

Ciudad de México, 10 de noviembre de 2016

COMUNICADO: DGSF/DSE/041/2016.

ASUNTO: Reporte sobre Financiamiento al Terrorismo en el Centro y Oeste África que han elaborado en conjunto el Grupo de Acción Financiera (FATF en sus siglas en inglés), el Grupo de Acción Financiera contra el Blanqueo de Capitales del Centro de África (GABAC por sus siglas en francés) y el Grupo de Acción Intergubernamental Contra el Lavado de Dinero en África del Oeste (GIABA por sus siglas en francés).- Se da a conocer.

DIRIGIDO: A LOS OFICIALES DE CUMPLIMIENTO DE LAS INSTITUCIONES Y SOCIEDADES MUTUALISTAS DE SEGUROS E INSTITUCIONES DE FIANZAS.

Para efectos de lo dispuesto en el ANEXO 27.2.1 FORMA Y TÉRMINOS PARA LA CONSULTA DE LA DOCUMENTACIÓN E INFORMACIÓN EMPLEADA EN LAS LABORES PARA PREVENIR Y DETECTAR LAS OPERACIONES PREVISTAS EN EL ARTÍCULO 492 DE LA LISF, QUE PROPORCIONE LA SECRETARÍA A LA COMISIÓN, párrafos primero, segundo, quinto y sexto, publicado en el Diario Oficial de la Federación el 1° de abril de 2015, de la Circular Única de Seguros y de Fianzas, publicada en el mismo Diario el 19 de diciembre de 2014, a continuación se da a conocer el “Reporte sobre Financiamiento al Terrorismo en el Centro y Oeste África que han elaborado en conjunto el Grupo de Acción Financiera (FATF en sus siglas en inglés), el Grupo de Acción Financiera contra el Blanqueo de Capitales del Centro de África (GABAC por sus siglas en francés) y el Grupo de Acción Intergubernamental Contra el Lavado de Dinero en África del Oeste (GIABA por sus siglas en francés)”.

La Unidad de Inteligencia Financiera de la Secretaría de Hacienda y Crédito Público, por Oficio No. 110.-A.-605/2016, del 1 de noviembre de 2016, con fundamento en el artículo 15-A, fracción XV de su Reglamento Interior, solicita a esta Comisión se remita a las instituciones y sociedades mutualistas de seguros e instituciones de fianzas, el “Reporte sobre Financiamiento al Terrorismo en el Centro y Oeste África que han elaborado en conjunto el Grupo de Acción Financiera (FATF en sus siglas en inglés), el Grupo de Acción Financiera contra el Blanqueo de Capitales del Centro de África (GABAC por sus siglas en francés) y el Grupo de Acción Intergubernamental Contra el Lavado de Dinero en África del Oeste (GIABA por sus siglas en francés)”.

Como es de su conocimiento, el terrorismo y su financiamiento son una preocupación latente para la comunidad internacional y, en un mundo globalizado, las amenazas terroristas de una región pueden fácilmente tener repercusiones a nivel global. La experiencia del grupo terrorista Estado Islámico de Irak y el Levante (ISIL por sus siglas en inglés) es prueba de ello.

Actualmente una de las regiones más vulnerable al terrorismo es el Centro y el Oeste de África. El incremento en la violencia por parte de grupos terroristas, incluido Boko Haram, ha contribuido a la inestabilidad política y ha afectado el desarrollo de la región.

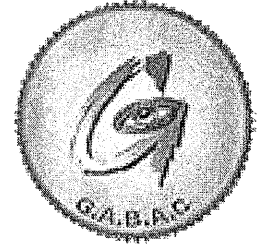
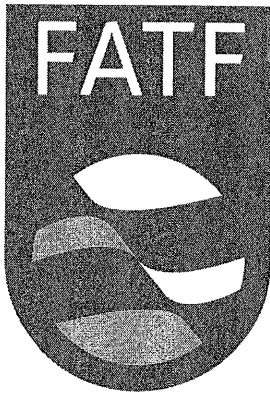
Al respecto, por medio del presente hacemos de su conocimiento que en la Reunión Plenaria celebrada los días 19, 20 y 21 de octubre del presente año, el GAFI aprobó el reporte mencionado, el cual se encuentra disponible en la siguiente liga electrónica:

<http://www.fatf-gafi.org/media/fatf/documents/reports/Terrorist-Financing-West-Central-Africa.pdf>

Cabe mencionar que este Reporte pretende:

- Revelar un número de amenazas y vulnerabilidades que son específicas para esa región y subrayar la importancia del uso de dinero en efectivo - incluyendo moneda extranjera.
- Examinar los factores contextuales y los retos que presenta la región para regular los productos y sectores financieros.
- Dar a conocer el listado de las organizaciones terroristas que operan en la zona así como de sus actividades más recientes (Anexo 1).

Anexo: Anexo 1 (49 fojas)



TERRORIST FINANCING IN WEST AND CENTRAL AFRICA

October 2016





The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

For more information about the FATF, please visit www.fatf-gafi.org



The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) was established by the Economic Community of West African States (ECOWAS) Authority of Heads of State and Government in the year 2000. GIABA is a specialized institution of ECOWAS that is responsible for strengthening the capacity of member states towards the prevention and control of money laundering and terrorist financing in the region. For more information about GIABA, please visit the website: www.giaba.org



The Task Force on Money Laundering in Central Africa (Groupe d'Action contre le blanchiment d'Argent en Afrique Centrale (GABAC)) is a body of the Economic and Monetary Community of Central Africa. It was established in 2000 with the mandate to combat money laundering and terrorist financing, assess the compliance of its members against the FATF Standards, provide technical assistance to its member States and facilitate international co-operation. For more information, please see the GABAC website at <http://spgabac.org>

This document and/or any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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EXECUTIVE SUMMARY

Terrorism is of growing concern for the international community which, in the recent past, has witnessed an increasing number of attacks at the hands of terrorist groups. West and Central Africa are particularly vulnerable to terrorism. The continuing violence and conflict in this area since 2010 has sparked concerns that the threats from terrorism could derail hard-won economic gains, contribute to political instability and undermine future development. Communities in these areas have experienced the devastating impact of extremist violence from a multiplicity of terrorist groups. However, as we have experienced with ISIL, in a more globalised world, the threats from a regional conflict can spread to impact the global community. The regional and potentially global impacts of terrorism, highlights the importance of the international community taking all necessary steps to find ways to deprive terrorist organisations of their funding.

Terrorist organisations are all different in their nature and purpose but they all require resources for self-maintenance, facilitation and funding of various types of attacks. Terrorist financing (TF) may encompass complex financing structures used to conduct large scale attacks or simplistic models used to support small cells and fund smaller attacks.

This report is intended to update the FATF/GIABA report on *Terrorist Financing in West Africa* (October 2013) and to extend the study to the Central African region. It finds that while the 2013 study is still relevant, the scale and nature of terrorist groups within the region have changed and this has had an impact on financing strategies as well. The report considers the possible funding sources (the threats), particularly in relation to Boko Haram and groups linked to Al-Qaeda, including Al-Qaeda in the Lands of the Islamic Maghreb (AQIM) and its affiliates, and also considers potential means to finance terrorism and other contextual factors (the vulnerabilities). It reveals a number of threats and vulnerabilities that are specific to the region including the prevalence and profitability of cattle rustling as a key feature of rural and cross-border criminality in the Chad Basin. It also highlights the role of cash, including foreign currency, in TF in the region.

The report breaks down the threats into confirmed and suspected sources of funding. It appears that Boko Haram is mostly funded locally, while Al-Qaeda affiliates may also be benefiting from foreign donations. While there are indications that terrorist organisations are associated with criminal organisations and with organised crime in the region, there is limited evidence to support these alleged links.

While this report has attempted to address knowledge gaps about how terrorist groups raise, move and use funds in West and Central Africa, the challenges faced by the public and private sectors in detecting TF as well as limited examples of complex financial analysis on the topic make it difficult to present a full picture of TF methodologies in the region. Further studies and risk assessments, from a regional perspective, could assist to identify specific vulnerabilities and to shape government responses to disrupt terrorism financing into the future.

Finally, this report acknowledges that there is further work to be done in the region, particularly in the area of cross-border collaboration. Some government initiatives, such as the Multinational Joint Task Force aimed at controlling the criminal activity near Lake Chad, have had some success but such examples are limited. There is therefore a clear need for countries in the region to work closely

together and with the broader international community to conduct financial investigations, to share information with other agencies and countries, as well as the private sector, and to work with intelligence agencies in order to further identify and disrupt terrorism financing within the region.

CHAPTER 1. INTRODUCTION

Terrorist financing (TF) is a serious concern for the international community and a major focus of the FATF Global Network, in particular the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) and task force on money-laundering in Central Africa (GABAC).

In October 2013, FATF and GIABA produced a report on *Terrorist Financing in West Africa*. This current study updates the 2013 report and extends it to the Central African region. Chapter 2 sets out the reasons that have made it important to update the report. Chapter 3 examines the sources of funding for terrorist organisations in the region that have been confirmed by authorities. Chapter 4 extends this examination to a range of other funding sources commonly referred to in literature and media reports in the region, but which could not be verified by government sources. Chapter 5 looks at the contextual factors and vulnerabilities in regulation of financial products or sectors that leave the region susceptible to terrorist financing.

OBJECTIVES

The overarching objective of the report is to help policymakers, regulatory and enforcement authorities, as well as reporting entities, to better understand the nature and dynamics of terrorist financing in the region.

The project aims to:

- Collect information from FATF, GIABA and GABAC Member States' authorities and other sources, to identify current TF trends, methods and techniques used by terrorist groups and their supporters in West and Central Africa.
- Provide specialised analysis and information on terrorist financing methods and characteristics to competent authorities and reporting entities to assist them in their responsibilities to combat TF.
- Identify knowledge gaps and suggest possible recommendations for further work.

SCOPE

The report considers terrorist organisations that may be active in the following countries:

- West Africa:
 - Benin, Burkina Faso, Cabo Verde, Comoros, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo.
- Central Africa:
 - Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.

This report focuses on the financing activities of the individuals and entities designated by the United Nations (UN) operating in the West and Central African region as set out in **Annex I**. Violent groups and organisations whilst being responsible for a high number of casualties in the region, have not been taken into consideration in this report unless they have been associated with designated terrorist organisations when financing their activity. While case studies and examples on these groups have not been sought for the purposes of this report, it is important to note that legislation or listing mechanisms in some countries in West and Central Africa or other parts of the world, classifies them as terrorist organisations. Jurisdictions participating in this study also noted that violent groups and organisations have the potential to become involved in terrorist activity as has happened in the past.

METHODOLOGY

This report utilises data from the relevant government authorities within FATF, GIABA and GABAC. Information was initially collected from authorities via questionnaires. However, the bulk of the information in this report comes from:

- (1) a session on TF in West and Central Africa during the FATF/EAG/UNODC Joint Experts' Meeting in Vienna, Austria in May 2016 which allowed the project team to collect information on current trends and case studies; and
- (2) a meeting arranged by GIABA in Saly, Senegal in July 2016 which allowed the project team to collect additional case studies and regional experiences from field operatives.

A total of 23 countries responded to the questionnaires – 14 from the GIABA region, 4 from the GABAC region and 5 from the FATF.

The report also relies on an extensive literature review of open-source material, reports issued by governments or international organisations and risk assessments undertaken by relevant jurisdictions.

CHAPTER 2. RECENT EVENTS THAT HAVE IMPACTED TERRORIST FINANCING IN WEST AND CENTRAL AFRICA

The emergence of Boko Haram (BH) in the region has seen the designated terrorist organisation develop into one of the deadliest terrorist groups currently in operation globally¹. BH and related actors conducted hundreds of terrorist attacks, resulting in over 5 000 casualties in 2014 and 6 000 casualties in 2015.² In the first half of 2015, BH was responsible for the deaths of 1 059 people in northern Nigeria. The violence that originated in Nigeria has spilled into the neighbouring countries of Cameroon, Chad, and Niger with a number of deadly terrorist attacks committed against government and civilian targets.³

It appears that Boko Haram has split in two and is currently undergoing a leadership crisis.⁴ In March 2015, BH's then-clear-leader, Abubakar Shekau, pledged the group's allegiance to the Islamic State of Iraq and the Levant (ISIL or Da'esh) and subsequently proclaimed itself as the Islamic State West Africa Province (ISWAP).⁵ The depth of ISWAP's relationship with ISIL is yet to be seen but the current leadership battle appears to be associated with Boko Haram's relationship with ISIL and dissatisfaction with Shekau's strategy of indiscriminately killing civilians, including Muslims.⁶

In northern Mali, armed terrorist groups, including AQIM, Ansar Dine, including its affiliates such as the Macina Liberation Front (FLM) in Central and Southern Mali, and Al-Mourabitoun operate in historically ungoverned or under-governed spaces and have forged local alliances with rebel groups. Despite the 2013 French military intervention in northern Mali and Sahel⁷ which significantly disrupted the terrorist activity, the peace process in this region continues to be destabilised by

¹ Institute for Economics and Peace (2015), *Global Terrorism Index 2015*, <http://economicsandpeace.org/wp-content/uploads/2015/11/Global-Terrorism-Index-2015.pdf>; Newsweek (2015), *Boko Haram ahead of ISIS as world's deadliest militant group*; europe.newsweek.com/boko-haram-ahead-isis-worlds-deadliest-militant-group-new-study-says-396144

² The Washington Post (2016), *The brutal toll of Boko Haram's attacks on civilians*, www.washingtonpost.com/graphics/world/nigeria-boko-haram/

³ United States Department of State (2016) *Country Reports on Terrorism 2016, June 2016*, available at www.longwarjournal.org/wp-content/uploads/2016/06/2016-State-Department-Country-Report-on-Terrorism.pdf

⁴ Several news outlets have comments on the leadership crisis: www.usnews.com/news/articles/2016-08-04/islamic-state-group-causes-boko-haram-leadership-crisis; www.ft.com/cms/s/0/bed19ac2-5a61-11e6-8d05-4eaa66292c32.html#axzz4H2CkVHOG.

Based on information provided by the UN Counter Terrorism Executive Directorate, in 2016 BH split into two groups – ISWAP and Jamatu Ahlis Sunna Lidawatti wal Jihad (JAS) though both groups are still referred to as BH. On 3 August 2016, ISIL announced through its al-Nabaa newspaper that Abu Musab al-Barnawi, the son of BH founder Muhammed Yusuf was the new leader (the 'Wali' or governor) of ISWAP. On 7 August 2016, Abubakar Shekau announced in a video that he had reverted to being the leader of JAS and was no longer with ISWAP.

⁵ Independent (2015), *Boko Haram renames itself Islamic State's West Africa Province (Iswap) as militants launch new offensive against government forces*, www.independent.co.uk/news/world/africa/boko-haram-renames-itself-islamic-states-west-africa-province-iswap-as-militants-launch-new-10204918.html

⁶ Deutsche Welle (2016), *Boko Haram split in leadership crisis*, August 2016, www.dw.com/en/boko-haram-split-in-leadership-crisis/a-19449738

⁷ The main countries in the Sahel region are Mali, Niger, Mauritania, Chad and Burkina Faso.

terrorist organisations currently operating not only in the northern part of the country but also in Central Mali.⁸

In other West and Central African countries, terrorist groups have not displayed the same level of strength and numbers but have been able to generate funds to survive and carry out attacks by means of various activities such as those set out in Chapters 3 and 4.

IMPACT OF GOVERNMENT INITIATIVES AGAINST THE TERRORIST GROUPS

Two recent government interventions and initiatives have had a significant impact on the terrorist groups operating in West and Central Africa and their respective financing.

In 2012, the Multi-National Joint Task Force⁹ (MNJTF) (aimed at controlling the criminal activity near Lake Chad) was strengthened to respond to the rise in BH activity. The MNJTF was expanded and included a partnership between Benin, Cameroon, Chad, Niger and Nigeria and a number of international partners. Offensives undertaken by the MNJTF have put pressure on BH and have reduced the territory in which it operates. The Nigerian Government reported that the movement of the army special operations headquarters to Borno in the north of Nigeria has helped to curtail the activities of BH and has made it more difficult for BH to get funding as they are closely scrutinised by the army and other security agencies. As a result, BH has subsequently moved away from large-scale terrorist attacks to fairly low-cost terrorist missions using children and women to commit suicide attacks.¹⁰ The continued impact of this taskforce on BH in the future will likely depend on funding and commitment to the taskforce.¹¹

In 2013, with support from the Government of Mali and the UN, France intervened in the Mali conflict with its military forces to stop the expansion of radical Islamist groups operating in the area (Operation Serval).¹² The intervention was successful in defeating most of the positions occupied by the terrorist groups co-ordinated by AQIM and by the end of 2013, the French armed forces partially withdrew, leaving UN peace forces in place.¹³ The offensive had an immediate impact on the terrorist groups operating in the region but the instability continued as AQIM affiliated groups managed to re-group including in Central Mali. It appears that these new groups share responsibility for attacks and kidnappings and participate in other criminal activities. Terrorist groups operating in this region have changed their methodology in response to the pressure exerted

⁸ Institute for Security Studies (ISS) (2015), *Peace and Security Council Report*, www.issafrica.org/pscreport/situation-analysis/in-mali-fragile-progress-requires-extreme-vigilance

⁹ European Parliamentary Research Service(2015), *African-led counter-terrorism measures against Boko Haram* www.europarl.europa.eu/RegData/etudes/ATAG/2015/551302/EPRS_ATA%282015%29551302_EN.pdf

¹⁰ The Washington Post (2016), *The brutal toll of Boko Haram's attacks on civilians*, www.washingtonpost.com/graphics/world/nigeria-boko-haram/

¹¹ Information Nigeria (2015) , *Boko Haram: US Pledged Donation Of \$5m, Not \$5bn – Embassy*, www.informationng.com/tag/multinational-joint-task-force

¹² Ministère de la Défense (2015), *Opération Serval 2013-2014*, www.defense.gouv.fr/operations/autres-operations/operations-achevees/operation-serval-2013-2014

¹³ BBC News (2013), *France army in key Mali withdrawal*, www.bbc.com/news/world-africa-22664484

by government forces in the Sahel and have resorted to suicide attacks in hotels, and on targeting international representatives, with an intention of maintaining media interest in AQIM's activities.¹⁴

ALLEGIANCES BETWEEN TERRORIST GROUPS

In West and Central Africa, there is a confluence of designated terrorist groups of different natures working together with violent political and armed groups as well as criminal organisations. They are scattered throughout Africa but they interact with one another in varying degrees of co-operation to further their individual organisations' interests.

While most of BH's financing comes from within the area in which it operates (Nigeria and bordering areas), there have been recent developments related to its allegiances with other designated terrorist organisations in Africa and the Middle East which may impact its financing strategies in the future.

Initially, it was thought that BH was affiliated with Al-Qaeda. It has been reported that, after the 2001 terrorist attacks on the World Trade Centre and the Pentagon, Osama bin Laden sent an aide to Nigeria with approximately GBP1.8 million in local currency to dispense amongst groups that shared Al-Qaeda's mission to impose Islamic rule. One of the 'major beneficiaries' of this funding was alleged to be BH.¹⁵

However, in 2015, the then-clear leader of BH made a pledge of allegiance to the Islamic State.¹⁶ Authorities in the region claim that this new allegiance is primarily intended to market BH as a powerful international terrorist organisation in order to attract new recruits and sources of funding. However, ISIL's official media arm, Al-Furqan, released the audio by ISIL spokesman Adnani confirming the accepting of the pledge¹⁷ and ISIL media has specifically noted its expansion to Nigeria. The current leadership struggle in BH also appears to be linked with which leader has legitimacy with ISIL.

There are reports that BH is also partnering with Al-Shabaab which operates in the horn and east of Africa. This partnership allows BH to send its fighters to Somalia for training.¹⁸ It is reported that a BH member, Mamman Nur, received training from Al-Shabaab in Somalia in preparation for the

¹⁴ Security Council Report (2015), *January 2016 Monthly Forecast*, www.securitycouncilreport.org/monthly-forecast/2016-01/mali_20.php

¹⁵ Independent (2014), *Paying for terrorism: Where does Boko Haram gets its money from?*, www.independent.co.uk/news/world/africa/paying-for-terrorism-where-does-boko-haram-gets-its-money-from-9503948.html

¹⁶ BBC News (2015), *Nigeria's Boko Haram pledges allegiance to Islamic State*, www.bbc.com/news/world-africa-31784538

¹⁷ Al Jazeera, (2015), *ISIL 'accepts Boko Haram's pledge of allegiance'*, www.aljazeera.com/news/2015/03/isil-accepts-boko-haram-pledge-allegiance-150312201038730.html; BBC News (2015), *Islamic State 'accepts' Boko Haram's allegiance pledge*, www.bbc.com/news/world-africa-31862992

¹⁸ Newsweek (2015), *Boko Haram ahead of ISIS as world's deadliest militant group, new study says*, europe.newsweek.com/boko-haram-ahead-isis-worlds-deadliest-militant-group-new-study-says-396144; CNN (2016), *Boko Haram sought terror training in Somalia, security chief says*, www.cnn.com/2016/02/25/africa/boko-haram-al-shabaab-somalia/.

attack on the UN headquarters in Abuja on 26 August 2011.¹⁹ Newspapers have reported that the President of Somalia has admitted that members of BH are training in Somalia alongside Al-Shabaab.²⁰

AQIM is active in West and Central Africa, especially along the Sahel, and has also evolved in the last few years. The group's origin is linked to the terrorist groups that emerged from Algeria and then started moving into North and West Africa, establishing alliances with other terrorist groups, or through partnerships and affiliations. AQIM has experienced a number of changes leading to the emergence of a multiplicity of groups, i.e. al-Tawih Wal Jihad in West Africa (TWJWA) or MUJAO and Al-Mulathamun Battalion, which have gone through extinctions, mergers and transformations. AQIM benefits from the porous borders, territorial disputes and the political instability in the Sahel region.²¹ The ability of governments to limit the activities of AQIM is frustrated by its reach into southern Libya, southern Algeria and Mali.²² The fragility of the Libyan state makes it susceptible to infiltration by groups such as AQIM and is likely to facilitate arms and drugs smuggling (amongst other criminal activities).²³ Some open source reports suggest AQIM is recruiting former members of the Libyan branch of Ansar Al-Sharia (another Islamist group that operates in seven countries in the area).²⁴ There are also indications of tensions between groups associated with AQIM and those with ISIL.

Terrorist organisations such as Ansar Dine, which are linked to the Tuareg separatist groups, are major players in West Africa. These groups control transit areas and are likely to have established partnerships with criminal and terrorist organisations. Ansar Dine and AQIM fought alongside each other in Mali against the Mouvement National de La Liberation de L'Azawad (MNLA) and one source has documented AQIM activity in Ansar Dine controlled territories.²⁵

As the case study below demonstrates, these interrelations are significant because of the possibility of funds flowing between various terrorist groups operating in the region.

¹⁹ National Consortium for the Study of Terrorism and Responses to Terrorism (START), *Boko Haram recent attacks*, www.start.umd.edu/pubs/STARTBackgroundReport_BokoHaramRecentAttacks_May2014_0.pdf

²⁰ Reuters (2016), *Nigerian Boko Haram fighters trained in Somalia: president*, www.reuters.com/article/us-somalia-boko-haram-idUSKCN0VNOME;
United Nations Regional Office for Central Africa (UNOCA) (2014), *Activities of Boko Haram in Central Africa*, <https://unoca.unmissions.org/Default.aspx?ctl=Details&tabid=3760&mid=6487&ItemID=5882951>

²¹ Mediterranean Affairs (2014), *The influence in North Africa of AQIM*, mediterraneanaffairs.com/the-influence-in-north-africa-of-aqim/

²² Mediterranean Affairs (2014), *The influence in North Africa of AQIM*, mediterraneanaffairs.com/the-influence-in-north-africa-of-aqim/

²³ Mediterranean Affairs (2014), *The influence in North Africa of AQIM*, mediterraneanaffairs.com/the-influence-in-north-africa-of-aqim/

²⁴ The Long War Journal, (2014), *UN recognizes ties between Ansar al Sharia in Libya, al Qaeda*, www.longwarjournal.org/archives/2014/11/un_designates_ansar.php;
The Counter Extremism Project (2012), *Ansar al-sharia in Libya*, www.counterextremism.com/threat/ansar-al-sharia-libya-asl;
<https://freebeacon.com/wp-content/uploads/2012/10/LOC-AQ-Libya.pdf> ;
Mediterranean affairs (2014), *The influence in North Africa of AQIM*, <http://mediterraneanaffairs.com/the-influence-in-north-africa-of-aqim>

²⁵ The Combating Terrorism Cente (2013), *Boko Haram's International Connections*, www.ctc.usma.edu/posts/boko-harams-international-connections

Case Study 1: Financial assistance between groups

Information provided by Mali, suggests that some designated terrorist groups are providing financial assistance to each other.

On 3 November 2015, following a tip-off from an anonymous source, the Sikasso Police arrested three people, including a foreigner, suspected of being involved in recent terrorist attacks. The raid conducted by investigators led to the discovery of the amount of CFA ²⁶1 215 000 and a 9 mm calibre German-made pistol in the hands of one of the suspects. Intelligence retrieved from the raid led police to the leader of this gang, Mr K. He admitted to having received CFA 60 000 000 since 2012 from a leader of another terrorist group operating in northern Mali as funding for his group's activities. Investigations are ongoing.

Source: Mali

²⁶ The countries of the West African Economic and Monetary Union (WAEMU - Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo) use the West African CFA franc and the six countries of the Central African Economic and Monetary Community (CEMAC - Cameroun, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea and Gabon) use the Central African CFA franc. Both currencies are guaranteed by the French Treasury and are pegged to the euro. Although the West African CFA and the Central African CFA are theoretically separate, being two separate currency unions, they use the same exchange rate parity to the euro and the currencies are in practice used interchangeably. In West Africa the CFA stands for "Communauté financière africain" and in Central Africa it stands for "Coopération financière en Afrique centrale". In this report both currencies are referred to as CFA.

CHAPTER 3. CONFIRMED SOURCES OF FUNDING

This section highlights the funding sources of terrorist organisations in West and Central Africa which have been supported by information or case studies provided by government sources.

EXTORTION

A traditional financing method for groups operating in West and Central Africa is to extort local populations within their area of influence. 'Taxes' and fees are paid in return for protection and security. By utilising the threat of violence, terrorist groups extort people conducting normal business or professional activities so they can continue operating (for example, shopkeepers, politicians, fishermen, businessmen²⁷ and banks²⁸). They also profit by taking a portion of the proceeds of illicit activities such as migrant trafficking²⁹ and drug trafficking³⁰.

While it is difficult to ascertain the total amount of funds available to terrorist groups in the region, it appears that extortion is a main source of funding for BH and other terrorist groups in West and Central Africa. However, due to the offensives by countries in the Lake Chad Basin which have led to BH losing territory, this may have become a less important source of income.

Case Study 2: Collection of funds extorted by MUJAO from the local community

Between 2012 and 13, following the occupation of northern Mali by various terrorist groups, Mr X, residing in the northern Malian town of Bourem, became a member of MUJAO. Because of his knowledge of the area and the families he quickly gained the trust of his recruiters. He therefore became a guide and the main collector of funds from the population (in the form of 'Zakat', - the obligated provision of funds for charitable religious purposes) on behalf of MUJAO. The population of Bourem were forced to contribute.

Following the re-conquest operations of northern Mali, Mr X was denounced as being a collaborator with MUJAO fighters, having raised funds by force from populations on behalf of MUJAO. In 2016, Mr X was prosecuted and convicted for these crimes. The authorities do not know the total amount of funds forcibly collected by Mr X but this did not impact the conviction.

Intelligence sources confirm that MUJAO and Ansar Eddine are still forcibly collecting funds in other villages such as Gao, Abiyou, Kewolé, Abecara, Tasisat, Boukhassa and Amassin.

Source: Mali

²⁷ Centre for Financial Crime & Security Studies (2015), *Boko Haram finances*, www.cfcs.london/analysis/boko-haram-finances/

²⁸ VANGUARD Media Limited (2011), *Boko Haram threat: Bauchi banks now close at 2pm*, www.vanguardngr.com/2011/11/boko-haram-threat-bauchi-banks-now-close-2pm/

²⁹ The Council on African Security and Development (CASADE),(Sept. 2015), *Extortion Fees From Trans-Saharan Migrants through Libya As Source of Funds For Terrorism in Africa*, www.casade.org/extortion-fees-from-trans-saharan-migrants-through-libya-as-source-of-funds-for-terrorism-in-africa/

³⁰ The New Yorker (2015), *Trafficking in Terror*, www.newyorker.com/magazine/2015/12/14/trafficking-in-terror

ROBBERIES AND LOOTING

Groups such as BH actively participate in robbery and looting activities to finance themselves and obtain the necessary goods to survive (attacking vessels, police stations, army barracks, looting small villages and farms and attacking villages during market days to get cash and food items)³¹. Robbery and looting was one of BH's main funding sources during their initial onslaught.

It is harder to prove the participation of other groups in this type of activity. Authorities suspect that AQIM, Al-Mourabitoun and Ansar Dine may also participate in these actions but it can be difficult to prove that a robbery is connected to a terrorist group. In some cases, countries are able to establish a connection with TF such as the links which have been reported by Burkina Faso³² where there is a suspicion that attacks being perpetrated on goldmines in the north and northwest areas of the country are associated with terrorist organisations. However, these links require further investigation.

Case Study 3: Robbery and Kidnapping

Mr L was apprehended in the suburb of Okene, Kogi state. During an interview, he confessed that his group was a cell of the BH splinter group known as Ansaru located in Bauchi in northern Nigeria. He confessed that his group was involved in robbery and kidnapping. This was done to raise funds, with attacks on law enforcement units undertaken to obtain arms. He confessed that members were recruited from the extended family and the Epira ethnic group to reduce the possibility of information leaks.

Source: Nigeria

Case study 4: Sale of gold jewellery

In January 2016, an agent of BH was arrested with a bag of gold jewellery which was stolen during raids of villages by BH. The jewellery was taken to the market for assessment and valued at NGN 5 000 000 (approximately EUR15 000).

Source: Nigeria

Case study 5: Sale of gold coins

In October 2015, a BH member was arrested at a checkpoint in a north eastern town in Nigeria and was found to be in possession of 341 gold coins. He informed authorities that the gold was sourced from raids conducted at the nearby villages and towns by BH with the intention to sell the coins at nearby markets or exchange them for other commodities.

Source: Nigeria

³¹ VANGUARD Media Limited (2015), *Robbers sack police station, kill 6 in Edo banks' raid*
<http://www.vanguardngr.com/2015/11/robbers-sack-police-station-kill-6-in-edo-banks-raid>

VANGUARD Media Limited (2011), *3 injured as Boko Haram attack police station, bank and beer parlour*,
<http://www.vanguardngr.com/2011/11/3-killed-as-boko-haram-attack-police-station-bank-and-beer-parlour/>

VANGUARD Media Limited (2011), *Boko Haram raid banks, burn buildings in Gombe*
www.vanguardngr.com/2014/12/boko-haram-raid-banks-burn-buildings-gombe/

³² This information was obtained during the FATF/EAG/UNODC Joint Experts' Meeting in May 2016.

CATTLE/LIVESTOCK RUSTLING

Agriculture and livestock were the main income-generating activities for most people in the Chad Basin, before the outbreak of the BH insurgency. Thousands of cows were exported per week to north-east Nigeria from Cameroon and Chad and sold in many markets near the border. Grazing lands were also found along the borders and in the premises of Lake Chad where many semi-nomadic people settled. Before the insurgency, the price for a medium-sized cow exported to Nigeria ranged between EUR500 to EUR1,500 with the cattle sent to Lagos or Libreville.

Nigerian authorities have recorded an increase in cattle/livestock rustling³³ activities mainly in the north and north-west of Nigeria that is directly connected to BH. Most attacks occur in remote villages, close to forested regions in the north-west where there is little security presence. These activities are highly profitable for BH but also terrorise the local population and deprive them of their food and livelihoods.

BH uses a number of trading techniques to profit from this activity including:

- creating its own markets to sell stolen cattle in BH controlled territory
- scattering and selling the cattle in smaller numbers (maximum five) at distant markets to avoid detection by authorities
- selling the cattle in small local markets
- hiding the cattle in neighbouring countries to be sold at a later stage.

In March 2016, Borno authorities in Nigeria closed down four cattle markets (Gamboru, Dusuman, Shuwari, Ngom) suspected of selling stolen cattle linked to BH.³⁴ In August 2016, Cameroon also closed its main cattle market in the far North region of Mayo-Sava.³⁵

Stolen livestock is difficult to detect. There are no controls over taxes placed upon traders and ownership markings are easily manipulated. In addition, livestock is sold quickly and processed immediately. This turnaround time makes it difficult for authorities to trace the livestock's true origins/ownership. A key indicator that a herd is stolen is if pregnant cows are presented for sale at markets as traditional herdsmen would rarely sell an animal in that condition given its value to the future of their herds.

The following case studies highlight the potential scale of the problem in this region.

Case study 6: Cattle rustling in Cameroon

On 9 September 2014, 7 000 cows from Chad heading to Maiduguri, Nigeria were 'confiscated' by BH around Dikwa in Nigeria.

³³ VANGUARD Media Limited (2015), *There is a link between Boko Haram, cattle rustlers – Katsina gov* www.vanguardngr.com/2015/12/there-is-a-link-between-boko-haram-cattle-rustlers-katsina-gov/

³⁴ BBC News (2016), *Nigeria's Boko Haram 'cattle markets' shut down*, www.bbc.com/news/world-africa-35727473,

³⁵ Bloomberg (2016), *Cameroon Closes Down Cattle Market as Militants Turn to Rustling* www.bloomberg.com/news/articles/2016-08-29/cameroon-closes-down-cattle-market-as-militants-turn-to-rustling

On 14 January 2016, BH stole 4 244 cows from 25 Choa Arab owners in Hilé Alifa, Fotokol and Makary, in the north of Cameroon.

On 12 April 2016, BH stole 13 511 cows in the Kolofota Subdivision of Cameroon.

Based on estimates of the minimum value of cattle (EUR500), the minimum value of the 24 755 cattle stolen by BH in these three instances was approximately EUR 12 377 500 or CFA 8 107 262 500.

Source: Cameroon

Case study 7: **Cattle rustling in Nigeria**

In July 2016, BH members rustled 20 000 cattle from Village A to Village B in Maiduguri, Borno State. The cows were transported to a market in Jigawa State through the republic of Niger in order to hide their origin and make them look like they came from a legitimate source.

The estimated value of each cow was approximately NGN 150 000 or USD 500. The total estimated value of this particular rustling was NGN 3 billion or USD 10 million.

Source: Nigeria

Case study 8: **Rustling of horses, sheep and goats**

In July 2016, BH rustled between 500 to 1 000 animals from one individual in Borno State. It is likely the rustled animals were sold at the cattle market in Jigawa State and the meat processed immediately. This enabled BH to evade police detection and made it extremely difficult for investigators to continue to track the majority of the stolen animals.

Source: Nigeria

Case study 9: **Sale of dry meat**

In an operation, the Civilian Joint Task Force (CJTF) found 1 300 cow skins. The cows were stolen from the Lake Chad basin, slaughtered and processed into dry meat and transported to a market in Yobe State for sale in the southern part of the country.

A sack of dry meat costs approximately NGN 150 000, which brought the total estimated value of the dry meat to NGN 195 000 000 or USD 650 000.

Source: Nigeria

Case study 10: **Cattle rustling**

In July 2016, BH rustled cows from Maiduguri, Borno State to a cattle market in Jigawa through Niger to avoid security checks. They loaded a trailer full of 25-50 cows daily, with the cows sold at a flat rate of NGN 40 000 (below true market value). Some of the cows were pregnant and nursing, an additional sign they were not being brought to market by their true owner. The cows were sold quickly so it is difficult to ascertain who was responsible for the theft. Investigations are ongoing.

Source: Nigeria

DONATIONS

Funding through Islamic donations (e.g. Zakat) continues to be one of the methods abused by designated terrorist groups operating in West and Central Africa. This method requires little infrastructure and is profitable because it manipulates a common practice of the Muslim population in the area.

Often, the use of these donations to commit violent extremism is unknown to the donating population, and regional authorities are unable to control or monitor these movements of money, (commonly comprised of small amounts of cash.)³⁶

Supporters of extremist groups also knowingly and wilfully finance the activities of the organisation with donations. For example, Niger has observed the collection of cash contributions from traders or businessmen who are sympathisers or members of terrorist groups.

Voluntary contributions also come from supporters abroad. For instance AQIM receives donations from supporters in Europe.³⁷ Authorities have also provided case studies where funds have suspiciously been transferred to individuals or non-profit organisations (NPOs) associated with designated terrorist groups (refer to Chapter 5 for more information). Some of the funding is also received from non-profit organisations (NPOs), either with or without their knowledge. It is important to note that, the African diaspora around the world transfers money to Africa for the maintenance of their families who remain in the countries of origin and mainly via MVTs. This is an important inflow of funds for many African countries. However, the same mechanisms are sometimes exploited to finance terrorist organisations and it is difficult for authorities to control this activity.

ABUSE OF NON-PROFIT ORGANISATIONS

NPOs can be exploited by terrorist organisations to collect money and raise funds, spread propaganda, recruit members and hide a number of illegal activities.³⁸ The case studies below reflect different ways in which NPOs have been abused for TF purposes in West and Central Africa.

Case study 11: **Non-Profit Organisation and potential case of trade-based terrorist financing**

This case was initiated by an STR submitted by a bank to the Niger FIU. Cash was deposited into the account held by an NPO, then immediately transferred or withdrawn. The subsequent investigation revealed the NPO received USD 6 million in illicit transactions over a two year period from two affiliated religious associations based in Europe. The two main directors of the NPO were originally

³⁶ VANGUARD Media Limited (Feb. 2012), *The Lamidos Sanusi Interview: Exaggerating the concept of Zakat* www.vanguardngr.com/2012/02/the-lamido-sanusi-interview-exaggerating-the-concept-of-zakat/

³⁷ EcoDiario.es (Dec. 2009), ecodiario.economista.es/politica/noticias/1752220/12/09/Cooperantes-Un-estudio-alerta-de-la-posibilidad-del-AQMI-para-operar-en-paises-europeos-incluida-Espana.html

³⁸ FATF (2014), *Risk of terrorist abuse in non-profit organisations*, www.fatf-gafi.org/media/fatf/documents/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf
Australian Government, Australian Transaction Reports and Analysis Centre, *Terrorism financing in Australia 2014*, www.austrac.gov.au/sites/default/files/documents/terrorism-financing-in-australia-2014.pdf

from a country in the Middle East and the NPO listed well-drilling (for water) and general trade as its main activities. A number of information exchanges between FIUs (including three European FIUs) revealed that the head of one of the religious associations had previously been accused of tax evasion and donation fraud. That same religious association had also been registered on the list of 'dangerous movements' in a European country. To facilitate the illicit transactions, the directors of the NPO created a shell Import-Export company in Niger. The Import-Export company director was European, but had originated from the same country as the directors. More than 80 per cent of the funds received by the NPO were transferred to accounts belonging to the shell company, as payment for services provided. However, information received from customs revealed the company had never imported/exported anything, despite numerous financial transactions received from neighbouring countries.

Investigations are ongoing.

Source: Niger

Case study 12: An NPO receives funds aimed at supporting migrants in an area where there are no migrants

An NPO allegedly based in Bamenda, the capital of the north-west region of Cameroon, received several Western Union transfers from entities in various African countries. Over a period of six months in 2013 and 2014, the NPO received CFA10 million from a number of ordering customers in African countries. Analysis by ANIF, the FIU of Cameroon, revealed the transferred funds were sent to 'support illegal migrants' without any further explanation provided. According to local administrative authorities, there are no illegal migrants in Bamenda, nor any associations supporting them. In this same period militants of BH also infiltrated into Cameroon via the north-west region purporting to be 'migrants'. Thirty individuals were detained in March 2014 in Koutaba suspected of belonging to BH. Searches indicated the individuals carried forged national identity cards and were said to have entered Cameroon by purporting to be migrants. Investigations revealed the promoter of the NPO had a forged Cameroonian national identity card, even though he was a Burkinabe national. He refused to provide an explanation of the purpose of the remitted funds.

Source: Cameroon (from GABAC NPO Report)

Case study 13: Funding (through an NPO) by organisations listed as supporters of terrorist groups

A financial institution submitted an STR to the Cameroon FIU with respect to the financial transactions of Mr Z. Mr Z was a resident of Fouban in western Cameroon and did not have any formally declared sources of income.

The suspicious transaction was a transfer of CFA 124 million (approximately EUR 189 000) deposited into the personal bank account of Mr Z in July 2015 from an agency in a Gulf country. No valid economic or legal reason was provided for the transaction.

The FIU's investigations revealed Mr Z temporarily resided in the same Gulf country for a number of

years and had worked at the headquarters of a designated terrorist organisation.

Mr Z was the promoter of NPO X, the headquarters of which was listed as Foumban, Cameroon. However, the competent administrative authority was not aware of NPO X's activities.

Between 2012 and 2014, in a bank account opened under its name, NPO X received various transfers from a designated terrorist organisation. This organisation was listed by the UN and the US Department of State as a financial supporter of terrorist groups worldwide and domiciled in the same Gulf country.

Between 2012 and 2015, NPO X received, approximately CFAF 423 million (EUR 644 818) from the designated terrorist organisation.

During the same period, approximately CFA 547 million (EUR 833 842) was transferred to NPO X and Mr Z's accounts. Authorities had not recorded any activity by NPO X in Foumban, Cameroon. Instead, the funds had been systematically transferred to Kousseri bank branches (in the extreme north of Cameroon close to Chad and Cameroon borders).

Exchanges between the FIU and operational intelligence services revealed it was likely that Mr Z came into contact several times with individuals close to the logistics and arms provider of BH. Mr Z was arrested by security services and investigations are underway to identify the entire network.

Source: Cameroon

LOCAL BUSINESSES/COMMERCIAL ENTERPRISES

Nigerian authorities have reported that activities such as the sale of farming products at small markets are contributing to the financing of BH.³⁹ These are small commercial activities, commonly called stalls in local markets where BH supporters sell farming and fishing products and livestock.

Nigerian authorities have also reported that BH provides micro finance⁴⁰ to small and medium scale businesses, in turn creating an investment network and increasing the organisation's financial stability. Authorities suspect BH is developing a business/trading network with recruited experts who act as legitimate frontmen for BH activities. These frontmen faithfully remit agreed sums to the terrorist group through their contact person. BH has also been found to benefit from supporters who are engaged in very small-scale businesses – for example, providing nail-cutting services, supplying water to local residences or are hawkers (selling smoked meat at borders or in traffic jams) - that funnel their profits to BH.

BH is also involved in slightly larger enterprises including haulage and transportation businesses and those which sell telecommunications accessories and services. BH is also suspected of operating bureaux de change (currency exchange) services, which could have further implications in its ability to fund its operations (see section on 'use of foreign currency' in Chapter 5).

³⁹ Observations at the FATF/EAG/UNODC Joint Experts Meeting 2016.

⁴⁰ Micro financing is a service which has offered to provide credit to those who have been underserved or excluded from the formal financial.

Case Study 14: Transportation businesses

Mr X a leader of Ansaru, a direct splinter group of BH, was arrested. During an interview he confessed that he used his nephews and immediate siblings to execute a terror act in Bauchi State. He confessed to using the proceeds from his transportation business to finance the group's activities and to using the same vehicles to transport group members and materials to target areas.

Source: Nigeria

Case study 15: Sale of dry fish

In April 2016, 11 BH members were arrested at a market in north west Nigeria with 463 bags of fish. Upon arrest, they confessed they were engaged in the business of selling fish in order to raise funds and support the activities of BH. Each bag of fish was worth NGN 50 000, with the estimated total value of the stock NGN23 150 000 (approximately USD77 166).

Source: Nigeria

Case study 16: Sale of kola nuts by BH supporter

An investigation by law enforcement agencies led to the arrest of a man who supplied kola nuts (the fruit of the kola tree, high in caffeine) and other items to BH in a north eastern town of Nigeria. Upon arrest he possessed NGN1.1 million (approximately USD 3 500) in cash which he had earned from the sale of these items to BH.

Source: Nigeria

Case study 17: BH's use of confiscated farms

In 2015, BH invaded villages in north eastern Nigeria and confiscated part of their land for farming. The farm produce was later sold in nearby markets and proceeds were used to support the activities of the group.

In some instances BH placed compulsory monthly levies on the villagers depending on their level of income. The funds generated from the levies were used to fund BH activities and the farm produce was used to feed BH members.

Source: Nigeria

KIDNAPPING FOR RANSOM

While a wealth of open source information exists about potential kidnappings (especially of foreigners) in West and Central Africa, there is less information available about the ransom payments, (i.e. the amounts paid, the conditions of the ransoms, the manner in which the money is transferred to kidnappers and through whom). Little data has been provided by authorities about the number of kidnappings or the amounts paid in ransoms within the region.

Open sources indicate terrorist groups such as AQIM, Al-Qaeda in the Arabian Peninsula (Yemen) and Al-Shabaab (Somalia) have a common protocol for kidnapping⁴¹, but it is not clear whether they actually co-ordinate kidnappings. Open sources suggest terrorists involved in such activity may hire organised criminal groups to hold hostages and negotiate their ransom, with a percentage of the ransom provided to the organised criminal groups in return.⁴² Other sources suggest it is not a 'hiring' arrangement but that, for the most part, criminal groups capture and sell hostages to terrorist organisations which have publicised their willingness to quickly pay for the victims in cash. These terrorist groups specialise in holding hostages over longer periods of time, negotiating high(er) ransoms, and completing the final hostage payment.

One Egyptian news outlet claims that *"ransoms of up to EUR183 million have been paid to free 80 Western tourists in the Sahel-Sahara region in recent years, making hostage-taking one of the main sources of funding for militant groups in Algeria, Mali, Mauritania, Nigeria and Niger."*⁴³

While kidnapping has long been a common practice among organisations associated with or affiliated to Al-Qaeda, (for example, AQIM and MUJAO), it appears that for the last few years BH has also increased its kidnapping activities. In addition to raising funds through hostage payments, BH kidnaps people to force or sell women and girls into slavery (including sexual slavery) and to use the hostages to conduct suicide attacks. There have also been reports that BH have abducted women and demanded 40 heads of cattle for the return of each woman. This would indicate that cattle are used as a form of ransom.⁴⁴ Furthermore, there have been reports that BH has used kidnapping victims as leverage for seeking the release of BH fighters and have sought ransom payments from governments in the region. For instance, it is reported that, in October 2014, a ransom was paid for the release of the wife of the Cameroonian Deputy Prime Minister and that BH also negotiated for the release of 30 BH prisoners.⁴⁵

⁴¹ Newsmax (2014), *Kidnappings Bolster al-Qaida Finances*, www.newsmax.com/Newsfront/al-Qaida-kidnapping-ransom-finance/2014/07/30/id/585691/

Global Security, Al-Qaeda in the Land of the Islamic Maghreb (AQIM), www.globalsecurity.org/military/world/para/gspc.htm

⁴² United Nations Security Council (2014), *Security Council, Adopting Resolution 2195 (2014), Urges International Action to Break Links between Terrorists, Transnational Organized Crime*, www.un.org/press/en/2014/sc11717.doc.htm

⁴³ Al-Ahram Weekly (2015), *Menace on the Borders*, weekly.ahram.org.eg/News/10261/-/-asp

⁴⁴ BBC News (2014), *Nigeria Boko Haram crisis: '20 women abducted' in north*, www.bbc.com/news/world-africa-27774239

⁴⁵ Combating Terrorism Center (2014), *Boko Haram: recruitment, financing, and arms trafficking in the lake Chad region*, www.ctc.usma.edu/posts/boko-haram-recruitment-financing-and-arms-trafficking-in-the-lake-chad-region

CHAPTER 4. SUSPECTED AND POTENTIAL SOURCES OF FUNDING

The information presented in this Chapter is based on reports provided by international organisations, academia or other open sources such as the media about potential sources of funding for terrorist groups in West and Central Africa. Discussions with authorities in the region indicate that while these studies and/or information reports are based on solid grounds, they are not necessarily supported by intelligence or case study examples in the relevant jurisdictions. Nonetheless, the sources of funding listed in this Chapter may definitely be used to fund terrorist activities in West and Central Africa.

ILLICIT TRAFFICKING – GENERAL BACKGROUND

Illicit trafficking routes have existed in the Sahel region for centuries and the route for trafficking goods in the Gulf of Guinea, the Atlantic coastline and the Sahel region is so heavily used that it is alleged to mimic legal trade channels.⁴⁶ A 2014 report by the Global Initiative against Transnational Organized Crime noted: *“Most of the trafficking and informal trading is by individual clans of many different tribes, but primarily the Tuaregs and the Toubou people...for smugglers, the product doesn’t matter as much as the fee. A person could be smuggling cigarettes one day and switch to drugs or weapons the next. And while jihadists aren’t driving the goods themselves, the drivers still have to go through their territory, and that’s where the militants make their money.”*⁴⁷

It has been reported that the area running from the south of the Nafusa Mountains in western Libya to Ghadames on the Tunisian border is dominated by smugglers and AQIM operatives working in co-operation with local Tuaregs, a group known as “Those Who Sign in Blood” or Al-Mouakaoune Biddam and Al-Mourabitoun.⁴⁸

Case study 18: **Proceeds of drug trafficking and physical transportation of cash**

During March 2015, a military operation led by the Nigerin army and some members of the Barkhane French force in the north of Niger, led to the arrest of nine individuals on board five new 4x4 vehicles, arriving from the Oubari locality in southern Libya. After searching the vehicle and suspects, a consignment of arms and ammunition was discovered as well as cash amounting to EUR 539 000.

- The nine individuals arrested were members of AQIM.
- They were wanted by Nigerian authorities for drugs and arms trafficking.
- The investigation revealed they had sold drugs in southern Libya and

⁴⁶ World Bank (2015), *Trafficking and fragility in West Africa*, <http://documents.worldbank.org/curated/en/401851468184741492/Trafficking-and-fragility-in-West-Africa>

⁴⁷ International Business Times (2015), *Drugs And Money In The Sahara: How The Global Cocaine Trade Is Funding North African Jihad*, www.ibtimes.com/drugs-money-sahara-how-global-cocaine-trade-funding-north-african-jihad-1953419

⁴⁸ Global Security (2015), *Those Who Sign With Blood Masked Battalion / el-Moulethamine Battalion Jama’at Tawhid Wal Jihad fi Garbi Afriqqiya Movement for Unity and Jihad in West Africa MUJWA / MUJAO*, www.globalsecurity.org/military/world/para/mujwa.htm

collected funds from their members and other terrorist groups operating in the country.

- They bought 4x4 vehicles, weapons and ammunition and had collected EUR 539 000 from their members for the purpose of financing terrorism.

The nine individuals were planning fresh attacks in the north of Niger. The accused were prosecuted for money laundering stemming from the offences identified and terrorism financing by transporting physical currency in their vehicles. Some of the funds were used to purchase weapons and 4x4 vehicles.

The accused refused to admit they were AQIM members rather they acknowledged being members of MNLA (National Movement for the Liberation of Azawad). They said they had been sent by their leaders to purchase vehicles in southern Libya and to collect funds from their sympathisers living in southern Libya. The prosecutor instructed the FIU to conduct further investigations for terrorism financing.

Source: Niger

DRUG TRAFFICKING

There are countless reports written about the connections between terrorists and drug trafficking in Africa, but very few case studies reveal real evidence of their direct involvement.⁴⁹

The West African region is one of the routes preferred by criminal organisations operating in Latin America and Asia to deliver drugs to Europe.⁵⁰ It is claimed such activity has escalated so much that one of the routes established by the Colombian cartels along parallel 10 (the 2,600 km that separates Brazil from Senegal) is known as 'Highway 10'.⁵¹

While terms such as 'Narco-terrorist' or 'Narco-Salafist' have been used⁵², it is unlikely that the terrorist groups operating in West and Central Africa have historically been responsible for providing the entire infrastructure necessary to maintain an international drug-trafficking network. It is more likely that major international cartels have employed terrorists at various stages of the trafficking process to ensure the delivery of drugs to their destinations and compensation paid for such services or that terrorist groups have levied fees on those wanting to move drugs through areas they control. However, there is some reporting to suggest that illicit drugs may be starting to

⁴⁹ The Investigative Project on Terrorism (IPT), www.investigativeproject.org/cases.php; Geneva Centre for Security Policy (2011), *The Many Faces of Al Qaeda in the Islamic Maghreb* www.ciaonet.org/attachments/18409/uploads; The Guardian (2010), *US embassy cables: Three-week delay for Mali 'drug plane' crash investigation* www.theguardian.com/world/us-embassy-cables-documents/246478

⁵⁰ U.S. Department of Justice Drug Enforcement Administration (2016), www.justice.gov/sites/default/files/jmd/pages/attachments/2015/02/01/25_drug_enforcement_administration_dea.pdf icct.nl/publication/mali-and-the-narco-terrorist/

⁵¹ United Nations Office on Drugs and Crime (2007), *Cocaine Trafficking in Western Africa* www.unodc.org/documents/data-and-analysis/Cocaine-trafficking-Africa-en.pdf

⁵² International Centre for Counter-terrorism (2013), *Mali and the Narco-Terrorists*, icct.nl/publication/mali-and-the-narco-terrorist/

be manufactured in West and Central Africa. For example, the US Drug Enforcement Administration reports Mexican cartels have set up clandestine drug labs in Nigeria⁵³ and drug trafficking and money laundering organisations in West Africa may be led by Lebanese nationals with suspected ties to Hezbollah (note: this group is not listed as a terrorist organisation by the UN).⁵⁴

It is alleged that MUJAO, AQIM, and Ansar Eddine have profited from their involvement in drug trafficking. While members of MUJAO are reportedly involved directly in smuggling of drugs, AQIM plays a different role, primarily charging 'transit taxes' or providing protection. The interactions between MUJAO and AQIM members as well as the alliance formed between MUJAO and AQIM during the Malian rebellion granted AQIM more opportunities for and greater access to drug trafficking as a source of funding.⁵⁵

Case study 19: Trafficking of the pharmaceutical drug RIVOTRIL potentially linked to a terrorist organisation

Burkina Faso has reported links between the trafficking of the pharmaceutical drug RIVOTRIL and terrorist groups. Several people have been identified with a monthly salary amounting to CFA 75 000 (approximately USD 130) primarily derived from the trafficking of RIVOTRIL between Mali and Niger. The drug is illegally or fraudulently purchased in unsuspecting local pharmacies and the people under investigation are known to be associated with designated terrorist groups operating in the area. Legal proceedings are underway.

Source: Burkina Faso

TRAFFICKING OF WEAPONS

Among the security challenges affecting the West and Central African region, weapons' trafficking is of crucial importance.⁵⁶ Since the Libyan crisis of 2011, the proliferation of firearms has increased substantially, facilitating the destabilising activities of numerous armed groups, and undermining the development efforts of a number of West and Central African countries. Previous conflicts in Africa mean that there are a range of weapons available in Africa which have been re-circulated from different conflicts.⁵⁷

⁵³ Reuters (2015), *Special Report: West Africa's alarming growth industry - meth*
www.reuters.com/article/us-africa-drugs-meth-special-report-idUSKCNOPYOWS20150724

⁵⁴ U.S. Department of Justice Drug Enforcement Administration (2016),
[www.justice.gov/sites/default/files/jmd/pages/attachments/2015/02/01/25_drug_enforcement_admini](http://www.justice.gov/sites/default/files/jmd/pages/attachments/2015/02/01/25_drug_enforcement_administration_dea.pdf)
[stration_dea.pdf](http://www.justice.gov/sites/default/files/jmd/pages/attachments/2015/02/01/25_drug_enforcement_admini)

⁵⁵ Le Monde (2016), , www.lemonde.fr/afrique/article/2016/06/30/attentat-de-ouagadougou-les-autorites-rompent-le-silence_4961485_3212.html

⁵⁶ United Nations Office on Drugs and Crime, *UNODC strengthens firearms marking capacity in West Africa*, ,
www.unodc.org/westandcentralafrica/en/benin---firearms-marking-workshop-4-8-jan-2016.html

⁵⁷ UNODC (nd), *Firearms trafficking in West Africa*,
www.unodc.org/documents/toc/Reports/TOCTAWestAfrica/West Africa TOC FIREARMS.pdf

In 2014, the GIABA Report,⁵⁸ The Nexus between Small Arms and Light Weapons and Money Laundering and Terrorist Financing in West Africa, claimed that profits obtained by groups such as AQIM and BH were derived from arms trafficking.

It is not clear whether terrorist groups engage in arms trafficking as a means of remaining self-sufficient or as a way to finance their activities. The following case studies relate to the use of weapons and ammunition by terrorist groups rather than the trafficking of weapons to raise funds.

Case study 20: Firearms trafficking

In March 2015, a large shipment of weapons, ammunition and cash was discovered during a patrol mission in the northern region of Niger. Nine individuals were arrested. All individuals were members of a designated terrorist group operating in the sub-region and were subject to a search warrant for trafficking (weapons and drugs). Investigations revealed that these individuals were selling drugs to individuals in a foreign country. It was also discovered that one of the members ran a charity in Libya, which dealt with fundraising. Part of the money raised from the sale of drugs was used to purchase vehicles, weapons and ammunition. The rest of the cash seized, approximately EUR 539 000, was to be used to finance future terrorist actions in Niger and the sub-region.

All the individuals were charged with criminal association in relation to a terrorist enterprise, possession and transport of firearms and ammunition, money laundering (ML) and TF. The case is ongoing.

Source: Niger

Case study 21: Firearms trafficking and terrorist financing

In February 2015, weapons, ammunition and a large sum of cash were discovered during a police operation in the Diffa region, Niger. Investigations revealed that an individual who had established a number of legitimate companies (all were registered and paying taxes), was part of a BH sleeper cell. It was also revealed he was supporting the organisation by providing weapons, ammunition and cash, financed through his legitimate businesses. He was charged with terrorism financing offences and is currently being prosecuted.

Source: Niger

Case study 22: Sale of Arms to BH

In 2015, Nigerian security forces arrested a major arms supplier to BH. Upon interrogation, the suspect revealed he was given funds to purchase arms for BH. The first tranche of purchases comprised 5 000 rounds for assorted weapons (including AK-47s). The second tranche was EUR 10 145 (equivalent of NGN 3.5 million) in cash and the third tranche EUR 23 188 (equivalent of NGN 8 million) in cash. The cash (which was in EUR) was seized by authorities.

Source: Nigeria

⁵⁸ Inter Governmental Action Group Against Money Laundering in West Africa, www.giaba.org/reports/typologies/reports.html

Case study 23: **Smuggling of Arms**

In 2015, BH's leader in charge of smuggling weapons was arrested by LEAs in Nigeria. Upon interrogation, he disclosed that he was a supplier of weapons and ammunition to BH. These were sourced from Sudan and smuggled through neighbouring countries to the Sambisa Forest in Nigeria. The weapons were concealed in trailers and trucks responsible for transporting food items across the region.

Source: Nigeria

TRAFFICKING OF OTHER GOODS

Some international intelligence and co-ordination agencies as well as security forces from several countries have reported trafficking of other types of goods by designated terrorists groups in West and Central Africa to finance their activities.

Several authorities mentioned the involvement of armed groups in the illegal wildlife trade, which included poaching and the illegal trafficking of ivory. Authorities also mentioned the illicit trafficking of gold, diamonds, coltan⁵⁹ and other minerals by terrorist organisations. Authorities have also claimed that armed groups in Central Africa are involved in the looting of precious stones and metals and the trafficking of ivory. These activities are difficult to detect and while there is intelligence information on these activities as being sources of revenue for terrorist organisations, local authorities cannot always make the connection between such activities and terrorist groups.

Similarly, the legal trading of second hand cars is one of the biggest businesses in Africa. However, in some circumstances, police forces have detected that the drivers were carrying large amounts of cash without adequate justification. The cars circulate throughout the continent and sometimes have seized weapons and other goods hidden inside. Another cause for suspicion is that these vehicles often cross areas controlled by designated terrorist and other violent groups without being attacked.

Case study 24: **AQIM funding through the sale of luxury cars, funds moved through hawala-like arrangements**

In December 2015, one of AQIM's most dangerous terrorists, Saleck Ould Cheikh (aka Abou Qaswa), escaped from a high-security prison in Mauritania.

Cheikh, along with a Bissau Guinean citizen, Youssef Galisa (aka Abou Jaavar), planned a terrorist attack which intended to kill Mauritania's President Mohamed Ould Abdelaziz in February 2011.

After his escape on 31 December 2015, Cheikh travelled through Senegal and joined his base in Gabu, an AQIM dormant cell in the east of Guinea-Bissau. A joint regional operation comprised of police and counter terrorism units from France, Mauritania and the Gendarmerie of Guinea-Conakry resulted in the arrest of Cheikh in Conakry on 19 January 2016. He was subsequently extradited to Mauritania.

The joint operation also identified and partially dismantled the AQIM cell. Investigators determined

⁵⁹ According to the Encarta Encyclopedia, coltan is a metallic ore in the form of black sand that is prevalent in the Democratic Republic of Congo and is used as a source of tantalum for the capacitors used in electronic devices such as mobile phones and laptop computers.

financial support for the recruitment activities of the AQIM cell was provided by members living in the east of the Guinea Bissau who brought back luxury cars from Mauritania to fund these activities. The activity was co-ordinated by a Guinea-Bissau citizen, 'Baba'.

'Baba' would facilitate the movement of the vehicles through borders and use the proceeds of their sale to buy weapons and explosives in the sub-region. 'Baba' utilised family networks that operated rapid transfer services to reduce the ability to trace his transactions.

Source: Guinea Bissau

SMUGGLING OF MIGRANTS

Between 2010 and 2014, the number of people intercepted by Italian authorities crossing from Libya to Europe rose from 4 500 to 170 000.⁶⁰ While the majority of these people were fleeing from the conflict in Syria, more than 50 000 came from the sub-Saharan Africa region. Each traveller would have paid thousands of dollars to make the journey through Africa.⁶¹

It is reported designated terrorist groups, such AQIM and MUJAO, may be directly or indirectly involved in people smuggling activities. This either occurs directly or indirectly with terrorist organisations either smuggling small groups of people or simply protecting and facilitating established people smuggling networks in exchange for compensation.

TRAFFICKING IN PERSONS

A slave market exists in Nigeria and neighbouring countries and according to the Combatting Terrorism Center at West Point: "Kidnapping has become one of BH's primary funding sources, a way to extract concessions from the Nigerian state and other governments, and a threat to foreigners and Nigerian government officials."⁶²

BH kidnapped 200 villagers and killed dozens more in Nigeria⁶³ in one single incident in 2014. According to human rights activists BH also kidnaps women and girls to replace their wives; forcing them to undertake domestic duties offer sexual services. An example of this was the abduction of 219 girls from a school in Chibok, Borno.

Nigeria's House of Representatives issued a statement in mid-October 2015 indicating approximately 45 000 Nigerians had been kidnapped since 2012. In 2015, Amnesty International

⁶⁰ NPR(2015), *Lawless Libya: The Jumping Off Point For Migrants Heading To Europe* www.npr.org/2015/04/24/402035024/lawless-libya-the-jumping-off-point-for-migrants-heading-to-europe

⁶¹ International Business Times (IBT) (2015), *African migrants heading for Europe die of hunger and thirst in Sahara desert*, www.ibtimes.co.uk/african-migrants-heading-europe-die-hunger-thirst-sahara-desert-photo-report-1503363 ;

The Spectator (2015), *Welcome to Italy: this is what a real immigration crisis looks like*, www.spectator.co.uk/2015/06/the-invasion-of-italy/

⁶² Independent (2014), *Paying for terrorism: Where does Boko Haram get its money from* www.independent.co.uk/news/world/africa/paying-for-terrorism-where-does-boko-haram-gets-its-money-from-9503948.html

⁶³ The Wall Street Journal (2014), *Boko Haram 'Kidnaps Nearly 200 Villagers, Kills Dozens' in Nigeria*, www.wsj.com/articles/boko-haram-kidnap-nearly-200-villagers-kill-dozens-in-nigeria-1418916333

estimated that at least 2 000 people have been abducted by BH.⁶⁴ Nigeria claims BH forces women into prostitution and that proceeds from these activities are used to fund their operations. Similarly, it is also claimed BH kidnaps children to sell them to potential buyers in neighbouring countries.

OIL SMUGGLING

BH may be funded with money originating from crude oil thefts, with a number of international media outlets mentioning this as a potential financing methodology.

Local news sources also suggest illegal practices such as 'bunkering' may be occurring in Central Africa, but a direct connection to BH or Ansaru has not been confirmed at this time.

CIGARETTE SMUGGLING⁶⁵

The 2013 report on TF in West Africa did not cover cigarette smuggling in detail. Recent media reports suggest designated terrorist groups have been involved in trafficking smuggled cigarettes across the Sahara Desert.⁶⁶ Cigarette smuggling in West and North Africa is worth approximately USD 750 billion with smuggled cigarettes making up 80 per cent of the market in some West and North African countries. West Africa serves as a transit route for cigarette smuggling to high-demand countries in the north of Africa. The cigarettes are thought to be produced in China, Vietnam and other Asian countries as well as South East Europe, and transit through customs-free zones, before arriving in ports in West Africa.

PIRACY

In 2014, damages from piracy in the Gulf of Guinea were estimated to be about USD 1 billion for the international community.⁶⁷ West and Central Africa, and particularly the Gulf of Guinea are home to some of the biggest offshore oilfields in the world. As a result, the profits arising from acts of piracy are lucrative. Maritime crime involves the hijacking of petrochemical tankers and undertaking attacks on oil and petroleum storage and transportation platforms. These activities, however, do not appear to be linked to terrorist organisations operating in West and Central Africa at this stage.

CYBERCRIME AND FRAUD

Nigeria is particularly vulnerable to identity-related financial crimes which target Nigerians, expatriates and foreign citizens or companies by email in advance-fee scams commonly referred to

⁶⁴ Amnesty International (2015), *Nigeria: 'our job is to shoot, slaughter and kill': Boko Haram's reign of terror in North East Nigeria*, www.amnesty.org/en/documents/afr44/1360/2015/en/

⁶⁵ FATF (2012), *Illicit Tobacco Trade*, FATF Paris, www.fatf-gafi.org/publications/methodsandtrends/documents/illicittobaccotrader.html

⁶⁶ Vanguard (2014), *Tobacco smuggling, terrorism and the economy*, Vanguard, 10 May 2014, www.vanguardngr.com/2014/05/tobacco-smuggling-terrorism-economy/

⁶⁷ UNODC (nd), *UNODC supports Nigeria on piracy and maritime crime*, www.unodc.org/westandcentralafrica/en/nigeria-maritime-crime-training.html

as '419 Scams'. These scams ask victims to provide funds to assist someone in business or financial transactions for a reward or compensation which never arrives.⁶⁸

Despite news and data reflecting fraud and cybercrime as common practices which are on the increase across the globe, currently this activity cannot be linked to terrorist organisations. Authorities note that the majority of these scams are perpetrated by unemployed youths who are not linked to terrorist organisations. Nonetheless, there may be scope for terrorist organisations to adopt these criminal practices to fund their activities or to 'tax' the profits of such activity in the future.

⁶⁸ OSAC (nd), *Nigeria 2015 Crime and Safety Report: Lagos*, www.osac.gov/pages/ContentReportDetails.aspx?cid=17598

CHAPTER 5. VULNERABILITIES & CONTEXTUAL FACTORS

Authorities noted a variety of contextual factors specific to West and Central Africa which impact on TF activities. For example, the economies in the region operate predominantly in cash and the porous borders allow for the free circulation of money and goods in particular regions (such as the Monetary Union of West Africa (UMOA)). Where these are poorly regulated, they allow terrorist organisations to operate freely across borders and may make it more difficult for authorities to detect their activities. Similarly, infiltration and corruption of authorities by terrorist organisations and their affiliates may hamper efforts to combat TF.

RELIANCE ON CASH AND USE OF MONEY VALUE TRANSFER SYSTEMS (MVTS)

The presence of large, informal, cash-based economies in West and Central Africa creates opportunities for terrorist organisations to raise and move funds anonymously and without a paper trail. This, coupled with porous borders and the lack of controls on the cross-border movement of cash, enables designated terrorist organisations to move large amounts of cash without detection by authorities. Countries either do not have legislation that requires the declaration of cash carried or sent across borders or measures to enforce such a system (if it exists). This limits the ability of governments to control cash used to finance terrorism.

A key entrance point for funds into West and Central Africa is via MVTS. Jurisdictions outside of West and Central Africa have noted situations where they suspect funds transferred through MVTS may have been used for TF. However, it is difficult to trace the money once MVTS agents have completed the transfer and provided the cash to the ultimate beneficiary.

Nigerian authorities have also noted BH utilises MVTS to move funds linked to the organisation. They also note that they use local artisans and businesses to hold onto money and disburse funds to the group when the need arises.

Case study 25: Use of MVTS to collect international funds which are withdrawn in cash and provided to terrorist groups

Mr P, a Cameroonian citizen, lived in Bamenda in the north west region of Cameroon. Mr P did not hold a permanent job, rather derived his living from a small cigarette business. At the same time Mr P was the beneficiary of multiple Western Union wire transfers in 2014.

Investigations into the financial activity by the Cameroon FIU indicated there were no existing relationships between Mr P and ordering customers of the transfers sent between January and March 2014 which totalled approximately CFA 112 million (EUR 170 731). Each transfer totalled less than CFA 1 million with funds sent to Mr P from Saudi Arabia, South Sudan, Kenya and Mali. Mr P withdrew funds from Western Union agencies in the fighting zones in far north Cameroon.

The reason for the various transfers was listed as "Home help to illegal migrants in the 'Gamma' city". Local authorities had not recorded any illegal migrants in the city of 'Gamma' in north-west Cameroon. Mr P was not known to undertake charity or social work in the region. Subsequent investigations by security services established Mr P made regular trips to Maiduguri in Nigeria for the sole purpose of delivering money to terrorist cells in the region.

Source: GABAC

USE OF FOREIGN CURRENCY

There are a range of local and regional currencies used in West and Central Africa; the main currencies being the CFA (a regional currency) and the NGN (Nigerian naira). However, in many cases provided by the local authorities where terrorist suspects or supporters have been apprehended, large amounts of foreign currency have also been seized (most commonly large amounts of Euro banknotes). There are a number of potential explanations for this including the convenience of the Euro given its higher value when compared to local currencies and the smaller footprint when transporting large amounts of cash. Further the region has strong links to Europe (particularly French-speaking countries) due to historic ties and the large number of West and Central African diaspora in Europe. It is not clear whether the Euro is being physically transported by couriers from Europe or if the currency is converted in West and Central Africa. Nigeria noted the preference for the Euro may also come as a result of law enforcement focus on USD dispensed by remitters and currency exchange providers.

It was also noted by Nigeria that BH is continuing to rob banks and steal foreign currency, with an additional suspicion of BH running bureaux de change businesses (money exchange businesses).

Case study 26: **Large amounts of foreign currency physically transported by a BH cash courier**

At a border crossing, Niger security services apprehended Mr Z, a national of a West African country, carrying significant amounts of different currencies concealed within goods. Mr Z was a cash courier, identified by security services as a member of the BH terrorist group.

The currencies consisted of:

- EUR 568 000 in EUR 500 banknotes (1 136 banknotes)
- USD 460 000 in USD 100 banknotes (4 606 banknotes)
- BHD 135 000 in BHD 20 banknotes (6 750 banknotes).

This equated to over CFAF 700 million (almost USD 1.2 million) in total. He had travelled several times to Chad as a tourist. Mr Z was arrested and the cash seized by authorities.

Source: Chad

Case study 27: **Seizure of Euros from an individual with a mobile phone linked with a terrorist group**

In September 2015, a national of Burkina Faso was intercepted by local authorities in Mali and found to be in possession of EUR 6 900 in EUR 100 banknotes (69 notes). He also carried CFA 45 750, a motorcycle registration card, a mobile phone and five SIM cards belonging to different phone carrier services in neighbouring countries. When he was questioned about the source of the foreign currency, he claimed he was asked to exchange the currency by a childhood friend but investigators have not been able to identify the friend. Investigators were able to decode the mobile phone and link the Burkina Faso national to members of a splinter group of AQIM. The suspect was charged with terrorism financing and investigations are still ongoing.

Source: Mali

Case study 28: Euros found on suspected terrorists to fund further attacks

In November 2015, an investigation was commenced into the attack perpetrated against the Samoroguan Gendarmerie Brigade in October 2015. The attack resulted in the death of three police officers and an attacker and the arrest of two suspected terrorists.

One of the arrested suspects was radicalised in Niger and travelled to Timbuktu, Mali to be trained in the use of arms and explosives in 2013. In Mali he was persuaded to join a command to cause chaos between Mali and Burkina Faso. The other individual arrested was radicalised in Egypt before returning to Burkina Faso.

When arrested, the suspects were found to be in possession of EUR 5 000. This money was allegedly intended to finance terrorist activities in Burkina Faso. Legal proceedings are underway.

Source: Burkina Faso

Case study 29: Euros carried by a suspected messenger/intermediary for terrorist groups

In September 2015, a Niger Armed Forces mission on patrol in the northwest of the country (bordering Mali) intercepted two men on a motorcycle. At the time of their arrest, the first suspect, Mr X was found with an amount of EUR 5 000 in EUR 100 banknotes and the second suspect, Mr Y was in possession of ammunition for an AK 47 firearm.

Mr X first introduced himself as a cattle seller and justified the holding of foreign currencies under the false pretext of not wanting to travel with lots of banknotes.

Intelligence revealed he was a small intermediary in the cattle sales in Niamey. According to information gathered about the area, this activity could not justify him having a large amount of money, especially in foreign currency.

Investigations revealed that Mr X was associated with criminal groups operating in the sub-region, some of which had close links with organisations that are suspected to be involved in terrorist activity. Mr X was likely used as a messenger or intermediary responsible for logistical support.

Mr Y introduced himself as a breeder and claimed to have been given a lift by Mr X but several testimonies indicated they were long-standing associates who were engaged in suspicious activities. Both individuals were charged with terrorist financing and investigations are ongoing.

Source: Niger

POROUS BORDERS & CIRCULATION OF MONEY AND GOODS

In West and Central Africa, jurisdictional boundaries often do not coincide with natural or ethnic boundaries and are difficult to control and police. Terrorist organisations take advantage of the porous borders which allow them to source resources in multiple countries. The porosity of borders also allows the movement of funds and also legal or illegal goods through informal border crossings. Effective border management requires a delicate balance between enhancing controls of cross-border movements (including cash or other items of value) and not inhibiting legitimate cross-border flows. There is some confusion about the impact of the UMOA on the requirements for countries to implement checks and reporting on cross-border movement of cash, for example.

AQIM has had a history of working across jurisdictional borders in the Sahel area. In partnership with criminal organisations, AQIM has created trafficking routes for legal and illegal goods. Other groups such as Al-Mourabitoun have emerged in multiple jurisdictions and their movement across borders allows them to continue their terrorist activities across the region.

In Central Africa, the focus is on BH where the group has extended its operations and influence into countries around the Chad basin, primarily with the intention of escaping Nigerian government operations to eradicate the group. The MNJTF coalition force is a response to this issue and the realisation that BH cannot be defeated unilaterally.

BANK TRANSFERS

While the case studies and the opinion of authorities suggest that cash and MVTs are the main methods designated terrorist organisations in West and Central Africa move funds, there are several case studies that link transfers of funds through the formal financial system to TF. These examples relate to transactions between countries outside the West and Central African region and countries within the region. However, it does not appear that formal bank transactions are used to regularly transfer funds belonging to terrorist organisations within West and Central Africa.

Case study 30: Bank account used for trade-based money laundering and potential terrorist financing

In April 2015, a local bank submitted an STR about an account held by a businessman, Mr. X. Several billion CFA was transferred through the bank account during a two year period. The bank's suspicions were raised due to a number of international transactions made from the account without an economic justification. Investigations revealed the money transferred into the account was regularly withdrawn. Mr. X held nine other accounts with the institution. Mr. X's uncle is the deputy leader of a UN designated terrorist organisation and for whom there was an active INTERPOL notice for drug trafficking, terrorism, fraud and extortion.

Another uncle of Mr. X is known to be a shareholder in a trading company AB, and a transport company. Company AB is one of the main beneficiaries of transfers operated by Mr. X. Other family members, who are involved in oil transport and real estate, are also the main beneficiaries of transfers from Mr. X.

Investigators believed the account was being used as a front company to finance terrorism or organised crime. Investigations are ongoing.

Source: Niger

DIFFICULTIES IN PROVING THE LINK BETWEEN TRANSFERS OF FOREIGN FUNDS TO WEST AND CENTRAL AFRICA AND TF

Several authorities suggested there are international TF networks actively involved in supporting terrorist organisations in West and Central Africa. A range of case studies on this issue are set out below.

Authorities claim that in many cases this assistance is indirect and can be disguised as religious donations initially identified as being used to help build mosques or for humanitarian aid. However, in many cases the final beneficiary of this assistance is not clearly identified. It is unclear whether

the senders of the funds are aware of the illegal use of the money or whether legitimate aid is being intentionally diverted to fund terrorism via intermediaries.

Countries in the region have stated that it is difficult to trace this money, with law enforcement and information-sharing barriers often cited as hindering international co-operation. The cases below demonstrate that funding from outside Africa has assisted foreign terrorist fighters (FTFs).

Case study 31: International funding assistance for a foreign terrorist fighter through MVTs

A young Senegalese student was radicalised while attending a university in another country. He returned to Senegal and bought a flight ticket on 18 January 2016 to travel to Turkey, with the intention to join a terrorist group in Syria.

During a raid of his home, authorities discovered a Western Union transfer of CFA 700 000 was received from an acquaintance studying at a foreign university who he intended to meet in the conflict zone. This money was used to purchase his flights. The student did not manage to travel to Syria, as he was identified by Turkish Air and Border Police and sent back to Senegal. On arrival in Senegal, he was arrested and questioned by the Senegalese Police, and he admitted he wanted to get to Syria to join the Jihad. He was subsequently charged with criminal conspiracy and collusion in terrorist financing and held in custody.

Source: Senegal

Case study 32: International funding assistance for foreign terrorist fighters to travel to conflict zones

In May 2016, young Senegalese terrorists were repatriated to Senegal. During LEA questioning, one of the network members revealed having received EUR 65 000 from Mr. X, a friend and fellow terrorist in who was a student in a foreign country. Mr. X had claimed that he received the money from a Gulf country. It is not clear how the money entered Senegal. The network member also benefitted from a contract of EUR 1 500 for teaching services provided in the conflict area.

Investigations revealed this money funded the travel of approximately 20 young Senegalese to BH active areas in Nigeria, the building of an Islamic complex in the Dakar suburb, as well as various small agricultural projects.

Members of the terrorist network were subsequently apprehended and charged with money laundering and terrorist financing, amongst other offences.

One of Mr. X's accomplices is in prison in Dakar.

Source: Senegal

LACK OF RESOURCES AND CAPACITY OF AUTHORITIES

Authorities in West and Central Africa admit they often lack the capacity to identify suspicious transactions related to the financing of terrorism, to monitor the financing of NPOs and to implement cash declaration systems. This is partly due to a lack of legal and infrastructural support, but is also an issue of resources, skills and capacity. Many of the case studies provided or the

experiences shared related to confessions extracted from alleged members of designated terrorist groups, often caught in the act of transporting funds for terrorist organisations or engaging in other suspicious activity. There were very few examples provided of proactive investigations undertaken to identify TF. The authorities also identified challenges in co-operating both at a regional and international level, especially in terms of sharing of information.

Apart from LEAs, it is not clear how well reporting entities in West and Central Africa, particularly MVTs, are supervised and if preventive ML/TF measures are effectively implemented. Authorities also mentioned they lack tools to monitor the movement of funds sent via mobile payment platforms. Authorities identified this as an important method of transferring funds across the region, particularly considering the large numbers of the population that do not use regular banking services. There is a lack of available data regarding the potential use of this method to transmitting funds for terrorist purposes, largely due to a lack of adequate oversight of the sector.

CORRUPTION

Officials have suggested that corruption at border areas or involving politicians and election security has helped to support and establish terrorist organisations in West and Central Africa. Combating corruption and raising awareness of the importance of combating terrorist groups and their financing is critical in addressing the issues set out in this paper.

CONCLUSION

This report does not reveal any significant differences from the findings of the FATF's 2013 report on TF in West Africa on the financing of terrorist organisations in the region. What has considerably changed since 2013 are the alliances and the names of the groups operating in West and Central Africa; undoubtedly these changes affect the mechanisms of financing and the direction of their activities.

While there may be risks and typologies specific to each country, in general, the TF risks facing countries in West and Central Africa are quite similar. The terrorist activity which was previously centred in Mali and Nigeria is spreading into neighbouring countries. The most efficient response that authorities can take is to develop common and co-ordinated approaches to combat terrorist financing across the region.

FINANCING OF BH

While the efforts of the Nigerian Government to combat BH have resulted in BH losing territory and the release of some children and women, the conflict has also spread into Cameroon, Niger and Chad. The government offensive has concerned BH's leaders and they may look to strengthen their relationships with organised crime groups and smugglers to ensure they have adequate funding. While BH's recent pledge of allegiance to ISIL is of concern, authorities are yet to see the nature of this allegiance change BH's financing methods, particularly in the context of the leadership struggle within BH.

BH still relies on extortion, looting and thefts, especially of banks and villages, to collect funds. Information from Cameroon suggests that cattle rustling provides a substantial source of income for BH. In order to stabilise its income sources, BH has employed a strategy of using various business enterprises to legitimise its income. For example, the Nigerian government apprehended a caravan of smoked fish which was suspected of financing BH.⁶⁹ The ongoing confiscation of goods and funds within the region will continue to impact BH's financing.

Although AQIM has been the most active in undertaking kidnapping for ransom, BH is increasing activity in this field. Abductions carried out by these organisations occur regularly and either target nationals of the countries where they act or businessmen, politicians or foreigners. In the latter cases, the ransom amounts which are sought are larger, with most countries reluctant to advertise amounts paid for the release of their citizens.

⁶⁹ Reuters (2015), "Niger air force bombs fish traders thought to finance Boko Haram", Reuters World News, www.reuters.com/article/us-nigeria-violence-niger-idUSKBN0LT20X20150225

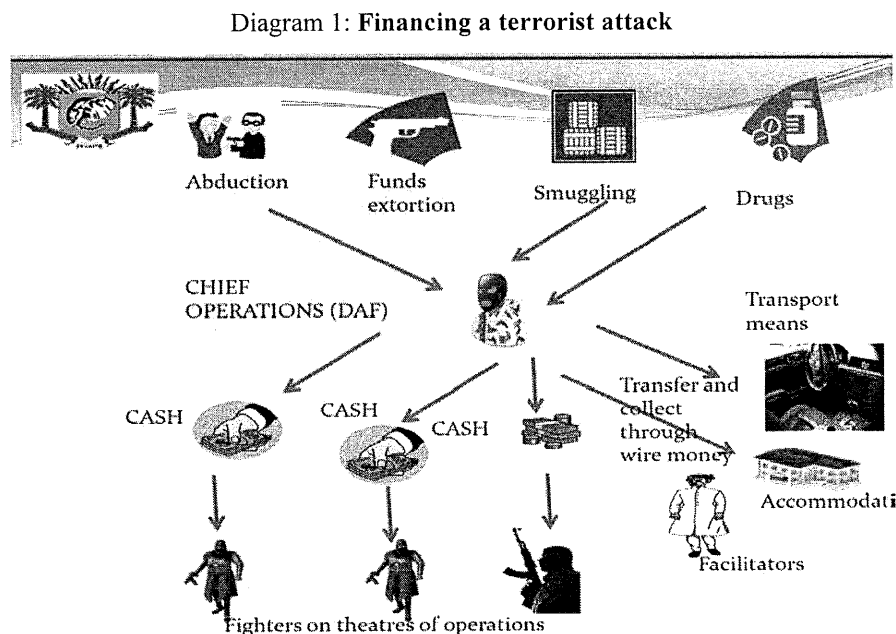
The involvement of BH in the trafficking of illicit drugs is profit-driven but in the last few years evidence suggests illicit drugs may also be used by the militants themselves,⁷⁰ although authorities dispute this claim.

FINANCING OF AQIM AND AFFILIATES AND OTHER GROUPS

The methods of financing linked to AQIM and its different affiliations have evolved, however, the use of smuggling to collect arms and ammunition, abductions, armed robberies, drug trafficking and taxes on traders still remain the main sources of income.

Despite the unrest and new alliances, terrorist organisations in the region predominantly rely on criminal activities for their financing. Open source information and international reports suggest drug trafficking and kidnappings (though decreasing) appear to be the most significant source of income for AQIM and related groups.

Terrorist organisations are also becoming more sophisticated in their financing and planning activities. The Ivory Coast has detected a common modus operandi in some of the latest terrorist attacks it has faced. In this structure, there is a Chief of Operations which manages all the resources necessary for the maintenance and commission of the attack. The funds come from a variety of sources including from outside the country. The Chief of Operations and the fighters may not necessarily have the same nationality. The diagram below is an example of a potential resourcing model.



Source: *The Ivory Coast*

⁷⁰ Iaccino, Ludovica (2015), "Nigeria: Cannabis, condoms and sex drugs 'found' in Boko Haram camps' says army", *International Business Times*, 9 September 2015, www.ibtimes.co.uk/nigeria-cannabis-condoms-sex-drugs-found-boko-haram-camps-says-army-1519046

Ola 'Audu (2016), "Boko Haram: Nigerian agency laments increase in cocaine, illicit drug use in IDP camps", *Premium Times*, 13 March 2016, www.premiumtimesng.com/news/headlines/200115-boko-haram-nigerian-agency-laments-increase-cocaine-illicit-drug-use-idp-camps.html

MEANS OF TRANSFERRING FUNDS IN SUPPORT OF TERRORIST ORGANISATIONS OR ACTIVITIES

This report focuses on the threats in relation to terrorist financing in West and Central Africa (identifying terrorist groups and their main sources of funding), rather than focusing on the methods used to transfer funds belonging to the groups in the region for terrorist purposes. Whilst there are limited numbers of in-depth financial investigations which have uncovered how terrorist organisations might manage or move their funds, it is clear that cash, including foreign currency and MVTs are the most common means of transfer utilised. Cash, MVTs, and, in some examples, bank transfers are being used to send funds from outside West and Central Africa into the region to fund terrorist groups or activities (including through the abuse of NPOs). Authorities note mobile money presents a significant vulnerability for TF but cannot provide further insight at this stage.

LINKS WITH ORGANISED CRIME

Terrorist groups operate across geopolitical boundaries established by nation states, and rely on the control they exercise over these territories to obtain funds. While there were limited case studies showing a clear partnership between terrorist organisations and organised crime groups in relation to financing, it is likely that control over territory forges alliances with other radical groups and criminal organisations and these alliances usually have a financial footprint. As a result of a decreasing number of KFRs, terrorist groups need to diversify their sources of revenue and may forge greater alliances with organised criminal groups operating in the region.

FURTHER WORK

Members identified areas where further work is required to combat TF. While the FATF recommendations provide a framework to enable members to combat TF and address some of the vulnerabilities identified in West and Central Africa, difficulties in their implementation are evident. It is necessary for the affected countries to identify their weaknesses and to set clear priorities and a plan to address such weaknesses in partnership with public authorities and private sector entities.

Suggestions for further work include:

- Authorities should continue to work together to establish a better understanding of the threats and vulnerabilities for terrorist financing in West and Central Africa. As an example of this, GABAC is undertaking a study with its members on terrorist financing and contributed several complex case studies to this report.
- Authorities should identify and address the main problems regarding their capacity to respond to TF in the region, including difficulties in obtaining financial data such as STRs from MVTs agents and banks and the need to create better links between FIUs, law enforcement and intelligence communities. Authorities should pursue increased AML/CFT-focused technical assistance from donors to fill their capacity gaps.
- Authorities should improve operational co-operation among monitoring, intelligence and investigation bodies and FIUs. This is critical considering the terrorist groups in the region operate across borders and co-operation with customs officials is key to detecting cross-border movements of cash.

- Authorities in the region should work together to respond to the TF threats. For example, information should be shared about nationals of another country who are moving cash to or from another country. The initiative taken against BH with the FIU Forum in Lake Chad Basin is a very encouraging development in this regard.
- Proactive efforts should be made to bolster international co-operation between countries in the region and outside of the region to make the relevant links between inflows of money and the funding of terrorist organisations.
- Further training, sensitisation and capacity building regarding the financial element of terrorist operations and the importance of undertaking financial investigations in conjunction with terrorism investigations.
- Further outreach to the MVTs (particularly currency exchange) and banking sectors is required to ensure reporting entities are able to identify suspicious behaviour and report it to the relevant authorities. Authorities should also reach out to businesses operating mobile money platforms to provide an understanding and oversight of this method of transferring money and relevant financial records.
- Considering the largely informal nature of the economies in the region, authorities may consider unorthodox methods of developing a stronger information and intelligence base, including reaching out to the general public or communities living in border regions or near conflict regions so they are able to contribute to CFT efforts.
- Implement measures relating to the monitoring and control of the NPO sector, especially of those subsets which are considered most vulnerable to TF, in order to ensure that they are not used as conduits for terrorist financing.
- Authorities should ensure all relevant financial institutions and DNFBPs are covered for the purposes of ML/TF reporting, particularly those at high risk of being used for TF. Authorities should also ensure all types of reporting are utilised, including requirements for cash declarations at the borders.
- Optimise the use of asset freezing mechanisms to target individuals or entities that are providing funds to terrorists.
- Greater involvement of the private sector and civil society (including NPOs) in terrorist financing prevention efforts.

TABLE OF ACRONYMS

| | |
|---------------|---|
| ANIF | Cameroon Financial Intelligence Unit |
| AQIM | Al-Qaeda in the Lands of the Islamic Maghreb |
| BH | Boko Haram |
| BHD | Bahraini Dinar |
| CA | Central Africa |
| CFAF | Central African Franc |
| CFT | Combatting the financing of terrorism |
| CJTF | Combined Joint Task Force |
| DIA | Defence Intelligence Agency |
| DNFBP | Designated Non-Financial Business and Professions |
| ECOWAS | Economic Community of West African States |
| EUR | Euro |
| FATF | Financial Action Task Force |
| FTF | Foreign Terrorist Fighters |
| FIU | Financial Intelligence Unit |
| GABAC | The Task Force on Money Laundering in Central Africa |
| GIABA | Inter-Governmental Action Group against Money Laundering in West Africa |
| ISIL | Islamic State of Iraq and the Levant |
| KFR | Kidnapping for ransom |
| LEA | Law Enforcement Agency |
| LRA | Lord Resistance Army |
| ML | Money Laundering |
| MNJTF | Multinational Joint Task Force |
| MNLA | National Movement for the Liberation of Azawad |
| MUJAO | Movement for Oneness and Jihad in West Africa |
| MVT | Money or Value Transfer Services |
| NGN | Nigerian Naira |
| NPO | Non-Profit Organisations |
| STR | Suspicious Transaction Report |

| | |
|--------------|-----------------------------------|
| TF | Terrorist Financing |
| TWJWA | al-Tawih Wal Jihad in West Africa |
| UMOA | Monetary Union of West Africa |
| UN | United Nations |
| USD | United States Dollars |
| WA | West Africa |

ANNEX 1. LIST OF TERRORIST ORGANISATIONS OPERATING IN WEST AND CENTRAL AFRICA

While this report is focused on the financial activity of terrorist organisations and groups in West and Central Africa, this Annex provides some basic background to the main terrorist groups and organisations operating in the region i.e. this list is not intended to be an in-depth or authoritative analysis of such groups. This list only UN designated terrorist groups in the region. As mentioned in the report, the allegiances and activities of designated terrorist groups which operate within the region are constantly changing and this Annex is limited to information provided prior to the approval of the report. The United Nations Counter Terrorism Executive Directorate provided significant input to this Annex including from UN sources and open sources.

AL-QAEDA IN THE LANDS OF THE ISLAMIC MAGHREB (a.k.a AQIM; Al-Qaïda au Maghreb Islamique (AQIM); Le Groupe Salafiste pour La Prédication et le Combat (GSPC); Salafist Group For Call and Combat).

Listed on: 6 October 2001

Additional information: Headed by Abdelmalek Droukdel. Al-Qaeda in the Islamic Maghreb (AQIM) is a terrorist group based in North Africa. AQIM was created in Algeria in 1998 by Hassan Hattab, as the Salafist Group for Call and Combat and was renamed AQIM in January 2007, following the Group's union with Al-Qaeda.

Places of operation: Algeria, Mali, Mauritania, Morocco, Niger, Tunisia.⁷¹

Recent attacks: AQIM took part in the terrorist attacks carried out by Al-Mourabitoun in November 2015 (Radisson Blue Hotel in Bamako) and in January 2016 (Hotel in Burkina Faso). The group claimed responsibility for the attacks.⁷²

Allegiances: In December 2015, after a period of tension between Al-Murabitoun's founders, AQIM released a statement (following the attack on Bamako's Radisson Blu Hotel), proclaiming that Al-Murabitoun had re-joined AQIM.⁷³

AL-MOURĀBIṬOŪN (a.k.a Les Sentinelles; The Sentinels).

Listed on: 2 June 2014 pursuant to sections 2 and 3 of resolution 2083 (2012) as being associated with Al-Qaeda.

Additional information: Al-Mourabitoun was established on 20 August 2013 by a merger of the group Al-Moulathamoun and MUJAO. One of the leaders is Mokhtar Belmokhtar. Al-Mourabitoun

⁷¹ Official information provided by the List established and maintained by the the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities (ISIL (Da'esh) and Al-Qaida Committee).

⁷² BBC (2016), "Ouagadougou blasts: Burkina Faso capital hit by gunfire", BBC News, 15 January 2016, www.bbc.com/news/world-africa-35330169.

⁷³ Le Monde (2016), "Les nouvelles menaces contre la France de l'émir d'Al-Qaida au Sahel", Le Monde, www.lemonde.fr/international/article/2016/01/12/les-nouvelles-menaces-contre-la-france-de-l-emir-d-al-qaida-au-sahel_4846015_3210.html.

was involved in armed attacks as well as weapons and drug trafficking in the countries of the Sahel and North Africa. In preparing and carrying out attacks, Al-Mourabitoun keeps contact with leaders and members of AQIM, including Tayeb Nail as well as Djamel Akkacha, the co-ordinator of groups associated with AQIM in northern Mali.

Recent attacks: In May 2013, Al-Mourabitoun, in association with Al-Qaeda and AQIM, carried out the attack against the Areva site in Niger.⁷⁴ In March 2015, Al-Mourabitoun claimed responsibility for an attack on the La Terrasse restaurant in Bamako, Mali which killed five people.⁷⁵ In April 2015 an attack on a UN peacekeeping base in Ansogo, Mali, killed three people and wounded 16.⁷⁶ In November 2015, Al-Mourabitoun claimed responsibility for a deadly gun and hostage attack on the Radisson Blu Hotel in Bamako, Mali, allegedly as part of a joint attack with AQIM and 21 people were killed in the attack.⁷⁷ In January 2016, militants attacked a hotel in Burkina Faso and a police station outside of the capital, killing 30 people of 18 nationalities. The attack was believed to have been carried out by Al-Mourabitoun, in conjunction with AQIM.⁷⁸

Places of operation: Algeria, south-western Libya, Mali and Niger (also for recruitment purposes).⁷⁹

Allegiance: Al-Mourabitoun initially allied itself with Al-Qaeda, but despite Belmokhtar's allegiance to Al-Qaeda, several key leaders from the unaffiliated MUJAO contingent drifted into the Islamic State's orbit. In December 2015, AQIM released a statement following the attack on Bamako's Radisson Blu Hotel proclaiming that Al-Murabitoun had re-joined AQIM.⁸⁰

Structure: Al-Mourabitoun's specific leadership structure is unknown. The group appears to be governed by an Emir and a Shura Council that sets the organisation's agenda. Al-Mourabitoun has

⁷⁴ This represents the official narrative summary from the ISIL (Da'esh) and Al-Qaida Committee.

⁷⁵ Al Jazeera (2015), "Al-Qaeda-linked group claims Mali restaurant attack Northern Mali group Al Mourabitoun claims responsibility for raid on Bamako restaurant La Terrasse, which killed five", available on: <http://www.aljazeera.com/news/2015/03/al-qaeda-linked-group-claims-mali-restaurant-attack-150309072613760.html>

⁷⁶ Reuters (2015), "Islamist group claims attack on U.N. peacekeepers in Mali," Reuters, 18 April 2015, www.reuters.com/article/us-mali-un-idUSKBN0N90F920150418

⁷⁷ CNN (2015), "Mali hotel attack: Gunmen barged in, shot at 'anything that moved,'" CNN, 22 November 2015, <http://edition.cnn.com/2015/11/21/africa/mali-hotel-attack/>

⁷⁸ Open source information provided by The Guardian website: "Burkina Faso hotel attack: 18 nationalities among dead," Guardian (London), January 16, 2016, and available on: www.theguardian.com/world/2016/jan/15/security-forces-battle-suspected-jihadists-in-burkina-faso-capital

⁷⁹ Australian National Security website, www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/Al-Murabitun.aspx

⁸⁰ Foundation for Defense of Democrats (2016), *Neither Remaining Nor Expanding: The Islamic State's Global Expansion Struggles*, www.defenddemocracy.org/media-hit/gartenstein-ross-daveed-neither-remaining-nor-expanding-the-islamic-states-global-expansion-struggl/.

not publicly named most of its leaders⁸¹, although it issued an online statement in July 2015 that its Shura Council had elected Belmokhtar as the group's new leader.⁸²

AL-MOUAKAOUNE BIDDAM (a.k.a Les Signataires par le Sang; Ceux Qui Signent avec le Sang; Those Who Sign in Blood).

Listed on: 2 June 2014

Additional information: Al-Mouakaoune Biddam is an armed group under the leadership of Mokhtar Belmokhtar. It has links with AQIM and MUJAO. It has carried out armed attacks and traffics weapons and drugs in the countries of the Sahel and North Africa under its own name or in conjunction with MUJAO and Al-Moulathamoun.

Recent attacks: On 17 January 2013, Al-Mouakaoune Biddam claimed responsibility for the attack on the gas field of Tiguentourine and its living quarters in Amenas, Algeria on 16 January 2013, in which two Algerians and 36 foreign workers were abducted and murdered. This included nationals of France, Japan, Malaysia, the Philippines, Romania, the United Kingdom and the United States of America. Mokhtar Belmokhtar also claimed responsibility for the attack in a video recording.⁸³ The group carried out armed attacks and trafficking in weapons and drugs in the countries of Sahel and North Africa, under its own name or in conjunction with MUJAO and AL Moulathamoun.⁸⁴ According to some sources "Those who sign with blood" and Al Moulathamoun are the same organisation. In any case, the strong link among the three groups is related to the fact that they have been sharing the same leader, Mokhtar Belmokhtar.

Places of operation: Sahel/Sahara region (Mali).⁸⁵

AL-MOULATHAMOUN (a.k.a Les Enturbannés; The Veiled).

Listed on: 2 June 2014

Additional information: Al-Moulathamoun is a splinter group of AQIM. It was founded in 2012 under the leadership of Mokhtar Belmokhtar and is associated with AQIM and MUJAO. It conducted attacks on gas fields, abductions of civilians and trafficked weapons and drugs in the countries of the Sahel and North Africa.

⁸¹ Australian National Security website (nd), Al Murabitun, www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/Al-Murabitun.aspx

⁸² Reuters (2015), "Sahara Islamist Leader Belmokhtar Dismisses Islamic State Pledge: Report", 17 May 2015, <http://af.reuters.com/article/westernSaharaNews/idAFL5N0Y80LN20150517>

⁸³ This represents the official narrative summary from the ISIL (Da'esh) and Al-Qaida Committee.

⁸⁴ United Nations (nd), "QDe. 139 Al Maouakaoune Biddam, Narrative Summaries of Reasons for Listing, www.un.org/sc/suborg/en/sanctions/1267/aa_sanctions_list/summaries/entity/al-mouakaoune-biddam

⁸⁵ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

Allegiances: On 20 August 2013, Al-Moulathamoun merged with MUJAO and established the group Al-Mourabitoun.⁸⁶

Places of operation: Sahel/Sahara region (Mali, Niger and Algeria).⁸⁷

MOUVEMENT POUR L'UNIFICATION ET LE JIHAD EN AFRIQUE DE L'OUEST (MUJAO).

Listed on: 5 December 2012

Additional information: Associated with AQIM.⁸⁸ Resulting from a leadership struggle within AQIM, the splinter group MUJAO announced its existence by claiming the abduction of three humanitarian workers from a Saharan refugee camp in Tindouf on 23 October 2011. Since then, MUJAO has co-existed and operated jointly with AQIM in the Sahel, in particular in drug trafficking and hostage-taking. Taking advantage of the uprising of rebel movements in northern Mali in early 2012, MUJAO seized the towns of Gao and Bourem. Following the intervention of French forces, MUJAO withdrew from the main urban areas in northern Mali to a more remote zone just south of Ansongo and Menaka. In August 2013, a faction of MUJAO merged with the Mokhtar Belmokhtar's Al-Muwaqi'un bil-Dima group to create the Al-Murabitoun Brigade.⁸⁹

Places of operation: Sahel/Sahara region.⁹⁰

ANSAR EDDINE (a.k.a Ansar Dine).

Listed on: 20 March 2013.⁹¹

Additional information: It was founded in December 2011 by Iyad ag Ghali. Ansar Dine is an armed group led by Iyad Ag Ghali, one of the most prominent leaders of the Tuareg rebellion in the 1990s. Ansar Dine aims to impose strict Sharia law across Mali. Ansar Dine received backing from AQIM in its fight against the Malian armed forces. Ansar Dine also received financial support from AQIM.⁹²

Allegiances: In late January 2013, a faction split off from Ansar Dine, led by Alghabass Ag Intalla(h). It calls itself the Islamic Movement of Azawad (MIA) and claims to be ready for negotiations and to reject extremism and terrorism as well as any association with AQIM⁹³. Ansar Dine has also an official branch in southern Mali, known as Katibat Macina (Front de Liberation du Macina). Katibat Macina was formed in January 2015 as an ethnic Fulani front for Ansar Dine to co-ordinate actions

⁸⁶ This represents the official narrative summary from the ISIL (Da'esh) and Al-Qaida Committee.

⁸⁷ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

⁸⁸ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

⁸⁹ According to the Report of the Secretary-General on children and armed conflict in Mali (14 April 2014).

⁹⁰ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

⁹¹ According to the Report of the Secretary-General on children and armed conflict in Mali (14 April 2014).

⁹² According to the Report of the Secretary-General on children and armed conflict in Mali (14 April 2014).

⁹³ BBC (2013), "Mali's Ansar Dine Islamists 'split and want talks'", BBC News, 24 January 2013, www.bbc.com/news/world-africa-21180766.

and operations in central and southern Mali and it is thought to be led by Amadou Kouffa, a loyal ally of Ansar Dine leader Iyad Ag Ghaly.⁹⁴

Places of operation: Mali.⁹⁵

ANSARUL MUSLIMINA FI BILADIS SUDAN (a.k.a Ansaru; Ansarul Muslimina fi Biladis Sudan; Jama'atu Ansarul Muslimina fi Biladis Sudan (JAMBS); Jama'atu Ansarul Muslimina fi Biladis-Sudan (JAMBS); Jamma'atu Ansarul Muslimina fi Biladis-Sudan (JAMBS); Vanguard for the Protection of Muslims in Black Africa; Vanguard for the Protection of Muslims in Black Africa).

Listed on: 26 June 2014

Additional information: Ansarul Muslimina Fi Biladis-Sudan, also known as Ansaru, is an armed splinter group of BH⁹⁶ (the dominant theory suggests that Ansaru's membership distanced itself from BH due to ideological differences in the interpretation of Islamic Law and the use of violence against Muslims⁹⁷). Ansaru publicly announced its existence in January 2012. It has carried out terrorist attacks in Nigeria, typically targeting non-Nigerian civilians living or working in Nigeria and Nigerian security personnel. Ansaru shares ideological similarities with AQIM and maintains operational connections with AQIM, including training and attack planning. The structure and leadership of Ansaru is unclear. Recent Nigerian army reports indicate that the group is quiet but still active. It also looks like Ansaru has sent fighters to Libya as in February and August 2016, authorities have reported the arrest of Ansaru members in connection with this movement.⁹⁸

Places of operation: Nigeria.⁹⁹

BOKO HARAM (a.k.a Jama'atu Ahlis Sunna Lidda'awati Wal-Jihad; Jama'atu Ahlus-Sunnah Lidda'Awati Wal Jihad; Jama'atu Ahlus-Sunna Lidda'Awati Wal Jihad; Western Education is a Sin).

Listed on: 22 May 2014

Additional information: Boko Haram was founded in 2002 in Maiduguri, Nigeria, by the Nigerian Mohammed Yusuf (deceased) with the goal of supporting Islamic education and establishing an Islamic state in Nigeria. Since Yusuf's death in 2009, Boko Haram has been led by Abubakar Shekau and has become one of the deadliest terrorist groups in the world. There has been a recent

⁹⁴ The Longwar Journal (2016), Ansar Dine's branch in southern Mali releases first video, www.longwarjournal.org/archives/2016/05/ansar-dines-branch-in-southern-mali-releases-first-video.php.

⁹⁵ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

⁹⁶ United Nations (2014), *Security Council Al-Qaida Sanctions Committee Adds Abubakar Mohammed Shekau, Ansaru to Its Sanctions List*, Security Council Press Release, 26 June 2014, www.un.org/press/en/2014/sc11455.doc.htm.

⁹⁷ According to: The Mackenzie Institute (2015), *Jama'atu Ansarul Muslimina Fi Biladis Sudan*, <http://mackenzieinstitute.com/jamaatu-ansarul-muslimina-fi-biladis-sudan-2>

⁹⁸ African Arguments (2016), *Making sense of Boko Haram's different factions: Who, how and why?*, <http://africanarguments.org/2016/09/20/making-sense-of-boko-harams-different-factions/>

⁹⁹ Official information provided by the List established and maintained by the ISIL (Da'esh) and Al-Qaida Committee.

leadership crisis in BH. In 2016, the group split into two – Islamic State West Africa Province (ISWAP) and Jamatu Ahlis Sunna Lidawatti wal Jihad (JAS) - although both groups are still referred to as Boko Haram. On 3 August 2016, ISIL announced through its al-Nabaa newspaper that Abu Musab al-Barnawi, the son of BH founder Muhammed Yusuf was the new leader (the 'Wali' or governor) of ISWAP. On 7 August 2016, Abubakar Shekau announced in a video that he had reverted to being the leader of JAS and was no longer with ISWAP.¹⁰⁰

Boko Haram is responsible for a series of major terrorist attacks, including a wave of bombings in Kano, Nigeria in January 2012 that killed more than 180 people in a single day. They have attacked international targets (UN headquarters in Abuja), religious targets (Saint Theresa Catholic Church in Madalla) and have undertaken a campaign of violence against Nigerian schools and students including, shooting 50 students at an agricultural school in Yobe, Nigeria on 29 September 2013.

Recent attacks: On 14 April 2014, Boko Haram abducted approximately 300 girls from a school in northern Nigeria. Boko Haram militants subsequently attacked a staging base for rescuers on 5 May 2014, killing an additional 310 people.¹⁰¹ They have embarked on a series of suicide bombings¹⁰², have killed many Nigerians in raids on remote towns¹⁰³, and attacked government targets.¹⁰⁴

Places of operation: North eastern Nigeria, Cameroon, Chad, Niger and Benin.¹⁰⁵ There are also reports that Boko Haram is attempting to expand its ideological and operational influence to Senegal.¹⁰⁶

Allegiance: While Boko Haram was originally associated with Al-Qaeda, it is believed that its leader, Abubakar Shekau, pledged allegiance to ISIS in March 2015. Some reports indicate that the ISIS

¹⁰⁰ Information provided by the UN Counter Terrorism Executive Directorate.

¹⁰¹ United Nations (2014), *Security Council Al-Qaida Sanctions Committee Adds Boko Haram to Its Sanctions List*, Security Council Press Release, 22 May 2014, www.un.org/press/en/2014/sc11410.doc.htm

¹⁰² Open source information provided by: AFP (2015), "Boko Haram claims June suicide bombings in Chad capital", Yahoo News, 8 July 2015, www.yahoo.com/news/boko-haram-claims-june-suicide-bombings-chad-capital-214525681.html?ref=gs; Reuters (2015), "Suicide bomber in burqa kills 15 people in Chad capital", 11 July 2015, <http://uk.reuters.com/article/uk-chad-violence-idUKKCN0PL0A520150711>; AFP (2015), "Teenage suicide bomber kills 5, injures 41 in attack in Nigeria," Globe and Mail (Toronto), August 25, 2015, www.theglobeandmail.com/news/world/girl-suicide-bomber-kills-5-injures-41-in-boko-haram-attack-in-nigeria/article26088132/; AFP (2015), "Boko Haram claims Abuja bombings", Yahoo News, 5 October 2015, <http://news.yahoo.com/boko-haram-claims-abuja-bombings-083859812.html>

¹⁰³ Open source information provided by: Agence France-Presse (2015) "Up to 150 Drowned, Shot Fleeing Boko Haram Ambush in Northeast Nigeria: Villagers", NDTV, 19 August 2015, www.ndtv.com/world-news/up-to-150-drowned-shot-fleeing-boko-haram-ambush-in-northeast-nigeria-villagers-1208689; Associated Press (2015), "Boko Haram Militants Kill Dozens In Attacks On Nigerian Villages," Huffington Post, 20 August 2015, www.huffingtonpost.com/entry/boko-haram-attacks-nigeria_55e07cece4b0c818f6178ca8; Greg Botelho and Aminu Abubakar (2015), "Boko Haram gunmen on horseback kill 79 in trio of attacks, locals say," CNN, 31 August 2015, <http://edition.cnn.com/2015/08/31/africa/nigeria-violence/>.

¹⁰⁴ Open source information provided by: AFP (2015), "Nigerian army chief unharmed after suspected Boko Haram attack", Capital News, 23 August 2015, www.capitalfm.co.ke/news/2015/08/nigerian-army-chief-unharmed-after-suspected-boko-haram-attack/

¹⁰⁵ According to: Counter Extremism Project (nd), *Boko Haram*, www.counterextremism.com/threat/boko-haram.

¹⁰⁶ Information provided by UN Counter Terrorism Executive Directorate.

leader Abu Bakr Al-Baghdadi accepted Boko Haram's pledge.¹⁰⁷ Also see above, the reference to Boko Haram splitting in two in 2016 and links with ISIL. It is also associated with Ansaru.

Structure: Since the 2009 violent police purge of the group, Boko Haram has remained underground, and little is known about its leadership or organisational structure. Boko Haram is not a monolithic organisation and has a highly decentralised leadership structure, unified by a common ideology and the experience of local grievances.¹⁰⁸

Other groups and organisations that do not directly operate in the areas under study, but are necessary as a reference are:

AL-QAEDA

Al-Qaeda started in 1970s following the occupation of Afghanistan by the former Soviet Union (USSR), and it is primarily associated with its founder, Osama Bin Laden, who provided support to many Jihadi movements and built his organisation as an organised military structure with networks of undercover contacts.

Al-Qaeda has staged various terrorist operations around the world, such as the attacks against the US Embassy in Nairobi, the September 11 attacks in the United States (New York, the Pentagon and Stonycreek Township) and the bombings in Madrid in 2004, etc.

The organisation has grown to have affiliates and allegiances across the globe. It is now known as Al-Qaeda Core or Al-Qaeda Central and seeks to lead the global movement of the Jihadi groups. Although the emergence of the Islamic State in Iraq and the Levant (ISIL) has expanded the terrorism space it appears that rivalry has now set in between the two groups as they compete for supremacy in the Jihadi movement. Al-Qaeda is led by Ayman Al-Zawahiri. It was listed on 6 October 2001.

ISLAMIC STATE OF IRAQ AND THE LEVANT (ISIL)

ISIL is called different names in different parts of the world such as Daesh, Daish, IGIL, ISIS, ISIL and IE. Its origin dates back to 1999 under the name of 'The Organization of Monotheism and Jihad'. In 2004 it pledged allegiance to Osama Bin Laden changing its name into Al-Qaeda in Iraq (AQI). In 2006, after several splits and deaths of leaders of factions it was constituted under a new name: Islamic State of Iraq (ISI). In 2013, it extended its sphere of activity to Syria under the name of Islamic State of Iraq and Levant (ISIL). In 2014, it publicly stated that it did not consider itself an Al-Qaeda branch anymore, competing with the latter for supremacy in the Jihadi movement. It is led by Abu Bakr Al-Baghdadi and its claimed objective is to establish a sole Caliphate for the Muslim world.

¹⁰⁷ According to: Counter Extremism Project (nd), *Boko Haram*, www.counterextremism.com/threat/boko-haram.

¹⁰⁸ Lauren Ploch(2013), "Nigeria: Current issues and U.S. policy," *Congressional Research Service*, November 15, 2013, http://digital.library.unt.edu/ark:/67531/metadc272109/m1/1/high_res_d/RL33964_2013Nov15.pdf, 13.

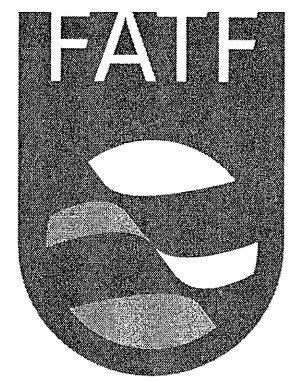
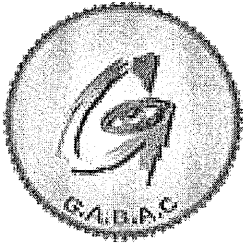
ANSAR AL-SHARIA BENGHAZI

Ansar Al-Sharia was created in 2011 on the occasion of the Libyan civil war. It is led by Muhammad Al-Zahawi and its claimed objective is to establish Sharia law and the expulsion of any Western influence out of Libya and Tunisia. It is associated with the Organisation of Al-Qaida in the Islamic Maghreb (AQIM), Al Mourabitoun, Ansar al-Shari'a in Tunisia and Ansar al Charia Derna. It runs training camps for foreign terrorist fighters travelling to Syria, Iraq and Mali. It was listed on 19 November 2014.¹⁰⁹

AL-SHABAAB (Harakat Al-Shabaab Al-Mujahidin).

Al-Shabaab emerged in 2006 and is led by Ahmad Umar. In 2012, it officially joined Al-Qaeda. Several sources point to alliances with AQIM, Boko Haram, Hizbul Islam and ISIL.

¹⁰⁹ United Nations (2016), *The List established and maintained pursuant to Security Council Resolution 1267/1989/2253*
<https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/al-qaida.xsl>



www.fatf-gafi.org | www.giaba.org | spgabac.org

October 2016

Terrorist Financing in West and Central Africa

This joint FATF-GIABA-GABAC report reveals a number of terrorist financing threats and vulnerabilities that are specific to the West and Central Africa region, and highlights the role of cash, including foreign currency. The report looks at the contextual factors and the challenges that the region faces to regulate financial products and sectors. The report highlights the need for countries in the region to work closer together as well as with the broader international community to identify and disrupt terrorist financing.

This report updates the 2013 report on Terrorist Financing in West Africa and extends it to Central Africa.