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***Forensic Analysis of Terrorist Counter-Financing to
Combat Nuclear Proliferation***

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Forensic Analysis of Terrorist Counter-Financing to Combat Nuclear Proliferation

Abstract:

The single greatest threat to U.S. homeland security remains the proliferation of nuclear weapons, especially among terrorists and other non-state actors who are not governed by the Non-Proliferation Treaty. One of the most important tools for combating terrorism among such rogue actors is counter-financing. Without funding, terrorists cannot acquire, maintain, or deploy nuclear weapons. According to the official report of the 9/11 Commission, counter-financing could have prevented the attacks of September 11, 2001. Unfortunately, no single country can defeat global terrorism. Successful counter-financing requires significant international cooperation. Since 2001, the United States and the European Union, despite vastly different approaches to intelligence gathering, have shared information through the Terrorist Finance Tracking Program (TFTP). That shared information allows authorities to trace suspicious transactions, identify culprits, and map out global terrorist networks. The TFTP successfully thwarted a 2011 plot to assassinate the Saudi Arabian Ambassador to the U.S. and multiple threats during the 2012 Summer Olympics in London; it also aided in the investigation of the 2013 Boston Marathon bombing. That program is necessary but not sufficient. To strengthen our ability to detect and disrupt terrorist plotting and prevent nuclear proliferation, we must expand and coordinate two additional transnational measures: (1) the Society for Worldwide Interbank Financial Telecommunications (SWIFT), a standardized global messaging network for financial institutions to quickly, accurately, and securely send and receive money transfer instructions, and (2) International Bank Account Numbers (IBAN) to identify individual accounts involved in international transactions. Both initiatives were incompletely adopted in the wake of 9/11, but most global banks use one or neither. More fully implementing and coordinating these two systems would allow for coherent information sharing, an essential tool for combating money laundering and terrorist financing, verifying sanctions against rogue nations and non-state actors, tracking nuclear proliferation networks, and protecting dual-use materials. These steps can save lives without interfering with state sovereignty or individual rights. The specter of nuclear threat is real and constant. This paper will provide forensic analysis of the most effective financial tools and policies to combat that threat, placing special emphasis on multinational and public-private cooperation.

Justification Essay

To: Institute of Nuclear Materials Management
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From: Bafodé Dramé
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Brookhaven National Laboratory

Date: January 27, 2016

Subject: Forensic Analysis of Terrorist Counter-Financing to Combat Nuclear Proliferation

I was honored to receive an invitation from my mentor, Ms. Susan Pepper, Chair of Brookhaven National Laboratory's (BNL) Nonproliferation and National Security Department and Chair of the Public Relations and Event Sponsorship Subcommittee for the Institute of Nuclear Materials Management (INMM), to submit an abstract of a paper for presentation at the 57th Annual Meeting of the INMM. Ms. Pepper specifically suggested that I write about terrorist counter-financing and the financial implications of nuclear safeguards and nonproliferation efforts because she believes—and I wholeheartedly agree—that counter-financing is a critical but underutilized and often misunderstood tool in the fight against proliferation. The specter of nuclear threat is real and constant. We therefore cannot afford to ignore any tools available to us in that fight, especially those tools with the greatest track record of past success and potential for sustained success in the future.

My professional background includes more than 10 years working on the financial side of nuclear nonproliferation. I investigated terrorists, located the funds that they used to finance their activities, and then blocked or confiscated those funds. My work was quite literally part of an arms race—according to Saeed al-Masri, the former financial chief of al-Qaeda, the most important factor in determining the success of a terrorist plot is access to funding. Without funding, terrorists cannot acquire, maintain, or deploy nuclear weapons. For ten years, I worked harder and harder to detect and disrupt terrorist accounts even as they worked harder and harder to evade my ability to do so. After ten years of doing cybersecurity, anti-money laundering, and counter-financing to prevent the proliferation of weapons of mass destruction, I realized that no matter how good I was at my job, no matter how many terrorist accounts I found, organized criminals will always find new sources of financing.

That is, they will always find new sources of financing until we change the system, establishing new tools to make it easier for us to find them and harder for them to evade detection. With coordinated changes in global financial policy, we can—we should, we must—combat terrorism and nuclear proliferation even more effectively. I wish to present my findings and recommendations to the members of the INMM because nowhere else is there a group as committed to this fight and as influential in making the necessary changes.

The current era in nuclear nonproliferation began on September 11, 2001. After the 9/11 attacks on the World Trade Center and the Pentagon, the Bush administration had no difficulty in obtaining the cooperation of the international community to address the threat of nuclear

proliferation by non-state actors: at the urging of the United States (U.S.), the United Nations (U.N.) quickly passed Security Council Resolution 1540 and created the Nuclear Terrorism Convention. The U.S. Department of the Treasury also initiated the Terrorist Finance Tracking Program (TFTP), which facilitated the sharing of financial information with similar agencies among the member states of the European Union (E.U.) so that officials on both sides of the Atlantic could more easily and efficiently trace financial transactions related to suspected terrorist activity, identify culprit individuals and entities, and map out global terrorist networks. Since its inception in 2001, the TFTP has helped to thwart attacks on the Saudi Arabian Ambassador to the U.S. in 2011 and the 2012 Summer Olympics in London. It has also assisted in the investigation of attacks like the 2013 Boston Marathon bombing. The 9/11 Commission even went so far as to conclude that the TFTP could have prevented the attacks of September 11, 2001, from ever happening in the first place.

The TFTP has been a triumph of counterterrorism, but more is needed. The world is a big place, and the combined intelligence of the U.S. and the E.U. still leaves many places for terrorists to hide. To strengthen our ability to detect and disrupt terrorist plotting and prevent nuclear proliferation, we must expand and coordinate two additional transnational measures: (1) the Society for Worldwide Interbank Financial Telecommunications (SWIFT), a standardized global messaging network for financial institutions to quickly, accurately, and securely send and receive money transfer instructions, and (2) International Bank Account Numbers (IBAN) to identify individual accounts involved in international transactions. Both initiatives were incompletely adopted in the wake of 9/11, but most global banks use one or neither. More fully implementing and coordinating these two systems would allow for coherent information sharing, an essential tool for combating money laundering and terrorist financing, verifying sanctions against rogue nations and non-state actors, tracking nuclear proliferation networks, and protecting dual-use materials. The latter two, in particular, are top priorities for the signatories of the Non-Proliferation Treaty, which is why these transnational measures are so critically important. Global implementation of the SWIFT and IBAN systems would allow authorities to flag transactions facilitating nuclear proliferation based on geographic locations, the types of materials purchased—especially dual-use materials—and the counterparties involved in the transaction, especially if those individuals or entities are on the U.S.’s “do-not-do-business-with” list. Thus, while the systems would help to deter all forms of global terrorism, they would be invaluable in detecting would-be nuclear proliferators and their sympathizers, a connection I would emphasize during my presentation. These systems can save lives without interfering with state sovereignty or individual rights, the traditional obstacles preventing large-scale transnational cooperation.

I am interested in all aspects of international nuclear safeguards, and I hope to broaden and deepen my knowledge base by attending the Meeting to hear the presentations of others. I believe I am well qualified to present on this underappreciated topic, however, because I speak with the authority of more than ten years of experience working on the front lines of terrorist counter-financing. By drawing on my background in economics—including an M.P.A. in International Economic Policy and Management from Columbia University along with my extensive professional experience within the global financial industry—I am well prepared to investigate and summarize for the benefit of the members of the INMM the myriad financial implications of our current safeguards and the policies that could allow us to make the world even safer. Should you select my abstract for presentation, I would share my experience to help others develop familiarity with cutting-edge developments in the field of counter-financing, dispel a number of prominent myths, highlight the most important financial implications of nuclear proliferation, and provide policy recommendations to mitigate the risk of proliferation. In a time of mounting political and environmental threats, there may be no topic more important

to the future of our country and our planet. That is why I believe that my unusual proposal and unique perspective would allow me to make an important contribution to the 57th Annual Meeting. I sincerely hope for the opportunity to do so.