. 7 Al Haramain Case Study  
[http://www.9-11commission.gov/staff\\_statements/911\\_TerrFin\\_Ch7.pdf](http://www.9-11commission.gov/staff_statements/911_TerrFin_Ch7.pdf)

National Commission on Terrorist Attacks Upon the United States, Terrorist Financing Staff Monograph, Ch. 6 The Illinois Charities Case Study  
[http://www.9-11commission.gov/staff\\_statements/911\\_TerrFin\\_Ch6.pdf](http://www.9-11commission.gov/staff_statements/911_TerrFin_Ch6.pdf)

Adelkarim, Riad Z. "Islam in America: One Year After Freezing of Assets, America Muslim Charities Start to Fight Back." The Washington Report on Middle East Affairs, Washington: Jan/Feb 2003. Vol. 22, Iss. 1; pg. 64  
<http://proquest.umi.com/pqdweb?did=592489561&sid=2&Fmt=3&clientId=944&RQT=309&VName=PQD>

"Safeguarding Charity in the War on Terror: Anti-terrorism Financing Measures & Nonprofits." OMB Watch Oct 2005  
[http://www.ombwatch.org/pdfs/safeguarding\\_charity.pdf](http://www.ombwatch.org/pdfs/safeguarding_charity.pdf)

Farah, Douglas. "The Little Explored Offshore Empire of the International Muslim Brotherhood." International Assessment and Strategy Center 18 Apr 2006  
[http://www.strategycenter.net/research/pubID.102/pub\\_detail.asp](http://www.strategycenter.net/research/pubID.102/pub_detail.asp)

### **WEEK 5: Terrorism Financing in South Asia and Southeast Asia**

Guest speaker: Sharad Joshi

Ch. 11 in Giraldo & Trinkunas, eds. *Terrorism Financing and State Responses*  
Terrorist Financing and Government Responses in Southeast Asia  
*Aurel Croissant and Daniel Barlow*

### **WEEK 6: Al Qaeda**

Basile, Mark. "Going to the Source: Why Al Qaeda's Financial Network Is Likely to Withstand the Current War on Terrorist Financing." **Studies in Conflict and Terrorism**. Washington: May/Jun 2004. Vol.27, Iss. 3; pg. 169  
*On reserve*

Comras, Victor. Al Qaeda Finances and Funding to Affiliated Groups, Strategic Insights, Volume IV, Issue 1 (January 2005)  
<http://www.ccc.nps.navy.mil/si/2005/Jan/comrasJan05.asp>

Terrorist Financing Staff Monograph, Chapter 2 Al Qaeda's Means and Methods to Raise, Move and Use Money  
[http://www.9-11commission.gov/staff\\_statements/911\\_TerrFin\\_Ch2.pdf](http://www.9-11commission.gov/staff_statements/911_TerrFin_Ch2.pdf)

### **WEEK 7: FATF's Recommendations**

FATF Special Recommendations on Terrorist Financing  
<http://www.fatf-gafi.org/dataoecd/8/17/34849466.pdf>

MENAFATF Best practices concerning Cash Couriers, Dec 2005  
<http://www.menafatf.org/images/UploadFiles/Cash%20Couriers%20Eng.pdf>

MENAFATF Best practices concerning Charities, Sept 2005  
<http://www.menafatf.org/images/UploadFiles/CharitiesEng.pdf>

Ch. 13 in Giraldo & Trinkunas, eds. *Terrorism Financing and State Responses*  
Terrorist Financing and the Tri-Border Area of South America: The Challenge of  
Effective Governmental Response in a Permissive Environment  
*John L. Lombardi and David J. Sanchez*

### **WEEK 8: MENAFATF and US Treasury Cooperation**

Guest speaker: Kristen Hecht

Ch. 9 in Giraldo & Trinkunas, eds. *Terrorism Financing and State Responses*  
“Arab Government Responses to the Threat of Terrorist Financing”  
*Moyara de Moraes Ruehsen*

Testimony of E. Anthony Wayne, Assistant Secretary of State for Economic and  
Business Affairs, “The State Department Role in Combating the Financing of  
Terrorism” April 4, 2006  
<http://www.state.gov/e/eb/rls/rm/2006/64109.htm>

### **WEEKS 9 & 10: UN Efforts**

Comras, Victor. “The UN’s New Global Counter-Terrorism Strategy Has Some  
Serious Deficiencies.” *Counterterrorism Blog* 19 Sept. 2006  
[http://counterterrorismblog.org/2006/09/the\\_uns\\_new\\_global\\_counterterr.php](http://counterterrorismblog.org/2006/09/the_uns_new_global_counterterr.php)

Comras, Victor. “UN Terrorist List Essential to Combating Terrorism and  
Terrorism Financing—An Answer to A Recent Wall Street Journal Article.”  
*Counterterrorism Blog* 3 Oct. 2006  
[http://counterterrorismblog.org/2006/10/un\\_terrorist\\_list\\_essential\\_to.php](http://counterterrorismblog.org/2006/10/un_terrorist_list_essential_to.php)

Comras, Victor. “Putting Together a Coherent International Strategy to Combat  
Terrorism Financing.” *Counterterrorism Blog* 10 Oct 2006  
[http://counterterrorismblog.org/2006/10/putting\\_together\\_a\\_coherent\\_in.php](http://counterterrorismblog.org/2006/10/putting_together_a_coherent_in.php)

*More readings TBA*

### **WEEK 11: Coordinating US Government Efforts**

CRS Report for Congress “Terrorist Financing: U.S. Agency Efforts and Inter-  
Agency Coordination.” 3 Aug 2005  
<http://fpc.state.gov/documents/organization/50980.pdf>

GAO Report to Congressional Requesters “Terrorist Financing: Better Strategic Planning Needed to Coordinate U.S. Efforts to Deliver Counter-Terrorism Financing Training and Technical Assistance Abroad.” Oct 2005  
<http://www.gao.gov/new.items/d0619.pdf>

GAO Testimony Before the Committee on Financial Services, Subcommittee on Oversight and Investigations, House of Representatives “Terrorist Financing: Agencies Can Improve Efforts to Deliver Counter-Terrorism-Financing Training and Technical Assistance Abroad.” 6 Apr 2006  
<http://www.gao.gov/new.items/d06632t.pdf>

### **WEEK 12: Student Presentations**

#### **WEEK 13: EU Efforts**

Young, Edna. “The Third EU Money Laundering Directive: Facing the challenge of implementation.” Money Laundering Alert 16 Oct 2006  
*On reserve*

Beesley, Julie. “Decoding the Third EU Directive.” Association of Certified Anti-Money Laundering Specialists 2 Sept 2005  
<http://www.acams.org/Members/MemberContent.aspx?ContentID=889&SectionID=116&Date=9/2/2005%2012:00:00%20AM>

Council of The European Union, EU Plan of Action on Combating Terrorism – Update, Brussels, 14 Dec 2004  
[http://www.nctb.nl/Images/EUplan16090\\_tcm111-86305.pdf](http://www.nctb.nl/Images/EUplan16090_tcm111-86305.pdf)

10.7 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, (Adopted by the Committee of Ministers on 3 May 2005 at the 925<sup>th</sup> meeting of the Ministers’ Deputies)  
<https://wcd.coe.int/ViewDoc.jsp?id=835461&BackColorInternet=9999CC&BackColorIntranet=&BackColorLogged=FDC864>

Official Journal of the European Union, Directive 2005/60/EC of the European Parliament and of the Council of 26 Oct 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing  
<http://www.statewatch.org/news/2006/nov/eu-financial-transaction-dir.pdf>

### **WEEKS 14 & 15: Student Presentations**