

## A CHANCE FOR BANKERS TO STEP FORWARD

Regular columnist and risk expert **Annie Searle** shares her views on what financial institutions can do to help fight terrorism



### Annie Searle

Annie Searle is a faculty lecturer at the University of Washington's Information School, where she teaches courses she designed on operational risk, ethics, policy and law as relevant to information technology. She is also principal of Annie Searle & Associates LLC, engaged in research and consulting through the ASA Institute of Risk and Innovation

**W**hen I wrote here in [February 2015](#), I suggested the National Security Agency (NSA) could partner with activist group Anonymous, or similar fringe groups, to cut off the flow of money to and from the Islamic State (IS, ISIS, ISIL or Daesh). Anonymous at that time had already been at work identifying Twitter accounts, which recruited for Daesh and getting Twitter to shut them down. It appears somewhat the same arrangement might have been in place for Facebook accounts, which lured recruits with videos and other marketing materials to show off the advantages of joining the movement. Those are both different efforts than I was discussing, which might in fact interfere with pre-existing law enforcement investigations, where sites have been left up and active by law enforcement to gain even more intelligence on the next steps of terrorists.

I am still looking for an alignment of agencies and independent organisations, which would actively seek to cut the flow of money coming from sales of oil, agricultural products or taxes imposed in Iraq and Syria in particular, whether

they are conducted on the surface internet or on the dark web using Tor encryption.

Why should bankers care? Surely we have enough regulations already, forcing us to identify and report suspicious activity, patterns and movements of money under, for example, the Anti Money Laundering (AML) Act in the US, or the 3rd European Council Directive on "prevention of the use of the financial system for the purpose of money laundering and terrorist financing". We are at a remarkable point in time where banking is concerned. Though currency has always been moved outside formal entities like banks, bankers internationally suffer a tarnished reputation these days, especially as we continue to see fines paid for outrageous behaviour, not all of which is connected with the 2008 financial crisis. Add to that data from two [Labaton Sucharow](#) studies, which I have previously written about, indicating many bankers would engage in insider trading if they could get away with it; and a full 23% of executives making \$500,000 or more are pressured to compromise on legal or ethical issues. It's time to take significant action to improve the reputation of the banking



profession – and the current world crisis with Daesh offers a clear-cut opportunity.

Bankers should care because, in previous times of war and profiteering, banks looked the other way. Despots paid significant fees to stash their money in secure and confidential numbered accounts in countries with strong bank secrecy laws, like Switzerland, Lebanon, Singapore and Luxembourg, as well as offshore banks and other tax havens under voluntary or statutory privacy provisions.

So let's use the profiling tools which help us report suspicious activity in new ways. Let's allocate time each day to turn our corporate information security people loose on the dark web, the place which *Bright Planet* describes as



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"intentionally hidden and ... inaccessible through standard web browsers". Though it's not clear what they will find, it is known Daesh used Bitcoin for transactions until that system became unreliable. What we are looking for is where the money is stored: is Daesh money in sharia bank accounts, or stashed in caves in the Middle East? Or invested in halaal industries around the world? Or buried in numbered accounts in Swiss and other banks? I believe it is in our best interests to move into a proactive stance, partnering where possible with law enforcement; and that such an effort could be led by the European Union and the US. Certainly since

[Click here to read Fethullah Gulen's article](#)

the November 13th Paris attack, relations between intelligence organisations have improved significantly. The goal is to block or eliminate the flow of money over the surface web, as well as on the dark web.

It's clear, as long as the money continues to flow, financial institutions need to take

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extraordinary precautions to protect their people and their facilities. Though banks are not normally considered 'soft targets', like those in Paris and Beirut, there is no doubt, from terrorist advisories written more than a decade ago, the goal is to destroy "abomination and perversion". For commentary on the immediate lessons from the Paris attack, as well as a summary of what to do in the case of an attack on your facility, read Peter Power's excellent piece for *Continuity Central*.

For those who might have doubts about whether Daesh is a passing fad, it is instructive to look at a few declarative statements from Islamic extremists. Following the 2005 London subway bombing, an al-Qaeda spokesman said "Our religion is Islam, obedience to the one true god and following the footsteps of the final prophet messenger. Your democratically-elected governments continuously perpetuate atrocities against my people all over the world." Nine years later, Abu Bakr al-Baghdadi declared himself caliph of all 1.8bn Muslims, calling on them to gather to his new land and unite to "capture Rome" and own the world.

In a momentous piece in *Le Monde* earlier this month, Turkish Islamic scholar Fethullah Gulen called on Muslims to review their understanding of Islam and to step forward to fully participate "to tackle the violent extremism problem in all its dimensions: political, economic, social and religious". If becoming more proactive as a profession in the face of such evil is practical for financial institutions, then it is as well that we find new ways to reach into Muslim communities and to partner with them in this effort, overcoming historic distrust of our institutions and standing firm in our commitment to one another. **TRU**