

# **African Centre for the Study and Research on Terrorism (ACSRT)**



## **COMBATING FINANCING OF TERRORISM:**

### **THE AFRICAN EXPERIENCE**

C. Nna-Emeka Okereke

## **TERRORISM FINANCING: THE PARTICULAR CASE OF AL QAIDA IN THE ISLAMIC MAGHREB (AQMI)**

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## **FINANCING THE BOKO HARAM: SOME INFORMED PROJECTIONS**

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## EDITORIAL

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### **Chers lecteurs,**

L'année 2012 point à l'horizon. Dix ans déjà que l'Union Africaine a adopté son Plan d'Action sur la Prévention et la Lutte contre le Terrorisme. Dix ans, que de façon concertée, les Etats africains s'emploient à relever le défi, à eux imposé par le funeste fléau du terrorisme.

Pour accompagner la mise en œuvre de ce plan, le Centre Africain d'Etudes et de Recherches sur le Terrorisme a choisi, à l'orée de cette année, de consacrer la présente parution, à un des thèmes centraux de la lutte antiterroriste : la lutte contre le financement du terrorisme.

La lutte contre le financement du terrorisme est une composante essentielle de la Stratégie Globale des Nations Unies contre le Terrorisme. Elle vise à détecter et supprimer toute source de financement du terrorisme. Elle érige en infraction le fait de mettre à la disposition de personnes ou entités terroristes des fonds ou autres ressources financières.

Des efforts inlassables sont déployés à tous les plans pour mener à bien cette répression. Au plan mondial, l'Organisation des Nations Unies est, depuis les années 1970, à l'origine de plusieurs initiatives, dont je vais, à titre d'illustration, ci-après évoquer les principales. En 1972, l'Assemblée Générale a institué le premier Comité Spécial de lutte contre le terrorisme international. En 1994, elle a adopté une Déclaration sur les mesures visant à éliminer le terrorisme international. En 1996, elle a institué un nouveau comité spécial en vue d'élaborer de nouvelles conventions internationales sur le terrorisme. C'est au sein de ce comité spécial qu'a été élaborée la Convention internationale pour la répression du financement du terrorisme de 1999.



Depuis 2000, ce comité a commencé l'élaboration de la Convention générale sur la lutte contre le terrorisme international. Ce travail se poursuit encore à ce jour.

Une étape importante de la lutte contre le terrorisme en général, et de la répression du financement du terrorisme a été atteinte avec l'adoption en septembre 2006 de la Stratégie Globale des Nations Unies de Lutte Contre le Terrorisme. Dans le 2ème pilier consacré aux « mesures visant à prévenir et combattre le terrorisme », les Etats membres des Nations Unies s'engagent, entre autres, à priver les terroristes des moyens de mener à bien leurs attaques, et d'atteindre leurs objectifs et d'obtenir les effets escomptés, en s'abstenant d'organiser, de faciliter, de financer, d'encourager ou de tolérer, des activités terroristes.

Le Conseil de sécurité œuvre également à la question de l'éradication du terrorisme. La nécessité de s'adapter à la nature perpétuellement changeante et évolutive de ce phénomène et la nécessité de donner une réponse ferme et immédiate à son développement intempestif, l'a amené à instituer, en 2001, le Comité contre le terrorisme et un peu plus tard la Direction Exécutive de ce comité. Ce comité se charge de suivre l'application par les États membres des Nations Unies, des dispositions de la Résolution n° 1373 (2001).

Le Conseil de sécurité a aussi, dans sa Résolution 1267 (1999), ultérieurement complétée par les Résolutions 1333 (2000) 1390 (2002), 1455 (2003), 1526 (2004), 1617 (2005), 1735 (2006), 1822 (2008) et 1904 (2009), 1988 (2011) et 1989 (2011), instauré un régime strict de sanctions, qui prévoient entre autres mesures le gel et la confiscation des avoirs des personnes et entités, associées aux Talibans et Al Qaida. Le Conseil de sécurité réexamine présentement ces mesures de sanction et devrait très probablement les renforcer avant le 31 décembre 2012.

Au plan continental, les Etats membres de l'Union Africaine ont adopté plusieurs instruments juridiques qui criminalisent et répriment sévère-



ment le terrorisme en conséquence. Je citerais parmi ceux-ci la Convention de l'OUA de 1999 sur la Prévention et la Lutte contre le Terrorisme en Afrique, le Protocole de 2004 à cette convention, le Plan d'Action de Prévention et de Lutte contre le Terrorisme de 2002, et dans une certaine mesure la Convention sur l'Élimination du Mercenariat en Afrique de 1977, la Convention contre la Corruption de 2003, et le Pacte de Non-Agression de 2005.

A ceux-ci, il sied d'ajouter les différentes décisions relatives à la lutte contre le terrorisme et son financement, adoptées lors des différents sommets, tel que la Décision de Syrte sur l'Interdiction du Paiement de Rançons aux Groupes Terroristes pour la Libération d'Otages, la Décision de Kampala sur la Nécessité de Renouveler les Efforts Contre le Terrorisme, et la Désignation d'un Représentant Spécial Chargé de la Coopération pour la Lutte Antiterroriste ainsi qu'un Envoyé Spécial sur la Question de l'Armée de Résistance du Seigneur. Cet arsenal serait incomplet si l'on n'y ajoute guère les règles du GAFI ou des organisations du type GAFI, ainsi que les nombreux règlements adoptés au niveau communautaire.

Comme il est aisé de le constater, les sources de ces normes et règles sont diverses et variées car, bien que se recoupant souvent, la portée de ces normes est extrêmement variable. Ce qui pose évidemment le problème de la complexité de l'alignement des législations nationales à celles-ci, notamment en ce concerne le choix du champ d'application et du contenu.

La Loi Type exhaustive Africaine contre le Terrorisme, adoptée au Sommet de Malabo a permis de surmonter cette difficulté. Les Etats Africains ont désormais à leur disposition un outil pratique de référence, à même de leur permettre de rédiger, de la manière la plus adaptée à leur situation particulière, la législation destinée à mettre en oeuvre les obligations internationales et/ou à s'aligner sur les règles internationales contre le terrorisme, et prendre ainsi en compte tous les aspects de



la répression du financement du terrorisme, y compris la répression du paiement de rançons aux groupes terroristes pour la libération d'otages, l'argent de ces rançons constituant une importante source de financement de ces groupes.

Depuis novembre 2010, le CAERT mène des missions d'évaluation dans les Etats membres de l'Union Africaine. Celles-ci s'inscrivent dans le cadre du suivi de la mise en œuvre de son Plan Stratégique d'Activités pour la période 2010-2013, adopté lors de la IIIème Réunion des Points Focaux du CAERT pour la Prévention et la Lutte contre le Terrorisme, et des Instruments de l'Union Africaine pour la Prévention et la Lutte contre le Terrorisme. Lors de ces missions, tous les domaines de la lutte contre le terrorisme sont passés en revue. Une attention particulière est accordée au financement du terrorisme, notamment à l'analyse des différentes sources probables de blanchiment d'argent et de financement du terrorisme, et des différents mécanismes et mesures mis en place pour sa répression.

Cette répression, sur le continent africain est des plus malaisées. D'abord parce que les infrastructures bancaires sont très faibles, et ne fonctionnent tant bien que mal, à quelques exceptions près, que dans les grands centres urbains. Ensuite parce que les populations en règle générale n'y déposent presque pas, sinon juste un peu de leur argent, par manque de confiance envers ces banques pour des multiples raisons, ou tout simplement parce que leurs possibilités d'épargne sont très limitées. Ces deux facteurs créent un environnement dominé par la prépondérance des transactions financières en espèces, effectuées en dehors des circuits bancaires, qui rend quasi impossible la traçabilité de ces opérations.

Cette situation est davantage compliquée par le fait qu'une part importante du secteur informel échappe au contrôle de l'Etat, qui souvent ne dispose même pas d'éléments suffisants pour évaluer le poids financier



réel de ce secteur. La porosité des frontières aidant, les fonds issus des activités de ce secteur traversent les frontières sans laisser de traces.

Enfin parce qu'il existe des moyens alternatifs de transfert de fonds, tous aussi variés les uns que les autres, qui défient l'imagination et ne sont pas réglementés, ou encore l'absence de contrôle des activités des ONG, et bien d'autres facteurs qu'il serait long d'énumérer, au risque de ne point finir.

Les articles publiés dans ce numéro sont le fruit d'études et recherches entreprises par d'éminents spécialistes africains sur la question. J'ose croire que leur exploitation va contribuer modestement à élargir vos connaissances sur des aspects particuliers de ce fléau, contre lequel l'Union Africaine s'est engagée à lutter avec détermination.



## **THE COMBATING FINANCING OF TERRORISM: THE AFRICAN EXPERIENCE**

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*Global financial stability hinges on collective action at the international level, but also on effective national systems. Robust anti-money laundering and combating the financing of terrorism regime is an important pillar of the international regulatory and supervisory system and part and parcel of the current efforts to strengthen the global financial framework.*

*Murilo Portugal <sup>1</sup>*

### **Introduction**

The activities of the Al Qaeda Network (AQN) and other terrorist organisations have demystified the belief that terrorist organisations lack money. This is because terrorist organisations have established a complex network of cells and militant bases funded through an aggregated pattern of financial network. The funding comes through various sources ranging from collection of Zakat, bond and securities to engagement in transnational organised criminal activities. This has enabled terrorist organisations to build complex webs of political, religious, business and financial supports globally. Other terrorist organisations like the Al Shabab, AL Qaeda in Islamic Maghreb and FARC have also been known to engage in the smuggling of diamond, protection rackets and drug trafficking through which they generate funds for their operations. The implication of this is that terrorist organisations have become strong entities that sometimes control economic muscles which surpasses the national economies of some developing countries. It is this realisation that terrorist networks possess vast array of sources for funding their activities that has compelled the international community to intensify measures at Combating the Financing of Terrorism (CFT).



The commitment of the international community to protect the integrity of the international financial system and prevent its abuse especially by terrorist organisations and organised crime groups has led to the intensification of measures to combat money laundering and financing of terrorism. This commitment intensified in the aftermath of the 9/11 destruction of the World Trade Centre by the Al Qaeda Network (AQN). The renewed vigour for CFT at national and international levels stems from an acknowledgement that robust regimes against money laundering and the financing of terrorism constitute vital strands in the implementation of the United Nations Counterterrorism Strategy and the pursuit global financial stability.

The 3 main sources of international obligations on combating the financing of terrorism are derived from the International Convention for the Suppression of the Financing of Terrorism of 1999, the United Nations Resolution 1373 of 2001 and the 9 Special Recommendations on Terrorist Financing issued by the Financial Action Task Force. International response to the CFT also resulted in the adoption of the United Nations Convention against Transnational Organised Crimes (also referred to as Palermo Convention) and as well as the United Nations Convention on Illicit Trafficking in Narcotic Drugs and Psychotropic Substances (Vienna Convention) in 2000.

Article 1 of the United Nations Security Council (UNSC) resolution 1373 provides among others that all States shall:

- a.** Prevent and suppress the financing of terrorist acts;
- b.** Criminalize the wilful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts;
- c.** Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist



acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities;

**d.** Prohibit their nationals or any persons and entities within their territories from making any funds, financial assets or economic resources or financial or other related services available, directly or indirectly, for the benefit of persons who commit or attempt to commit or facilitate or participate in the commission of terrorist acts, of entities owned or controlled, directly or indirectly, by such persons and of persons and entities acting on behalf of or at the direction of such persons. <sup>2</sup>

Similarly, the European Union (EU) evolved its strategy for combating terrorism in the aftermath of the Madrid and London bombing of 2004 and 2005 respectively. The strategy which fostered effective engagement in combating the financing of terrorism was geared at achieving the following objectives:

1. Preventing people from turning to terrorism by tackling the factors or root causes which lead to radicalization and recruitment;
2. Protect citizens and infrastructure and reduce vulnerability to attack;
3. Pursue and investigate terrorist globally and to prepare the Union in the spirit of solidarity to manage and minimize the consequences of a terrorist attack.<sup>3</sup>

Countries like Australia and the United Kingdom have also invested in CFT. Australia enacted a stringent anti-terrorism law



in June 2002. This legislation proscribed organisations like the Al Qaeda and also provided for the prosecution of members of these organisations and those who provide them logistical financial support.<sup>4</sup> In the United Kingdom, the objective of counter-terrorism

is to reduce the risks of international terrorism on the global community to enable people go about their business freely and safely.<sup>5</sup> This objective informed the enactment of the Terrorism Act 2000 (TACT), the Anti-Terrorism, Crime and Security Act 2001 (ATCSA), Prevention of Terrorism Act 2005.<sup>6</sup>

In Africa, the investment in CFT has been pursued at national, regional and continental levels. Consequently, African countries have enacted several legislations and partnered with several international organisations and International Financial Institutions (IFIs) to build the requisite capacities at CFT. It is however significant to observe that engagements in CFT in Africa has been constrained by several inhibitions. This paper therefore examines the challenge of terrorism in Africa with special reference to CFT. The analysis focuses on the various sources of terrorist funding in Africa as well as the efforts invested in CFT at the various national, regional and continental levels. It also highlights the challenges confronting African countries in this regard and subsequently proffers measure to strengthen CFT across the continent.

## **Understanding Financing of Terrorism**

Financing of terrorism refers to any form of financial support of terrorism and of those who encourage, plan or engage in acts of terrorism.<sup>7</sup> The Article 2 (1) of the International Convention for the Suppression of the Financing of Terrorism indicates that a person commits the crime of financing of terrorism “if that person by any means, directly or indirectly, unlawfully and wilfully provides or collects funds with the intention that they should be or in the knowledge that they are to be





used, in full or in part, in order to carry out” an offence within the scope of the Convention and as spelt out by the 1999.<sup>8</sup> In operational terms, it involves solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organisations.

It is important to observe that the nature of international terrorism require funds to implement. However, the nature of finances associated with acts of terrorism varies between incidents. For instance, the operational cost of the bombing of USS Cole in 2000 was estimated at between US\$5000 and US\$10,000. The cost of Djerba suicide attack in 2002 is estimated to US\$20,000 while the Bali bombing in Indonesia was estimated at US\$74,000 and the 9/11 attack in New York cost an estimated US\$500,000.<sup>9</sup>

The funds utilized for the financing of terrorism may be legitimate or illegitimate in origin. However, the primary goal of individuals or entities engaged in financing of terrorism is not to conceal the sources of the money but to conceal both the financing and the nature of the financed activity.<sup>10</sup> It is important to note that although several of the funds utilized for the financing of terrorism are transferred through the financial sectors, terrorist and terrorist organisations also make use of informal banking and financing channels and alternative remittance systems for the transfer of such fund.<sup>11</sup> This is because informal channels provide avenues to circumvent legitimate scrutiny of financial transactions and in effect provide platforms for terrorists and terrorist organisations to circumvent official scrutiny of their financial dealings.

The illegitimate sources of funds for the financing of terrorism come through organised crimes and money laundering. The Palermo Convention of 2000 described organised crimes as all profit motivated criminal activities involving a group of 3 or more persons acting in concert to commit one or more crimes that is punishable by at least 4 years incarceration. Such crimes may involve one or a combination



of criminal activities such as drug trafficking, smuggling, human trafficking, corruption and others.<sup>12</sup> Organised crimes have increasingly assumed transnational dimensions. Section 2 of Article 3 of the United Nations Convention against Transnational Organised Crime in the year 2000 declared that an offence is transnational in nature if

- i.** It is committed in more than one state;
- ii.** It is committed in one state but a substantial part of its planning, direction or control takes place in another;
- iii.** It is committed in one state but involves an organised criminal group that engages in criminal activities in more than one state; or
- iv.** It is committed in one state but has substantial effects in another state.<sup>13</sup>

On its part, money laundering is a process by which the illicit source of assets obtained or generated by criminal activity<sup>14</sup> is concealed to obscure the link between the fund and the original criminal activity. The African Development Bank, identified 3 stages associated with acts of money laundering usually involves 3 distinct stages: (1) the introduction of the proceeds of crime into the financial system. This is referred to as placement. (2) transactions to convert or transfer funds to other locations or financial institutions, otherwise referred to as layering; and (3) reintegrating the funds into the legitimate economy as “clean” money and investing it in various assets or business ventures.<sup>15</sup> The essence of money laundering therefore is geared at disguising the source of fund acquired through illegitimate means such as organised crimes. This makes it attractive for financing of terrorism. Consequently, the United Nations High-Level Panel on Threats, Challenges and Change in 2004, identified transnational organised crimes as one of the 6 clusters of threats with which the world should be concerned with in the succeeding decade.<sup>16</sup>

### **Sources of Funds for the Financing of Terrorism in Africa**

Africa's experience with financing of terrorism is predicated on several factors. One, as counterterrorism measures get strengthened in other parts of the world, and as the assets of established terrorist organisations are frozen, terrorist groups seek alternative sources of funding and logistics in Africa. Consequently, Africa has emerged as channels through which organised criminal groups and terrorist organisations raise fund for their activities. This is not unconnected to the fact that many African states have weak institutions for law enforcement. It is these lapses that are exploited by organised criminals and terrorist organisations to engage in underground businesses from which they generate funds for terrorism. Annette Hubschle identified the sources of finances for terrorism in Africa to include:

- i.** Criminal activities such as bank robberies, kidnapping for ransom, extortion, smuggling and drug trafficking.
  - ii.** Donations from local and foreign supporters, including emigrants and charitable organisations, and cash infusions from wealthy individuals or organisations
  - iii.** Assistance from foreign sympathetic states
- Revenues from legitimate business operations.<sup>17</sup>

In practical terms, the nexus between financing of terrorism and organised crimes were recorded in West Africa. The AQN was alleged to have paid Charles Taylor for protection and also joined him in the African diamond trade, raising millions of dollars for terrorist activities.<sup>18</sup> There also exist some connections between the activities of organised crime gangs involved in the piracy of music in countries like Ghana, Nigeria, Liberia and Guinea with terrorist organisations from the Middle East. Specifically, CDs and CDRs carrying propaganda messages from extremist groups have been identified in Mali, Nigeria and Mauritania.<sup>19</sup> It is only natural that some of the funds are laundered through investments in legitimate enterprises.



Other method through which terrorist organisations generate funds for their activities in West Africa, include kidnapping, protection racket and illicit trade in narcotics. It has been established that the Al Qaeda in Islamic Maghreb generate fund for their activities through kidnapping and protection racket. For instance, prior to its mutation to AQIM, the forerunner, the Salafist Groups for Preaching and Combat (GSPC) kidnapped 32 European tourists in Southern Algeria towards its borders with Mali. The release of the tourists was made possible following security operations and the payment of 5.5 million ransome in Euros. Such other kidnap incidents linked to the AQIM include the March 2008 kidnapped of 2 Austrian tourists in Tunisia, the February 2009 kidnap and subsequent murder in June 2009 of Edwin Dyer, a Briton, kidnapped in Niger but held hostage in Mali. The Al Qaeda cell also held Wemer Greiner, a Swiss national, captured alongside Edwin Dyer in captivity. Furthermore, in November 2009, gunmen tried to seize a group of US embassy employees in Niger.<sup>20</sup> AQIM is estimated to have accumulated about 150 million Euros from kidnapping in the Sahel.

The AQIM generate funds through proceeds earned from facilitating transnational organised crimes. Such proceeds are generated through the payment of Droit de passage by criminal elements engaged in smuggling of persons, vehicles, cigarettes, drugs and arms within and across West Africa especially where official authority of states are weak or non-existent. Consequently, it guides and recommends way for smugglers to avert being apprehended by various national customs and security forces along the routes. In December 2009, three suspected AQIM members, Oumar Issa, Harouna Toure and Idress Abelrahman were apprehended in Ghana and handed over to United States Drug Enforcement Administration agents for narco-terrorism and conspiracy to transport an estimated 1,000 kilos of cocaine through West Africa to North Africa with the intent of supporting 3 terrorist organisations, the AQN, AQIM and Fuerzas Armada Revolucionarias de Colombia-(FARC) or Revolutionary Armed Forces of Columbia.<sup>21</sup>



Attempts to explain the attraction of terrorist organisations to organised crimes in West Africa tend to locate the attractions to the fact that the sub-region play host to fragile states with weak, corrupt governments which exercise little control over vast areas of the national territories, endemic conflicts relating to natural resources and the emergence of sophisticated organised criminal networks. West Africa also constitutes a base for investments in real estate, illicit trade in arms, soliciting supporters' contributions and recruitment of new members from extremism from her vulnerable population. Liberia under ex-President Charles Taylor, was qualified as a functioning criminal enterprise which protected organised criminal groups and terrorist organisations like the AQN, Russian organised crimes, Balkan organised crime and other criminal elements especially in the procurement of Blood Diamond and illicit trade in arms.<sup>22</sup> The activities of diamond mercenaries in Africa extend to war-torn Democratic Republic of Congo.

Financing of terrorism in East Africa and the Horn of Africa has been linked to a number of sources which include charities sponsored from Saudi Arabia and the Gulf states. Such charities have been used by Saudi Arabia to promote their fundamentalist Sunni Islam creed known as Wahhabism. However, the al-Haramain Islamic Foundation which provides shelter, food, clothing, education and vocational training for orphans, children of the martyred and poor have been associated with funnelling money to AQN.<sup>23</sup> In March 2002, the United States and Saudi jointly designated the Somali branch of Al-Haramain an organisation that supported terrorist groups like the AQN and Somali-based Al-Ittihad al-Islamiya. Similarly, in January 2004, United States and Saudi Arabia also notified the United Nations Sanctions Committee that the branches of Al-Haramain in Kenya and Tanzania provided financial, material and logistical support to the AQN.<sup>24</sup>

In addition to the use of charities, money laundering and proceeds of organised crimes in the financing of terrorism, other sources of funds for



the financing of terrorism have been extended to include the traditional Zakat, a legal alms giving conceived as a way for purification of possession and one of the 5 Pillars of Islam. The Zakat takes 3 forms, notably, the Feesabeelillah, (in the way of Allah), the Lil-Fuqara (for the poor) and Lil-Masakeen (for the needy). The AQN was estimated to have received between US\$300 million and US\$500 million between 1990 and 2002 through the Zakat and diverted the proceeds to the pursuit of its course.<sup>25</sup>

## The African Experience with Combating the Financing of Terrorism

The commitment of African states to combating the financing of terrorism has been demonstrated at national, regional and continental levels. The defunct Organisation of African Unity (OAU) adopted the Convention on Preventing and Combating Terrorism in Africa in 1999. Article 4 (1) of this instrument clearly stipulated that:

State parties undertake to refrain from any acts aimed at organizing, supporting, financing, committing or inciting to commit terrorist acts, or providing havens for terrorists, directly or indirectly, including the provision of weapons and their stockpiling in their countries and the issuing of visas and travel document.<sup>26</sup>

Similarly, Article 5 (2) of the same instrument adjoined African states to cooperate in the seizure and confiscation of any type of arms, ammunitions, explosives, devices or funds or other instrumentalities of crime used to commit a terrorist act or intended for that purpose.<sup>27</sup>

In 2002, the African Union adopted the Plan of Action of the African Union High Level Inter-Governmental Meeting on the Prevention and Combating of Terrorism in Africa. Paragraph 13 of the AU Plan of Action enumerated measures geared at the Suppressing the Financing of Terrorism in Africa. This provision commits member states to introduce national legislations to criminalise the financing of



terrorism, carry out stringent control of funds belong to individuals and organisations suspected of financing terrorist groups, operationalise the Palermo Convention, regulate public collections of funds to ensure that proceeds are not used to fund terrorism. Member states are also to confiscate assets intended for and which may give shelter to terrorist groups. It further enjoins member states of the AU to establish Financial Intelligence Units in accordance with the recommendations of the IFIs, train personnel in charge of preventing and combating money laundering with international technical assistance and to also cooperate with the IFIs for the development of a global, comprehensive, Anti Money laundering/Counter Financing of Terrorism (AML/CFT) methodology and assessment process.<sup>28</sup>

The AU further adopted a Protocol to the OAU Convention on Terrorism in 2004. This document contains among other things, the commitments by state parties to fully implement the provisions of the OAU Convention on Terrorism. Article 3 (1)c expressly commits parties to identify, detect, confiscate and freeze or seize funds and any other assets used or allocated for the purpose of committing a terrorist act, and to establish a mechanism to use such funds to compensate victims of terrorist acts or their families.<sup>29</sup> Other continental initiatives in Africa geared towards AML/CFT include a focus on assessing corruption control mechanisms within the framework of the Africa Peer Review Mechanism (APRM) as well as the implementation of banking and financial standards and drive at strengthening the AML/CFT laws as well as the promotion of member states compliance with international AML/CFT standards.<sup>30</sup>

The commitment of African states to AML/CFT has manifested in the establishment of various FATF-Styled Regional Bodies (FSRBs) which include the *Groupe Inter-gouvernemental d'Action contre le Blanchiment en Afrique* (GIABA), that is, the Intergovernmental Action Group against Money Laundering in West Africa. The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) focuses



on Eastern and Southern Africa. The Middle East and North Africa Financial Action Task Force against Money Laundering and Terrorist Financing (MENAFATF) focuses on North Africa and Middle East while the Groupe d'Action contre le Blanchiment d'Argent en Africa Centrale (GABAC) focus its operation on Central Africa.

In West Africa, the Authority of ECOWAS during its Summit in Niamey, Niger in January 2007 expanded the mandate of the GIABA to include the provision of critical financial intelligence required to combat both money laundering and terrorist financing in the region. The aim is to raise ECOWAS commitments to counterterrorism to global standard. This is more so from a realisation that terrorist organisations are sophisticated in both funding and organisation and that such organisations often raise funds for their operations through money laundering.<sup>31</sup> At the various national levels, virtually every ECOWAS member state has adopted one form of laws against money laundering while efforts at establishing legislations on CFT are at various stages of completion.

The table below reveal the degree of compliance of West Africa states to AML/CFT regimes. The data indicates that Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo which belong to the West African Economic and Monetary Union (WAEMU) have transposed the union's regime on AML. However, only Senegal and Togo have transposed the WAEMU Uniform Law on CFT. Other West African countries such as Cape Verde, The Gambia, Ghana, Guinea (Conakry), Liberia and Sierra Leone also have various forms of AML but are yet to enact specific CFT legislations. Nigeria enacted a Terrorism (Prevention) Act and also passed the Anti-Money Laundering (Prohibition) Amendment Act 2011 in June 2011. Further details are as shown overleaf.





**Table 1Trend in Anti Money Laundering Law/Combating Terrorist Financing (AML/CFT) in West Africa**

S/N	Country	AMLCompliance	CFT Compliance	Remark
1.	Benin	Adopted AML Legislation in October 2006 thus transposing the WAEMU uniform law.	Yet to domesticate the WAEMU uniform law against the financing of terrorism as adopted by the WAEMU Council of Ministers in March 2008	Benin has an operational Financial Intelligence Unit (FIU)
2.	Burkina Faso	Adopted the WAEMU uniform law on AML	The mandate of the FIU and AML do not cover the sphere of CFT	Burkina Faso has an operational FIU established by Decree 20 of June 2007
3.	Cape Verde	First adopted and AML in October 2002. This law was however replaced later by the Law No38/VII/2009 of 20 April 2009 which aims at suppressing money laundering. In addition, Cape Verde evolved an elaborate AML National Action Plan 2008-2010	Yet to evolve laws that will incriminate the financing of terrorism. However a bill on CFT is before the national parliament	Has functional FIU established by Law No 1/2008 of 14 January 2008. The authority of the FIU covers money laundering and financing of terrorism



4.	Cote d'Ivoire	Adopted a law against money laundering on 2 December 2005 by transposing the WAEMU Uniform Law. She also possess a National Committee responsible for following up the activities if GIABA and developing AML/CFT policies. The country has in addition, developed a Comprehensive Action Plan	Yet to transpose the WAEMU Uniform law on CFT	Has a FIU which became operational in March 2008.
5.	The Gambia	Enacted her AML in 2003. This document however does not cover the financing of terrorism. Rather, it provides for the establishment of a Supervisory Authority to act as Supervision and as the collection point for Suspicious Transaction Reports (STRs).	The existing framework do not cover issues on the financing of terrorism	The Central Bank of The Gambia has a dedicated unit where reporting entities send their reports. The Bank has introduced guidelines on customer due diligence and an obligation for financial institutions to report cash transactions above certain thresholds.



6.	Ghana	Formally adopted AML in January 2008. The law provides for the establishment of an FIU	Lacks an AML/CFT Inter-Ministerial Committee and also lacks a Comprehensive Strategy in this regard	Still lacks a functional FIU
7.	Guinea (Conakry)	Promulgated its AML in October 2007.  A National Technical Commission is in charge of AML/CFT issues.	The existing framework does not cover CFT issues.	Guinea lacks a functional FIU. AML issues are coordinated by the Financial Police.
8.	Guinea Bissau	Adopted the WAEMU uniform law on AML in 2006	The WAEMU Uniform law on CFT has not been transposed	Has established a FIU and National Inter-Ministerial Committee on AML/CFT
9.	Liberia	Enacted a legal framework on AML in 2002.	Liberia lacks a CFT legislation and an Inter-Ministerial Committee on AML/CFT	The Liberian Government intends to set a FIU within the CBN
10.	Mali	Adopted an AML in December 2006 within the WAEMU Uniform Law.	Mali has a counterterrorism legislation but the specific provisions of the CFT Uniform law are still pending transposition.	Has a functional FIU but lacks an AML/CFT Inter-Ministerial Committee



11.	Niger	Adopted the AML within the WAEMU uniform law in June 2004.	Niger Criminal Code incriminates the financing of terrorism. However, she is yet to transpose the WAEMU uniform CFT law.	Established a FIU in 2005. The office was destroyed by fire in August 2007. It later moved to another premises in June 2009.
12.	Nigeria	Adopted the Money Laundering Prohibition Act in March 2004.  The Economic and Financial Crimes Commission (EFCC) is in charge of fighting money laundering and other forms of financial crimes in Nigeria.	Nigeria enacted her Terrorism (Prevention) Act in June 2011. Part II of this instrument contains provisions dealing with Terrorist Funds and Property.  Nigeria also amended the 2004 Anti-Money Laundering Act in 2011.	Has a functional FIU within the EFCC. The NFIU was admitted as a member of the Egmont Group in May 2008. Nigeria also established an AML/CFT Inter-Ministerial Committee in July 2008
13.	Senegal	Adopted the AML within the WAEMU Uniform Law in 2004.	Adopted the WAEMU Uniform law against financing of terrorism in March 2009.	Senegal has an operational FIU that was established by Decree No2004-1150 of 18 August 2004. It became a member of the Egmont Group in May 2009.



14.	Sierra Leone	Adopted a law against money laundering on 21 July 2005.	Has a draft AML/CFT bill pending with the Minister of Finance and Economic Development	The FIU is set up within the Banking Supervision Department of the Bank of Sierra Leone.
15.	Togo	Adopted the AML within the WAEMU Uniform Law in June 2007.	Togo's National Parliament adopted a Uniform CFT Law No 2009-022. The law was subsequently promulgated into existence on 7 September 2009	Togo has an operational FIU. In addition, Togo's AML/CFT Inter-Ministerial Committee was created on 11 August 2009.

*Source: The above table was compiled by the Author of this article. The data used for this compilation were drawn largely from UNODC Newsletter on the Fight against Money Laundering and Terrorism Financing in West Africa.<sup>32</sup>*

Beside the continental and various regional initiatives at AML/CFT in Africa, several African states have evolved measures at national levels to combat the financing of terrorism. In Nigeria, the Central Bank of Nigeria (CBN) directed all commercial banks in the country to report any transaction of a sum over half a million naira (US \$5,000), which the CBN then transmits to the National Economic Intelligence Committee (NEIC). This system is set up to monitor money sources and uses, track spending patterns and generally forestall the financing of terrorism. Anyone who cannot satisfactorily explain a transaction over a half million naira may be charged under the Exchange Control (Anti-Sabotage) Act, which carries a minimum penalty of five years in prison for individuals, and a fine of N 100,000 (US \$1000) for corporate enterprises. Legal persons can also be charged with money laundering



under the National Drug Law Enforcement Agency (NDLEA) Act, which carries a penalty of ten years to life in prison, and forfeiture of assets.

The frontier of AML/CFT in Africa has also been extended to collaborations with such international institutions like the United Nations and its agencies, the International Financial Institutions and the Financial Action Task Force (FATF). For instance, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) provides technical assistance to African states in implementing the AML/CFT standards particularly in relation to banking supervision and financial institutions. The FATF was established in 1989 by the G-7 to respond to issues of money laundering. The 40 Recommendations of the FATF required the criminalization of money laundering. Its 9 Special Recommendation require countries to criminalise financing of terrorism, terrorist organisation and terrorist acts. The organisation has been engaged in monitoring the extent of compliance of African states with its recommendations. Consequently, several African states that have invested in credible measures at CFT have become members of the Egmont Group, an informal association of FATF compliant countries.

Similarly, the United Nations Office for Drug and Crimes (UNODC) through its regional offices in Cairo, Dakar, Nairobi and Pretoria and its Country Office in Abuja has engaged in the management of several AML/CFT endeavours in the Africa. In September 2005, it evolved a Programme of Action (2006-2010) to address crime, security and development in the continent. The Programme was endorsed by 47 African states, development partners and international organisations at a Round table held in Abuja. One of the 6 clusters of activities included in the Programme focused on organised crimes, money laundering, corruption, trafficking and terrorism. Its focus on AML/CFT centred on 3 priority areas as follows: (1) developing national laws



and strategies in compliance with international standards and norms; (2) building institutional capacities, including the establishment of Financial Intelligence Units (FIUs); and (3) supporting and assisting the establishment of effective and operational sub-regional organisations to combat money laundering.<sup>33</sup> The UNODC has also hosted awareness seminars on AML/CFT for parliamentarians, specialised trainings for national Financial Intelligence Units and training seminars on Financial Analysis for FIUs in West Africa.

International collaborations in CFT in Africa have also involved the engagement of foreign powers like the United States of America (USA). In the aftermath of 9/11, the USA established a US\$100 million East African Counterterrorism Initiative. The focus of this initiative ranged from assistance to regional programmes to curb the financing of terrorism to military training for border and coastal security, police training and education program to counter the influence of extremists, aviation security and programmes to strengthen control of the movement of people and goods across borders. The USA also collaborated with Kenya to develop a comprehensive AML/CFT regime.<sup>34</sup>

It is however significant to observe that the investments in CFT in Africa have been inhibited by several challenges at national, regional and continental levels. For instance, several countries in sub-Saharan Africa are constrained by inadequate resources to invest in CFT. Such inadequate resources include the weak institutional capabilities of the formal structures established to contain the financing of terrorism as well as lack of adequate training for the work force engaged in the enterprise. In addition, the growing significance of the underground economy and alternative systems of remittances in many parts of Africa also constitute obstacle to effective CFT. In several African cities, the operation of black markets engaged in currency exchange seems to dominate the foreign exchange market.



Furthermore, African economies are significantly cash based such that money circulates easily outside the formal financial system. Such a system is vulnerable to abuse and conducive for the financing of terrorism and money laundering. It is important to also note that several African countries lack the required legislations for effective criminalization of terrorism. This is worsened by the easy access and cross-border movement of money through cash couriers aligned to criminal syndicates and terrorist networks. The implication is that it has become difficult for the law enforcement authorities and various national Financial Intelligence Units (FIUs) to effectively tackle issues associated with the financing of terrorism. This has been worsened by the relatively inefficient supervision of the financial sector. These constraints tend to facilitate the vulnerability of African economies to the financing of terrorism.

Other problems arising from the commitment of various African states in CFT/AML are highlighted below. They are drawn largely from the Nigerian experience and were collated from a Syndicate discussion at the Eighth National Seminar on Economic Crimes organised by the Economic and Financial Crimes Commission (EFCC) held at Abuja in September 2011.<sup>35</sup>

There is the problems of inter- agency interoperability. Here, the various government agencies tend to compete and sometime hoard information from one another in the discharge of related tasks. This has adversely affected the success profile with regard to implementing the AML/CFT regimes in Nigeria. Consequently, the activities of agencies responsible for the collection of data, statistics and related intelligence on financial matters require proper coordination.

There also exist problems associated with poor database and archiving system in the country. This specifically related to the observable deficiencies of the National Identity Management Commission to adequately act as depository of relevant data relating to biometrics of





Nigerians especially the absence of dependable National Identification System embodied in cards.

In addition, the Know Your Customer and Business (KYC and B) and Customer Due Diligence (CDD) requirements critical to the FATF conditions have fallen victim to manipulations of staff in various reporting agencies in the financial system. Consequently, the reporting entities sometimes constitute problems to the implementation of existing provision of FATF regimes as domesticated in relevant national laws. For instance, bank account numbers and details of transactions are sometimes manipulated to ensure that the accounts pass mandatory regulatory validation in violation of existing financial regimes.

There also exist the problem of categorization of business based on the nature and volume of transactions. For instance, the Special Control Unit on Money Laundering (SCUML) of the EFCC has been rendered relatively weak by the stipulations of the 2011 amendment to the AML Act because Part 1 (1a) and (1b) of the 2011 amendment to this Act raised the threshold limit for cash transaction to N5 million (about USD30, 000) in the case of an individual and N10 million (about USD60, 000) for corporate bodies.<sup>36</sup> Under the 2004 AML Act, the threshold limit was N500, 000 (about USD3, 000) for individual cash payment. The provision of the amended AML Act is also at variance and significantly higher than the N150, 000 cash limits put forward by the Central Bank of Nigeria for direct cash transactions.

The implication is that auto dealers and other businesses which were compelled under the earlier Act to report transactions above N500, 000 threshold limit are now free of this obligation. Critics argue that the new threshold limit accommodates the laundering of ill-gotten wealth with its attendant security implications for the country. This informs the demand by regulatory agencies for a downward review of the reportage threshold and cash transactions from what is contained in the 2011 AML Act.



It is also significant to note that the existence of numerous channels for foreign exchange transactions also creates problem for relevant regulatory and security agencies engaged in CFT/AML. Despite the argument that these seemingly harmless and informal currency hawkers operate under licensed agents whom they report, their existence heightens the propensity of compromise with attendant implications for existing AML/CFT regimes.

Finally, there also exist cultural dimension to the problems of financial intelligence as several persons engaged in financial transactions sometimes prefer to do business with cash; keep huge sums in the home or bury them in the ground. This is heightened by the fact that mismanagement of depositors' funds in formal banking system has heightened the loss of confidence among some sections of the populace.

## **Conclusion**

Combating the spread and intensification terrorism across the globe has become a major preoccupation of the global community. The frontiers of engagement have been extended to curtailing the access to funds by terrorist organisations. Such engagements have attracted commitments from national, regional and global institutions including the United Nations and various international financial institutions. In Africa, the commitment of African states to combating the financing of terrorism emerged partly from the realisation that African countries possess several avenues through which funding for terrorist activities are generated.

Consequently, African countries have individually and collectively embarked on measures aimed at combating the financing of terrorism. Such endeavours have manifested in the enactment of related legislations against terrorism and anti-money laundering and strengthening the capacities of local law enforcement agencies. African countries have



also adopted conventions and protocols on CFT and further partnered with international agencies that seek to strengthen the competences of local authorities in the field. Such agencies include the FATF, UNODC, World Bank and the African Development Bank.

It is however important to note that the commitment of African states to CFT is constrained by several factors. These factors include the incidence of corruption, inadequacy of relevant legislations to address the menace, the apparent weakness of basic institutions engaged in CFT and AML in some African countries and the prevalence of alternative remittance system, largely cash based economies and informal procedures of foreign exchange transactions. These loopholes have continuously rendered the African space vulnerable to criminal syndicates engaged in money laundering and financing of terrorism.

This paper concluded its analysis with the following recommendations:

- a.** African countries should enact the relevant and coherent legislations relating to AML/CFT as well as invest in the establishment and strengthening relevant institutions with mandate on the implementation of relevant domestic and international AML/CFT regimes.
- b.** African countries should intensify the specialised training of persons engaged in CFT and AML especially in the sphere financial intelligence gathering, analysis and investigation as well as interoperability of agencies engaged in the implementation of AML/CFT regimes.
- c.** Africa countries should strengthen the formal financial sector and de-emphasize the alternative remittance systems and black market for currency operations. Transactions in foreign exchange should be routed through the formal channels using valid identification such as national identity cards, driver's license or international passports.



- d.** Various national FIUs require operational autonomy that facilitates their gathering, interpretation and analyses of intelligence. Consequently, they should exercise such autonomy in the sphere of administration, law enforcement and judicial matters. Specifically, the headship of the national FIUs should not be under Politically Exposed Persons (PEPs).
- e.** Reporting entities to the FIUs and various security and regulatory agencies should always do periodic profiling of their staff especially in the IT units and relevant supervisors.
- f.** African countries should take advantage of international cooperation with relevant actors to strengthen their commitments to CFT and AML commitments.

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## **TERRORISM FINANCING: THE PARTICULAR CASE OF AL QAIDA IN THE ISLAMIC MAGHREB (AQIM)**

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### **Introduction**

AQIM is pursuing a global, sophisticated and better-financed direction. AQIM has taken over, and in fact revitalized, many Europe-based cells of the former Islamic Armed Group (GIA, in its French acronym) and its successor since 1998, the Salafist Group for Preaching and Combat (GSPC, also in its French acronym), for both fundraising and recruiting. In June 2008, Spanish authorities uncovered a terrorist cell in Spain, arresting eight men and detaining ten accused of providing logistical and financial support to AQIM.<sup>i</sup> This followed French police uncovering a similar cell in the outskirts of Paris in December 2007. Arrests of suspected terrorists with ties to AQIM have been made throughout Europe in Germany, Italy, the Netherlands, Portugal, and the United Kingdom. In September 2009, 38 people suspected of belonging to a network that recruited Moroccans to fight in Iraq and Algeria appeared before a counterterrorist court in Rabat. Moroccan security forces said that suspects intended to join terrorist groups in desert mobile training camps run by AQIM before proceeding to Iraq.<sup>ii</sup> This is a brief selection of examples reflecting the ambitious trans-border projection of AQIM, a practise that is done on the basis of an effective financial architecture<sup>iii</sup>

Al Qaida provided funding for Algerian Islamists in the early 1990s. In addition, Algerian authorities accused Iran and Sudan of giving financial, logistical and training support to the AIS – the French acronym of the Islamic Salvation Front, the terrorist branch of the FIS - and the GIA in that time.<sup>iv</sup> Since then, smuggling (including that with Europe or “trabendo” in local terminology), petty crimes and the kidnapping



of foreign citizens have been a lucrative source of income for the GIA, the GSPC, and now for AQIM. These groups continue its tradition of self-financing throughout these criminal activities together with the financial support provided by a number of members and supporters of the group living abroad, mainly in Western Europe.<sup>v</sup> AQIM is building a base in the desert region that straddles the porous and poorly policed borders of Algeria, Mali, Niger and Mauritania after being squeezed out of traditional patches along Algeria's coast. The GSPC migrated southward to areas where the reach of the state is weak. Smuggling, banditry and now kidnapping are familiar activities to this Sahara-Sahel area doing much more difficult combating Jihadist Salafist terrorism.

According to Dr. Jean Pierre Filiu, the southern faction of AQIM was initially a sideshow in the overall planning of the terrorist organization, but it steadily gained weight and visibility due to a multi-fold set of interrelated factors: the steady decline of Jihadist violence in Algeria and the containment of the bulk of AQIM activity in its stronghold of Kabylie; the pressing needs of AQIM's leadership, who suffered the shrinking of their extortion outreach and demanded a growing contribution from their Saharan affiliates; and the deepening cooperation between those affiliates and the various smuggling networks, involved in drugs, weapons or illegal immigration.<sup>vi</sup> This additional threat must be added to the geographical, political and socio economic pre-conditions that were eroding the control and authority of Sahelian governments.<sup>vii</sup> For the time being, almost five years after the merger between the GSPC and « Al Qaida central », the AQIM activism in a number of Sahelian states more than in the other four Arab Maghreb Union (AMU) countries defines the trend of this terrorist group.<sup>viii</sup>

### **From illegal trafficking to the emergence of kidnapping.<sup>ix</sup>**

In the Sahel, most of the so-called “new risks” in a concept created in the 1990s – illegal immigration, drug trafficking, arms smuggling or money laundering – are confronting the countries of the area with sensitive challenges since more than a decade ago.<sup>x</sup> The porous, unpoliced borders





of the Sahara-Sahel region make smuggling vehicles, cigarettes, drugs, weapons and, in some moments, even diamonds and ivory particularly easy. In historical terms, in the 1990s the Algerian terrorist groups found their main sources of weapons supplies in the Maghreb and other African countries, in Morocco, Libya and Mali. They profited the lack of border control and/or the lack of confidence and cooperation among states in the region. The most dangerous points were believed to be the south-west, where weapons were apparently being transferred to the terrorists from the Touareg groups, and the south-east, where weapons were arriving from Chad via the Libyan territory.

<sup>xi</sup> In the south-west, the large number of refugees from the conflict in northern Mali in neighbouring countries, and border security issues dominated for instance Mali's regional relations: the implementation of the «national pact» of 1996 between the government of Mali and the Tuareg movements was reflected in the de-mobilization of fighters and the dissemination of weapons in the region.<sup>xii</sup> The Sahara-Sahel region is a typical “dead space” that, in geopolitical terms, is defined as a geographical area where issues of sovereignty or the lack of concrete or discernable governance, in whole or part, create obstacles to control of the space and where the human and physical terrain or other issues (such as moral, legal, diplomatic, military, and so on) create difficulties for outside powers to intervene. In Jihadist strategic terms, the Sahara-Sahel huge region emerges as a perfect safe haven where it is possible to conduct a wide array of financial activities (smuggling, money laundering, etc) together with training and logistical activities.<sup>xiii</sup>

Europe-based cells also provide funds to AQIM through drug dealing, counterfeiting money, and other illegal activities, French and Italian police forces reported to EUROPOL in 2008.<sup>xiv</sup> Subsequent similar cases were also investigated in 2009 in the Maghreb countries: for instance, in late June 2009, the Moroccan security services arrested eight individuals on charges of forming a terrorist group, bringing charges that included drug trafficking and corruption, and before and



after this operation in Morocco the Mauritanian and Malian security services arrested individuals connected with illegal trafficking and terrorism acting on behalf of AQIM (i.e., see later the case of Sid Ahmed Ould Hamma).<sup>xv</sup> In fact, AQIM subsumed most of the GIA and GSPC networks and financial resources in Europe. The problem is that terrorist financing operations, for example, are extraordinary difficult to prosecute in court due to the nature of the crime. Terrorist financing operations, for example, tend to be cash-based, involve loosely regulated organizational entities (hawala, charities, NGOs) and involve multiple jurisdictions. A few simple evasive measures by the terrorist financier can also make the case vastly harder to prove, such as infiltrating an existing NGOs, diverting only a fraction of money collected to terrorist aims, using encrypted e-mails or talking in code on the phone.<sup>xvi</sup> In addition, terrorist groups that have access to drug trafficking, as it is now the case of AQIM that is adding that source of income to the very productive kidnap-for-ransom, are difficult to starve of funding.

Kidnappings by radical Islamists to raise money for their cause is a routine occurrence in Algeria, and the ransom paid as a result of the February 2003 kidnapping of thirty-two European tourists provided a significant windfall for the GSPC in that time.<sup>xvii</sup> GSPC militants kidnapped this group of tourists when they were entering into the Algerian Sahara from Libya in February 2003. The ransom paid for their release is unknown but estimated to be from \$5 million to as much as 10 million; the GSPC may have used these funds to purchase surface-to-air missiles, heavy machine guns, mortars, and satellite-positioning equipment. Ammari Saifi, also known as Abderrazak el Para a former Algerian paratrooper in Biskra, was the organizer of the lucrative 2003 kidnapping of these 32 European tourists in the Algerian Sahara. During this operation, 17 hostages were freed by the Algerian special forces, the rest being released later in northern Mali against the payment of the ransom by the German government.<sup>xviii</sup> In addition, at the end of that year, 8 German tourists with their French guide were kidnapped in northern Mali, and then released after 24 hours.<sup>xix</sup>



AQIM continues to kidnap western nationals and hold them for ransom in return for the release of imprisoned radical islamist militants. In fact, AQIM operatives may be turning more to kidnapping as a source of income. Terrorists are profiting the “gray zones” and the “ungoverned spaces” in countries where porous borders, low standards of living and international conflicts are exacerbating the tensions”.<sup>xx</sup> The September 2010 abduction of seven foreigners in Niger by AQIM highlights a worrisome regional trend that emerged in 2003. For the time being, it is estimated that more than 90% of this terrorist group’s funding derives from this single financial source. The rest comes from drug trafficking and donations.<sup>xxi</sup> Drug trafficking is becoming a central issue in the area due to the fact that Latin American cocaine is entering in the European markets of consumption through Western Africa, from the Guinea Bissau corridor to the Mediterranean coast crossing the traditional smuggling routes in the Sahel-Sahara zone, an additional central input for AQIM<sup>xxii</sup>

The emergence of such criminal activities connected to AQIM is so visible that a growing number of security and counterterrorism officials and experts are increasingly considering AQIM as more a criminal gang – ransoming kidnapped Westerners and trafficking with drugs and other products to finance its operations – than a group of ideologically committed terrorists. According to the Director-General of the Algerian Office Against Drug Trafficking (ONLDT, in its French acronym), Abdelmalek Sayah, each airplane belonging to the Latin American narcos that lands in Mali or in Mauritania is transporting 4 tons of cocaine and AQIM is providing to them support and protection.<sup>xxiii</sup> One of the two most important subcommanders of AQIM in the Sahel, Mokhtar Belmokhtar, a former GSPC and GIA local leader, is also known in the region as “Mr. Marlboro” due to his old connections with the tobacco trafficking.<sup>xxiv</sup> The other subcommander, Abdelhamid Abu Zeid, who is leading the AQIM’s branch “Tarik Ben Ziad”, has been connected with most of the kidnappings – including the killing of two hostages in 2009 and 2010 – we are going to describe hereafter.



In February 2008, the group kidnapped two Austrian tourists who were on holidays in southern Tunisia. They were held hostage for eight months in a remote area of Mali's Sahara desert before being released unharmed on October 30, 2008. AQIM reportedly received Euro 2,5 million as the ransom of these two Austrians. On December 15, 2008, AQIM kidnapped two Canadian diplomats who had been travelling in western Niger as part of a UN Mission. The group released the diplomats unharmed on April 19, 2009 against a ransom of Euro 2 million. Three of a group of four European hostages (2 Swiss, 1 British and 1 German) who had been kidnapped in eastern Mali on January 22, 2009 were also released against a ransom of Euro 2 million and the liberation of 3 terrorists. The remaining hostage, the British Edwin Dwyer, was killed on May 31, 2009, becoming the first hostage executed by AQIM.<sup>xxv</sup> In late June 2009, AQIM took responsibility for the killing of an US aid worker in Mauritania's capital city of Nuakchott. This attack was described as a botched kidnapping attempt. Together with this case, on November 14, 2009, there was an additional failed attempt to hold 4 US citizens for ransom in Tahoua, Niger. The killing of the British hostage in Mali and of the US aid worker in Mauritania, together with the murdering of a senior Malian Army intelligence officer in his home in Timbuktu in that time, reflected again that AQIM is not any more concentrated in Maghreb issues but it is an instrument of a Jihadist group with global ambitions.

The kidnapping business is so good, that hostage taking in the Sahel region had risen 150% between 2008 and 2009. Now, the average ransom for the release of a Western hostage is \$6,5 million. Since 2008, AQIM raised more than \$25 million from ransom for foreign nationals in the Sahel region. This makes AQIM richer than «Al Qaida Central», whose annual income was recently estimated by US officials to be between \$5 million to \$10 million.<sup>xxvi</sup>

It is no a coincidence that all the AQIM's recent hostages have been held in remote areas of the Sahara desert in Mali. AQIM's activities



were previously based along Algeria's Mediterranean coast, but security crackdown by the Algerian armed and security forces have forced the group into the largely ungoverned Sahara desert area of Mali, and along Algeria's northern border. AQIM relies on local communities of the Sahara for sanctuary. At times, local elders of such communities have acted as intermediaries in talks that have led to the release of hostages. In addition, AQIM has not only establish in this sanctuary through marriages and money but also through coercion. In recent years the AQIM attacks against the Malian armed and security forces increased. For instance, on July 4, 2009, AQIM claimed responsibility for an attack in Al Wasra, northern Mali, against a Malian army convoy killing 28 soldiers.<sup>xxvii</sup>

However, AQIM's base in Mali is by no means a safe haven. In June 2009, Malian security forces killed seventeen militants during a raid on an AQIM base near the town of Timetrine and subsequent military actions against AQIM have been implemented, the last this summer.<sup>xxviii</sup> In terms of an updated description, Kamel Rezag Bara considers that "Northern Mali has become a safe haven to all of these groups, while Mauritania is now a major recruiting ground as more than half of AQIM Sahelian fighters are Mauritaniens, and Niger is a zone of large scale operations, not to mention Northern Nigeria which could be in the near future a source of expansion of AQIM terrorist activities".<sup>xxix</sup>

On November 26, 2009, a French citizen, Pierre Camatte, was held for ransom in Menaka, Gao in Mali. He was released on February 19, 2010, against the payment of a ransom and the release by the Mali government of 4 terrorists, including two Algerians who were subject to an extradition request procedure. On November 29, 2009, 3 Spanish nationals – Alberto Villalta, Alicia Gámez and Roque Pascual – were taken hostage in Mauritania, in the mean route of the country connecting Nouadhibou and Nouakchott. Alicia Gámez was released after the payment of a ransom of Euro 3 million and the other two



were released on August 23, 2010, in return for the payment of at least Euro 5 million and the release of the terrorist Sid Ahmed Ould Hamma (a.k.a. Omar Sahraoui).<sup>xxx</sup> On December 18, 2009, an Italian couple was held for ransom at Kobonni, Mauritania. They were released in May 2010, against the payment of a ransom of Euro 3,6 million. On April 20, the French Michel Maurice Germaneau was held for ransom at the north of the town of Abangharit, in Niger. According to some sources AQIM had also demanded the release of Rachid Ramda, an Algerian who financed the 1995 GIA terrorist attacks in Paris and remains in prison in France after been extradited by the United Kingdom.<sup>xxxi</sup> Germaneau was killed on July 24, 2010, following in time a failed joint military operation by Mauritanian army with French troops for his release on July 22, 2010.<sup>xxxii</sup>

AQIM kidnapped seven foreigners in northern Niger on September 16, 2010. The terrorist group claimed responsibility for the kidnapping of five French and two Africans, one from Togo and the other from Madagascar, workers in Niger on September 21, 2010, as was reported by Arab TV satellite channel Al Jazeera. The Niger government earlier said the kidnappers had links to AQIM. Niger government spokesman Mahamadou Dan Dah had announced: “On the basis of clues so far, we can say that the group behind this unacceptable abduction is affiliated to the group of Abu Zeid, who in turn is linked to the shadowy al Qaeda network”.<sup>xxxiii</sup> The seven foreigners were kidnapped in Niger’s northern uranium mining zone, in the town of Arlit.<sup>xxxiv</sup>

The hostages are employees of the French firms Areva, CEFPI.PA and Vinci. A letter sent to Areva and other companies operating in the area by the Arlit’s prefect on September 1, 2010, warried of the risk of kidnappings after foiling an attack two weeks earlier.

Mauritania has uranium and gold mining projects in their preliminary stages at the east and the northeast of the country, and news such as those related to major military operations against AQIM – including heavy casualties among the Mauritanian armed forces - in its border



with Mali in September 2010 damage the image of the country.<sup>xxxv</sup> On June 24, 2011, the Mauritanian army launched a heavy attack against AQIM terrorists in northern Mali killing 15.<sup>xxxvi</sup> This is provoking the scaring of the foreigners – the most visible effect of this terrorist escalation has been the cancellation of the Paris Dakar rally that now is developed in southern America - with whom locals do so much business with the point of dependency, thus sucking much needed cash out of the economy unpredictably.

Terrorists usually subcontract to local bandits and traffickers the performance of the abduction, subject to the payment of an amount ranging between 10 to 15 million FCFA (CFA francs), a practice say that stocks e which is reinforcing the illegal sector in national economies of the area. Direct or indirect negotiations provide opportunities for additional individuals to become involved in this attractive business. A long number of intermediaries between the authorities of the host country do emerge, taking also their part of the ransom. The basic rate for the release of a western hostage in Euro is around 5 million, which means a big affaire in the context of the poor economies of the Sahelian region.

Finally, prospects for the immediate future are attractive for terrorists and a big concern for us. In the coming years the Sahara-Sahel region will become more populated and more interconnected with the rest of the world, population and urbanization are increasing and energy and mining companies's pursuit of new natural resources are expanding the international presence on the ground. This is, of course, an attractive trend for AQIM due to the fact that potential targets for terrorists will increase.<sup>xxxvii</sup> Southern regions of Libya and Algeria, the Taoudeni basin in Mauritania, near the borders with Mali and Algeria, and the so-called "Block 20" in Mali's northern Taoudeni basin are areas of exploration and drilling of oil and gas, attracting foreign and local personnel. In September 2009, seven Mauritians and Malians suspected of being



AQIM members were arrested no far from “Block 20”. In addition, the Trans-Sahara Gas Pipeline (TSGP) would transport Nigerian gas across the Sahel and Sahara to the Algerian border by 2015, and would be the world’s longest pipeline. The TSGP would link Algeria up with Europe. Together with these hydrocarbon potential targets, AQIM will also pay attention to foreign projects such as wind farms and solar arrays that are being defined today in the context of national (Germany, supported by Spain and Switzerland) and international (Union for the Mediterranean, UfM) investment programmes. Gold mining in Mauritania, Burkina Faso, Mali and Algeria; iron mining in Mauritania; and uranium mining in Niger also emerge as future realities in terms of exploitation. For instance, several multinationals are considering investments in northern Mauritania, close to the border with the Western Sahara, in an area that registered AQIM activity in recent years.<sup>xxxviii</sup>

## **Instruments in order to fight against the financial front of terrorists.**

Up to now, the international community has only provided a limited response to this growing threat to its legal framework in the fight against terrorism. On December 17, 2009, the UN Security Council adopted Resolution 1904 (2009) confirming that the ban on funds, financial assets and economic resources fully applies to the payment of ransoms to individuals, groups, undertaking or entities of the UN sanctions list. But, while the payment of ransoms now falls under the general prohibition of terrorism financing, no specific measure or prohibition instrument has been implemented since then to deter that practice. The UNSC Resolution 1904 is an important step, but it is doing nothing explicitly to ban the payment of ransoms to terrorists, particularly to those listed in the 1267 “Consolidated List”, because it is not providing with instruments in order to punish those who accept the blackmail imposed by terrorists.<sup>xxxix</sup> Furthermore, existing international conventions such as the International Convention against the Taking of Hostages, of 1979, and the International Convention for the Suppression





of Terrorism Financing, of 1999, do not address the issue of kidnapping-for-ransom. On September 7, 2010, the Algerian's President Advisor for Counter-Terrorism, Kamel Rezag Bara, evoked the growing trend in kidnapping-for-ransoms, during the 2010 review of the UN Global Counter-Terrorism Strategy.<sup>xi</sup> In addition, the September 27, 2010 special meeting of the UN Security Council on terrorism paid attention to this subject among others – and the British Foreign Secretary, William Hague, condemned explicitly the payment of ransoms – but the lengthy statement adopted afterwards did not directly address the question of ransoms.<sup>xli</sup>

At the African regional level, in July 2009, the AU called for the criminalization of the payment of ransoms, while many countries who officially ban this practice, continue to indirectly provide ransoms to terrorist groups, through thirds-countries or subcontractors of these groups. The Thirteenth Ordinary Session of the AU Assembly, held in Sirte, Libya, on July 3, 2009, adopted Assembly Decision 256(XIII) to Combat the Payment of Ransom to Terrorist Groups, an eleven-points document requesting the international community “to consider the payment of ransom to terrorist groups a crime” and the Security Council to adopt a restrictive resolution against in order to consolidate legal provisions put in place, particularly by resolutions 1373 (2001) and 1267 (1999). It also requests the UN General Assembly to include this issue in its agenda and to initiate negotiations with a view to elaborating a supplementary protocol to the International Convention for the Suppression of the Financing of Terrorism or to the International Convention against the Taking of Hostages which prohibits the payment of ransom.

Given the limitations of the existing international legal instruments the states are obliged to pass laws focused on the fight against the financial aspects of terrorism. For instance, the US State Department has paid particular attention to the Tunisian efforts on this matter. Washington has



deployed counter-terrorist efforts in the area, either reinforcing bilateral links or launching multilateral formulas such as the Pan-Sahel Initiative (PSI) or the Trans-Saharan Counter Terrorist Initiative (TSCTI).<sup>xlii</sup> On July 30, 2009, the Tunisian Chamber of Advisors amended the 2003 anti-terrorism law to harmonize national legislation with UN resolutions related to terrorism financing and money laundering. The amendments included measures to establish databases on terrorist financial transactions, protect the identities of magistrates, judicial police officers and civil servants involved in terrorism and money laundering cases, freeze funds belonging to people accused of terrorist activities and extend from two to five days the period allowed for a public prosecutor to issue his judgement on investigations carried out by the Financial Analysis Commission.<sup>xliii</sup> Together with this national effort evoked abroad, a subregional framework of cooperation is also emerging being worthy to be pointed out. This is the case of the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA, in its French acronym).<sup>xliv</sup>

A growing criminal industry based on ransoms, smuggling networks and drug trafficking threatens regional security and undermines international engagement in tourism, investment, development and humanitarian assistance to the impoverished population of the Sahara-Sahel region. In this context, the countries of origin of the kidnapped victims who are given in to blackmail are encouraging terrorists to pursue their criminal activities, and the collected ransoms are used by AQIM to finance either acquisition of weapons, ability to recruit and train in mobile camps and sophisticated logistics.<sup>xlv</sup> For a long time countries like Algeria, Mali, Mauritania and Niger, who are the most damaged by this criminal activity, have used three main strategies in their fight against AQIM: police and military confrontation, intelligence work aimed at disrupting cells, and negotiations. Now they are adding a fourth pillar by going after AQMI's funding.



These states are trying to contain AQIM plans to recruit money-laundering experts to track down the millions of dollars the Jihadist terrorists earn through kidnapping and smuggling. Governments in the region have so far focused on conventional methods to catch or neutralize terrorists, but now want to target the revenues AQIM uses to buy weapons and finance a support network of informers and corrupt officials. Since two years ago, officials from Algeria, Mali, Mauritania and Niger have met several times to examine ways they can co-operate to crack down on money-laundering and contraband.<sup>xlvi</sup> On September 26, 2010, the Chiefs of Staff of Algeria, Mali, Mauritania and Niger met in Tammanrasset for defining a response to the most recent challenges launched by AQIM and the emerging risk of external intervention in their domestic affairs.<sup>xlvii</sup> The building up of the Joint Operational General Staff Committee (CEMOC, in its French acronym) based in Tammanrasset by the four countries in 2010 should be a potential game-changer. In Sahelian hostage situations, the two choices are often attack or negotiate, both of which have drawbacks. Disrupting AQIM's financial operations could circumvent that dilemma by removing the resources that allow the group to operate in the first place. The ability to follow money trails could also ease negotiator's consciences, because they can hope that the money they pay for hostages will one day turn back up. The US tracks terrorist financing very carefully, but African governments should play a much more active part in that endeavour as well.<sup>xlviii</sup>

What it is also important to do for the future from outside Africa is to involve the countries of the area in broader activities than digging up the minerals and oil and nothing else, and this can be made through the EU Strategy for Security and Development in the Sahel approved by the EU Council in March 2011.<sup>xlix</sup> For the time being previous problems – such as ethnic and tribal tensions in Mali, corruption spread and so on – is becoming exacerbated by AQIM activism and the subsequent fight against terrorism, instead of been solved. Sanitation systems, schools,



well drilling, and other social initiatives should be made in order to engage population in confronting terrorists before they, the AQIM ranks, become the “social” contributors instead of states such as some cartels made in some corners of Colombia in the 1980s.<sup>i</sup> Sub regional and international efforts are being defined in order to connect security and development in the Sahel. The Ministers of Foreign Affairs of the four Sahel countries have met in November 2008, in Bamako, in March 2010, in Algiers, and in May 2011, again in Bamako to exchange views in order to better define the axes of a more efficient cooperation on security and development. In addition, the EU has approved in March 2011 a Strategy for Security and Development in the Sahel, and the approach between the two initiatives should be mutually reinforcing in the region.

## **Conclusion.**

Since 2003 AQIM has developed a growing criminal industry that sustains itself through huge ransoms they extort and drug trafficking. The long list of abductions provided in this analysis must be situated in the context of the resurgence of terrorism since the very moment when AQIM was created. Suicide attacks in Algeria (2007 until now),<sup>ii</sup> and Mauritania and Niger (2010); assassination of foreigners (in Algeria and Mauritania); attacks against military and security forces (in Algeria, Mali, and Niger); and kidnappings of foreigners (in Mali, Mauritania, Niger, Algeria and Tunisia) are, all together, significant prints of the «Al Qaida» style. Together with the African financial and logistical front of AQIM, Europe remains important because financial sources connected with smuggling and drug trafficking remain active<sup>lii</sup>

The fact that hostage-countries agree to pay ransoms to terrorist groups such as AQIM or to meet their combined requests for the release of terrorist detainees in exchange for the release of hostages is eroding the international fight against terrorism. In fact, the combination of economic extortion with the demand to release terrorist prisoners in



exchange for the lives of Western hostages is very much increasing impunity, and is opening a dangerous breach in the international effort against terrorism that looks today weaker than that implemented in the afterwards of the 9/11 attacks in 2001.<sup>liii</sup>

For the time being, abductions of Westerners in the Sahel provided to AQIM terrorists around Euro 50 million permitting them to purchase weapons, communication, logistics and fidelities in this volatile region. AQIM is benefiting from advances in navigation and communications technology through its financial capabilities, and it will permit terrorists to improve its ability to plan and carry out future attacks. Kidnapping and ransom-taking has become a primary tactic for AQIM inviting members of the group to focus on this for reinforcing their terrorist capabilities. In addition, the terrorist “business” is becoming attractive not only in terms of activism, permitting AQIM sustaining the group and planning further terrorist operations, but also in terms of a “way of life” for other persons and communities living and acting in the region.

Regional governments sought to take steps to counter AQIM operations, but there is a need for foreign assistance in the form of law enforcement and military capacity building in order to do so. France and the US remain as the foreign countries that are much more involved in the region acting on the basis of bilateral agreements with the Sahara-Sahel actors. Other European countries, such as those who have participated in the annual “Flintlock” military exercises sponsored by the US, are also potential contributors to an international effort to be done in permanent connection with the local governments in order to avoid any perception of ingerence. It is worthy to mention the African efforts led by Algeria and focused not only on condemning the payment of ransom to terrorist groups in exchange of the release of hostages at the AU level, but also in requesting the international community to consider the payment of ransom to terrorist groups as a crime.<sup>liv</sup>



In legal terms, and given that the most recent legal instrument approved at the global level by the UN Security Council in order to improve the combat against the financial sources of terrorism, the resolution 1904, is not banning the payment of ransoms to terrorist groups, it should be urgent to reinforce the contents of this resolution. It is urgent to ban not only the payment of ransoms but also the release of imprisoned terrorists in exchange for liberation of hostages, because the model that is emerging in the Sahelian region could become, sooner than later, very much attractive for other terrorist groups and networks acting all over the world. In order to work on this task at a multilateral level Algeria convened a Conference on Security and Cooperation in the Sahel on September 7 and 8, 2011, in Algiers. The Conference, held in the context of the Arab revolts and the civil war in Libya, enabled the Sahel countries to demonstrate to their extra-regional partners that they have a shared vision in the fight against terrorism and organized crime.<sup>iv</sup>

Finally, even if some terrorist attacks made in the Maghreb have been perceived as less elaborated and cheaper than others implemented in other regions, maintaining an efficient terrorist network is not cheap, and even single attacks have frequently been underfunded, underlining that financing remains a critical concern for terrorist groups. AQIM is enjoying a big amount of funds gained through the kidnapping-for-ransom business, combined with the drug trafficking increasing activity in the Sahara-Sahel region. In addition, increasing prospects of a more populated and interconnected Sahelian region in the near future will also provide a wider array of targets for AQIM. That is why it seems to us that the threat coming from AQIM must be much more seriously considered now and in the months and years to come.

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## NOTES

i Echeverría Jesús, C.: “La dimensión global, y española, de la lucha contra el terrorismo yihadista salafista hoy” Análisis del Grupo de Estudios Estratégicos (GEES) Number 291, July 15, 2008, in [www.gees.org](http://www.gees.org).



ii See “Country Reports on Terrorism 2009 Middle East and North Africa Overview” in US Department of State. Diplomacy in Action in [www.state.gov/s/ct/rls/crt/2009/140886.htm](http://www.state.gov/s/ct/rls/crt/2009/140886.htm).

iii AQIM must be considered as a open process in terms of attracting the various Maghreb Jihadist Salafist groups to a single entity. See our considerations about the Moroccan most important group, the Moroccan Islamic Combatant Group (GICM, in its French acronym) in Echeverría Jesús, C.: “The Current State of the Moroccan Islamic Combatant Group” Combating Terrorism Centre (CTC) at West Point CTC Sentinel Vol. 2, Number 3, March 2009, pp. 22-24, in [www.ctc.usma.edu/sentinel/](http://www.ctc.usma.edu/sentinel/).

iv ISSAMI, Mohamed: *Le FIS et le terrorisme. Au coeur de l'enfer Algiers*, Le Matin Éditions, September 2001, pp. 79-85.

v On September 29, 2010, the Spanish authorities announced the arrest of a US citizen suspected of sending money to AQIM. The suspect, Mohamed Omar Debhi, is of Algerian descent and was arrested in Barcelona. On September 30, however, authorities released him due to lack of evidence, although the investigation is still open. See “Recent Highlights in Terrorist Activity” CTC Sentinel Vol. 3, Number 10. October 2010, p. 20, in [www.ctc.usma.edu/sentinel/](http://www.ctc.usma.edu/sentinel/).

vi See Jean-Pierre Filiu: “Al Qaida in the Islamic Maghreb: A Case Study in the Opportunism of Global Jihad” CTC Sentinel Vol. 3, Number 4, April 2010, p. 15, in [www.ctc.usma.edu/sentinel/](http://www.ctc.usma.edu/sentinel/).

vii See “La Mauritanie entre les griffes d’Al Qaïda” *El Watan* July 26, 2010, pp. 1 and 3.

viii See among the most recent publications on AQIM Mokkedem, Mohamed: *Al Qaïda au Maghreb Islamique. Contrabande au nom de l’Islam Algiers*, Casbah Éditions, 2010 and Tawil, Camille: *The Al-Qaeda Organization in the Islamic Maghreb: Expansion in the Sahel and Challenges from Within* Jihadist Circles Washington DC, The Jamestown Foundation, April 2010. Five states are members of the AMU, a subregional organization founded in Marrakesh on February 17, 1989: Algeria, Libya, Mauritania, Morocco and Tunisia.

ix Echeverría Jesús, C.: “The Sahel-A Volatile Region” in Marquina, Antonio and Günter-Brauch, Hans (Ed): *The Mediterranean Space, and Its Borders. Geography, Politics, Economics and Environment* Madrid-Mosbach, UNISCI-AFES PRESS, Collection STRADEMED Number 14, 2001, p. 213.

x See a detailed description of this region in Echeverría Jesús, C.: “The Sahel op cit pp. 219-220.

xi Ibidem

xii Noonan, Michael P.: *Disrupting the Foreign Fighter Flow* Philadelphia, Foreign Policy Research Institute (FPRI) E-Notes, October 9, 2009, in [www.fpri.org](http://www.fpri.org).

xiii See European Police Office (EUROPOL): *EU Terrorism Situation and Trend Report TE-*



SAT 2009 The Hague, European Police Office, 2009, in [www.europol.europa.eu](http://www.europol.europa.eu). 54 pages.

xiv The leader of the group was Abou Yassine, a former Salafia Jihadia prisoner who had been sentenced previously to two years in jail for his involvement in the «Ansar al-Mahdi» terrorist group. The cell operated between Morocco and Spain, according to press reports. See “Country Reports on Terrorism 2009. Middle East and North Africa Overview” US State Department op cit.

xv Jonsson, Michael: “Countering Terrorist Financing: Successes and Setbacks in the Years Since 9/11” CTC Sentinel Vol. 3, Number 7, July 2010, p. 18, in [www.ctc.usma.edu/sentinel/](http://www.ctc.usma.edu/sentinel/).

xvi Among the Jihadist terrorist groups the practice of kidnappings has historically been developed by the Abou Sayyaf Group, a small faction that operates in western Mindanao and on the Sulu islands extending from Mindanao, in Phillipines. It has a record of kidnapping for ransom, particularly under the leadership of Khadafi Janjalani until he was killed by the Phillipine armed forces in December 2006. See Vaughn, Robert and others: Terrorism in Southeast Asia Washington DC, Congressional Research Service CRS Report for Congress, September 11, 2007, p. 15. On September 19, 2010, Abdulkarim Sali, a member of the Abu Sayyaf Group who helped plan and execute the kidnapping of three US and 17 Filipinos from a popular resort in 2001 was killed. See “Recent Highlights in Terrorist Activity” CTC Sentinel Vol. 3, Number 10, October 2010, p. 19, in [www.ctc.usma.edu/sentinel/](http://www.ctc.usma.edu/sentinel/).

xvii The ransom was paid for 14 hostages because one of them died in the desert and 17 were freed by the Algerian special forces in an brilliant operation near Tammanrasset.

xviii See the contribution from Kamel Rezag Bara, Advisor to His Excellency the President of Algeria: Contribution from Algeria to the Panel on the Ransoms Payment Issue as a Source of Financing Terrorism New York, Parmanent Mission of Algeria to the UN, September 7, 2010, pp. 3-4.

xix Rezag Bara, K.: op cit. This document was the Algerian contribution to an international meeting organized by the Counter Terrorism Implementation Task Force (CTITF), the International Peace Institute (IPI), the Swiss Mission to the UN and the Center on Global Counter Terrorism Cooperation.

xx Brisard, Jean-Charles: AQIM kidnap-for-ransom practice: A worrisome challenge to the war against terrorism financing (Updated) Terror Finance Blog September 27, 2010, in [www.terrorfinance.org/the\\_terror\\_finance\\_blog/2010/09/aqim-kidnap-for-ranso...](http://www.terrorfinance.org/the_terror_finance_blog/2010/09/aqim-kidnap-for-ranso...)

xxi In 2009, the EUROPOL defined Western Africa as the most important security concern in terms of organized crime affecting Europe. See an analysis of this increasing threat in De la Corte, Luis and Giménez-Salinas Framis, Andrea: Crimen.org. Evolución y claves de la delincuencia organizada Barcelona, Ariel, 2010, pp. 411-413.

xxii “Connexion entre narcotrafiquants et terrorisme au Sahel” Le Quotidien d’Oran November 1, 2010, p. 7.





xxiii See Ammour, Laurence Aïda: *Mauritania en la encrucijada de las amenazas regionales* Barcelona, Notes Internacionals CIDOB Number 19, October 2010, p. 1.

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xxx See Mandraud, Isabelle: “La Mauritanie et la France accentuent leur pression militaire sur AQMI” *Le Monde* July 25-26, 2010, p. 5.

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xlvi Council of the European Union 2076th Foreign Affairs: EU Council Conclusions on a Strategy for Security and Development in the Sahel Brussels, March 21, 2011, in [www.eu-un.europa.eu/articles/es/article\\_10849\\_es.htm](http://www.eu-un.europa.eu/articles/es/article_10849_es.htm).

xlix On October 31, 2010, the Algerian Prime Minister Ahmed Ouhayia addressed the Algerian Parliament on this topic, insisting on the double need of supporting Sahelian populations in terms of development, on one side, and avoiding foreign ingerence in the region on the other side. See “Les pays du Sahel ont besoin de développement, d’aide et de respect” *El Moudjahid* November 1, 2010, p. 13.

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## **DISENTANGLING TERRORISM IN CENTRAL AFRICA: CHALLENGES AND PROSPECTS**

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The spectre of terrorism looms over the world in more vivid ways than Winston Churchill perceived of the “iron curtain”. Throughout most of the last decade, the international community has literally been swept into antiterrorism schemes which defy any effort at complete enumeration. Antiterrorism endeavours can be typified into military-cum-intelligence efforts, legislation aimed at improving legal provisions for prosecuting terrorists, and measures targeting sources of funding to terrorist networks. The shadowy world of these faceless criminals demand of counterterrorism measures wide imagination. No where is this task apparently more illusive than in Central Africa. In a sense, this part of the world lies on the fringes of terrorism in terms of mainstream activists who target American-Western interests and Israel, as well as, efforts at staving terrorists of vital supplies. But Central Africa is less so, in terms of the havoc unleashed on the people. This study examines the incidence of terrorism in Central Africa and highlights the somewhat low profile sources of funding and lean methods of recruitment into terrorist ranks within this sub-region. This implies that targeting funding becomes a weak link in the battle against terrorism for now in central Africa. By Central Africa we mean Cameroon, Gabon, Equatorial Guinea, Congo Brazzaville, Democratic Republic of the Congo (DRC) on the west, through Chad, Central Africa Republic (CAR), Uganda, Rwanda and South Sudan. A fault line of weak states and fragile regimes runs southwards from Chad through CAR, Congo, DRC then Uganda and South Sudan.



What is terrorism? Though the concept is contentious in meaning, we shall not delve into the debate but we rather opt for a minimal definition of it. According to Goldstein and Pevehouse “terrorism refers to political violence that targets civilians deliberately and indiscriminately”.<sup>1</sup> Rourke in addition to the above features, stresses the clandestine attack methods used by terrorists not just to physically harm victims but more generally, by instilling fear in others who come to the realisation that “they could have been the victims”, considering the facilities targeted.<sup>2</sup> Terrorists usually operate at transnational level but not exclusively so. Terrorism has been practiced by a broad array of political organisations for furthering their objectives. It has been practiced by groups of diverse political persuasions – right-wing and left-wing, nationalist revolutionaries, religious groups and governments. Terrorism, though contested by such accused countries, has been used by some national governments as an instrument of policy (that is, the so called state terrorism

This rather soft definition though plagued with the risk of being simplistic and too broad, allows us to include such groups as the former military of Rwanda (the ex-FAR) and the Christian terrorist group in Uganda, the Lords Resistance Army (LRA), which have largely employed obvious terrorist tactics in their operations. They also constitute the main source of insecurity bedeviling the area and are listed on the US State Department index of terrorist groups. By so doing, terrorism would not simply be limited to anti- American, European and Israeli interest insurgents.

There is paucity of concerted literature on the picture of terrorism in central Africa. However, some studies have been made on other areas in Africa. The comprehensive work by Anneli Botha examines and throws light on the dim world of transnational terrorism in the Maghreb<sup>3</sup>. Okereke’s<sup>4</sup> survey of the phenomenon in West Africa also reveals the ground covered this far in the sub-region and the challenges



ahead. In central Africa much work is still to be done even by state governments in the area of legislation. Mentan's study that points to a nexus between weak (i.e. failed and failing) states that provide fertile minds for extremist ideology and terrorism in Africa, is instructive. However, Jessica R. Piombo rather thinks that the common mantra that "failed states lead to terrorism" is, in fact, belied by geography<sup>5</sup>.

The dramatic attacks on the US on September 11, 2001 and subsequent bombings in Madrid (2004), London in 2005; other al Qaeda masterminded attacks, coupled with more recent ones like Mumbai last year and in 2011, have fixed the mindset and the discourse on terrorism on the brand inspired by radical Islam. These bear the hallmarks of sophistication in planning and financing. In response, the US and its allies have focused on destroying al Qaeda and other radical Islamic groups inspired by the latter in Africa, but they have been slow to address less-visible terrorist threats elsewhere on the continent, such as Islamist extremism in Nigeria and the criminal syndicate of the Lord's Resistance Army (LRA) and the x-FAR in Central Africa. More generally, in West Africa, criminal networks launder cash from illicit trade in diamonds, drugs, "oil bunkering" (going by the Nigerian slang for oil theft) and outright piracy. These fugitive groups join forces with corrupt local leaders to accentuate lawlessness and sometimes, literally threatening the very existence of the state. Narco-terrorist groups have infiltrated the fragile state of Guinea Bissau and shook it to its foundations in recent years. A drug hub exists in West Africa with virile activities especially taking place in Guinea, Sierra Leone and Ghana that transmits narcotics from Central and South America to Europe and the Middle East. Proceeds from this dirty trade end up in the hands of organised syndicates with wider agendas.

Central Africa has not enjoyed the recent high profile notoriety of West, East and North Africa as a hotbed for terrorist cells. However, the sub-region has the incipient elements for this to happen or could be going on below the radar. The existence of weak or failing states such as the



DRC, Chad and CAR offers sanctuaries for terrorist financial deals. Burundi and Rwanda are just recovering from human crisis of great proportion. Meanwhile, Uganda and the nascent state of South Sudan have festering civil conflicts. The former is the birthplace of marauding LRA bands whose atrocities have been unleashed on locales in South Sudan, CAR, Congo, DRC and Uganda itself. Equally critical is the fact that this region borders known havens of al Qaeda operatives, particularly in Kenya and Somalia. The porous borders of countries in Africa generally, coupled with corrupt and inefficient state security operatives means agents can easily move across boundaries.<sup>6</sup>

## **LRA/ex-FAR terrorism in Central Africa**

The LRA was formed in 1987 as a resistance movement against the government of Uganda but has largely degenerated into a band of criminals with no clear political agenda. Its tactics are meant to inspire awe, shock and terror. It is from the perspective of tactics and their past political aspirations (their claim to establishing a theocracy based on the Ten Commandments) that the LRA can be considered a terrorist organisation. Joseph Kony, leader of the LRA purports to be the spokesman of God. However, the LRA membership coalesces around their common Acholi ethnic background. In no way though, can the LRA be considered popular among the Acholi of northern Uganda. This movement is currently proscribed as a terrorist organisation by the US government.<sup>7</sup>

On the other hand, the ex-FAR and their comrades in crime, Interahamwe that fled to the DRC following the genocide in Rwanda and their defeat in the hands of the Rwanda Patriotic Front (RPF) engaged in terrorism there on a massive scale. These remnants of the génocidaires largely projected their evil schemes into the Eastern DRC in league with other sub-state actors in Zaire and later DRC.





### **Funding of Terrorism in Central Africa**

Sudan is widely believed to have provided military assistance to the LRA, as quid pro quo for Uganda's lending of military support to the Sudan People's Liberation Army that successfully fought for the secession of the South from the rest of Sudan.<sup>8</sup> In spite Sudan's government denials, the animosity between the Ugandan government and its Sudanese counterpart are entrenched in teeth for tat claims of mutual support to rebellion in each others territory. The LRA without Khartoum's support will not have vital supplies of ammunitions and medicines. It is also known that the SPLA in Southern Sudan provided them with non-lethal supplies during the bungled peace process in 2008, so that the LRA does not attack locals in search of such. Apart from these, there is no other government that is known to have backed the LRA.

However, the LRA operates with the most rudimentary guerrilla tactics in warfare. Targeting mainly indefensible isolated local communities, this terrorist group does not require sophisticated weapon systems. Its rudimentary methods allow the group to operate with lean financial resources as they rely mainly on pillage of property belonging to isolated villages in Southern Sudan, DRC, Congo, CAR and Uganda. Equally contributory to this is the LRA's source of recruitment into its ranks. Relying rather on kidnapping of children particular, this group does not spend on propaganda nor any form of remuneration for its fighters.

The democratic Republic of Congo's territory is a dangerous theatre of interlocking composites of conflicts. Most of the eastern part of the state is under the control of warlords and criminal gangs who have been waging wars for the control and plunder of the rich natural resources of the area. Illicit trade in diamonds and other germ stones and minerals have supported the war efforts of the militias. In association with Lebanese and other dealers, these plundered minerals and sold and some of this money is used to even fund activities beyond the DRC.



## **Counterterrorism in the Central African Sub-region**

Under the auspices of the United Nations Office on Drugs and Crime (UNODC), efforts have been made at a multilateral grouping of West and Central Africa and some other European stakeholders to streamline legislation to combat terrorism<sup>9</sup>. In total, among the 27 West and Central African States, twenty-three have initiated a review process of their legislation: Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Côte d'Ivoire, Central African Republic, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Ghana, Guinea, Guinea-Bissau, Mali, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal and Togo. This process can be qualified as generally slow, probably, because the global conception of terrorism, which seems to deemphasise the immediate worries presented by localised groups like the LRA and ex-FAR raiders.

Also, seminars organized by the African center for the study and research on terrorism (ACSRT) have been going on in Central Africa to discuss threats and vulnerabilities of the terrorism phenomenon in the sub-region of Central Africa and also to examine ways to reinforce its capacity of counter terrorism in the context of the African Union Plan of Action on the Prevention and Combating of Terrorism (2002). In one of such Mr. Egidio da Sousa expressed the wish for the quick achievement for a global adapted and coordinated response to overcome terrorism. Recognizing the numerous difficulties of counter terrorism which due especially to the multi-dimensional and cross-border character of terrorism, he also underlined the necessity to respect human rights while waging the fight against terrorism, particularly to conciliate the said issue with the peoples' aspiration to freely circulate in the space of their economic grouping.<sup>10</sup>

The US has been involved in overt, as well covert, activities to reinforce efforts in sub-Saharan Africa in general, to combat terrorism. Its Africa Command initiative, though spurned by most governments of the



region, is an effort in this light. The US was also involved in a bungled attack on LRA fighters in Eastern DRC with the use of foreign elite commandos.

Central African nations affected by the activities of the LRA have agreed to form a joint military force to strengthen their fight against the group. In a two-day (13-14 October 2010) regional ministerial meeting held in Bangui, and attended by ministers, civilian and military leaders from CAR, DRC, South Sudan and Uganda agreed to take various steps, including military measures against, the Ugandan group, which traverses the Eastern and the Central African region, kidnapping children and women and recruiting child soldiers. They envision better sharing of intelligence and a combined task force to pursue the terrorist as a way forward. They have also received pledges of support from the United States.

While we may agree to a modicum of consensus on what to do with the LRA, the rest of the terrorist groups benefiting from mineral exploitation in the DRC have not had such unison on how to tackle the problem. This can be blamed on the complicity of many governments in East-central Africa and beyond in the pillage of resources of the Eastern DRC. Until the governments, especially of immediate neighbours, become more disinterested in the mineral wealth of DRC, not much will be achieved in efforts to rein in the ex-FAR and other criminal gangs roaming the DRC. Given their need to smuggle their loot to the market and procure weapons for their activities, they can always realign with any gang – al Qaeda inclusive – ready to offer them a corridor to the market.

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## NOTES

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7 Philip T. Reeker (December 6, 2001).”Statement on the Designation of 39 Organization on the USA Patriot Act’s Terrorist Exclusion List”, US Department of State

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10 African Union’s African centre for the study and research on terrorism (ACSRT), Seminar on Counter-Terrorism in Central Africa 26-28 May 2008, Brazzaville, Republic of the Congo

## **TRANSNATIONAL ORGANISED CRIMES AND TERRORIST FINANCING IN WEST AFRICA: CHALLENGES AND STRATEGIES**

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### **INTRODUCTION**

Terrorism since the end of the Cold War has arrested global attention and provoked robust security discourses as a major threat to international peace and security. According to the United Nations (UN), almost no week goes by without an act of terrorism taking place somewhere in the world, indiscriminately affecting innocent people who just happened to be in the wrong place at the wrong time.<sup>1</sup> People around the world now live in fear of occurrence of terrorist acts.

The September 11, 2001 terrorist attacks against the United States (US), the 2002 Bali bombing and the 7th July 2005 London underground bombing marked a paradigm shift in the tactics, impact and perception of terrorism leading to the Global War on Terror (GWOT). It is an unfortunate recognition that while the GWOT rages, the spread of terrorism, enlistment of terrorists, funding of terrorism and terrorist acts apparently are on the rise in different parts of the world especially in Africa. Like burning desert fire during harmattan, the notorious Al-Qaeda terrorist group appears to be making more in-roads into Africa and West Africa in particular. Indeed, the most visible victory over international terrorism since 2001 was the killing of the Al-Qaeda mastermind, Osama Bin Laden in May 2011 in Pakistan by US special forces, however, this has also created a more visible presence of the group in many African countries like Nigeria, where a group known as Boko Haram linked with Al-Qaeda is daily dishing out bombings and mass murder of innocent people in Northern Nigeria and the capital Abuja. The group on 26 August 2011 bombed the UN building in Abuja resulting in the loss of 24 lives and maiming many as well as destruction



of property.

One of the enablers of terrorist acts in the world today is Transnational Organised Crimes (TOCs) such as drug trafficking, money laundering, arms trafficking, and human trafficking among others. The September 11 terrorist attacks against the US was an example of the extent, nature, dimension and reach of TOCs and their effects on national and global security. Transnational criminal groups such as suicide bombers and narcotics cartels offer themselves as actors in broader political and ideological struggles as depicted by global terrorism.

In Africa, the nexus between TOCs and terrorism has been established in countries such as Algeria, Tunisia, Morocco and Somalia among others. Indeed, the renewed threat of domestic and transnational terrorism in these countries portends collateral damage to African and global security. In West Africa, as noted by Okereke “the threats of terrorism and incidences of transnational organized crimes have emerged as critical challenges that threaten the security of states in the sub-region”.<sup>2</sup> The vulnerability of the region is not in doubt and the risks and threats of terrorism are equally fatal. There have been heightened terrorists activities in the past ten years in countries such as Nigeria, Mali, Mauritania and Niger. The threats posed by terrorism and TOCs are real and grave. The linkage between Al-Qaeda and drug trafficking in West Africa is well established. For example in March 2010, a number of Al-Qaeda affiliates were charged in Mauritania with drug trafficking offences involving the transportation of cocaine and marijuana.<sup>3</sup>

Furthermore, Al-Qaeda in the Islamic Maghreb (AQIM) is operating in north of the West African savanna and actively involved and collaborating with trans-border criminal syndicates thus exacerbating the problem of TOCs and terrorism in the region. In addition, the global community is irritated by the growing incidences of TOC and its role in funding terrorist activities in different parts of the world. There is therefore the need to evolve proactive strategies and effective response



mechanisms to combat terrorism and TOCs in the region by cutting off terrorist syndicates sources of funds in order to promote regional security in particular and global security at large.

This paper therefore seeks to focus attention on the connection between TOCs and terrorist financing (TF) in West Africa using the parameters of money laundering and drug trafficking. To achieve its purpose, the paper is compartmentalized into five sections. The first is on introduction and background while the second part deals with conceptual and theoretical issues. The third section focuses on TOCs and TF in West Africa, while the fourth part examines the efforts at addressing TOCs and TF in the region as well as some challenges to dealing with TOCs and TF in West Africa. The fifth section proffers some strategies to enhance the combative war against TOCs and TF in West Africa.

## CONCEPTUAL AND THEORETICAL EXPLORATION

To deepen the understanding of this paper, it is apposite to clarify the key concepts involved such as TOC, terrorism and TF. Thereafter, the connection between TOC and TF shall be explored and established.

## TRANS-NATIONAL ORGANISED CRIMES

*Transnational organized crime is an organized crime coordinated across national borders. It involves the planning and execution of illicit business ventures by groups or networks of individuals working in a well programmed manner. This definition underlines the cross-border and coordinated nature of the crime. The United Nations Convention against crime states that:*

*An offence is trans-national where, it is committed in more than one state but a substantial part of its planning, direction or control takes places in another State. It is committed in one state which involves an organized criminal group that engage in criminal activities in more than one State, or it is committed in one state*



*but has substantial effect on another State<sup>5</sup>.*

This definition is considered appropriate and comprehensive for the purpose of this paper because it captures the defining features of TOC such as organized criminal group operating across national frontiers.

## **TERRORISM**

The word «terrorism» is politically and emotionally charged, and this greatly compounds the problem of providing a precise and universally acceptable definition.<sup>6</sup> Studies have found over 100 definitions of “terrorism”. One thing that is certain is that the concept of terrorism is controversial and does not lend itself to generally received definition. Hence Angus Martyn, stated that «The international community has never succeeded in developing an accepted comprehensive definition of terrorism<sup>7</sup>. Despite this definitional challenge, humanity understands and feels the impact of terrorism as well as agree that it is an evil that must be uprooted in order to ensure global peace, prosperity and sustainable democracy.

Terrorism is defined as political violence in an asymmetrical conflict that is designed to induce terror and psychic fear (sometimes indiscriminate) through the violent victimization and destruction of noncombatant targets (sometimes iconic symbols). Such acts are meant to send a message from an illicit clandestine organization.<sup>8</sup> The purpose of terrorism is to exploit the media in order to achieve maximum attainable publicity as an amplifying force multiplier in order to influence the targeted audience(s) in order to reach short- and midterm political goals and/or desired long-term end states.»<sup>9</sup>

The Organisation of African Unity (OAU) Convention on the Prevention and Combating of Terrorism, 1999 in Article 1(3) defines terrorism as:

*Any act or threat which is in violation of the criminal law of the member state, likely to endanger the life, physical integrity, liberties of a person*





*or a group of persons, which causes or may cause damage to private or public property to natural resources to the environment or to cultural heritage.<sup>10</sup>*

It is important to note that the Convention does not consider the struggle for self-determination or the struggle against colonial occupation, aggression, domination by foreign forces as terrorist acts, as stipulated by its article 3 .

The UN defines terrorism as «Criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes are in any circumstance unjustifiable, whatever the considerations of a political, philosophical, ideological, racial, ethnic, religious or any other nature that may be invoked to justify them.»<sup>11</sup>

The point to underline in this definition is the fact that terrorism is unjustifiable no matter the consideration. In this regard, this paper stays with the UN's articulation.

Hoffman identifies some key characteristics of terrorism. He proposes that: terrorism is :

- ineluctably political in aims and motives
- violent – or, equally important, threatens violence
- designed to have far-reaching psychological repercussions beyond the immediate victim or target
- conducted by an organization with an identifiable chain of command or conspiratorial cell structure (whose members wear no uniform or identifying insignia) and
- perpetrated by a subnational group or non-state entity.<sup>12</sup>

The foregoing traits of terrorism are not exhaustive but suffice for analytical purposes in this paper.



## TYPOLOGIES OF TERRORISM

The US Law Enforcement Assistant Administration classified terrorism into six categories. These are presented below as follows:

- **Civil disorder** – A form of collective violence interfering with the peace, security, and normal functioning of the community.
- **Political terrorism** – Violent criminal behaviour designed primarily to generate fear in the community, or substantial segment of it, for political purposes.
- **Non-Political terrorism** – Terrorism that is not aimed at political purposes but which exhibits “conscious design to create and maintain a high degree of fear for coercive purposes, but the end is individual or collective gain rather than the achievement of a political objective.”
- **Quasi-terrorism** – The activities incidental to the commission of crimes of violence that are similar in form and method to genuine terrorism but which nevertheless lack its essential ingredient. It is not the main purpose of the quasi-terrorists to induce terror in the immediate victim as in the case of genuine terrorism, but the quasi-terrorist uses the modalities and techniques of the genuine terrorist and produces similar consequences and reaction. For example, the fleeing felon who takes hostages is a quasi-terrorist, whose methods are similar to those of the genuine terrorist but whose purposes are quite different.
- **Limited political terrorism** – Genuine political terrorism is characterized by a revolutionary approach; limited political terrorism refers to “acts of terrorism which are committed for ideological or political motives but which are not part of a concerted campaign to capture control of the state.
- **Official or state terrorism** –»referring to nations whose rule is based upon fear and oppression that reach similar to terrorism or such proportions.” It may also be referred to as **Structural Terrorism** defined broadly as terrorist acts carried out by

governments in pursuit of political objectives, often as part of their foreign policy.<sup>13</sup>

## **TERRORIST FINANCING**

Terrorist financing refers to the processing of funds to sponsor or facilitate terrorist activity.<sup>14</sup> It is pertinent to state that TF could be from legitimate or illegal operations. For example, TF could come from illicit drug trade. Countries such as Libya under Gaddafi and Iran have provided legitimate funding to terrorist groups. A terrorist group, like any other criminal organization, builds and maintains an infrastructure to facilitate the development of sources of funding, to channel those funds to the providers of materials and or services to the organization, and, possibly, to launder the funds used in financing the terrorist activity or resulting from that same activity.

Terrorist organizations derive income from a variety of sources, often combining both lawful and unlawful funding, and where the agents involved do not always know the illegitimate end of that income.<sup>15</sup> The forms of financing can be grouped in two types:

1. *Financial support* – In the form of donations, community solicitation and other fundraising initiatives. Financial support may come from states and large organizations, or from individuals.
2. *Revenue generating activities* - Income is often derived from criminal activities such as kidnapping, extortion, smuggling or fraud. Income may also be derived from legitimate economic activities such as diamond trading or real estate investment.<sup>16</sup>

The terrorist financier will want to disguise the illegal end of the funds, while trying to maximize the revenues for the organization sponsored. It may be necessary to disguise the source of the funds, as well, either because such funds have an illegal origin, or because the organization



wants to preserve the continuity of the legitimate financing. The need to camouflage the source of the funds means that terrorist financing has certain similarities with traditional money laundering, namely the use of three stages to place, layer and integrate the funds in the international financial system.<sup>17</sup> Article 2.1 of the 1999 UN International Convention for the Suppression of the Financing of Terrorism defines the crime of terrorist financing as the offence committed by «any person» who «by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out» an act «intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.»<sup>18</sup> This paper stays with this definition because it is comprehensive and contains all the key features required.

## **ALLIANCE BETWEEN TRANSNATIONAL ORGANISED CRIMES AND TERRORIST FINANCING**

The connection between TOC and TF was underlined by the UN Security Council Resolution 1373 that noted close relationship between transnational terrorism and TOC such as drug trafficking and money laundering among others.<sup>19</sup> Andres pointed out the Al-Qaeda continuing use of rough diamonds in West Africa as well as Hezbollah's use of diamonds as a source of revenue and a mechanism for asset transfer. Ellis in his analysis also linked Al-Qaeda to what is called narco-terrorism. He stated that in December 2009, three Al-Qaeda operatives of Malian origin were arrested in Ghana and extracted to the US.<sup>20</sup> In addition, terrorist syndicates in Nigeria are involved in maritime piracy and illegal oil bunkering as sources of financing their activities especially in the Niger Delta. It therefore, needs no argument that TOCs provide a veritable source of TF in West Africa and elsewhere thus there



is a linkage between them. Cross- borders syndicates do not necessarily have to be involved in terrorism per se but there is a thin line. Terrorist groups like Al-Qaeda and others certainly get involved in TOCs to finance their activities.

### **TRANS-NATIONAL ORGANISED CRIMES AND TERRORIST FINANCING IN WEST AFRICA.**

Transnational organised crimes in West Africa have been in existence since the 1970s. They were at the beginning in form of individuals or groups of traders and businesspeople smuggling goods across borders.<sup>21</sup> As pointed out by Andres, the outbreak of intr-state conflicts in West Africa in 1989, added mercenarism, small arms trafficking and the recruitment of child soldiers and fighters to the TOCs.<sup>22</sup> Since the 1990s, cross-border criminal activities have proliferated and highly sophisticated.been

The West African region has become a fertile ground for arms, drugs, human trafficking, and others TOCs. Within the past few decades, the increasing networks amongst criminal groups across and between the member states of the Economic Community of West African States (ECOWAS) have fuelled these various cross-border activities. It has become evident that these criminal groups not only share weapons, but ideas and cooperate on a wide range of activities.

At the national level, security threats have emerged due to the political, economic, developmental, and social deficits in many West African countries. Economic marginalization and poverty, weak governance structures, high prevalence of crime and banditry, and inefficient security structures, have contributed to an impoverished populace. Criminal groups ranging from bandits to armed groups and militia have evolved on this basis.<sup>23</sup> More worrying is that these criminal groups are ready and willing to work together with and support terrorists in order to further weaken security on the region . Dissatisfied populaces



create the space for the easy recruitment of locals for terrorist cells in particular within the alienated Muslim communities, many of whom are impoverished and comprise frustrated youth who do not have jobs and live in abject poverty and misery. One point that needs not get lost is that the high level of unemployment and poverty have predisposed some youths in West Africa to influence of transnational organized criminal syndicates and terrorist groups like Al-Qaeda. Until these fundamental issues and challenges are adequately tackled, the youth in West Africa might continue to be ready tools in the hands of terrorist syndicates. This however, does not diminish the fact that not all individuals recruited into terrorist acts were unemployed and living in poverty. Terrorist profile has revealed that most terrorists were less likely to come from poor background. Instructive examples include the case of Osama Bin Laden and Nigerian Abdulmutalab who wanted to blow up a US passenger plane on 25 December 2010. The young man came from a wealthy home and well educated.

Terrorism in West Africa and the links amongst terrorist networks continue to emerge and be understood. Numerous examples of terrorist acts continue to be reported in West Africa. It is reported that rebel groups operating in the northern fringes of Mauritania, Mali, Niger, and Chad are linked to similar networks in Northern Africa.<sup>24</sup> As of 2008, analysts and counter terrorism experts point out that the terrorist group Al-Qaeda have used rough diamonds in West Africa to raise funds for their cells in order to hide money targeted by financial sanctions and to launder the profits of criminal activity.<sup>25</sup> Recently, terrorism has emerged more strongly in West Africa by taking into account the recent bomb attacks in the cities of Abuja, Maiduguri and Jos in Nigeria on 1 October and 24 December 2010 as well 17 June 2011 respectively among others. Examples such as these also highlight the increased know-how and use of terrorist tactics to cause havoc and insecurity and calls for a renewed regional focus to support and implement national responses.

Terrorism has had an immense impact in the sub-region. Terrorist acts lead to insecurity and political instability, while also affecting the economic bedrock of West African societies. In the economic context, terrorism has not only discouraged foreign investment and tourism, but has led to the use of funds for purposes other than they were meant for.<sup>26</sup> Religious and ethnic tensions in countries such as Nigeria have created space for terrorism to prevail. Failed states have fuelled terrorism, specifically as politicians finance and support groups who use terrorist acts to exploit internal conflicts and promote political agendas.

It is important to note that regional intervention on terrorism remains rather weak. For example, cross-border counter terrorism cooperation, such as the monitoring of borders and information and intelligence sharing, remains inadequate across the West African continent, considering the highly transnational form of terrorism.<sup>27</sup> Regional responses must evolve and be able to tackle and combat this transnational form of terrorism and this will require technical capacity, resources and an ongoing understanding of the complex nature of terrorism.

## **EFFORTS AT COMBATING TRANSNATIONAL CRIMES AND TERRORIST FINANCING IN WEST AFRICA**

The efforts at dealing with terrorism and TF in West Africa can be discussed at three mutually reinforcing levels, the global, continental and regional initiatives. First, the international community has responded to the increasing spate of TOCs like money laundering and TF. One of the measures is the establishment of Financial Action Task Force (FATF) in 1989 by the G-7 countries to respond more effectively to money laundering.<sup>28</sup> The FATF Special Recommendations require countries to criminalise the financing of terrorism, terrorist organisations and terrorist acts. In addition, there is the UN Convention on Illicit Trafficking in Narcotic Drugs and Psychotropic Substances (Vienna Convention), the UN Convention against Transnational Organised Crime (Palermo Convention), the UN Convention against Corruption and the International



Convention for the Suppression of the Financing of Terrorism.<sup>29</sup> These Conventions and Covenants contain provisions relating to the tracing, freezing, seizing and confiscation of instrumentalities and proceed of crime. These are laudable but have not achieved much in West Africa in terms of interfering with various activities related to TF, hence Al-Qaeda and other terrorist groups appear to be making further in-roads into the region, particularly into Nigeria. It is also noted that none of the fifteen countries in ECOWAS is a member of FATF, although, ECOWAS Intergovernmental Action Group Against Money Laundering in Africa (GIABA) has been granted the status of FATF-style regional body. There is the need to have member states like Nigeria and Ghana as full members of FATF in order to combat terrorist financing in West Africa. Furthermore, there is the need to strengthen GIABA to play pivotal role in curbing TF in the region.

In terms of African initiatives, some conventions have been adopted and many cooperation agreements crafted by African countries. For example, there is the OAU Convention of 1999 on the prevention and combating of terrorism. The AU also adopted a Plan of Action (PoA) on the prevention and combating of terrorism in 2002 and a Protocol to the OAU Convention on Terrorism (2004), the AU adopted a Convention on Corruption (2003) and the African Peer Review Mechanism (APRM).<sup>30</sup> These AU initiatives will require strong political will and commitment to enforce otherwise they will amount mere window dressing.

At the regional level, ECOWAS has taken some actions to curb the menace of TOCs and TF in West Africa. The organisation makes use of West African Police Chiefs Committee (WAPCCO) to strengthen regional efforts on counter-terrorism. Furthermore, the ECOWAS Chiefs of Defence staff also work together to promote regional peace and security among other bilateral and multilateral security cooperations and initiatives aimed at combating TOCs and terrorism in West Africa. In addition, there is a draft ECOWAS Counter-terrorism Strategy and Implementation plan. One of the objectives of the plan is to cut terrorist



funding and access to equipment and training. It is trite to state that commitment from member states towards enforcing these arrangements is pivotal to eliminating or reducing terrorism and TOCs in West Africa. In this regard, the ECOWAS Commission needs to provide adequate leadership.

At national levels, many countries have taken steps to combat TOCs and TF in West Africa. For example, Nigeria has initiated and adopted both legislative and administrative measures to combat TOCs and terrorism in the country. Some of the laws enacted include Money Laundering Act and Economic and Financial Crimes Commission Establishment Act (2004) among others. The Gambia and Cote D'Ivoire have evolved and passed anti-terrorism legislations. Similarly, Ghana, Niger and Mali have also emplaced measures to address TOCs and related TF. The US has provided assistance to Mali, Mauritania and Niger with its anti-terrorist Pan Sahelian Initiative, that is the Trans-Saharan Counter Terrorism Initiative (TSCTI).<sup>31</sup> There other extra-continental efforts by countries such as France and China among others to deal with the challenge of TOCs and terrorism in West Africa.

As commendable and laudable as these efforts have been they have not successfully rid West Africa of the menace of cross-border crimes and led to the suffocation of terrorist sources of funds. Several factors are responsible for this state of affairs. They include uncontrolled territories in West Africa and porous borders, youth unemployment and poverty, governance crisis, weak collaboration and inadequate capacity. These are further illustrated in the succeeding section of the paper.

## **CHALLENGES TO COMBATING TRANSNATIONAL CRIMES AND TERRORIST FINANCING IN WEST AFRICA**

The challenges to combating TOCs and TF are examined under uncontrolled spaces and porous borders, youth unemployment and poverty, governance crisis, weak collaboration and inadequate capacity.



**Uncontrolled Spaces and Porous borders.** Andres underlined this challenge when he stated that “the porous borders of West Africa, however, continue to engender cross-border crime and instability in the sub-region.<sup>32</sup> Terrorists groups and transnational criminal elements have leveraged on the availability of uncontrolled spaces in the region to nurture and deepen terrorism and organised crimes. For instance, uncontrolled territories in Mali, Niger and Nigeria have been used by the Salafist Group for Combat and Preaching (GSPC)/AQLIM to recruit and train terrorists.<sup>33</sup> Related to this is the porous nature of West Africa’s borders many of them unmanned and under-policed by states security agencies. For example, Nigeria has over 1000 borders or entry routes from Niger, Cameroun, Benin and Chad among others, which are largely unmanned. These uncontrolled spaces and porous borders in the region have undermined attempts to combat TOCs and TF in West Africa.

**Youth Unemployment and Poverty.** Youth unemployment and poverty have been identified as major challenge to addressing TOCs and TF in West Africa. Toure noted that terrorism was worsened by widespread poverty and youth unemployment. Millions of youths in West Africa are plagued by poverty and unemployment. According to Udeh, Unemployment and poverty are the greatest threats to peace and security. The growth of ethnic militias, vigilantes and criminal gangs in Nigeria has been linked to youth unemployment and poverty.<sup>34</sup> Youth unemployment and poverty in West Africa predispose the youth to TOCs and terrorism. Therefore, the need to address these twin problem is a challenge that has to be surmounted.

**Governance Crisis.** In almost all the countries in West Africa, except Ghana, there is governance crisis. This manifest in failure of government to deliver quality services to the people. Poor infrastructure such as electricity, pipe borne water, good road and other life supporting amenities. Governance failure in countries such as Nigeria, Cote D’Ivoire,

Liberia, and Sierra Leone among others conduce the citizens to crimes and terrorism. This constitutes a challenge to combating TOCs and TF in West Africa.

**Weak Coordination and Collaboration.** According Okereke, in many West African countries, the challenge of combating TOCs are indeed herculean. For instance, in Guinea Bissau virtually all critical institutions of the state have collapsed.<sup>35</sup> Thus, a country like that cannot adequately collaborate or cooperate with neighbours to fight the war on TOC and TF. Presently, regional cooperation and coordination in terms of curbing TOCs and TF are weak. It is important to note that strengthening coordination and collaboration is key to winning the battle against TOC and TF in West Africa.

**Inadequate Capacity.** There is an obvious limited law enforcement capacities in many West African countries, which serves as incentive to TOCs and TF in the region. This is a challenge that must be overcome in order to close all avenues of TF that comes from various sources including TOCs.

## **STRATEGIES TO ENHANCE THE WAR AGAINST TRANSNATIONAL CRIMES AND TERRORIST FINANCING IN WEST AFRICA**

**Enhanced Border Security.** There cannot be any meaningful victory over TOC and TF in West Africa without enhanced border security. It is important that uncontrolled territories being exploited by terrorist and cross-border criminals be effectively manned. In this regard, it is important to strengthen border security in the region. This could be achieved through improved cooperation and intelligence sharing across borders. In addition, modern equipment needs to be procured at the borders and law enforcement officials adequately trained and remunerated. This will reduce corrupt practices.



**Youth Empowerment and Poverty Reduction.** The rising number of unemployed youths in West Africa demands that concrete measures be put in place to empower the youths. This could be through employment generation and vocational training. Governments in West Africa need to create enabling environment for the private sector to thrive in order to generate more jobs for the youths. Youths need to be empowered through skill acquisition programmes, especially Information and Communication (ICT) based. It is also necessary to engage them in sporting actives by establishing sporting facilities in these countries.

**Good Governance.** Good governance is needed to off set governance failure in West Africa. There is the need to ensure that all member states of ECOWAS adhere strictly to the Protocol on Democracy and Good governance. This will minimise corruption and entrone transparency and accountability. Good Governance will also deliver democratic dividends to the people and reduce frustration and aggression that lead to involvement in terrorism and criminality.

**Enhanced Coordination and Collaboration.** There is the need for enhanced coordination and collaboration among states in order to defeat TOC and TF in West Africa. In this regard, ECOWAS Commission needs to promote and lead coordination efforts among member-states. The ECOWAS Police Chiefs, Intelligence Community, civil society and Chiefs of Defence Staff need to strenghten their collaboration and coordination in combating TOC and terrorism in the region.

**Capacity Building.** There is the need for capacity building for security forces to rise up to the challenge of TOC and TF in West Africa. It is important to properly train security forces in preventing and management of TOCs and terrorism. This could be through seminars, workshops, courses, simulation and military manoeuvres around border areas and the West African Savana which Al-Qaeda has take as safe havens. The international community and partners such as the US, UK, France,



China and Japan need to set up efforts to building African capacity to fight TOCs and terrorism.

## **CONCLUSION**

This paper has focused on TOCs such as drug trafficking and money laundering as key enablers of TF in West Africa. It posited that Al-Qaeda and other terrorist networks are leveraging on TOCs to finance their nefarious activities in the region in particular and the world in general. The involvement of Al-Qaeda in the blood diamonds in Sierra Leone and Liberia lends credence to terrorist engagement in TOCs as a way of financing their enterprise.

This paper examined the efforts at addressing the problem of TOCs and TF in West Africa underlining the three levels of engagement. It noted that more needs to be done for there to be victory. In addition, some challenges to combating TOCs and TF in West Africa were identified and discussed. This paper argues that no single country is capable of surmounting these challenges alone bearing in mind that TOCs and TF are supra-national issues requiring combined efforts of countries, partners and the international community at large. In this regard, some strategies were proffered to enhance the capacity of the region and states to deal with TOCs and TF in West Africa. These strategies include enhanced border security, youth empowerment and poverty reduction, good governance and capacity building for the security community among others.

It is the submission of this paper that combating TOCs effectively will radically undermine terrorism and TF in West Africa. It needs to be noted that this task is not easy as it requires political will and commitment of all partners. Furthermore, the conditions that are conducive to TOCs and terrorism in West Africa such as porous borders, governance failure and youth unemployment and poverty have to be eliminated for positive peace and security in the region.



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## **COUNTERING THE FINANCING OF BOKO HARAM EXTREMISM IN NIGERIA**

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### **Abstract**

*The Islamic sect, the Boko Haram, is now feared for its ability to mount both 'low-scale' and audacious attacks in Nigeria. Two years after the death of Mohammed Yusuf, the leader of the sect, the Boko Haram has radically transformed from a sect that wages poorly planned face-to-face confrontation with state security forces to one that increasingly utilises improvised explosive devices and bombs to attack high-profile targets. Its ability to mount more audacious attacks suggests the need for government's response to go beyond focusing on its membership to its sources of funds. This article therefore discusses the Boko Haram extremism in Nigeria, with particular attention on its sources of fund. It identified three broad funding streams open to the sect – membership dues, local donation and foreign financial assistance - and argues that the Nigerian government can better address the threat posed by the Boko Haram by putting in place effective measures to dismantle its sources of finance. Thus, it recommends measure that would help in countering the sect's existing and possible future funding streams in order to significantly neutralize its capacity to mount more devastating attacks.*

**Key Words:** Almajiris, Boko Haram, Extremism, Mohammed Yusuf, Radicalisation, Suicide Bombing, and Terrorism Financing



## Introduction

Since its evolution in mid-1990s, little is known about the Boko Haram beyond the shores of Nigeria. However, in the last two years, the sect has waged serial attacks that have placed it in media spotlight, both locally and internationally. The Boko Haram is now feared for its ability to mount both «low-scale» and audacious attacks in Nigeria. The new wave of attacks began with the July 2009 revolt, when the sect provoked the most serious outbreak of anti-government uprising in Nigeria.

The 2009 revolt lasted from 26 to 30 July, affecting five northern states – Bauchi, Borno, Kano, Katsina, and Yobe. The revolt ended when their leader, Mohammed Yusuf, was finally captured in his residence where he was hiding in a goat pen. After a few hours in police custody, Yusuf was brutally murdered in what appeared to have been an extrajudicial killing, although police officials claimed that he was killed while trying to escape. In the aftermath of the July 2009 revolt, over 700 members including top leaders of the sect were killed, about 3 500 people were internally displaced, more than 1 264 children orphaned, and over 392 women widowed. In addition, 28 policemen and five prison warders, as well as an undisclosed number of soldiers, had been killed. Properties destroyed include 48 buildings, three primary schools, more than 12 churches and a magistrate's court.<sup>1</sup> Some of the sect's members were also arrested and detained for formal trial.

A year after, precisely on 7 September 2010, members of the sect again organized a jail break in Bauchi Prison (henceforth referred to as 9/7 jail break) to free its members who had been incarcerated following the July 2009 revolt. Two years after the death of its charismatic leader, the sect has radically transformed from a group that wages poorly planned face-to-face confrontation with state security forces to one that increasingly utilises improvised explosive devices (IEDs) and bombs to attack high-profile targets. This development therefore suggests that the killing of a leader of a terrorist or extremist group do not usually



translate to decline or end of acts of terror waged by such group. If anything, it can trigger more attacks against individuals, groups or states in retribution for the killing of its leader(s). This observation underscores the importance of equally focusing on other crucial factors that sustain the existence and survival of extremist or terrorist groups. One such critical factor is access to funds to continue the recruitment and training of members, procurement of weapons and explosives, and the bankrolling of operations.

Since funds are critical lifeline of terrorist and extremist movements, understanding how they are financed as well as evolving efficacious measures to starve them of funds is vitally important in combating terrorism and extremism. It is in this light that this article discusses the Boko Haram extremism in Nigeria, with particular attention on its sources of funds. The article begins with a background on the sect's evolution, ideology and membership. It then highlights its transition into a violent extremist movement. The next section provides an overview of the violent attacks mounted by the sect, with a view to demonstrating not only the shift in its tactical approach, but also the death toll it generates. This background therefore sets the stage for discussing the three broad streams of funding of the sect. It ends with some specific recommendations on how to tighten the noose on the sect's funding in order to significantly neutralize its capacity to mount future devastating attacks.

## **Understanding the Boko Haram**

Before we proceed to the issue of the funding of the sect proper, it is pertinent to provide a brief background of the evolution, ideology and operations of the sect. This is important for us to understand not only its perception and attitude towards other people and the Nigerian state, but also to appreciate the level of threat its growing maturity poses to security at the national and regional levels.



## *Evolution and Ideology*

The exact date of the emergence of the Boko Haram sect is mired in controversy, especially if one relies on media accounts. However, according to the Nigerian Director of Defence Information, Colonel Mohammed Yerima, the sect has existed since 1995, under the name of Ahlulsunna wal'jama'ah hijra.<sup>2</sup> It was then led by Abubakah Lawan, who later left the country for studies at the University of Medina in Saudi Arabia. The sect has subsequently flourished under various names like the, Muhajirun, Yusufiyyah sect, Nigerian Taliban, and now the Boko Haram. The name «Nigerian Taliban» is used in a derogatory sense by the local people who despise the philosophy and teachings of the sect. Although the sect is fashioned like the Taliban in Afghanistan, it is widely believed that it has no formal links with its Afghan counterpart.

The philosophy of the sect is rooted in the practice of orthodox Islam. Orthodox Islam in their interpretation abhors Western education and working in the civil service. This explains why the sect is popularly known as the Boko Haram, literally meaning «Western education is a sin». However, a statement allegedly released on August 2009 by the acting leader of Boko Haram, Mallam Sanni Umaru, rejected such a designation:

*Boko Haram* does not in any way mean 'Western Education is a sin' as the infidel media continue to portray us. Boko Haram actually means 'Western Civilisation' is forbidden. The difference is that while the first gives the impression that we are opposed to formal education coming from the West ... which is not true, the second affirms our belief in the supremacy of Islamic culture (not Education), for culture is broader, it includes education but not determined by Western Education.<sup>3</sup>

The sect in a pamphlet circulated on major streets in Bauchi after the 9/7 jail break again frowned at the name «Boko Haram», stating that its name is “Jama’atu Ahlissunnah lidda’awati wal Jihad”, which means



«People Committed to the Propagation of the Prophet's Teachings and Jihad». Although the sect's name may have changed over the years, its ideological mission is quite clear, namely to overthrow the Nigerian state and then impose strict Islamic Sharia law in the entire country. A member of the sect had stated that their mission was to «clean the [Nigerian] system which is polluted by Western education and uphold Sharia all over the country».<sup>4</sup> They are motivated by the conviction that the Nigerian state is filled with social vices, thus «the best thing for a devout Muslim to do was to migrate (Hijra) from the morally bankrupt society to a secluded place and establish an ideal Islamic society devoid of political corruption and moral deprivation».<sup>5</sup> Non-members were therefore considered as kuffar (disbelievers; those who deny the truth) or fasiqun (wrong-doers). Members wore long beards, red or black headscarves and reject the use of certain modern (purportedly Western) goods, such as wristwatches and safety helmets. The irony however is that they do not reject or refuse to use technological products such as motorcycles, cars, cellular phones and AK-47 guns, among others, that are derived from Western civilization but which enhance their violent campaign against the Nigerian state.<sup>6</sup>

### *Structure and Leadership*

The Boko Haram sect was led by Ustaz Mohammed Yusuf until his death just after the riots of July 2009. Mohammed Yusuf was born on the 29 January 1970 and hailed from Girgir village in Jalasko local government area of Yobe State. Before his death, Muhammad Yusuf was then the Commander in Chief (Amir ul-Aam) or the leader of the entire group. He has two deputies (Na'ib Amir ul-Aam I & II). Each State where they exist has its own Amir (Commander/Leader), and each Local Government Area where they operate also has an Amir. Below the Local Government Amirs are the remaining followers. They also organized themselves according to various roles, such as Soldiers and Police, among others.<sup>7</sup>



The young Yusuf was a secondary school drop-out who received a Quranic education in the Chad and Niger republics, where he imbibed his radical ideology. He was known to the local people for his radical debates and views on Islamic issues. His radical stance generated friction between himself and other moderate Islamic scholars like the late Jafa Adam, Sheik Abba Aji and Yahaya Jingir in northern Nigeria. His association with the sect was also a source of marital friction and one of his wives, Zainab, informed Tell magazine that «we were always quarrelling with him anytime I brought up the issue of his membership of the Yusufiyyah [Boko Haram] sect in the last six years».<sup>8</sup>

Mohammed Yusuf held a benighted view of the world and science and in an interview with the BBC, he completely rejected the idea that the world is round, the theory of Darwinism, and the process of rain. These to him ran contrary to the beliefs of Islam and the teaching of Allah. «Like rain, we believe it is a creation of God rather than evaporation caused by the sun that condenses and becomes rain», he argued.<sup>9</sup> He did not believe in the Nigerian constitution and the flag either. While alive, Yusuf lived in affluence and was fairly well educated in the Western sense, although most of his sect members lived in poverty.

Before his death in July 2009, Yusuf had been arrested several times for charges relating to attacks on police station and for belonging to the Nigerian Taliban. In 2007, for instance, Mohammed Yusuf was arraigned on a five-count charge, relating to terrorism financing. However, the real underlying crime may have been that he was caught spying on American government and business offices and residences in Nigeria probably for operational plots to execute or aid the execution of terrorism against these targets. Yusuf was later acquitted, but in 2008 he and some of his members were again arrested by security operatives and handed over to the Inspector-General of Police for prosecution. They were released on bail by an Abuja High Court on 20 January 2009. Yusuf was discharge and acquit after the principal witness, Mr. A.



A. Kalil of the State Security Service, failed to appear before the court to testify against him, following three consecutive adjournments of the trial; on 2 March, 12 March, and 15 April 2009.<sup>10</sup> Three months later, he led the July 2009 revolt, during which he was killed. Following his death, a former deputy leader of the sect who was thought to have been killed by police during the July 2009 revolt, Imam Abu Muhammad Abubakar Bin Muhammad, known as Abubakar Shekau, became the de facto leader of the sect.

### *Membership and Recruitment*

The *Boko Haram* draws its members mainly from disaffected youths, unemployed graduates, and former *Almajiris* (Street Children), mostly in northern Nigeria. The term *Almajiri* in Nigerian refers to someone who leaves his home in search of knowledge in Islamic religion. It is a popular and old practice whereby children are sent to live and study under renowned Islamic teachers in cities in northern Nigerian, such as Kaduna, Kano, Maiduguri and Zaria, among others.<sup>11</sup> A 2010 survey indicates that the population of *Almajiris* in Nigeria stood at 9.5 million, with over 8 million of them in northern Nigeria. Scholars have identified four important features of the *Almajiri* system that make it ideal for exploitation by an extremist movement.

First, it involves children being relocated or separated from their family and friends to the guardianship of Mallams in towns. Second, it is restricted almost exclusively to boys. Third, the curriculum of the schools is concerned primarily with teaching the sixty chapters of the Koran by rote memorization. Fourth, each school serves 25 to 500, from the ages 6 to 25. These schools are largely autonomous from government oversight.<sup>12</sup>

Particularly worrisome is the fact that these *Almajiris* live and study in a very appalling condition. They are often cramped into shacks and left with little or no food, forcing them to roam



the streets begging for alms. Denied of parental care, they form the majority of recruits of extremists, such as the Boko Haram and Kalla Kato, among others, for use as tools in religion-based violence.

The sect also has some university lecturers and students as followers. Recruitment for membership into Boko Haram is based on indoctrination. Before the July 2009 revolt, their leaders try to publicly persuade people often through radical preaching to join the sect. Since the July revolt, they have become more secretive about their membership to avoid arrest by security agents. The sect is alleged to have over 280 000 members across the 19 states of northern Nigeria, Niger Republic, Chad and Sudan.<sup>13</sup>

### **The Radicalisation of the Boko Haram<sup>14</sup>**

Although the sect allegedly emerged in 1995, its resort to violence as a strategy began around 2000. The Boko Haram first took up arms against state security forces on 24 December 2003 when it attacked police stations and public buildings in the towns of Geiam and Kanamma in Yobe State. Members occupied the two buildings for several days, hoisting the flag of Afghanistan's Taliban movement over the camps. A joint operation of soldiers and police dislodged the group after killing 18 and arresting dozens of its members. On 31 December 2003 Boko Haram left the village and dispersed into other northern states after inscribing the word «Taliban» on a captured vehicle.<sup>15</sup> In 2004 it established a base called «Afghanistan» in Kanamma village in northern Yobe State, on the border with the Republic of Niger.

The activities of the sect became more worrisome from 2004 when students - especially in tertiary institutions in Borno and Yobe states like the University of Maiduguri; Ramat Polytechnic, Maiduguri; Federal Polytechnic, Damaturu; and others, who constituted the sect's members - withdrew from school, tore up their certificates and joined the group





for Quranic lessons and preaching. On 21 September 2004 members attacked Bama and Gworza police stations in Borno State, killing several policemen and stealing arms and ammunition. Members later set the Gwoza police station ablaze. The police launched a counterattack on the sect a few weeks later during which 24 members were killed and 22 assault rifles and large quantities of ammunition were recovered. Apart from a few isolated skirmishes with the police, the sect received marginal attention until the middle of 2007 and again in 2008 when their militant activities came under surveillance by security operatives in Abuja.

On July 2009, however, Nigeria experienced the most serious outbreak of anti-government uprising provoked by the sect. The fighting lasted from 26 to 30 July 2009, and affected five northern states of Bauchi, Borno, Kano, Katsina, and Yobe. In the aftermath of the July 2009 revolt, state security forces succeeded in arresting some members of the sect, who were later detained in prison facilities in the affected states. Many of those arrested were held at the Bauchi central prison pending trial. Members of the sect later regrouped and launched a coordinated attack on Bauchi prison on 7 September 2010, freeing 700 inmates, of which 150 were the sect members. In addition, over five people including a soldier, a policeman, two prison warders and a civilian were killed during the attack. After freeing other inmates of the prison, they later set a part of the facility and vehicles packed within the premises ablaze.<sup>16</sup>

The growing violent campaign by the Boko Haram to realize its ultimate objective is now a matter of public concern. Its transition to violent extremism has raised concerns regarding factors responsible for its radicalisation. Factors that engender the radicalisation of individuals or groups have remained a subject of debate among experts. These factors can manifest in different forms depending on the individual and context. However, agreement tends to revolve around a broad set of parameters



that act as ingredients in the radicalisation process: grievance, ideology, mobilisation, and tipping points.<sup>17</sup>

In relation to the Boko Haram, elements of these parameters can be glimpsed from the sect's philosophy and radical messages released over in the recent past by its ideologues. The issue of widespread official corruption, poverty, moral decadence, and injustice, among others, constitute major sources of grievances harboured by the sect against the Nigerian state. From the point of view of its ideology, the solution to the contemporary challenges bedeviling the secular Nigerian State is to introduce strict application of Sharia law as a moral societal cleanser to effectuate the creation of an Islamic state.

In relation to mobilisation, the emergence of Mohammed Yusuf was a key factor in the sect's transition to Islamic extremism. When Abubakar Lawan, the founder of Ahlulsunna wal'jama'ah hijra that eventually metamorphosed into Boko Haram, left to pursue further studies at the University of Medina, a committee of shaykhs appointed Mohammad Yusuf as the new leader. In 2003, Mohammad Yusuf ousted the shaykhs who had supported him by charging them with corruption and failure to preach "pure Islam".<sup>18</sup> The emergence of Mohammed Yusuf as a charismatic and ferry preacher proved to be a source of mobilisation for violent extremism, as the sect under his personal leadership "stroved for self-exclusion of its members from the mainstream corrupt society by living in areas outside or far away from society in order to intellectualise and radicalise the revolutionary process that would ultimately lead to violent takeover of the [Nigerian] state".<sup>19</sup>

A possible tipping point in the radicalisation of the sect was the brutal extrajudicial murder of the sect's members and leaders, especially Mohammed Yusuf, during the July 2009 revolt. On 28 July 2009, the joint operations of the police and military, led by Colonel Ben Ahanotu, captured Mohammed Yusuf alive in his residence where he was hiding



in a goat pen. After a few hours in police custody, Yusuf was murdered by some police officials who claimed that he was killed while trying to escape. However, on February 2010, the Qatar-based Al-jazeera television aired footage of Mohammed Yusuf when he was captured alive. It also carried a shocking footage showing security agents on house-to-house arrest operations against members of the sect. Some alleged members of the sect arrested by security agents were lined up and shot at the back. A voice was heard in the background saying “shoot him in the chest not the head, I want his heart”. Other voices were heard shouting “no mercy, no mercy”.<sup>20</sup>

This brutal act angered the surviving members of the sect. Unsurprisingly, the sect is increasingly using martyrdom videos of the July 2009 revolt to radicalise its surviving members. The group has now begun to issue increasingly radical messages to the press, stating an intention to wage war on secular authorities and seeking revenge on those it considers have betrayed it.<sup>21</sup> In March 2010, for instance, the sect allegedly declared that “it is joining al-Qaeda to avenge the murder of some of its members and leaders in a series of explosions across Nigeria”.<sup>22</sup> As highlighted in the next section, the series of targeted assassinations, random murders and serial bombings it has undertaken since then proved a testament of its vow for revenge.

## **Growing Audacity of the Boko Haram**

Since the July 2009 revolt, and more especially after the 9/7 jail break, the sect has been blamed for serial attacks on state security forces (police, soldiers, civil defence, and prison warders, among others), community and religious leaders, politicians, and other civilians who they consider as «enemies». Sequel to the huge losses suffered by the sect during open confrontation with state security forces in July 2009, the sect has changed its tactics from mass insurrection to targeted assassinations and urban guerrillaism, and increasingly the use of improvised explosive devices and bombs.



Data in table 1 is certainly not exhaustive of the attacks mounted by the sect in the very recent past; however, they show just how serious the Boko Haram threat has become in terms of the human cost of its violent campaign. A recent compilation by the Sunday Trust reveals that the total number of those killed in all the attacks allegedly carried out by the sect is about 1,300. The attacks had occurred mainly in Borno State, but dozens of other attacks for which the group has claimed responsibility, have occurred in Bauchi, Gombe, Kaduna, Niger, Plateau, and Yobe states, and lately the Federal Capital Territory (FCT), Abuja.<sup>23</sup> This conservative estimate contrasts sharply with a previous report in May 2011, which claimed that killings and attacks by the sect have left no less than 16, 000 policemen, soldiers and civilians, including politicians dead.<sup>24</sup> Innocent people, including women and children, had also been killed as a result of the spate of bomb attacks waged by the sect. This death toll is outside other inestimable costs to the nation, such as the destruction of property, internal displacement of persons, fracturing of family structure, and damage to the country's image.

**Table 1: Some Alleged Attacks, killings and Bomb Blast Blamed on the Boko Haram**

Date	Location	Target(s)	Description	Other Remarks
6 October 2010	Maiduguri (Borno State)	Sergeant Isa Omale and Corporal Hussaini Iliya	Police Sergeant NSCDC Corporal	Both security personnel were attached to the Speaker of the Bornu State House of Assembly
6 October 2010	Maiduguri (Borno State)	Awana Ali Ngala	Politician	He was the immediate past chairman of the All Nigeria Peoples Party (ANPP) in Borno state



9 October 2010	Maiduguri (Borno State)	Mallam Bashir Kashara	Islamic Cleric	He was killed along with one of his members
23 October 2010	Yobe State	Police Station	A Police Station at Bara	They attempted to set the station ablaze, but were overpowered by the police. A member of the sect was killed in the attack
20 November 2010	Maiduguri (Borno State)	Names not reported	Muslim Faithful	Suspected members of the sect opened fire on Muslim faithful during Juma'at prayer around Gomari area. A 13-year-old boy was killed by a stray bullet
24 November 2010	Maiduguri (Borno State)	Ramat Mohammed and Salisu Jibrin	Policemen and a Soldier	The policemen and the soldier were killed around Dala Bus Stop, while returning to their residences from a patrol of the communities



24 December 2010	Maiduguri (Borno State) and Jos, (Plateau State)	Several churches in Maiduguri and Jos	bombings in Jos and attacks on churches in Maiduguri	At least 86 people were killed, while more than 100 were injured during the Christmas Eve bomb attacks and clashes. The Boko Haram claimed responsibility for the attacks
29 December 2010	Maiduguri (Borno State)	Names not reported	A policeman and two other civilians	Some suspected members of the Boko Haram fired shots into a teaching hospital, killing 3 people
29 December 2010	Maiduguri (Borno State)	Serving and Retired Policemen; Civilians	8 persons, including 3 policemen were killed in five separate attacks in the city.	Two persons were killed at Alamderi near Baga road and three policemen were killed in Ruwan Zafi district of Maiduguri. One person was killed at the Railway Quarters and another at Umarari Borehole area
1 January 2011	Maiduguri (Borno State)	Church	Victory Christ Church	Suspected members of the sect attacked the church at Gawo Mai Lamba area. Part of the building was destroyed.



4 January 2011	Yola (Adamawa State)	Prison	Jail break at Jimeta prison	At least 10 prison officials narrowly escaped being lynched by members of the sect, and over 14 inmates were freed. Members of the sect were recently transferred from Maiduguri Prisons to Jimeta prison
28 January 2011	Maiduguri (Borno State)	Politicians, Policemen and civilians	7 person killed at the ANPP governorship candidate residence	Among those killed included, Engineer Modu Fannami Gubio, ANPP governorship candidate in Borno State; the younger brother of Governor Ali Modu Sheriff, Alhaji Goni Sheriff;
1 February 2011	Maiduguri (Borno State)	Name not reported	A deputy superintendent of police	He was trailed and shot dead, while his six-year-old daughter who was in the car sustained injuries
24 February 2011	Maiduguri (Borno State)	Name not reported	An Inspector of Police	Two suspected member of the sect on a motor bike trailed the policeman to his house and shot him



14 March 2011	Maiduguri-Gomari (Borno State)	Ustaz Ibrahim Ahmed Abdullahi	Islamic cleric	The Boko Haram members allegedly drove in an unmarked Sports Utility Vehicle (SUV) to the cleric's house where they shot him on the head and chest
27 March 2011	Maiduguri (Borno State)	Alhaji Modu Gana Mekanike	A chieftain of the ruling ANPP in Borno State	Alhaji Mekanike was the Gwange II Ward Chairman of All Nigeria People's Party (ANPP) in Borno State
25 April 2011	Maiduguri (Borno State)	Target not known	A hotel and a transport hub	Two of the blast occurred in a hotel, while the other took place in a busy transport hub. Several people were injured
4 May 2011	Maiduguri (Borno State)	Prison warders	Personnel of Maiduguri Prisons on Kashim Ibrahim Way	Boko Haram gunmen on two motorcycles shot and killed three prisons warders, along with a housewife, in two separate attacks in Abaganaram
9 May 2011	Maiduguri (Borno State)	Sheikh Goni Tijjani and Mallam Alhaji Abur,	Two Islamic clerics	Five Boko Haram gunmen riding on two separate motorcycles shot and killed them at their respective residences in Mairi and Bulabulin wards





11 May 2011	Maiduguri (Borno State)	Ibrahim Dudu Gobe	Chairman of the Borno State National Union of Road Transport Workers (NURTW)	Three suspected Boko Haram gunmen in an unmarked black Mercedes Benz car shot and killed him at his Mairi Kuwait ward residence. His son was also wounded
12 May 2011	Maiduguri (Borno State)	Alhaji Abba Mukhtar Abba Tijjani	The district head of Mairari	Two gunmen on a motorcycle shot and killed him at his residence in Budun; while his brother, Musti, was injured
13 May 2011	Maiduguri (Borno State)	Names not reported	Civilians	Bomb planted and detonated by the sect killed two bystanders at a bus stop in Maiduguri
15 May 2011	Maiduguri (Borno State)	Soldiers	A military patrol team on routine surveillance	Members of the sect ambushed the team at Gwange are, leading to a fierce gun battle. Many people, including soldiers and innocent bystanders, are believed to have died in the clash
18 May 2011	Maiduguri (Borno State)	Police station	Ibrahim Taiwo Area Command/ Police Division	Members of the sect attacked the police station, leading to a gun battle with the police. About 10 people including two soldiers were killed while many were injured



19 May 2011	Maiduguri (Borno State)	Soldiers and policemen	The soldiers were returning to a military checkpoint in their vehicle, while the policemen were on their duty post	Three separate bombs blasts at Lagos Street, Pompomari and London Cinki killed two policemen, wounded five soldiers and three other policemen.
27 May 2011	Dambola (Borno State)	Police headquarters and barracks	Damboa Divisional police headquarters	They destroyed the police headquarters, police barracks and the First Bank branch in the area, killing 4 policemen, one prison warden and 8 civilians
29 May 2011	Zuba (Niger State), Zaria (Kaduna State)	Zuba International Electronics Market and Tudun Masallaci at the Iyan Juma area of Zaria	Separate bomb explosions at the Zuba market and near a mosque at the Iyan Juma area of Zaria	The bomb explosion at the Zuba Market killed one person and injured 10 others, while the Zaria explosion injured two children
30 May 2011	Bauchi (Bauchi State)	33 Artillery Brigade's Mammy Market	Bomb explosion at the Mammy Market near Shadawanka Barracks	At least 13 people died while 40 others when injured when three devices exploded at the Mammy Market
30 May 2011	Maiduguri (Borno State)	Alhaji Abubakar Umar Garbai El-kanemi,	He is the younger brother of the Shehu of Borno, Alhaji Abubakar Umar Garbai Al-Amin El-Kanemi	Suspected Boko Haram members shot and killed the prince in his house at Gangamari area. He was an officer of the Nigeria Security and Civil Defense Corps (NSCDC)



7 June	Maiduguri (Borno State)	Church and Police Stations	Gwange Police Divisional Headquarters, Dandal Police Divisional Headquarters, and St Patrick Church	Multiple bomb explosions rocked the city, leading to the death of 10 people. Three members of the sect also lost their lives when the bomb they tried to detonate at a Catholic church exploded
12 June 2011	Maiduguri (Borno State)	Names not reported, (possibly civilians)	Attack on a Beer Parlour in Bulumkutu	Members of the sect killed four persons who were drinking at the Beer Parlour
16 June 2011	Federal Capital Territory, (Abuja)	The Inspector General of Police, Hafiz Ringim	Bomb blast at Police Headquarters, Louis Edet House, Abuja	Alleged to be the first case of suicide bombing in Nigeria. About 33 vehicles burnt beyond recognition and 40 damaged beyond repair
20 June 2011	Kankara (Katsina state)	A bank and a police station	Bank PHB and Kankara Divisional police station	The sect's members carted away money from the bank and shared some to local people; killed six policemen in the gun battle; and set the station on fire after releasing detainees at the cell
26 June 2011	Dala Kabomti (Borno State)	A relaxation spot	Bomb explosion at a drinking joint in Dala Kabomti area	At least 25 people were killed while many others were injured in the explosion. Also, dozens of shops were burnt



27 June 2011	Maiduguri (Borno State)	customs office or security operatives patrolling the metropolis	Borno/Yobe office of the Nigerian Customs	Two children who were hawking along the Gamboru market were killed, while three customs officers were injured by the bomb blast
16 August 2011	Maiduguri (Borno State)	Police Station	Borno State Police Command Headquarters	A 25-year-old suicide bomber knocked down several policemen at the gate before he was shot and killed by armed police guards. The bomb-laden vehicle was later defused
26 August 2011	Federal Capital City (Abuja)	United Nations (UN) House	The building houses over 400 staff of 26 UN humanitarian and development agencies	The attack killed 23 persons and injured 100 others. It was the first attack by the sect on an international organization
28 August 2011	Kukawa and Gambouru areas of Maiduguri (Borno State)	Killings of a council chairman and two unnamed traders	Malam Lawan Yarami (Kukawa Council Chairman) and two spare-parts traders	The victims were killed at the respective residences.
4 September 2011	Zinnari area of Maiduguri (Borno State)	Malam Dala	Muslim cleric	Two members of the sect killed the cleric at his residence. They arrived in a Peugeot 505 Salon Car
12 September 2011	Jajeri area of Maiduguri (Borno State)	Four unnamed civilians at a «Last Born»	Last Born is a local drinking joint	Those killed in the attack were the manager of the joint, the bar attendant and two others who had come to drink at the bar



12 September 2011	Misau (Bauchi State)	Attack on a Police Station and a bank	Misau Police Station and Afribank	At least six policemen and one civilian were killed in a bomb explosion at the police station hulled by Boko Haram
3 October 2011	Baga area of Maiduguri (Borno State)	Attack on three local traders at Baga International Fish Market	Many Chadians, Nigeriens and Cameroonians trade at the market	The victims included a patent medicine seller and two local tea sellers
15 October 2011	Bama area of Maiduguri (Borno State)	Ali Banga	Leader of the Borno State Vigilante Association (BOVA).	He was shot severally on the head and chest. This is the first time a vigilante man would be killed in Maiduguri
16 October 2011	Gomari area of Maiduguri (Borno State)	Honourable Bintube Dalwa	Lawmaker representing Konduga constituency in the Borno State House of Assembly	He was shot dead at his residence by suspected Boko Haram members
16 October 2011	Dukku Road (Gombe State)	34 Squadron Mobile Police Base	A Mobile Police Base in northern Gombe State	They attack the police station with explosives, killing a police officer and 3 civilians; about 14 vehicles were burnt and arms and ammunition looted

*Source: Author's compilation*

These exploits suggest the sect's increasing strategic and operational maturity. The recent suicide bombing at the Police Headquarters, Abuja, on 16 June 2011 (henceforth referred to as 16/6 bombing) is even more



strategic. The suicide bomber in an ash-coloured Honda 86 car trailed the convoy of the Inspector General of Police, Hafiz Ringim, into the Police headquarters. However, he was intercepted and prevented from moving closer to the IG's parking position, at the entrance of the building. Shortly after he was directed towards the visitors' parking lot, accompanied by a traffic warden, the bomb-laden car exploded. At least five people, including the driver of the vehicle were killed in the explosion. About 33 vehicles parked at the car lot were burnt beyond recognition and over 40 others damaged beyond repair. During a media briefing, Police spokesman Olusola Amore stated that the Boko Haram is the prime suspect for the attack. Few hours later, the sect claimed responsibility for the attack. The group stated that it had targeted the Inspector General of Police, for his boast a few days earlier that the «days of the Boko Haram are numbered».

In an article on the growing audacity of the sect, published three days before the 16/6 blast, the present writer warned that:

[T]he use of suicide bombing and improvised explosive devices (IEDs) would likely be the sect's future weapon of choice, as security agents tighten the nose on them. Such a tactical switch will require few hands to cause more destruction than coordinated armed confrontation which is its traditional operational tactics.<sup>25</sup>

In the immediate aftermath of the 16/6 bombing, contradictory statements were issued from different quarters. While the police immediately described the blast as a suicide attack, preliminary reports by experts drafted to investigate the blast signposted that the incident is probably not a suicide mission. However, a shocking revelation of how the 16/6 attack was planned and executed was carried exclusively by one of Nigeria's dailies, Blueprint. It was alleged that "the man who bombed the Nigerian Police Force headquarters in Abuja on June 16 was fairly well-to-do businessman who was actually on a suicide mission on behalf of the Islamic sect, the Boko Haram".<sup>26</sup> The 35-year old suicide



bomber, Mohammad Manga, was married, and he left 4 million naira in his will for his five children. In an interview with he Blueprint, the sect's spokesman, Abu Zaid, claimed that the sect "have screened nearly 100 persons for suicide attacks for this year [2011] alone in Nigeria, while more than this number are getting ready for next year".<sup>27</sup>

Although the authenticity of the report by the Blueprint cannot be immediately confirmed, it is however apposite to assert that the sect's use of suicide bombing, now and in the near future, should not be underestimated given the recent claims that it:

...want to make it known that our Jihadists (warriors) have arrived Nigeria from Somalia where they got serious training on warfare from our brethren [Al Shabaab] who made the country of Somalia ungovernable. We want to assure all security agencies that we would frustrate their efforts. By the grace of God, despite the armoured carriers that they are boasting of, they cannot match the training we acquired in Somalia.<sup>28</sup>

The operational ties it has established with transnational jihadists like Al Shabaab – and possibly with AQIM and Al Qaeda network – heralds the internationalization of Boko Haram extremism in northern Nigeria, with significant repercussions that would likely spread across West Africa and the Sahel region if not addressed urgently and comprehensively.

President Goodluck Jonathan has already revealed that «carrot and stick» approach will be used to contain the Boko Haram. If the government adopts the carrot approach involving the granting of amnesty to the sect members, it will afford security agents the time to further monitor and infiltrate the sect and possibly dismantle it. More importantly, it will also provide government with the opportunity to begin to address acute human security challenges such as poverty, unemployment, social injustice, and widespread public corruption, among others, which foster grievances that underlie criminal and extremist tendencies among



Muslim youth in northern Nigeria. However, if the government hastily adopts the stick approach, involving the use of coercive apparatuses of the state in a violent crackdown on the sect, the radical elements within the sect would be forced to align with extremist movements like AQIM, Al Shabaab and Al-Qaeda network in order to survive, probably under a new name. This will herald a new wave of insecurity, as their operational reach would expand beyond northern Nigeria and their target would no longer be limited to state security forces and institutions.

Already, the Federal Government has established a Special Joint Military Task Force, known as “Operation Restore Order” (JTORO), specifically to tackle the Boko Haram threat. The taskforce which has its headquarters in Maiduguri, Borno State, comprised the Nigerian Army, Nigerian Navy, Nigerian Airforce, Nigeria Police and the State Security Services (SSS). About 200 SSS operatives, 300 airforce personnel, 300 naval personnel and 500 soldiers have already been stationed in Maiduguri. The full strength of the task force will include two battalions of soldiers, 1,500 police officers, 500 SSS operatives, 650 Airforce officers, and 750 naval officers.<sup>29</sup> How this military strategy will combat the threat remains to be seen.

### **The Boko Haram: Three Broad Funding Streams**

The foregoing analysis amply demonstrates that the sect’s capacity to mount audacious attacks is certainly increasing at a fast rate. Consequently, the dramatic increase in the frequency of its attacks and geographical reach is increasingly generating serious concern over the sources of money financing the Boko Haram. Analysts are of the view that the funds transnational jihadists, domestic terrorist cells or international terrorists use for staging operations come in different ways from different sources. In relation to the Boko Haram, three broad funding streams can be identified, namely membership dues, (local) donation and foreign financial support.

#### *Membership Dues*





The payment of dues by members of the sect is the basic source of funding of the sect. When Mohammed Yusuf was alive, members had to pay a daily levy of 100 naira to their leader. Given that the membership strength of the sect is estimated to be over 280 000, it means that the sect generates about 28 million naira in a day, at 100 naira per member. This may partly account for why Mohammed Yusuf lived in affluence. Mohammed's affluence is evidenced by his large house from where members of the security forces recovered 20 cars and over 200 motorcycles shortly after he was killed.<sup>30</sup> It is possible that members were using these motorcycles for commercial transportation or business purposes, since they are forbidden from working in the formal sector of the economy.

The activities of the sect have become more secretive after the death of Mohammed Yusuf, however there is no indication that the payment of membership dues has been discontinued. Given that members still have faith in their course and leadership under Abubakar Shekau, there is the likelihood that the payment of membership dues still remains a veritable source of funding, no matter how little. Cutting this funding stream will require enormous intelligence operations to identify the members of the sect and consequently arrest them for formal prosecution.

### *Local Donations*

Another important key source of funding is donations from officials in and outside the government, politicians, and some rich members of the sect (businessmen). In the recent past, some financiers of the sect have either been arrested or killed by the police. For instance, Alhaji Buji Foi, who is alleged to be one of the major financiers, was executed in police custody during the July 2009 revolt. Alhaji Foi was an influential politician in Borno State and had held various political positions. Foi was an ex-Commissioner for Religious Affairs and also two-time Chairman of Kaga Local Council in Borno State. In a country where public officials are known for their brazen disregard for accountability



and transparency in the use of public resources, there is every possibility that Foi may have used part of public funds to finance the Boko Haram while in office.

On January 2011, the Nigerian police celebrated what it described as “landmark” achievement, when security operatives arrested Alhaji Bunu Wakil and 91 other persons. Bunu Wakil, a contractor and an indigene of Borno State, is alleged to be a key financier of the Islamic sect. A month later, the police shot dead Alhaji Salisu Damaturu, another major financier of the sect, during a raid on one of the group’s hideouts. They also arrested Mohammed Zakaria, who supplies the sect arms trafficked from the neighbouring countries of Chad and Cameroon. Weapons recovered from the hideout included, among others, 12 rocket launchers, two pistols, one loaded AK-47 rifle, two detonating bomb cables and more than 3,000 rounds of ammunition.<sup>31</sup>

The reported arrests of some financiers of the group have prompted the Nigerian government to set up a special team to probe the sources of funding of the sect as well as the pattern of spending of some individuals suspected to be providing cover for them. If meticulously done and the recommendations of the team implemented, it will go a long way to curtailing the sect’s operational capability in the very near future. However, the rot in the Nigerian system may likely prevent this from happening. More so, hasty or extrajudicial killing of alleged financiers of the sect makes it difficult to expose terror financing networks in Nigeria.

### *External Funding*

The issue of foreign financial assistance to the activities of the Boko Haram dates back to the era when the sect was known as the «Nigerian Taliban». In February 2004, for instance, the Nigerian Taliban was alleged to have received huge financial support from a Saudi Arabia-funded charity, Al-Muntada Al-Islami Trust. The director of Al-



Muntada Al-Islami Trust, Sheik Muhiddeen Abdullahi – a Sudanese Muslim businessman – was arrested following the discovery of financial transactions running into millions of dollars between him and an Islamic fundamentalist cleric, Alhaji Sharu.<sup>32</sup> Alhaji Sharu was the middleman in the financial transaction between Al-Muntada Al-Islami Trust and the Nigerian Taliban. The trust funds were used, among others, to promote Islamic militancy in northern Nigeria, especially in Yobe State. Al-Muntada al-Islami is a charity reputedly funded by wealthy Saudi individuals, but associated with the official Saudi state charitable and da'wa institutions, the Muslim World League (MWL), World Assembly of Muslim Youth (WAMY), International Islamic Relief Organization (IIRO), and al-Haramain Islamic Foundation. International security experts and investigators have long warned that many of the Saudi charities operating around the world serve as fronts for funding Islamic militancy or terrorism.<sup>33</sup>

Furthermore, in 2007 Mohammed Yusuf and Mohammed Bello Damagun – a Muslim cleric and director of a media group (Media Trust, which publishes various newspapers) – were tried for terrorism financing and other-related offences. Mohammed Bellow Damagun was arraigned in a federal high court in Abuja for transferring US\$300,000 from Al-Qaeda, from Sudan, and depositing it in an account (Number 21067695) at Habibsons Bank on St. James Street in London for use in the execution of acts of terrorism. The money was transferred at the end of 2002, and at the time, Damagun was a member of the Nigerian Taliban. He was also arraigned for facilitating 17 individuals to undergo terror training under the guidance of operatives from the Mauritanian Qurah Islamic Camp. Damagun was also accused of providing a minibus, 30 loudspeakers and various sums of money to to Mohammad Yusuf, leader of the Nigerian Taliban (now Boko Haram), who was earliear arraigned in December 2006 for his ties to Al-Qaeda-linked extremists in Pakistan.<sup>34</sup> Up till now, there is no evidence that a case of this magnitude that should be treated with urgency has been effectively concluded

The issue of foreign financing also resonated after the New Year Eve



bomb blast in Mogadishu barracks in Abuja. A team from the US Federal Bureau of Investigations (FBI) that conducted a forensic analysis of the New Year Eve's explosions revealed that Al-Qaeda was the financier, the planner, and the executor of the bomb blast. Its preliminary report «conclusively found that the signature of the bomb matched other blasts by the terror network».<sup>35</sup> Another important observation raised was that local affiliated terrorist cells provided support on the ground. Based on the FBI's findings, US Homeland Security Department officials stated that «groups like Boko Haram are being influenced and financed by extremist foreign religious leaders and groups with the intention of overthrowing the Nigerian Government.»<sup>36</sup> These suspected terror groups use thousands of fictitious accounts to move vast amounts of money to finance their training and operations.

Moreso, in the aftermath of the 16/6 bombing, the issue of foreign terrorist financing reared its head when security operatives arrested 58 Boko Haram members, including some Somalians, Sudanese and Nigeriens, at a hideout in Maiduguri. The report of their arrest further fueled growing suspicions in some quarters that the 16/6 bombing was made possible by the infiltration of transnational terrorist networks such as Al Qaeda. In this connection, “Sudan, Somalia, Iran have all been mentioned as possible sources of funding for Boko Haram, though no evidence of such funding has emerged yet”.<sup>37</sup> The fact that Nigeria's banking sector still lacks stringent regulatory and monitoring mechanisms to effectively track funds movement may have created soft spots that extremist and terrorist easily exploit to move funds around to finance terrorist operations in Nigeria.

## **Countering Boko Haram Extremism: The Way Forward**

The foregoing analysis shows that the threat posed by Boko Haram extremism is not one that could be ignored any longer or poorly addressed through misguided policies and interventions. Given the



recent revelation by the sect that its members have received training from Somalia, the onus is now on the Nigerian government to evolve robust strategy to prevent the new tree of domestic terrorism from bearing more fruits in Nigeria. The Nigerian government recently stated that both «carrot and stick» will be used to address the Boko Haram threat. While the use of «carrot» is well known and is still being contemplated upon by the government, the «stick» has already been raised in the form of deployment of a military taskforce. Whether it can succeed in driving out the Boko Haram extremism remains very doubtful. At best, this strategy has the potential of pushing the sect underground and making the threat difficult to address in a more robust and sustainable manner.

In order too significantly neutralize the threat posed by the Boko Haram and indeed any other terrorist cell in Nigeria, there is the need for the Nigerian government to evolve and implement a robust Counter Religious Extremism and Terrorism Strategy (CONREST).<sup>38</sup> Such a strategic response will ensure that factors that contribute to Nigeria's growing vulnerability to extremism and terrorism are addressed in a sustainable and holistic manner. However, with particular reference to countering existing and possible future sources of finance for the Boko Haram, the following recommendations are made. The Nigerian government should:

- Strengthen the capacity of law enforcement institutions (police, EFCC, ICPC, and SSS) in the areas of countering terrorist financing, money laundering, asset tracing and tracking through training and retraining of staff.
- Partner with international and regional organizations to build the capacity of the media to be able to undertake investigative journalism or whistle-blowing on terrorist financing.
- Tighten monitoring regime on foreign currency transactions by bureau de change in Nigeria.
- Strengthen existing monitoring and regulatory regimes in



the financial and banking sectors of the economy to prevent the operation of fictitious accounts or transactions for terrorist financing and money laundering.

- Collaborate with other states and international agencies to track organized criminal activities that could provide funding for terrorist or extremist groups in Nigeria.

- Establish a special Commission to monitor, report, and regulate the financial activities of charities and non-governmental organizations operating in Nigeria.

- Initiate legal actions against persons, groups or organizations found to be aiding and funding the Boko Haram.

- Put in place strong monitoring and regulatory mechanisms to ensure that the newly introduced Islamic banking in Nigeria do not serve as a conduit for illegal transfer of funds for financing religious fanaticism and terrorism.

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## **FINANCIAL INTELLIGENCE AND COUNTERTERRORISM: CHALLENGES FOR NIGERIA**

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*“Follow the money”*

*- advice of protagonist Deep Throat in the Watergate Scandal.  
Emerson Steven*

### **INTRODUCTION**

Money laundering and terrorism financing constitute serious threats to the peace and security of the international community. In an increasingly globalised and technologically savvy world, money laundering and terrorism financing simply have no limitations. These twin scourges respect no national frontiers or boundaries.

Terrorist organisations require finance for a number of reasons. These include the cost of maintaining a terrorist network, or a specific cell, providing for recruitment, planning, and procurement between attacks, creating and maintaining an infrastructure of organisational support, sustaining an ideology of terrorism through propaganda, and financing the ostensibly legitimate activities needed to provide a veil of legitimacy for terrorist organisations.<sup>1</sup> Without the necessary finance therefore, the life wire of terrorist organisations is broken and the ability of terrorists to carry out acts of terrorism are greatly hindered.

Terrorists are able to raise finance from a number of sources. These sources include anything imaginable such as subscription/membership fees, investment projects, false contracts, robbing state banks/bank employee, forging checks, credit card fraud, counterfeiting/forging



currency, kidnapping, extortion, arms smuggling, drug trafficking, various trafficking (cars, human, drugs, etc.).<sup>2</sup> Tracking the sources of terrorist finance has become increasingly difficult as terrorist have resorted to many methods including the use of charities to raise finance. In 1995, for instance a Qatari Charitable Society (QCS) office founded in Daghestan (adjacent to Chechnya) dispensed 3 million Qatari Riyals (about USD825,603.95) in less than two years. Russian intelligence became suspicious when they discovered that the QCS branch was being run by an Egyptian citizen. Daghestani state tax police initiated an inquiry into the organization, and uncovered forged documents and invoices detailing hundreds of thousands of dollars of illicit financial transactions. From the evidence they collected, investigators estimated that QCS had given perhaps as much as \$1 million to unspecified “Chechen extremists.” The Russians found, “most of the «charitable contributions»...were not recorded anywhere. The same goes for how the money was distributed.” By liquidating charity bank accounts into untraceable cash withdrawals in war-torn states (often with no reliable banking systems), QCS was able to make this money simply disappear. Over the years, such methods have been used to raise finance using every imaginable system to collect and distribute finance.

This underscores the need for financial intelligence beyond the financial system which is often identified as the commonest intermediary, with its mechanisms and instrumentalities of shrouding transactions in secrecy to other intermediaries such as the informal, unregulated sector of the economy, including alternative remittance systems and cash couriers, especially in cash based economies. The use of financial intelligence has however been instrumental in countering terrorism. Cases such as the Al Haraim and the Al Barakah case serve as examples of financial intelligence as the gateway for counterterrorism. In the Al Barakah case for instance, US intelligence agencies were able to find credible evidence that al-Barakah was a money-laundering group, responsible for millions in U.S. currency being laundered through the United States,



to an account in the UAE, and then out to suspect third-party countries.<sup>3</sup> A local bank in the Minneapolis area set off the alarm bells when they filed Suspicious Transaction Reports (STR) as early as the summer of 1996 with the Treasury Department regarding what they believed to be suspicious financial activity on the Al Barakah account where large amounts of cash and other instruments were being deposited and then immediately wire transferred to a single account in the UAE the next day. The bank felt that the transactions seemed inconsistent with normal banking activity but did not describe what they thought the nature of the activities was. By 9/11, these reports numbered in the hundreds. These reports together with intelligence reports by number of US agencies laid the foundations for investigations into Al Barakah as a major financier of Osama bin Laden, who was also speculated to be a partner of Al Barakah<sup>4</sup>

A number of agencies in Nigeria directly or indirectly have mandates aimed at countering terrorism and its negative effects on the Nigerian society. However, acts of terrorism are on the increase in the country. From the activity of the Boko Haram which have included several bombings, destruction of places of worship, property, and lives to the militant groups in the Niger Delta whose activities include kidnapping, pipeline vandalism and destruction, engaging with security operatives, and so on, Nigeria has seen more cases of terrorism in the past decade than ever before. This paper is thus an attempt to examine the effect of financial intelligence on counterterrorism efforts in Nigeria. The paper is divided into 4 sections, section one engages in conceptual clarification of the terms financial intelligence and counterterrorism, Thereafter, in section two, the role of financial intelligence in countering terrorism in Nigeria is examined. Section three looks at the challenges of financial intelligence and counterterrorism in Nigeria while section four is the conclusion and recommendations.



## **CONCEPTUAL CLARIFICATION**

### **FINANCIAL INTELLIGENCE**

Wardlaw defines intelligence simply as information about adversaries or likely events. Intelligence is therefore necessary as the first line of defence against terrorism<sup>5</sup> This definition is however vague as it does not say what kind of information or how this information is to be acquired. Wilkinson sees intelligence as a very crucial requirement for counterterrorism, for unless the security authorities are fortunate enough to capture a terrorist red handed at the scene of a crime, it is only through comprehensive and accurate intelligence data that the authorities have any hope of locating the terrorists. The authorities must therefore know a great deal about the aims, political motivations and alignments, leadership, individual numbers, logistic and financial resources and organisational structures of the terrorist group.<sup>6</sup>

Financial intelligence as a term is usually used in a business sense to refer to the knowledge and skills gained from understanding finance and accounting principles. However, this term has recently been used increasingly in the context of law enforcement agencies and other related activities to refer to the gathering of information about the financial affairs of entities of interest with a view to understand their nature and capabilities, and predict their intentions. Financial intelligence can be used to identify a terrorist's activity and be used directly to trace links with other individuals and groups, or indirectly to compare methods and approaches. Exploiting this additional intelligence can identify those who may otherwise go undetected. This reduces the chances of successful terrorist attacks.<sup>7</sup> The process of financial intelligence involves painstaking and detailed examination of transactional data, usually provided by financial institutions as part of regulatory requirements. Transactions made by certain individuals or entities which appear suspicious and unusual may be studied in greater detail. Certain categories of persons are also subjected to greater scrutiny. These include

transactions by politically exposed persons (PEP), persons engaged in hotels, and other cash intensive businesses such as casinos, currency exchange, money transfer agents, businesses that are not expected to be cash intensive yet generate substantial amounts for certain transactions, non-governmental and non-profit organisations especially in poorly regulated environments, dealers in high-value items such as estate agents and jewellers, accounts run or operated by “gatekeepers” such as accountants, lawyers especially where the identity of the beneficial owner is not properly identified.

Within the formal financial sector, financial intelligence analysis could involve identifying suspicious transactions. These suspicious transactions could cover an array of scenarios such as large - scale cash transactions, rapid off shore transfer of funds immediately they are deposited, unrealistic business proceeds compared to clients profile, unusual funds inflow into customer’s account, cross-border travel to undertake simple transaction, unsatisfactory explanation by customer on account activities, re-activation of dormant account with huge amount of cash, deposits at various branches the same day for no logical reason and so on. However, terrorist organizations are increasingly sourcing for and distributing funds through non bank intermediaries such as trade diversion, high-value commodities, and linkages to organized crime and the use of the hawalas, a form of informal value transfer system where brokers advance funds to depositors on a nod or a handshake, leaving no paper or electronic trails<sup>8</sup>

## **COUNTERTERRORISM**

A definition of counterterrorism hinges primarily on what terrorism is considered to be. Although the term terrorism is quite elusive, there however, seems to be a general consensus that the term terrorism refers to acts of violence against civilians by non-state actors. The 1999 OAU Convention on the Prevention and Combating of Terrorism, for instance, defines terrorist act as:



“(a) Any act which is a violation of the criminal laws of a State Party and which may endanger the life, physical integrity or freedom of, or cause serious injury or death to, any person, any number or group of persons or causes or may cause damage to public or private property, natural resources, environmental or cultural heritage and is calculated or intended to:

(i) Intimidate, put in fear, force, coerce or induce any government, body, institution, the general public or any segment thereof, to do or abstain from doing any act, or to adopt or abandon a particular standpoint, or to act according to certain principles; or

(ii) Disrupt any public service, the delivery of any essential service to the public or to create a public emergency; or

(iii) Create general insurrection in a State.

(b) Any promotion, sponsoring, contribution to, command, aid, incitement, encouragement, attempt, threat, conspiracy, organizing, or procurement of any person, with the intent to commit any act referred to in paragraph (a) (i) to (iii).”<sup>9</sup>

This definition is adequate for the purpose of this paper but does not in any way excuse states that similarly terrorise their citizens by engaging in acts of violence and the use of force on civilians especially women and children. On the other hand, counterterrorism represents the various forms of response to pre-empt, prevent and eliminate terrorism. It involves the use of, inter alia, intelligence, counterintelligence as well as military and paramilitary forces to deal with all forms of terrorism threats.<sup>10</sup>

Counter terrorism therefore refers to the national, regional, and international responses aimed at pre-empting, identifying and analysing



terrorist groups using intelligence and counterintelligence tools as well as preventing groups or individuals from engaging in acts of terrorism using political, legal, economic, military, social and cultural tools.

## **FINANCIAL INTELLIGENCE AND COUNTERTERRORISM IN NIGERIA**

Beginning with the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, several strategies, which bring together aspects of financial system and criminal law, have been developed for anti money laundering and combating the financing of terrorism. What follows is a brief expose of the legal instruments which Nigeria has implemented in combating terrorism as well as the Nigerian agencies involved in financial intelligence.

### **Legal Instruments**

Nigeria has implemented various international resolutions and laws to give effect to Anti/Counter Terrorism initiatives in the country. Some of these resolutions and International Commitments include:

- i. United Nations Resolution 1267 (1999) and other relevant resolutions on Individuals and Entities Associated with Al-Qaeda and Taliban;
- ii. The OAU convention on the prevention and combating of Terrorism in Algiers in July, 1999;
- iii. International Convention for the Suppression of the Financing of Terrorism -Resolution 54/109-which was introduced in 9 Dec 1999 but came into effect April 10 2002. The convention required to among other things, take steps to prevent and counteract the financing of terrorists, hold those who finance terrorism criminally, civilly or administratively liable, provide for the justification, freezing and seizure of funds allocated for terrorist activities.



- iv. The United Nations Security Council Resolutions 1373 (2001) on Terrorism Finance and Terrorist activities; which criminalised all activities falling within the ambit of terrorist financing and obliged states to freeze all funds or financial assets of persons and entities that are directly or indirectly used to commit terrorist acts.
- v. The European based Financial Action Task Force (FATF) 40 recommendations on Money Laundering;
- vi. The FATF 8 Special Recommendations on Terrorism Financing issued in October 2001; and
- vii. The ninth Special Recommendation of October, 2004 which addressed the growing problem of cash couriers.<sup>11</sup>
- viii. The adoption of the Dakar Declaration in Senegal in 2001;
- ix. The adoption of the Plan of Action for the Prevention and Combating of Terrorism by the Inter Governmental High Level meeting of the Union in September, 2002 in Algiers, Algeria.
- x. Protocol to the OAU convention on the Prevention and Combating of Terrorism, July 2004
- xi. The 2009 United Nations Security Council Resolution 1904

The United Nations, African Union resolutions and other International Standards have therefore provided the basis and context of most of the country's counter terrorism efforts.

In addition, at the regional level, the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS), adopted DECISION A/DEC-9/12/99 of December



1999 and formally established the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) in the year 2000. Subsequently, in January 2006, in response to the growing menace of terrorism financing, the Statute of GIABA was amended, thus including the combat of Terrorism Financing as a major component and mandate of GIABA. GIABA's mandate is to amongst other things, ensure the adoption, implementation and enforcement of internationally acceptable anti-money laundering and counter terrorism financing standards, including the FATF 40 + 9 recommendations on Money laundering and combating financing of terrorism, the United Nations Conventions on Transnational Organized Crime (2000), the Convention Against Corruption (2003), the 1999 Convention and other related instruments against Terrorism; the Africa Union (AU) Convention against Corrupt Practices; and the ECOWAS Protocol on the Prevention of Corrupt Practices.<sup>12</sup>

In addition to being party to the above conventions, Nigeria has several laws preventing the financing of terrorism and money-laundering, and freezing assets. These include the following<sup>13</sup>

1. Money Laundering Decree (1989), which was subsequently amended, in 1995, 2002, 2003 and has since 2004 become Money Laundering Prohibition Act (MLPA), to keep pace with the dynamism of money laundering.
2. National Drug Law Enforcement Agency (NDLEA) Act (1990), Sections 3, 4, 18-25
3. Central Bank of Nigeria Decree (1991), Section 28
4. Banks and other Financial Institutions Act (BOFIA) No. 25 (1991), Section 30.



5. Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree No. 17 (1995)

6. Economic and Financial Crimes Commission Establishment Act 2004 which houses the Nigeria Financial Intelligence Unit (NFIU). The NFIU was established in 2005 in line with articles 14 and 58 of the United Nations Convention against Corruption and recommendation 26 of the FATF 40+9 Special Recommendations. It draws its powers from the EFCC (Establishment) Act of 2004 and the Money Laundering (Prohibition) Act of 2004

7. Anti-Terrorism, Economic and Financial Crimes Act, 2011

## **Nigerian Agencies and Financial Intelligence**

International recognized financial norms and standards require that financial institutions remain vigilant to the warning signs of financial abuse and report that suspicious activity to a financial intelligence unit (FIU). FIUs are defined by the Egmont Group as;

“A central, national agency responsible for receiving (and, as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information concerning suspected proceeds of crime and potential financing of terrorism, or required by national legislation or regulation, in order to counter money laundering and terrorism financing.”<sup>14</sup>

The FIU integrates the financial information gathered from financial institutions with law enforcement and intelligence inputs. It is therefore possible for an FIU to identify terrorist financing activity even though it is generally not possible for financial institutions themselves to draw the link between the suspicious activity and terrorism. The analytic function of FIUs to identify terrorist financing activity has been strengthened by combining financial information with terrorist-related intelligence



obtained from law enforcement and intelligence. In addition, FIUs have played a key role in disclosing financial information to intelligence organisations. Reports not linked to suspicious activity have therefore been useful in creating links when combined with other terrorist-related intelligence.<sup>15</sup> It is therefore imperative that for an effective and effective counterterrorism regime, financial intelligence and terrorist related intelligence must work together and share information with one another.

In Nigeria, 24 various agencies have been engaged in counterterrorism. These include amongst others, the Nigeria police, Nigeria Intelligence Agency, State Security Service, Defence Intelligence Agency, Economic and Financial Crimes Commission and especially the Nigeria Financial Intelligence Unit, The Nigeria Drug Law Enforcement Agency, Central Bank of Nigeria, Ministry of Finance, Federal Ministry of Commerce (FMC) which is the competent supervisory authority for Designated non-Financial Business and Professions (DNFBPs), which include casinos, dealers in jewellery, cars and luxury goods, chartered/professional accountants, audit firms, tax consultants, clearing and settlement companies, legal practitioners, supermarkets, hotel and hospitality industries, estate surveyors and valuers, precious stones and metals, trust and company service providers, pool betting, lottery, non-government organizations and non-profit organizations, amongst others.

Nigeria has a financial intelligence unit (NFIU) within the ambit of the Economic and Financial Crimes Commission (EFCC). A ten member Task Force with membership from the Nigeria Police, Central Bank of Nigeria, National Deposit Insurance Corporation, and the EFCC was set up to put in place a comprehensive plan for the establishment of an FIU in Nigeria in October 2003. NFIU became operational in January 2005. As an FIU, it is a member of the Egmont Group and it is the pivot of the fight against money laundering and terrorist financing with



a mandate to generate intelligence packages from financial disclosure on suspicious transactions from agencies and other entities and persons for the consumption of other FIUs and law enforcement agencies.<sup>16</sup> The NFIU is to coordinate Nigeria's AML/CFT regime in line with international best practice- receive and analyse financial information as well as disseminate financial intelligence to competent authorities.

The EFCC was created in 2002 as a reaction to international pressure essentially from the FATF which had listed Nigeria as a Non Cooperative Country. One of the conditions of being taken off that list was compliance with FATFs recommendation 26 which required the creation of a special intelligence unit. The statute creating the EFCC vested it with the mandate to investigate and prosecute economic and financial crimes, be the national coordinator for anti-money laundering, be the designated Nigerian Financial Intelligence Unit and implement the provisions of the Advance Fee Fraud Act, Failed Banks Decree, Money Laundering Prohibition Act (MLPA) and the Banks and other Financial Institutions Act (BOFIA).<sup>17</sup> Other Nigerian agencies engaged in the fight against financing of terrorism include the Special Control Unit Against Money Laundering (SCUML) which is statutorily under the Ministry of Commerce and industry but is domiciled in the EFCC and is responsible for regulating, supervising and monitoring the Designated Non- financial Institutions (DNFIs) especially the Self Regulatory Organisations (SRO) such as hotel owners, car dealers, casino operators, lawyers, real estate operators, tax consultants, accountants amongst others.<sup>18</sup>

The Central Bank of Nigeria (CBN) which is the apex regulatory body for banks in the country is equally involved in AMT/CFT and has directed all commercial banks in the country to report any transaction of a sum over half a million naira (US \$5,000). The CBN then transmits this information to the National Economic Intelligence Committee (NEIC). This system is set up to monitor money sources and uses, track



spending patterns and generally forestall terrorist activity. Anyone who cannot satisfactorily explain a transaction over a half million naira may be charged under the Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree No. 17 (1995), which carries a minimum penalty of five years in prison for individuals, and a fine of N 100,000 (US \$1000) for corporate enterprises. Legal persons can also be charged with money laundering under the National Drug Law Enforcement Agency (NDLEA) Act, which carries a penalty of ten years to life in prison, and forfeiture of assets. The National Drug Law Enforcement Agency Act, the Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree and the Money Laundering Prohibition Act all authorize the freezing of assets. Freezing accounts may be administrative or judicial, coming from the Central Bank of Nigeria, or by an authorized court or tribunal. Assets can be frozen at the request of another government in cases where both governments share mutual legal treaties in cases of criminal or civil matters.<sup>19</sup>

The State Security Service (SSS) on its part was set up to gather intelligence on the activities of nations, institutions, organizations, and individuals that are detrimental to the interest of Nigeria. This function is similar to that of the National Intelligence Agency (NIA) which was created to perform a similar function on the domestic front and the Defence Intelligence Agency (DIA) with the mandate of gathering defence security information both within and outside the national domain.<sup>20</sup> These organizations are involved in terrorist intelligence and are expected to work with the organizations dealing with financial intelligence in the fight against terrorism in Nigeria.

While Nigeria is still relatively a newcomer in the fight against terrorism especially using tools of financial intelligence, few success stories have been recorded. For instance, financial intelligence received from the NFIU to the SSS helped to foil the Oct 1, 2010 50th year celebration bomb incidence in Abuja. <sup>21</sup> In addition, NFIU has also investigated



cases bordering on Terrorism Financing which has led to the freezing of the assets of suspected terrorist sympathizers worth billions of naira.

In 2003, the financial transactions of two (2) extremist Islamic organizations were investigated and disrupted by the SSS. As a result, the operational activities of the Central Office of Al-Muntada Al – Islamiya Foundation in Kano was temporarily sealed, while its Bank Account was frozen, on account of suspected linkage with financing of local extremist groups by the Salafist Groups for Preaching and Combat (GSPC). The central office was only opened after a formal agreement by the Foundation to make available quarterly reports on its financial and general operational activities to the SSS. Similarly, in line with UN Resolution 1267 (1999), the operational activity of Al – Haramain Islamic Organization was stopped by the SSS. This was as a result of the UN Resolution banning all states from dealing with listed entities and organizations. Al – Haramain Organization was on the UN consolidated list. Pursuant to the Resolution too, the EFCC, froze the assets and properties of Ahmed Idris Nasreddin and his associated companies, NASCO Groups Nig. Ltd worth over a N100,000,000.00 (\$787,402) through a Federal High Court order obtained in 2006.<sup>22</sup>

In spite of all these cases and many more however, there still remains a lacuna in Nigeria's counterterrorism efforts as cases of terrorism especially in the northeastern part of the country where the Boko Haram are mostly resident are on the increase. The effects of these acts of terrorism are felt all over the country as the Boko Haram have announced that they are responsible for the bombing of the Police Headquarters, the UN office in Abuja bombing, the incessant crisis of a religious nature in states like Bauchi , Borno and even Plateau, with a promise of greater damage to the nation if their own form of Islam is not instituted in the northern parts of the country.



## **CHALLENGES OF FINANCIAL INTELLIGENCE AND COUNTER-TERRORISM IN NIGERIA**

### **Lack of Interagency Cooperation**

Intelligence gathering requires sharing and dissemination of information to the various agencies involved in the fight against terrorism. However, interagency rivalry and jealousy have hindered the effective gathering and distribution of information. As noted by Odiogor, “the level of collaboration in sharing of security information is abysmal and fraught with suspicion.” In addition, Nigeria has about four different agencies doing the same thing but none taking responsibility for intelligence lapses. For instance, when the police headquarters was bombed on Thursday 16 June, 2001, the problem was analysed as a failure of intelligence yet the security forces were pointing fingers at one another.<sup>23</sup> The lack of interagency cooperation can also be attributed to the lack of a national security strategy in which all agencies working against terrorism have their roles clearly defined and the relationships with other agencies also spelt out.

### **Inadequate Resources**

In order to carry out any task adequately, there must be enough resources including financial, manpower and material. Equipment and tools needed for intelligence and surveillance work are most times inadequate. Also there is a dearth of skilled manpower with the requisite training to use these equipment and gadgets effectively and efficiently. FIUs are expected to assemble the financial evidence concerning suspicious transactions, and such information is usually spread among several financial institutions and jurisdictions. These tasks require adequate, timely and efficient funding. Unfortunately, funding has been largely through budgetary allocations to the ministries, departments and agencies (MDA) involved. Nigeria practices a system whereby budgets are not made based on adequate and comprehensive needs assessment but rather, based on a somewhat ad hoc system.



## **Non Compliance by Financial and Non Financial Institutions**

The Nigerian banks are expected to report suspicious transaction report (STR) immediately and before seven days of the occurrence of the STR. Although financial institutions have rolled out training programmes on money laundering en masse, the sincerity and depth of such programmes is questionable. The training courses are in many instances given to staff so as to meet the requirements of the regulators and to enable the financial institutions forward their training reports listing the number of staff trained. The non- designated financial institutions, on their part, are by nature vulnerable to the antics of money launderers and are therefore expected to make reports on currency transactions and suspicious transactions to the SCUML. However, largely due to ignorance, the DNFI are usually guilty of non- compliance.

## **Loose Regulatory Environment**

As advanced, developed countries have increased their financial surveillance and legal infrastructure to counter terrorism, they have caused terrorists and other criminal finances to flow to wherever the regulatory environment is loosest. Thus terrorists find it easier to operate in environments where the regulatory and legal framework is lax.<sup>24</sup> The intelligence and law enforcement agencies as well as the financial and non financial institution regulatory bodies such as CBN, SCUML, EFCC, etc thus have a larger task in their hands as cases of terrorism is likely to be on the increase. In addition, because Nigeria is cash based society, it is thus harder for financial institutions to report such transactions. In this regard, the CBN directive to reduce the amount of over the counter cash collected by individuals to N150, 000 is commendable. This has the objective of reducing the amount of cash in circulation therefore making it harder for terrorists to use cash for settlements. The judicial system is also very slow and uncooperative as so many PEPs, business men, etc that have been arraigned by the EFCC on charges of corruption, money laundering or terrorism financing have been released on bail and are walking around free.

## **CONCLUSION**

The intelligence cycle must start out by setting out priorities clearly. Unfortunately, the Nigerian security apparatus has been operating without a national security strategy which should set out the security, and by extension intelligence priorities. Given this vacuum, Nigeria has been operating in a reactionary manner to security threats, mainly at the instance and pressure of the international community. For instance, the EFCC was set up because Nigeria had been on the FATF non cooperative country list since it did not meet the requirement that each country should have a financial intelligence unit.

Nigeria still has a lot of catching up with the international community to do in terms of expertise and the use of sophisticated equipment and tools that will facilitate the gathering, analysing, and dissemination of information amongst the security agencies both locally, regionally and globally. In addition, the lack of interagency cooperation means that the various agencies end up with only partial information on certain cases and are therefore crippled in the aspect of intelligence.

## **RECOMMENDATIONS**

In view of the above therefore, it is recommended that Nigeria as a matter of urgency develops a national counterterrorism strategy which will not only analyse the threats to Nigeria and set out the security priorities but will also clarify the roles expected of each security apparatus in counterterrorism. This is expected to minimise the inter agency rivalry and backbiting and enhance cooperation for the greater good and security of the nation first and the international community at large. The private sector must also be brought into the schema as the financial institutions are largely privately run and owned.

There is also the need for in-depth education and training of individuals working in the finance and non- finance institutions so as to ensure they understand the importance and security implications of rendering intelligent reports of suspicious transactions expeditiously as at when they arise.



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## **FINANCING THE BOKO HARAM: SOME INFORMED PROJECTIONS**

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### **Introduction**

In October 1999, Governor Sani Yerima of Zamfara state declared the adoption of the Sharia laws in Zamfara state. This declaration stimulated significant political reactions across the country already characterised by intense competition between the Christian and Muslim populations. While the declaration of the Sharia was hailed by majority of the Northern Muslim, it was condemned by majority of the country's Christian population who taunted the unconstitutionality of the declaration.<sup>1</sup> The ensuing Sharia controversy was accompanied by the adoption of the legal system in 12 other northern states and outbreak of religious violence in Kaduna in February 2000 and reprisal attacks on Muslims in parts of Southern Nigeria notably Aba and Onitsha.<sup>2</sup>

There however existed Muslim clerics such as Sheikh El Zakzakky who argued that the responsibility for the declaration of Sharia legal system rest with Islamic Clerics and not elected political office holders. This verdict gave credence to the allegation that the Sharia was a political machination of northern elites who were uncomfortable with the emergence of a Southern Christian, Chief Olusegun Obasanjo as the Executive President of Nigeria. In its wisdom, the federal government described the incidents as politically motivated and opted not to use force in the view that the inherent contradictions associated with the Nigerian political processes will overthrow it. Although it may be argued that this approach significantly doused the Sharia tension, the ashes of the Sharia controversy resurfaced in the intensification of religious activism



by numerous Islamic fundamentalist groups across the country. These groups include, among others, the Islamic Movement of Nigeria led by Sheik Ibrahim El-Zakzakky, the Kala-Kato led by Mallam Badamasi, the Darul-islam led by Aminu Bashir Abdullahi, the Ahmadiya Movement led by Al Gulan, the Khadiriyya led by Nasir Kabara, the Darika Shi'a Salafi ya (or Izala) led by Late Abubakar Gunmi; the Tijjaniya led by Isiaku Rabi; and the Tariqqa group led by Dahiru Bauchi.<sup>3</sup> The Boko Haram (BH) sect emerged from the new wave of fundamentalism that accompanied the Sharia controversy in Nigeria.

It is also significant to note that the challenge of religious extremism is not restricted to Nigeria. In Somalia, the activities of the Al Shabab and for Union of Islamic Conference constitute a manifestation of radicalisation. Similarly, Egypt's experience with the Muslim Brotherhood and the activities of the Salafist Group for Preaching and Combat in parts of the Arab Maghreb are all indicative of the global dimension of religious extremism. In Indonesia, radical Islamic movements such as Jemaah Islammiah, Laskar Jihad as well as the descendants of Darul Islam and Mujahidin Kompak in Indonesia constitutes other examples of extremist Islamic groups beyond Africa.<sup>4</sup>

This paper therefore examines the Boko Haram (BH) phenomenon in Nigeria with special focus on the financing of the sect. It traces the origin of the sect and highlights some of the contending perspectives to the BH phenomenon. In addition, the paper sought to explain the circumstances that brought the BH into direct confrontation with the Nigerian state and thereafter focused on the changing nature of the operations of the sect. This is complemented with a prognosis on financing the Boko Haram.

## **Understanding the Boko Haram**

Various hypotheses have emerged aimed at explaining the BH phenomenon. One such hypothesis posits that what exist today as the BH emerged from the ashes of the political Shari'ah orchestrated by members of the political class of Northern extraction following the emergence of





a Southerner, Olusegun Obasanjo as the country's Executive President on May 1999. Others contend that the ensuing Shari'ah controversy constitute one of the constitutional problems which the military regime of General Abdulsalaam Abubakar failed to resolve prior to the return to democratic dispensation.<sup>5</sup> It has been reasoned that the political nature with which the Shari'ah was introduced by elected State Governors (instead of Islamic Clerics), the failure of the Executive Governors in some pro-Shari'ah states to conduct governance in line with Islamic principles and the allegations of corruption against several of these public officials gave rise to sects that sought a higher appreciation of the promises of an Islamic theocracy. The BH sect constitutes one of such groups.

Another hypothesis posits that the BH Phenomenon is one reaction to the manipulations by certain members of the political class who seek support from popular youth organisations in their quest for power and subsequently renege on agreements once they capture power. Proponents of this hypothesis argue that former Governor of Borno State and Yobe State rode on the support of the sect and its nucleus organisation in their quest for political power prior to the 2003 General elections. However, when they began having conflicts of interests after the capture of state power, they sought the federal intervention through the security agencies to overcome the sect. The proponents of this hypothesis argue that it is this scenario that set the stage for the group's resentment against the government. There further exist analysts who seek to explain the resurgence of the Boko Haram activism from the angle of revenge to a system that have brutally sought to suppress them. This school of thought argue that the recourse to jihad by the sect is a retaliation for the acts of violence meted on its members including the destruction of the sect's headquarters in Maiduguri during the July 2009 uprising.

There also exist some analysts who contend that the renewed hostility of the Boko Haram is a diversionary strategy adopted by a sinking Hausa-Fulani oligarchy from Northern Nigeria who have dominated



the country's political landscape since independence except for the brief Obasanjo era as Executive President (1999-2007). Their basic position of these analysts is that the sinking "Hausa-Fulani oligarchy" is protesting their loss of political power to another Executive President of Southern extraction, a situation which is frustrating their expectation of recouping the privileges they lost during the Obasanjo era and demise of former President Umar Yar'Adua before the completion of his tenure. The proponents of this view argue that the renewed BH hostilities is another strategy of the pro-zoning political elites from Northern Nigeria who were unable to prevent the emergence of President Goodluck Jonathan as Acting President, substantive President and elected President of the Federal Republic of Nigeria in the April 2011 Presidential Election. The logic is that having failed to prevent his victory at the Presidential election, and having failed to scuttle the process through the post-election violence of April 2011, the Boko Haram (BH) onslaughts became another strategy to distract the government and generate public resentment on the grounds of insecurity. This group support their logic with the fact the resurgence of the Boko Haram followed the emergence of Dr. Goodluck Jonathan (then Vice President) as an Acting President in May 2010. Consequently, they accuse some aggrieved northern political elites as the masterminds of the renewed Boko Haram assaults on the Nigerian state. This group also fears the degeneration of the Boko Haram crisis to a Christian-Muslim religious conflict.

Beyond the contending views on the factors that led to the emergence of the BH phenomenon, certain factual deductions have been made concerning the sect. First, the teachings of the sect are opposed to western education and civilisation because these were considered sinful. Their mission was to impose an extreme interpretation of Islamic law in Nigeria. Mohammed Yusuf observed that there are several Islamic preachers who have seen and understood that the present Western-style education is mixed with issues that run contrary to our beliefs in Islam. For instance, Yusuf argued that whereas Islam contended that



the rain is a creation of God, science contended that rain is the product of evaporation caused by the sun that condenses and becomes rain. Like saying the world is a sphere. If it runs contrary to the teachings of Allah, we reject it. We also reject the theory of Darwinism. In the views of Mohammed Yusuf, the leader of the sect, Western education spoils the belief in one God. The resentment to western education in parts of Northern Nigeria has a long history dating back to colonial times. Some native Hausa songs ridiculing pupils acquiring such education include:

*Yan makaranta Boko* Children of Western School  
*Ba karatu ba Sallah* You don't study, you don't pray  
*Ba'a biyar hanyar* Allah You don't follow God's path  
*Sai yawan zagin* Mallam You only abuse your Islamic teachers

Members of the sect were indoctrinated into believing that their state of hopelessness was caused by the government which imposed western education on them and also failed to manage the resources of the country to their benefit.<sup>6</sup> The sect also sought to capture the entire Northern Nigeria, attack the city of Jos, the Plateau State capital, deal with Christians there, and destroy all churches in Northern Nigeria.<sup>7</sup> These objectives will be achieved if every institution, including the military and other security agencies that constitute an integral part of government in the country, were destroyed. The BH sect also sought to destroy Islamic centres of worship opposed to their doctrine. Consequently the group identified certain prominent individuals including Islamic clerics, for elimination.<sup>8</sup>

### **Membership and Operation of the Boko Haram**

The Boko Haram sect established its headquarters in Maiduguri, Borno State from where it spread to Yola, in Adamawa State, and also to Bauchi State, both in North-eastern Nigeria, where their second and third camps were established. At inception, the Boko Haram (BH) appeared to draw the bulk of its members mainly from disaffected youths, school drop-outs, unemployed graduates and class of Almajiris.<sup>9</sup> Afterwards, it also



drew sympathy from some members of the political class, contractors and intellectuals disgruntled with the conduct of governance in various parts of the country. Some of the politicians bought into the logics and growing influence of Mohammed Yusuf whose preaching were also opposed to societal ills perpetrated by the ruling elites across various parts of the country.

The sect also mobilized its membership from school drop outs and unemployed university and polytechnic graduates. In 2004, the sect attracted public concern when its student members in tertiary institutions such as the University of Maiduguri, Ramat Polytechnic Maiduguri, and Federal Polytechnic Damaturu withdrew from school while some tore their certificates because of the Yusufiyyah doctrine they embraced.<sup>10</sup> Foreigners were also in the membership of the Boko Haram sect. These were drawn from Cameroon, Chad, and Niger Republic. Bukar Shekau, Yusuf's deputy, was from Niger Republic. Following confrontation with security agencies, many sect members escaped across the borders to neighbouring Cameroon, Chad and Republic of Niger where they are suspected to have sympathetic cells that harbour and facilitate its operations.

In 2003, the activities of the nucleus of modern day BH hit local and international media headlines when their base was discovered in Kanamma and Geidam towns in Yobe State, Northeast Nigeria where they lived along the shores of the Komadugu-Yobe River which is a tributary of the Lake Chad. Members of the group were described as the Nigerian Taliban. The members of the sect preferred to be described as the Muhajirun, an Arabic word referring to the people of Mecca who fled alongside with Prophet Mohammed (PBUH) from Mecca to Medina to escape persecution and have a conducive atmosphere to practice Islam.<sup>11</sup> It has sometimes been reasoned that the members of the sect sought isolation from the public to enable them have closer experience with God.



Economically, the members of the Nigerian Taliban as it was initially called engaged in farming activities along the Komadugu-Yobe river bank as a means of subsistence while pursuing their religious quest. They group was known among the local community to be committed to the preservation of its corporate interests and welfare of its member. This commitment was to draw it into conflict with other various individual and groups in the area and eventually, the Nigerian State and its institutions. Consequently, with the passage of time, conflict broke out between the sect and the host community over land and scarce water resources. This led to the arrest of members of the sect by law enforcement agents established for the maintenance of law and order. This arrest marked the beginning of violent confrontation between the group and law enforcement agents.

Subsequently, members of the sect launched attacks on a police station in Kanamma around December 2003. The attack was extended to other police stations in Geidam, Dapchi in Bursari Local Government Area and Babangida, Headquarters of Tarmuwa Local Government Area. In Damaturu, the Yobe State capital, the group also launched another attack leading to the death of a Police Inspector while another was kidnapped. The inability of the various police formations to contain the assault led to the deployment of troops from the Recce Battalion Nguru and the 21 Armoured Brigade, Maiduguri to quell the attacks. By 3 January 2004, the members of the Nigerian Armed Forces successfully repelled the attack and forced the sect to retreat. Further confrontations between the Nigerian Police and members of the sect occurred in September 2004 in Bama and Gwoza leading to casualties between both sides. This led to another deployment of members of the Armed Forces to quell the crisis. These incidents were forerunners of the July 2009 BH uprising. It is reasoned that the experiences of members of the sect from armed confrontations with members of the security agencies informed the sect's preparedness for future armed confrontations as occurred from July 2009 onwards.



In view of the competitions and hostilities that characterise survival in modern society, BH members seemed to have found justification in arms build-up a way to sustain their life in a secular society. This is not unconnected with its peculiar experiences with competing communities in Yobe and the reaction of Nigeria's law enforcement agencies with regards to acts that infringe on public peace and security. Furthermore, it is also reasoned that the unfolding globalisation of violence on the larger global arena and the seductions that emanate from the propaganda of other extremists groups in West Africa and the global jihadist movement also contributed to the sect's propensity to armed confrontation. Consequently, the sect began the accumulation of arms and modern sophisticated weapons that included Rocket Propelled Grenades (RPGs), Automat Kalashnikovs 47 (AK-47) rifles. It also mobilized and trained her members on the manufacture of bombs and use of sophisticated weapons in Bauchi and Borno States. The training in the use of bombs and arms by members of the sect became useful in the July 2009 Boko Haram uprising against the Nigerian state.

### **Boko Haram: Flashback on the July 2009 Uprising**

The stage for the July 2009 Boko Haram uprising was set on 11 June 2009, after seventeen members of the sect were killed in a confrontation with security agencies in Maiduguri.<sup>12</sup> In response to this incident, the members of the sect launched a vengeance mission across parts of northern Nigeria with attacks on several police stations and related government establishments. In Bauchi, the violence erupted on Sunday 26 July 2009 with several BH militants invading government buildings and the city's police headquarters. This led to the death of about several Boko Haram members and arrests of over 176 others.<sup>13</sup>

In Yobe State, members of the sect attacked a Divisional police headquarters where they killed a police officer and a fire service staff and driver. They also set ablaze the offices of the Federal Road Safety Corp (FRSC) and the National Population Commission (NPC).<sup>14</sup> The



Yobe incident resulted in a counter response by combined forces of police and the military at Mamudo village near Potiskum leading to the death of 33 sect members.

In Wudil near Kano, officers of the Nigerian Police Force overpowered members of the sect that attacked a police station on 28 July 2009. The police arrested fifty-five members of the sect but the leader of the sect in Kano State, Salisu Al-Amin Aljasawi, escaped. In addition, the police however discovered several weapons including bows and arrows, daggers, knives, locally manufactured guns as well as materials for making bombs at Aljasawi's residence. Forensic analysis by the Nigerian Bomb disposal unit indicated that the bomb materials composed of 75% potassium nitrate, 15% sulphur and 10% charcoal and were capable of causing extensive damage.<sup>15</sup> Other weapons recovered from the sect at another interval include rocket launchers, short guns, AK-47 rifles, detonating bomb cables and more than several rounds of live ammunition.<sup>16</sup>

The Nigerian Police Force also repelled assaults from the members of the sect in Danja Local Government Area of Katsina State leading to the arrest of several members. In Kaduna State, members of Operation Yaki, a joint security team established by Governor Namadi Sambo, arrested 21 persons at Badarawa, a suburb in Kaduna metropolis, suspected to be inhabited by members of the sect. While in Jalingo, capital of Taraba State, security agents identified a school located at Angwan Lariya, which the sect used for training its members. The school, named Alfurqan Islamic School, was solely dedicated to the teaching of ethics opposed to western civilisation and was located on the same street as the Motor Traffic Division (MTD) of the Nigeria Police.<sup>17</sup>

Following the official response to the July 2009 BH Uprising, several members of the sect fled to the headquarters in Maiduguri where they put up the strongest resistance between 29th and 31st July 2009. After three days of direct confrontation with the Nigerian security agencies



including the Armed Forces, the headquarters of the sect was destroyed and its leader, Mohammed Yusuf was slain while a key financier of the sect, Ustaz Buji Foi (Former Commissioner for Religious Affairs in Borno State) was also killed in Maiduguri. In addition, Mohammed Yusuf's father-in-law, Alhaji Baa Fugu Mohammed was also killed in a manner considered by human rights groups as depicting extra judicial killing and devoid of respect for the fundamental human rights of the victims. Official statistics estimates that about 700 people were killed in Maiduguri as a result of the Boko Haram crisis. The casualties include two soldiers and thirteen policemen.<sup>18</sup> The destruction of sect's headquarters in Maiduguri and killing of its leader and financier led to the flight of members to several parts of Northern Nigeria including neighbouring countries like Cameroon, Chad and Republic of Niger.

## **Boko Haram beyond July 2009**

Despite the suppression of the July 2009 BH uprising, Nigeria has continued to experience guerilla assaults from members of the sect. The BH assaults against the Nigerian state intensified in the second half of 2010 leading to the targeted killing of soldiers, policemen, prison guards, politicians as well as traditional and religious leaders opposed to the sect's doctrines. This has manifested in the use of motorcycles for shooting and killing of security men on patrol, serial bombings in several parts of Northern Nigeria.

The growing sophistication of the BH in purpose and strategies was displayed on 25 August 2010, when members of the sect who had sufficiently regrouped killed three policemen in Damaturu and Maiduguri and dispossessed them of their weapons. This incident was followed two weeks later by a Ramadan Jail Break of 7 September 2010 at Bauchi Prisons masterminded by the regrouped members of the sect who freed 732 inmates including 173 sect members detained for the July 2009 Boko Haram incident in Bauchi metropolis. The assailants proclaimed that:





This work of blessing was executed by members of the Jama'atu Ahlissunnah lidda'awatiwal Jihad (JAJ), which means, People struggling to restore the implementation of Islamic system and Muslim independence from Christians and this wicked government. We do not want to be called Boko Haram... This Holy work was made possible by Allah's grace."<sup>19</sup>

The sect also commiserated with the Muslim community over the Jos violence and observed that they will continue to fight this government because fighting this government is obligatory. In their view, whoever does not participate would be questioned by Allah and those that cannot participate were told to close your mouth."<sup>20</sup>

In December 2010, BH/JAJ claimed responsibility for the twin bombing in the city of Jos, Plateau State on Christmas Eve and the New Year Eve bombing of Mogadishu Barracks in Abuja. These attacks were targeted at popular relaxation joints in military run mammy markets. These bombings ushered in the use of Improvised Explosive Device (IED) by the sect. It also signalled the increasing sophistication of the group which was initially perceived to comprise of a disorganised bunch of artisans and societal misfits.

In June 2011, members of the sect which now prefer to be referred to as the Jama'atu Ahlissunnah lidda'awatiwal Jihad (JAJ), declared that they:

...want to make it known that our Jihadists (warriors) have arrived Nigeria from Somalia where they got serious training on warfare from our brethren [Al Shabaab] who made the country of Somalia ungovernable. We want to assure all security agencies that we would frustrate their efforts. By the grace of God, despite the armoured carriers that they are boasting of, they cannot match the training we acquired in Somalia."<sup>21</sup>



The seriousness of the BH/JAJ threat has manifested in the series of attacks on the Nigerian state and its people. The group has sought to justify their aggression through Pronouncements

by its intellectuals and strategists. One such pronouncement made public by its spokesman, Abu Zaid suggest that the group's renewed assaults on the Nigerian state is a revenge mission in protest of its presumed freedom which they claim has been curtailed and their belief that some unpatriotic Islamic scholars gave the Nigerian government misleading justification on the need to attack the sect members leading to the destruction of their headquarters and other places of worship.<sup>22</sup> Some of the attacks are contained in the table below.

**Table 1: SOME BOKO HARAM BOMBINGS IN NIGERIA SINCE MARCH 2011**

DATE	PLACE	NATURE OF INCIDENT	CASUALTIES
13 th March 2011	Suleja	IED explosion incident by unidentified person(s) at Government Secondary School.	Five(5)person(s) dead and 21 others injured
16 th March 2011	Niger Delta	National Assembly PDP campaign. Attacks on Agip (ENI-MI Oil facilities) by militants	NIL
26 th March 2011	Maiduguri Jeer LGA	Boko haram attack soldiers on routine patrol	One soldier was killed and another 16 injuries
27 th March 2011	Gwange II ward, Maiduguri	Book haram shot dead Gana MAKANIRI of ANPP	One dead



29th March 2011	Dengi, Plateau state	Christians had church and homes set ablaze by Muslim extremist	People were rendered homeless
30th March 2011	London Ciki ward, Maiduguri	Two(2) unidentified persons suspected to be members of book Haram attacked the tailoring shop of Mustapha TELLA with Improvised explosive device(IED)	Subject sustained burns
3rd April 2011	Suleja	Unidentified persons donated IED, which caused explosions at INEC office	Casualties were recorded
30th April 2011	Borno state	Suspected Boko Haram went on rampage in different parts of the states	Four people were killed and tow others sustained injuries
1st of May 2011	Bulaburin Alajiri Ward Maiduguri	Attack on an Evangelist of Redeemed Christian Church of God(RCCG) by Boko Haram	The evangelist was shot dead
3rd May 2011	Borno state	Two unidentified gunmen shot and killed one police sergeant	One dead police sergeant killed
4th May 2011	Borno state	Boko Haram members attacked Nigeria prison service staff	One(1) dead and two(2) were injured
4th May 2011	Borno state	Book Haram shot an Islamic scholar, Mohammed Abdullahi	He sustained injuries



8th May 2011	Maiduguri	Attack by suspected Boko Haram members at NNPC depot and pharmaceutical store	One soldier, the pharmacist store keeper and a woman were killed and a motorcyclist injured
12th May 2011	Behind Shehu of Borno state place and others in Maiduguri	In two different attacks by suspected Boko Haram on motorcycle	District head of Maisari, Gurzalama LGA shot dead and in the other attack, one person sustained injuries
14th May 2011	Sabon Gari Gwange II ward Maiduguri	Attacks by suspected Boko Haram members with sophisticated weapons	One person was shot dead
14th May 2011	Attack on Bulama in Borno state	Suspected Boko Haram members attacked the village head and others	Two persons were killed and the village head injured
15th May 2011	Maiduguri	Ambush of operations flushed team on patrol by suspected Boko Haram members	An army private shot dead
16th May 2011	Maiduguri	Attack of a MOPOL crack squad. four arrested people are suspected to be members of Boko Haram	A MOPOL (Cpl) was shot dead
18th May 2011	Ladin Butta village, Mafa LGA Borno State	Suspected Boko Haram members threw an improvised Explosive device (IED) into a parked car belonging to a police corporal. Explosion caused by the IED damaged the car	No casualty because there was nobody in the car and nearby



18th May 2011	Ibrahim Taiwo Lowcost on Lagos street both in Maiduguri	Suspected Boko Haram members attacked operation flush teams in two(2) separate attacks	Three (3) soldiers, two (2) policemen sustained injuries.
22nd May, 2011	Wulgo village Ngala LGA, Borno state	Bomb explosion planted by suspected Boko Haram members	Two (2) children died while three (3) other sustained injuries.
29th May, 2011	Bauchi,	Four (4) different bomb blasts by unknown persons.	About 13 people killed and several others injured.
	Zuba, Abuja	IED detonated by unknown persons.	One dead and several other persons injured

*Source: Brief from Department of State Services (DSS) Nigeria to participants at the National Focal Point Meeting on Wednesday, 16 June 2011*



**TABLE 2: MAJOR TIMELINES ON BOKO HARAM RELATED ACTIVITIES IN NIGERIA BETWEEN JUNE AND OCTOBER 2011**

DATE	PLACE	NATURE OF INCIDENCE	CASUALTIES
Thursday 17th June 2011	Nigerian Police Hea- dquarters / Louis Edet Building Abuja	Mohammed Manga executed Nigeria's first suicide bombing at the Nigerian Police Headquarters Abuja. The Boko Haram claimed responsibility for this act.	At least 6 persons including security agents were killed and several visitors to the Police Headquarters were wounded in this attack.
S u n d a y 26th June 2011	Maiduguri	Bomb attack at a beer garden in Maiduguri by members of the Boko Haram operating with motorcycles. They threw explosives at fun seekers at the beer garden	Over 25 persons were killed in the attack.
M o n d a y 27th June 2011	Maiduguri	IAJ/BH executed another attack that led to casualties	2 girls died and 3 Customs agents were wounded
S a t u r d a y 2nd July 2011	Maiduguri	Boko Haram members embarked on a house to house search for non- Muslims at the Bulabuli- Ngaranalam area of Maiduguri	Death of 3 persons including 2 brothers
Sunday 3rd July 2011	Jere Local Government Area (LGA) Borno State	Killing of Care Taker Chairman of the LGA by suspected members of Boko Haram	Death of Alhaji Mustapha Ba'ale, the Caretaker Chairman



Sunday 3rd July 2011	Maiduguri	1.Bomb explosion at another beer garden 2. Bomb explosion at Wulari Police Station	Death of at least 20 people This incident left many persons dead.
Monday 4th July 2011	Department of State Services, Abuja	Department of States Services declares the arrest of over 100 Boko Haram members. It however proclaimed that the arrested persons will not be prosecuted. This is in compliance of president Jonathan's resolve to adopt a political solution to the crisis.	The arrests were made in the North East states of Adamawa, Bauchi, Borno, Kano and Yobe including Kaduna in the North Central region.
S u n d a y 10th July 2011	B o m b i n g at the All C h r i s t i a n Fellowship Church in Suleja, Niger State	Sect members operating with a motorbike threw locally made bombs into the church premises after Sunday church service	About 4 worshippers were killed in the incident
M o n d a y 11th July 2011	F o r c e d Closure of University of Maidu- guri. The University Authority ci- ted security concern for the measure.	Alleged threats of attacks on the institutions by members of the sect	No record of casualties but the incident which heightened security situation was a strategic victory for the sect.
Friday 15th July 2011	Maiduguri	Fresh explosion in Bulumkutu area of Maiduguri metropolis	The explosion injured five policemen and damage vehicles at the scene of the incident.



M o n d a y 15th August 2011	Maiduguri	Foiled attempt to bomb participants at a Police recruitment exercise at Borno State Police Headquarter. The assailant aged about 25 attempted forcing his way into the recruitment area in a Honda saloon car with registration number AP 851 ABJ	Death of the suspected suicide bomber
S u n d a y 21st August 2011	Abuja	Arrest of two Boko Haram members namely: Babagana Ismail Kwaljima (a.k.a Summaya) and Babagana Mali (a.k.a Bulama)	Arrest of sect members
Thursday 25th August 2011	G o m b i , L G A , A d a m a w a State	Men in vehicles with Borno State registration numbers (suspected Boko Haram members) attacked two police stations, two banks and a prison with explosives and automatic weapons. The attackers were chanting “Allah Akbar giving the impression that they were Boko Haram members.” However, eyewitnesses confirmed that they were eating bananas and drinking water during the attack which coincided with the Ramadan fast, thereby casting doubts on the true identities of the attackers.	Death of 16 persons including several policemen and a soldier. One of the assailants was also killed. They took away arms after attacking and killing some policemen at the police station. Four persons were also injured in the attacks.





Friday 26th A u g u s t 2011	The Boko Haram executed a suicide attack on the United nations House in Abuja. The suicide bomber crashed into the building through the exit gate before detonating the bombs packed in the Toyota Camry car. Mohammed Abdu Barra is suspected to be the suicide bomber.	The suicide attack was executed through a car bomb at the UN House. This assault marked a landmark in the internationalisation of the Boko Haram crisis.	About 21 persons were confirmed dead as a result of the incident.
Thursday 2 n d September 2011	Abuja	Bomb scare at the National Assembly Complex. It emanated from rumour of impending suicide attack by members of the Boko Haram.	No life was lost
Sunday 4th September 2011	Z a n n a r i , Maiduguri	Killing of an Islamic Cleric, Mallam Dala by gunmen suspected to be members of the Boko Haram. Mallam Dala operated a Koranic school attended by several Almajiris in the area.	One person shot dead



Monday 5th September 2011	Abuja	Major shake-up at the Office of the National Counterterrorism Coordinator	Maj Gen SY Bello replaces Ambassador Zakari Ibrahim as Counterterrorism Adviser to President Jonathan
Tuesday 6th September 2011	Narawa-Iku village in Tafa Local Government Area, Niger State	Department of State Ser- vices (DSS) discloses the discovery of bomb ma- king factory. The bombs assembling site is also lo- cally referred to as “Che- chnya.”	Arrest of seven persons associate with bomb ma- king for the Boko Haram. The arrested persons in- clude: 1. An Igbo Muslim convert 2. A national of Republic of Niger 3. A person with dual na- tionality (Half Nigerian and Half Nigerian) 4. An Indigene of Kano State 5. Two indigenes of Borno State 6. A miner from Nassa- rawa State. Some of the suspects confessed to participating in the killing of four po- licemen at a checkpoint in Dakwa- Deidei, Bwari Area Council of the Fede- ral Capital Territory on 22 May 2011
Monday 12th Sep- tember 2011	Jajeri, Mai- duguri	Attack on “Last Born” drinking bar by persons suspected to belong to the Boko Haram sect.	Death of four persons comprising of the bar owner, his attendant and two customers.



12th September 2011	Missau, Bauchi State	<p>1. Bomb attack on Missau Police Station</p> <p>2. Suspected members of Boko Haram attacked a branch of Afribank.</p>	Death of about 6 police men
Tuesday 13th September 2011	Abuja	Trial of eight arrested members of Boko Haram linked to the Suleja cell begins at a Federal High Court in Abuja.	The suspects are Shuaibu Abubakar, Mohammed Dalhatu, Salisu Ahmed, Muhammed Ali, Babagana Umar, Ahmed Ezimakor, Musa Adamu and Umar Ibrahim.
Thursday 15th September 2011	Maiduguri	Justice Wakil Alkali Gana summons Borno State Comptroller of Prisons, Usman Maina Kaina to appear before it to explain how 24 suspected Boko Haram members escaped from prison custody.	
Saturday 17th September 2011	Maiduguri	Shooting of Mohammed Yusuf's brother-in-law Babakura Fugu after dialogue with former President Olusegun Obasanjo. Fugu was suspected of helping security agencies. His death revealed the existence of factions within the Boko Haram. A faction claimed responsibility while the other faction dissociated the sect from the incident.	Death of the victim.



Monday 19 September 2011	Abuja	Media headlines carry news on the N25 million (about USD 160,000) bounty for the arrest of Mamman Nur, leader of a Boko Haram faction and suspected mastermind of the UN House bombing	Mamman Nur is believed to be Third in Command of the Boko Haram prior to the 2009 crisis. He was earlier arrested and freed by intelligence agencies in 2007 on charges relating to radicalisation and religious extremism.
Monday 26th Sep- tember 2011	Abuja	Boko Haram issues a N50 million (Nigerian Naira) reward for information leading to the arrest of Marylyn Ogar, an Assistant Director and Spokesperson of the Department of State Services.	
Thursday 29th Sep- tember 2011	Abuja	Trial of six suspects for the bombing of INEC Office in Suleja and bombing of the All Christian Fellowship Church between April and May 2011 begins at a magistrate Court in Abuja	
Saturday 1st October 2011	Maiduguri	<p>1. Targeted killing of an unnamed butcher at the Jajeri Ward by suspected members of the sect</p> <p>2. Attack on patrol teams of the Joint Task Force (JTF) "Operation Restore Order"</p>	<p>Death of the butcher</p> <p>No death was recorded but members of the JTF sustained some injuries</p>



Sunday 2nd October 2011	Jajeri ward, Maiduguri	Targeted killing of Iko- kwu, also called Me Sha- go. It is alleged that Iko- kwu (a patent medicine dealer) facilitates illegal abortion which offends the belief of the sect.	Death of Ikokwu
M o n d a y 3rd October 2011	Maiduguri	Targeted killing of Mal- lam Tumba and an unna- med person at the Mai- duguri Timber Market on Baga Road. Armed soldiers sealed off the Timber market on Baga road following the series of attacks.	Death of 2 persons
Sunday 9th October 2011	South Africa	Death of Sunday Nwa- chukwu, a UNDP staff and victim of the UN House bombing in Abuja	Mr Nwachukwu was flown to South Africa in an air ambulance for in- tense medical attention.
S u n d a y 16th Octo- ber 2011	K w a m e , Gombe State	Members of the sect at- tacked the 34 Squadron Mobile Police base using explosives and other wea- pons.	One policeman and 3 ci- vilians were killed in the incident. Fourteen vehi- cles were burnt and sever- al arms and ammunition were also looted by sus- pected criminal elements of the Boko Haram sect
	Maiduguri	Assassination of Modu Bintube, a Member of Parliament. He was shot while standing outside his home.	Death of Alhaji Bintube



Friday, 21st October 2011	Bulumkutu, Maiduguri	Assassination of a Cameraman, Alhaji Zakariya Isa with Nigerian Television Authority (NTA)	Death of the journalist. The sect claimed responsibility
Sunday 23rd October 2011	Saminaka, Kaduna State	Attacks on two new generation banks with sophisticated weapons and explosives.  Attack and destruction of Divisional Police Command in Saminaka	Looting of bank strong room.  Death of at least 2 persons and destruction of the Police Division. The sect claimed responsibility for both incidents.

*Source: C. Nna-Emeka Okereke Research Finding 2011*

It was a response to the growing insecurity in Maiduguri and rumours of attack on the institution by BH/IAJ that the Authority of the University of Maiduguri temporarily closed the institution citing security concerns. The insecurities led to internal displacements and mass exodus outside Maiduguri. Several Nigerians have relocated back to their states of origin while others have moved to nearby states of Plateau, Adamawa and Gombe States. The exodus has also assumed an international dimension with several Nigerians and non-Nigerians crossing international borders into Niger, Chad and Cameroon. In its response, the Nigerian Government deployed a Joint Task Force (JTF) code-named Operation Restore Order commanded by Major General Jack Nwogbo. The JTF comprises of officers and personnel drawn from the Nigerian Army, Nigerian Navy, Nigerian Airforce, Nigeria Police and the State Security Services (SSS).<sup>23</sup>

## **Financing the Boko Haram: Some Informed Projections**

At inception, members of the Boko Haram were engaged in farming activities along the Komadugu-Yobe River in Yobe State. Here, the focus was primarily subsistence agriculture for a sect that was driven



by the quest for deeper religious understanding. In addition, some of its members were also engaged in petty trading activities. This trend however changed with the passage of time. First, it could be argued that the need for survival and self-preservation in an environment characterised by intense competition for scarce natural resources drew the group into conflicts with their host community.

A major source of funding for the Boko Haram, was the daily monetary returns from the dozens of taxi cabs, buses and motorcycles reportedly procured by its late leader, Mohammed Yusuf and distributed to unemployed youths who were members of the sect. It has been reasoned that this singular act of youth empowerment endeared Yusuf to the teeming population of jobless youths who pledged loyalty to him.<sup>24</sup>

The sect is also suspected of receiving foreign financial assistance. In February 2004, the Department of State Services effected the arrest of Sheikh Muhiddeen Abdullahi, a Sudanese and Director of a Saudi-funded charity, Almntada al-Islami Trust, over alleged involvement in funding a short-lived violent uprising seeking to establish an Islamic theocracy in Yobe State in December 2003. He was arrested following the discovery of financial transactions running into millions of naira between Sheikh Muhiddeen and a Kano-based businessman, Alhaji Sharu. Security agents swooped on a suspected militant hideout and arrested Sharu, who confessed to acting as middleman between the group and Almntada. It is said to have built 42 mosques in Kano, and promotes the conservative Wahhabi brand of Islam espoused by Afghanistan's ousted Taliban regime.<sup>25</sup> The link between the Almntada al-Islami and the BH is rooted in the fact that Alhaji Sharu's organisation mutated into the BH/JAJJ following the preaching and mobilisation activities of Ustaz Mohammed Yusuf.

against Mohammed Yusuf and Bello Damagum in a federal high court in Abuja for transferring US\$300,000 from Al-Qaeda, from Sudan, the case could not pass through full judicial process. The security concern



In 2006, the slain leader, Mohammed Yusuf, was charged by the Nigerian government of receiving money from an Al Qaeda linked organisation in Sudan through Alhaji Bello Damagum to recruit young men to his organisation.<sup>26</sup> Although the Nigerian government brought the charges of Nigerian authorities was that the fund could be used for financing religious extremism that breeds terrorism. It was however not clear whether the funds were for training Nigerian youth abroad for deeper religious knowledge or for extremism that breed terrorism.

The suspicion of probable Al Qaeda connection in the financing of the Boko Haram was also heightened by the presence of the Al-Qaeda in the Islamic Maghreb (AQIM), which operates actively in the Sahel-Saharan belt in West and Central Africa. The activities of the AQIM in this belt are facilitated by the porosity of international borders and existence of weak government institutions which are unable to ensure effective security within and across the various national and international boundaries. An unconfirmed report suggest that about One Hundred and Seventy Thousand Euros recovered from members of the sect bore the marks of some of the ransom money paid for the for the release of foreign hostages kidnapped by the AQIM.

A major suspected financier of the sect, Alhaji Bunu Wakil was arrested alongside with 91 other persons in January 2011. In addition, Alhaji Mohammed Zakaria was also arrested by security agencies for supplying the sect with arms trafficked through Chad. In addition, prior to his death in the 2009 BH uprising, Ustaz Fuji Boi was considered as a prominent financier of the sect's activities.<sup>27</sup>

It has become important at this stage to consider some probable sources of funding for the BH/JAJ in view of its sustained assaults on the Nigerian state and future threats it poses to various countries in the Sahel-Sahara belt with special reference to the Republics of Cameroon, Chad and Niger. Evidently, the operations of the sect has





been transformed from the use of crude implements like knives, bows and arrows to the reliance of various degrees of Small Arms and Light Weapons (SALWs). Consequently, there will be the need for continued flow of weapons and tactfulness. This is coupled with the fact that there now exist enormous national and international attention on its operation since they now constitute threats to Nigeria's national security, regional and global security for Nigeria, Sahel-Saharan belt and the wider global arena. This is demonstrated in the fact that the international community is increasingly getting weary of the security situation arising from the BH/JAJ challenge in Nigeria. This reality is further pronounced by media headlines indicating that the Al Qaeda plans to operate from Nigeria.<sup>28</sup>

Other concerns with the funding of the BH/JAJ emanate from the fact that as the Nigerian authorities tighten its scrutiny of the sect and its activities, major financiers of the sect such as foreign charity organisation, local contractors and unpatriotic politicians get more cautious with the transfer of funds. This inevitably leads to a situation where the sect will seek alternative avenues to finance its activities. Some of the probable avenues for future funding of the BH/JAJ will reasonably depend on the orientation of sect's strategists and intellectuals. It is anticipated that the sect will exploit its proclaimed links with the Al Shabab in Somalia and the sympathies of the Al Qaeda Network (AQN) and the AQIM.

Consequently, it will not be strange to see the BH/JAJ resort to kidnap-for-ransome of Nigerian public officials with demand for ransom as perpetrated by the AQIM in the parts of the Sahel-Sahara belt. In May 2011, the sect kidnapped two foreigners (an Italian and a Briton) as part of its assault on security and stability in Nigeria. The Nigerian Intelligence Community and other security agencies are actively engaged to combat this scourge.

Similarly, the sect will most probably utilize its vast knowledge of the terrain to generate funds through protection rackets involving the collection of Droit de passage from migrants across the Sahel-Saharan



belt. There also exist indications that members of the public may succumb to paying protection fees to the sect for security. This suggests that the BH/JAJ could and may generate huge funds from proceeds of organised crimes in its sphere of influence. Consequently, members of the sect are socialized to believe that if they steal for the BH course, that it is justified. This orientation propel them to engage in bank robberies and attacks on police stations. Proceeds from robberies are divided into different parts. One part to sustain members rescued from incarceration during the Bauchi jail break. Another part is used to support members whose families were casualties of the July 2009 crisis while other parts are used to sustain active sect member and funding the sect's activities.<sup>29</sup> Attacks on police stations are motivated by revenge and the need to acquire weapons for its assaults on the state.

Other forms of organised crimes that will most probably be attractive to support the activities of factions in the sect include the illicit traffic in SALWs and narcotics which constitute serious security challenge to an already vulnerable region. This prognosis is predicated on the fact that similar extremist groups such as the AQIM have sustained their activities in the Sahel-Saharan belt through engagement in such organised crimes. In addition, the porous nature of borders in the region coupled with the apparent difficulties of effective border control tends to lend credence to this projection.<sup>30</sup> This suggests that concerted efforts should be made at both national and regional levels to address the scourge of BH/JAJ.

There however exist some challenges that might obstruct efforts at combating the financing of the BH/JAJ. One major one stems from the fact that Nigeria is a predominantly cash economy and major financial transactions running into millions of naira are executed with raw cash instead of the formal mode of payments as stipulated in the Anti-Money Laundering Act 2004 as amended in the Money Laundering (Prohibition) Act 2011. It is significant to note that the 2004 Act put the threshold for cash transaction at N500, 000 (Nigerian Naira). Part 1 (1a) and (1b) of the 2011 amendment to this Act raised the threshold limit

for cash transaction to N5 million (Naira) in the case of an individual and N10 million (Naira) for corporate bodies.<sup>31</sup>

In addition, the proliferations of the black markets where dollars are openly and informally traded in several major cities in the country also constitute another challenge to efforts at combating the financing of the BH/JAJ. Consequently, there exists need for the Nigerian government to intensify measures to address these challenges.

### **Conclusion**

The above analysis associates the Boko haram crisis partly to struggle over scarce land and water resources. This led to the confrontations between the Boko Haram and the society leading to the arrest of the members and direct conflict with various security agencies as occurred in Kanamma in Yobe State. It also observed that the BH/JAJ sect has its ultimate objective as the overthrow the Nigerian state and introduction of the Shari'ah legal system and Islam as state religion.

The paper further observed that the nature of operation of the BH/JAJ indicate that it will require alternative sources of fund as the Nigerian authorities intensify its surveillance and suppression of the sect. Probable sources of alternative funding for the sect were identified to include the resort to illicit traffic in SALWs, collection of protection racket and possibly organised crimes like kidnapping and hostage taking.

The Boko Haram crisis has however progressed from being a local Nigerian problem to a major threat to international peace and security. The cross border approach of the sect members is consistently exerting security pressures on the authorities in Cameroon, Chad and Niger as both extremist and refugees flood into these countries from Nigeria. This has intensified the internationalisation of the crisis which further manifests through the international funding of its operations, sympathies and connections with the global Jihadist movements like the Al Shabab, AQN and AQIM. The British government has added to this by alleging that the AQN plans to use Nigeria as its operational headquarters for attacks against British and other Western interests. The paper therefore



suggests the paper solicits international cooperation as the solution to BH/JAJ crisis. In addition, concerted efforts should be made to regulate the movement of cash and trade in foreign currencies.

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## ANNEXES



**AFRICAN UNION**

**الإتحاد الإفريقي**



**UNION AFRICAINE**

**UNIÃO AFRICANA**

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**ASSEMBLY OF THE AFRICAN UNION**

**Thirteenth Ordinary Session**

1 – 3 July 2009

Sirte, Great Socialist People's

Libyan Arab Jamahiriya

**Assembly/AU/Dec. 243-267 (XIII) Rev.1**

**Assembly/AU/Decl.1- 5 (XIII)**

**DECISION TO COMBAT THE PAYMENT OF  
RANSOM TO TERRORIST GROUPS**

Adopted by the Thirteenth Ordinary Session of the Assembly in Sirte,  
Great Socialist People's

Libyan Arab Jamahiriya on 3 July 2009



## The Assembly,

1. **EXPRESSES GRAVE CONCERN** over the growing phenomenon of piracy, hostage taking and the resultant demands for ransom;
2. **CONSIDERS** that the payment of ransom constitutes one of the main methods of financing international terrorism;
3. **RECALLS** Resolution 1373 of the United Nations (UN) Security Council on the Financing of Terrorists and Combating Terrorism, as well as Resolution 1267 on the Financing of the Activities of Terrorist Groups;
4. **ALSO RECALLS** the International Convention for the Suppression of the Financing of Terrorism, the International Convention against the Taking of Hostages, the OAU Convention and its Protocol on the Prevention and Combating of Terrorism, and the Algiers Plan of Action for the Prevention and Combating of Terrorism;
5. **REAFFIRMS** its determination to combat terrorism as a threat to international peace and security, and to strive to curb all sources of financing this phenomenon;
6. **ALSO REAFFIRMS** the urgent necessity to consolidate the existing legal arsenal to combat terrorism and to adopt restrictive legal measures to combat the payment of ransom to terrorist groups;
7. **STRONGLY CONDEMNS** the payment of ransom to terrorist groups for hostages to be freed;
8. **REQUESTS** the international community to consider the payment of ransom to terrorist groups a crime;





**9. REQUESTS** the Security Council to adopt a restrictive resolution against the payment of ransom in order to consolidate legal provisions put in place, particularly by resolutions 1373 and 1267, as well as international and African conventions;

**10. FURTHER REQUESTS** the United Nations General Assembly to include this issue in its agenda and to initiate negotiations with a view to elaborating a supplementary protocol to the International Convention for the Suppression of the Financing of Terrorism or to the International Convention against the Taking of Hostages which prohibits the payment of ransom to terrorist groups;

**11. ALSO REQUESTS** the Commission to follow up on the implementation of this Decision and to report to the Assembly in June/July 2010.





## **BEST PRACTICES ON COMBATING TERRORIST FINANCING**

The following matrix is based on the Directory of International Best Practices, Codes and Standards developed by the UN Security Council Counterterrorism Committees Executive Directorate's (CTED) to facilitate the implementation of resolution 1373 (2001). This version however is a shorter version that includes only those provisions that are in relation to combating Terrorist Financing. In addition, it shows the URL links of the best practices, to enable the reader to get direct access to respective organizations. Alternatively, the full version of the matrix can be found on the following link: <http://www.un.org/en/sc/ctc/bptable.html> Member States are encouraged to use any of the best practices, codes and standards listed in the directory below, taking into account their own circumstances and needs. This directory is by no means exhaustive; it will be updated by the Committee regularly in order to keep pace with new developments. For questions and clarifications on the materials listed here, please contact the originating organizations. This will ensure an accurate interpretation and application of the recommended best practices, codes and standards.



Organization	Best Practice
<b>1(a) Prevent and suppress the financing of terrorist acts;</b>	
<b><i>a. Criminalization of financing of terrorism and associated money laundering</i></b>	
United Nations	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/law/cod/finterr.htm">http://www.un.org/law/cod/finterr.htm</a></li> <li>● <a href="http://treaties.un.org/Pages/DB.aspx?path=DB/studies/page2_en.xml&amp;menu=MTDSG">http://treaties.un.org/Pages/DB.aspx?path=DB/studies/page2_en.xml&amp;menu=MTDSG</a></li> </ul>
UNODC	<ul style="list-style-type: none"> <li>● <a href="http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf">http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf</a></li> <li>● <a href="http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf">http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf</a></li> </ul>
<b><i>b. Freezing and confiscation of terrorist assets, provisional measures and confiscation</i></b>	
Interpol Interpol Summary of Best Practices	measures and confiscation Interpol Interpol Summary of Best Practices
UNODC	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/unodc_modellegislation.doc">http://www.un.org/en/sc/ctc/docs/bestpractices/unodc_modellegislation.doc</a></li> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-1.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-1.pdf</a></li> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-2.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-2.pdf</a></li> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-3.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/unodc-model-s2-3.pdf</a></li> <li>● <a href="https://www.unodc.org/tldb/index.html?ref=menu&amp;side?lf=1&amp;lng=en">https://www.unodc.org/tldb/index.html?ref=menu&amp;side?lf=1&amp;lng=en</a></li> <li>● <a href="http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf">http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf</a></li> <li>● <a href="http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf">http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf</a></li> </ul>
European Union	<ul style="list-style-type: none"> <li>● <a href="http://register.consilium.europa.eu/pdf/en/07/st11/st11679.en07.pdf">http://register.consilium.europa.eu/pdf/en/07/st11/st11679.en07.pdf</a></li> </ul>
<b><i>c. Prevention measures to be taken by financial institutions and non-financial businesses and professions</i></b>	



FATF	<ul style="list-style-type: none"> <li>●<a href="http://www.fatf-gafi.org/document/28/0,3746,en_32250379_32236920_33658140_1_1_1_1,00.html#40recs">http://www.fatf-gafi.org/document/28/0,3746,en_32250379_32236920_33658140_1_1_1_1,00.html#40recs</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec04.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec04.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec05.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec05.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec06.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec06.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec07.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec07.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec08.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec08.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec09.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec09.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec10.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec10.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec11.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec11.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec12.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec12.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec13.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec13.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec14.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec14.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec15.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec15.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec16.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec16.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec17.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec17.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec18.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec18.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec19.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec19.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec20.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec20.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec21.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec21.pdf</a></li> </ul>
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	<ul style="list-style-type: none"> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec22.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec22.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec23.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec23.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec24.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec24.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec25.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec25.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/fatf-9specialrec.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/fatf-9specialrec.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec6.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec6.pdf</a></li> <li>●<a href="http://www.fatf-gafi.org/dataoecd/53/34/34262291.PDF">http://www.fatf-gafi.org/dataoecd/53/34/34262291.PDF</a></li> <li>●<a href="http://www.fatf-gafi.org/dataoecd/39/17/34033713.pdf">http://www.fatf-gafi.org/dataoecd/39/17/34033713.pdf</a></li> <li>●<a href="http://www.menafatf.org/images/UploadFiles/best%20practices%20on%20Hawala.pdf">http://www.menafatf.org/images/UploadFiles/best%20practices%20on%20Hawala.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec7.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec7.pdf</a></li> <li>●<a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec8.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec8.pdf</a></li> <li>●<a href="http://www.fatf-gafi.org/dataoecd/43/5/38816530.pdf">http://www.fatf-gafi.org/dataoecd/43/5/38816530.pdf</a></li> <li>●<a href="http://www.fatf-gafi.org/dataoecd/53/53/34260889.pdf">http://www.fatf-gafi.org/dataoecd/53/53/34260889.pdf</a></li> <li><a href="http://www.menafatf.org/images/UploadFiles/CharitiesEng.pdf">http://www.menafatf.org/images/UploadFiles/CharitiesEng.pdf</a></li> </ul>
Bank for International Settlements: Basel Committee on Banking Supervision	<ul style="list-style-type: none"> <li>●<a href="http://www.bis.org/publ/bcbse137.pdf">http://www.bis.org/publ/bcbse137.pdf</a></li> <li>●<a href="http://www.bis.org/publ/bcbs85.pdf">http://www.bis.org/publ/bcbs85.pdf</a></li> <li>●<a href="http://www.bis.org/publ/bcbs85annex.htm">http://www.bis.org/publ/bcbs85annex.htm</a></li> </ul>
International Association of Insurance Supervisors (IAIS)	<ul style="list-style-type: none"> <li>●<a href="http://www.iaisweb.org/_temp/Guidance_paper_on_anti_money_laundering_and_combating_the_financing_of_terrorism.pdf">http://www.iaisweb.org/_temp/Guidance_paper_on_anti_money_laundering_and_combating_the_financing_of_terrorism.pdf</a></li> </ul>
International Organization of Securities Commissions (IOSCO)	<ul style="list-style-type: none"> <li>●<a href="http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf">http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf</a></li> <li>●<a href="http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf">http://www.imolin.org/pdf/imolin/Model_Provisions_Final.pdf</a></li> </ul>



d. Institutional and other measures necessary in systems for combating money laundering and terrorist financing

- [http://www.fatf-gafi.org/document/28/0,3746,en\\_32250379\\_32236920\\_33658140\\_1\\_1\\_1\\_1,00.html#40recs](http://www.fatf-gafi.org/document/28/0,3746,en_32250379_32236920_33658140_1_1_1_1,00.html#40recs)
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec26.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec27.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec28.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec29.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec30.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec31.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec32.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec33.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec34.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec35.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec36.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec36.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec37.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec38.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec39.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/40recs-moneylaundering/fatf-rec40.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/fatf-9specialrec.pdf>
- <http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec4.pdf>



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INTERPOL Interpol 'Best Practices' in Combating Terrorism	<ul style="list-style-type: none"> <li>● <a href="http://www.interpol.int/">http://www.interpol.int/</a></li> </ul>
e. Cross-border control of the movement of cash and other monetary instruments	
FATF	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/fatf-9specialrec.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/fatf-9specialrec.pdf</a></li> <li>● <a href="http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec9.pdf">http://www.un.org/en/sc/ctc/docs/bestpractices/fatf/9specialrec/9special-rec9.pdf</a></li> <li>● <a href="http://www.fatf-gafi.org/dataoecd/5/48/34291218.pdf">http://www.fatf-gafi.org/dataoecd/5/48/34291218.pdf</a></li> <li>● <a href="http://www.fatf-gafi.org/dataoecd/50/63/34424128.pdf">http://www.fatf-gafi.org/dataoecd/50/63/34424128.pdf</a></li> <li>● <a href="http://www.menafatf.org/images/UploadFiles/Cash%20Couriers%20Eng.pdf">http://www.menafatf.org/images/UploadFiles/Cash%20Couriers%20Eng.pdf</a></li> </ul>
WCO	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/en/sc/ctc/docs/WCO_Money%20Laundering.pdf">http://www.un.org/en/sc/ctc/docs/WCO_Money%20Laundering.pdf</a></li> </ul>
INTERPOL Interpol 'Best Practices' in Combating Terrorism	<ul style="list-style-type: none"> <li>● <a href="http://www.interpol.int/">http://www.interpol.int/</a></li> </ul>
1(b) Criminalize the wilful provision or collection by any means	
	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/en/sc/ctc/bptable.html#para1a">http://www.un.org/en/sc/ctc/bptable.html#para1a</a></li> </ul>
1(c) Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities;	
INTERPOL Interpol 'Best Practices' in Combating Terrorism	<ul style="list-style-type: none"> <li>● <a href="http://www.interpol.int/">http://www.interpol.int/</a></li> </ul>
	<ul style="list-style-type: none"> <li>● <a href="http://www.un.org/en/sc/ctc/bptable.html#para1a">http://www.un.org/en/sc/ctc/bptable.html#para1a</a></li> </ul>





1(d) Prohibit their nationals or any persons and entities within their territories from making any funds, financial assets or economic resources or financial or other related services available, directly or indirectly, for the benefit of persons who commit or attempt to commit or facilitate or participate in the commission of terrorist acts, of entities owned or controlled, directly or indirectly, by such persons and of persons and entities acting on behalf of or at the direction of such persons;

●<http://www.un.org/en/sc/ctc/bptable.html#para1a>



## **INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE FINANCING OF TERRORISM**



**UNITED NATIONS  
1999**

### **International Convention for the Suppression of the Financing of Terrorism**

#### **Preamble**

*The States Parties to this Convention, Bearing in mind the purposes and principles of the Charter of the United Nations concerning the maintenance of international peace and security and the promotion of good neighbourliness and friendly relations and cooperation among States,*

*Deeply concerned about the worldwide escalation of acts of terrorism in all its forms and manifestations,*

*Recalling the Declaration on the Occasion of the Fiftieth Anniversary of the United Nations, contained in General Assembly resolution 50/6 of 24 October 1995,*

*Recalling also all the relevant General Assembly resolutions on the matter, including resolution 49/60 of 9 December 1994 and its annex on the Declaration on Measures to Eliminate International Terrorism, in which the States Members of the United Nations Solemnly reaffirmed their unequivocal condemnation of all acts, methods and practices of terrorism as criminal and unjustifiable, wherever and by whomever committed, including those which jeopardize the friendly relations*



among States and peoples and threaten the territorial integrity and security of States,

*Noting* that the Declaration on Measures to Eliminate International Terrorism also encouraged States to review urgently the scope of the existing international legal provisions on the prevention, repression and elimination of terrorism in all its forms and manifestations, with the aim of ensuring that there is a comprehensive legal framework covering all aspects of the matter,

*Recalling* General Assembly resolution 51/210 of 17 December 1996, paragraph 3, subparagraph (f), in which the Assembly called upon all States to take steps to prevent and counteract, through appropriate domestic measures, the financing of terrorists and terrorist organizations, whether such financing is direct or indirect through organizations which also have or claim to have charitable, social or cultural goals or which are also engaged in unlawful activities such as illicit arms trafficking, drug dealing and racketeering, including the exploitation of persons for purposes of funding terrorist activities, and in particular to consider, where appropriate, adopting regulatory measures to prevent and counteract movements of funds suspected to be intended for terrorist purposes without impeding in any way the freedom of legitimate capital movements and to intensify the exchange of information concerning international movements of such funds,

*Recalling also* General Assembly resolution 52/165 of 15 December 1997, in which the Assembly called upon States to consider, in particular, the implementation -2- of the measures set out in paragraphs 3 (a) to (f) of its resolution 51/210 of 17 December 1996,

*Recalling further* General Assembly resolution 53/108 of 8 December 1998, in which the Assembly decided that the Ad Hoc Committee established by General Assembly resolution 51/210 of 17 December

1996 should elaborate a draft international convention for the suppression of terrorist financing to supplement related existing international instruments,

*Considering* that the financing of terrorism is a matter of grave concern to the international community as a whole,

*Noting* that the number and seriousness of acts of international terrorism depend on the financing that terrorists may obtain,

*Noting also* that existing multilateral legal instruments do not expressly address such financing,

*Being convinced* of the urgent need to enhance international cooperation among States in devising and adopting effective measures for the prevention of the financing of terrorism, as well as for its suppression through the prosecution and punishment of its perpetrators,

*Have agreed as follows:*

## **Article 1**

For the purposes of this Convention:

1. A Funds@ means assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including, but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, letters of credit.
2. AA State or governmental facility@ means any permanent or temporary facility or conveyance that is used or occupied by representatives of a State, members of Government, the legislature



or the judiciary or by officials or employees of a State or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties.

3. AProceeds@ means any funds derived from or obtained, directly or indirectly, through the commission of an offence set forth in article 2.

## Article 2

1. Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out:

(a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or

(b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

2. (a) On depositing its instrument of ratification, acceptance, approval or accession, a State Party which is not a party to a treaty listed in the annex may declare that, in the application of this Convention to the State Party, the treaty shall be deemed not to be included in the annex referred to in paragraph 1, subparagraph

(a). The declaration shall cease to have effect as soon as the treaty enters into force for the State Party, which shall notify the depositary of this fact;

(b) When a State Party ceases to be a party to a treaty listed in the annex, it may make a declaration as provided for in this article, with respect to that treaty.



3. For an act to constitute an offence set forth in paragraph 1, it shall not be necessary that the funds were actually used to carry out an offence referred to in paragraph 1, subparagraphs (a) or (b).

4. Any person also commits an offence if that person attempts to commit an offence as set forth in paragraph 1 of this article.

5. Any person also commits an offence if that person:

(a) Participates as an accomplice in an offence as set forth in paragraph 1 or 4 of this article;

(b) Organizes or directs others to commit an offence as set forth in paragraph 1 or 4 of this article;

(c) Contributes to the commission of one or more offences as set forth in paragraphs 1 or 4 of this article by a group of persons acting with a common purpose. Such contribution shall be intentional and shall either:

(i) Be made with the aim of furthering the criminal activity or criminal purpose of the group, where such activity or purpose involves the commission of an offence as set forth in paragraph 1 of this article; or

(ii) Be made in the knowledge of the intention of the group to commit an offence as set forth in paragraph 1 of this article.

## Article 3

This Convention shall not apply where the offence is committed within a single State, the alleged offender is a national of that State and is present in the territory of that State and no other State has a basis under article 7, paragraph 1, or article 7, paragraph 2, to exercise jurisdiction, except that the provisions of articles 12 to 18 shall, as appropriate, apply in those cases.

## Article 4

Each State Party shall adopt such measures as may be necessary:

(a) To establish as criminal offences under its domestic law the offences set forth in article 2;



(b) To make those offences punishable by appropriate penalties which take into account the grave nature of the offences.

## **Article 5**

1. Each State Party, in accordance with its domestic legal principles, shall take the necessary measures to enable a legal entity located in its territory or organized under its laws to be held liable when a person responsible for the management or control of that legal entity has, in that capacity, committed an offence set forth in article 2. Such liability may be criminal, civil or administrative.

2. Such liability is incurred without prejudice to the criminal liability of individuals having committed the offences.

3. Each State Party shall ensure, in particular, that legal entities liable in accordance with paragraph 1 above are subject to effective, proportionate and dissuasive criminal, civil or administrative sanctions. Such sanctions may include monetary sanctions.

## **Article 6**

Each State Party shall adopt such measures as may be necessary, including, where appropriate, domestic legislation, to ensure that criminal acts within the scope of this Convention are under no circumstances justifiable by considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature.

## **Article 7**

1. Each State Party shall take such measures as may be necessary to establish its jurisdiction over the offences set forth in article 2 when:

(a) The offence is committed in the territory of that State;

(b) The offence is committed on board a vessel flying the flag of that State or an aircraft registered under the laws of that State at the time the offence is committed;





(c) The offence is committed by a national of that State.

1. 2. A State Party may also establish its jurisdiction over any such offence when:

(a) The offence was directed towards or resulted in the carrying out of an offence referred to in article 2, paragraph 1, subparagraph (a) or (b), in the territory of or against a national of that State;

(b) The offence was directed towards or resulted in the carrying out of an offence referred to in article 2, paragraph 1, subparagraph (a) or (b), against a State or government facility of that State abroad, including diplomatic or consular premises of that State;

(c) The offence was directed towards or resulted in an offence referred to in article 2, paragraph 1, subparagraph (a) or (b), committed in an attempt to compel that State to do or abstain from doing any act;

(d) The offence is committed by a stateless person who has his or her habitual residence in the territory of that State;

(e) The offence is committed on board an aircraft which is operated by the Government of that State.

2. Upon ratifying, accepting, approving or acceding to this Convention, each State Party shall notify the Secretary-General of the United Nations of the jurisdiction it has established in accordance with paragraph 2. Should any change take place, the State Party concerned shall immediately notify the Secretary-General.

3. Each State Party shall likewise take such measures as may be necessary to establish its jurisdiction over the offences set forth in article 2 in cases where the alleged offender is present in its territory and it does not extradite that person to any of the States Parties that have established their jurisdiction in accordance with paragraphs 1 or 2.



4. When more than one State Party claims jurisdiction over the offences set forth in article 2, the relevant States Parties shall strive to coordinate their actions appropriately, in particular concerning the conditions for prosecution and the modalities for mutual legal assistance.

5. Without prejudice to the norms of general international law, this Convention does not exclude the exercise of any criminal jurisdiction established by a State Party in accordance with its domestic law.

## Article 8

1. Each State Party shall take appropriate measures, in accordance with its domestic legal principles, for the identification, detection and freezing or seizure of any funds used or allocated for the purpose of committing the offences set forth in article 2 as well as the proceeds derived from such offences, for purposes of possible forfeiture.

2. Each State Party shall take appropriate measures, in accordance with its domestic legal principles, for the forfeiture of funds used or allocated for the purpose of committing the offences set forth in article 2 and the proceeds derived from such offences.

3. Each State Party concerned may give consideration to concluding agreements on the sharing with other States Parties, on a regular or case-by-case basis, of the funds derived from the forfeitures referred to in this article.

4. Each State Party shall consider establishing mechanisms whereby the funds derived from the forfeitures referred to in this article are utilized to compensate the victims of offences referred to in article 2, paragraph 1, subparagraph (a) or (b), or their families.

5. The provisions of this article shall be implemented without prejudice to the rights of third parties acting in good faith.

## **Article 9**

1. Upon receiving information that a person who has committed or who is alleged to have committed an offence set forth in article 2 may be present in its territory, the State Party concerned shall take such measures as may be necessary under its domestic law to investigate the facts contained in the information.
2. Upon being satisfied that the circumstances so warrant, the State Party in whose territory the offender or alleged offender is present shall take the appropriate measures under its domestic law so as to ensure that person=s presence for the purpose of prosecution or extradition.
3. Any person regarding whom the measures referred to in paragraph 2 are being taken shall be entitled to:
  - (a) Communicate without delay with the nearest appropriate representative of the State of which that person is a national or which is otherwise entitled to protect that persons rights or, if that person is a stateless person, the State in the territory of which that person habitually resides;
  - (b) Be visited by a representative of that State;
  - (c) Be informed of that person=s rights under subparagraphs (a) and (b).
4. The rights referred to in paragraph 3 shall be exercised in conformity with the laws and regulations of the State in the territory of which the offender or alleged offender is present, subject to the provision that the said laws and regulations must enable full effect to be given to the purposes for which the rights accorded under paragraph 3 are intended.
5. The provisions of paragraphs 3 and 4 shall be without prejudice to the right of any State Party having a claim to jurisdiction in accordance with article 7, paragraph 1, subparagraph (b), or paragraph 2, subparagraph (b), to invite the International Committee of the Red Cross to communicate with and visit the alleged offender.



6. When a State Party, pursuant to the present article, has taken a person into custody, it shall immediately notify, directly or through the Secretary-General of the United Nations, the States Parties which have established jurisdiction in accordance with article 7, paragraph 1 or 2, and, if it considers it advisable, any other interested States Parties, of the fact that such person is in custody and of the circumstances which warrant that person's detention. The State which makes the investigation contemplated in paragraph 1 shall promptly inform the said States Parties of its findings and shall indicate whether it intends to exercise jurisdiction.

## Article 10

1. The State Party in the territory of which the alleged offender is present shall, in cases to which article 7 applies, if it does not extradite that person, be obliged, without exception whatsoever and whether or not the offence was committed in its territory, to submit the case without undue delay to its competent authorities for the purpose of prosecution, through proceedings in accordance with the laws of that State. Those authorities shall take their decision in the same manner as in the case of any other offence of a grave nature under the law of that State.

2. Whenever a State Party is permitted under its domestic law to extradite or otherwise surrender one of its nationals only upon the condition that the person will be returned to that State to serve the sentence imposed as a result of the trial or proceeding for which the extradition or surrender of the person was sought, and this State and the State seeking the extradition of the person agree with this option and other terms they may deem appropriate, such a conditional extradition or surrender shall be sufficient to discharge the obligation set forth in paragraph 1.

**Article 11**

1. The offences set forth in article 2 shall be deemed to be included as extraditable offences in any extradition treaty existing between any of the States Parties before the entry into force of this Convention. States Parties undertake to include such offences as extraditable offences in every extradition treaty to be subsequently concluded between them.
2. When a State Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another State Party with which it has no extradition treaty, the requested State Party may, at its option, consider this Convention as a legal basis for extradition in respect of the offences set forth in article 2. Extradition shall be subject to the other conditions provided by the law of the requested State.
3. States Parties which do not make extradition conditional on the existence of a treaty shall recognize the offences set forth in article 2 as extraditable offences between themselves, subject to the conditions provided by the law of the requested State.
4. If necessary, the offences set forth in article 2 shall be treated, for the purposes of extradition between States Parties, as if they had been committed not only in the place in which they occurred but also in the territory of the States that have established jurisdiction in accordance with article 7, paragraphs 1 and 2.
5. The provisions of all extradition treaties and arrangements between States Parties with regard to offences set forth in article 2 shall be deemed to be modified as between States Parties to the extent that they are incompatible with this Convention.

**Article 12**

1. States Parties shall afford one another the greatest measure of assistance in connection with criminal investigations or criminal or extradition proceedings in respect of the offences set forth in article 2, including assistance in obtaining evidence in their



possession necessary for the proceedings.

2. States Parties may not refuse a request for mutual legal assistance on the ground of bank secrecy.

3. The requesting Party shall not transmit nor use information or evidence furnished by the requested Party for investigations, prosecutions or proceedings other than those stated in the request without the prior consent of the requested Party.

4. Each State Party may give consideration to establishing mechanisms to share with other States Parties information or evidence needed to establish criminal, civil or administrative liability pursuant to article 5.

5. States Parties shall carry out their obligations under paragraphs 1 and 2 in conformity with any treaties or other arrangements on mutual legal assistance or information exchange that may exist between them. In the absence of such treaties or arrangements, States Parties shall afford one another assistance in accordance with their domestic law.

## **Article 13**

None of the offences set forth in article 2 shall be regarded, for the purposes of extradition or mutual legal assistance, as a fiscal offence. Accordingly, States Parties may not refuse a request for extradition or for mutual legal assistance on the sole ground that it concerns a fiscal offence.

## **Article 14**

None of the offences set forth in article 2 shall be regarded for the purposes of extradition or mutual legal assistance as a political offence or as an offence connected with a political offence or as an offence inspired by political motives. Accordingly, a request for extradition or for mutual legal assistance based on such an offence may not be refused on the sole ground that it concerns a political offence or an offence connected with a political offence or an offence inspired by political motives.

**Article 15**

Nothing in this Convention shall be interpreted as imposing an obligation to extradite or to afford mutual legal assistance, if the requested State Party has substantial grounds for believing that the request for extradition for offences set forth in article 2 or for mutual legal assistance with respect to such offences has been made for the purpose of prosecuting or punishing a person on account of that person's race, religion, nationality, ethnic origin or political opinion or that compliance with the request would cause prejudice to that person's position for any of these reasons.

**Article 16**

1. A person who is being detained or is serving a sentence in the territory of one State Party whose presence in another State Party is requested for purposes of identification, testimony or otherwise providing assistance in obtaining evidence for the investigation or prosecution of offences set forth in article 2 may be transferred if the following conditions are met:

- (a) The person freely gives his or her informed consent;
- (b) The competent authorities of both States agree, subject to such conditions as those States may deem appropriate.

2. For the purposes of the present article:

- (a) The State to which the person is transferred shall have the authority and obligation to keep the person transferred in custody, unless otherwise requested or authorized by the State from which the person was transferred;
- (b) The State to which the person is transferred shall without delay implement its obligation to return the person to the custody of the State from which the person was transferred as agreed beforehand, or as otherwise agreed, by the competent authorities of both States;
- (c) The State to which the person is transferred shall not require the State from which the person was transferred to initiate extradition



proceedings for the return of the person;

(d) The person transferred shall receive credit for service of the sentence being served in the State from which he or she was transferred for time spent in the custody of the State to which he or she was transferred.

3. Unless the State Party from which a person is to be transferred in accordance with the present article so agrees, that person, whatever his or her nationality, shall not be prosecuted or detained or subjected to any other restriction of his or her personal liberty in the territory of the State to which that person is transferred in respect of acts or convictions anterior to his or her departure from the territory of the State from which such person was transferred.

## Article 17

Any person who is taken into custody or regarding whom any other measures are taken or proceedings are carried out pursuant to this Convention shall be guaranteed fair treatment, including enjoyment of all rights and guarantees in conformity with the law of the State in the territory of which that person is present and applicable provisions of international law, including international human rights law.

## Article 18

1. States Parties shall cooperate in the prevention of the offences set forth in article 2 by taking all practicable measures, inter alia, by adapting their domestic legislation, if necessary, to prevent and counter preparations in their respective territories for the commission of those offences within or outside their territories, including:

(a) Measures to prohibit in their territories illegal activities of persons and organizations that knowingly encourage, instigate,





organize or engage in the commission of offences set forth in article 2;

(b) Measures requiring financial institutions and other professions involved in financial transactions to utilize the most efficient measures available for the identification of their usual or occasional customers, as well as customers in whose interest accounts are opened, and to pay special attention to unusual or suspicious transactions and report transactions suspected of stemming from a criminal activity. For this purpose, States Parties shall consider:

(i) Adopting regulations prohibiting the opening of accounts the holders or beneficiaries of which are unidentified or unidentifiable, and measures to ensure that such institutions verify the identity of the real owners of such transactions;

(ii) With respect to the identification of legal entities, requiring financial institutions, when necessary, to take measures to verify the legal existence and the structure of the customer by obtaining, either from a public register or from the customer or both, proof of incorporation, including information concerning the customer's name, legal form, address, directors and provisions regulating the power to bind the entity;

(iii) Adopting regulations imposing on financial institutions the obligation to report promptly to the competent authorities all complex, unusual large transactions and unusual patterns of transactions, which have no apparent economic or obviously lawful purpose, without fear of assuming criminal or civil liability for breach of any restriction on disclosure of information if they report their suspicions in good faith;

(iv) Requiring financial institutions to maintain, for at least five years, all necessary records on transactions, both domestic or international.



2. States Parties shall further cooperate in the prevention of offences set forth in article 2 by considering:

- (a) Measures for the supervision, including, for example, the licensing, of all money transmission agencies;
- (b) Feasible measures to detect or monitor the physical cross-border transportation of cash and bearer negotiable instruments, subject to strict safeguards to ensure proper use of information and without impeding in any way the freedom of capital movements.

3. States Parties shall further cooperate in the prevention of the offences set forth in article 2 by exchanging accurate and verified information in accordance with their domestic law and coordinating administrative and other measures taken, as appropriate, to prevent the commission of offences set forth in article 2, in particular by:

- (a) Establishing and maintaining channels of communication between their competent agencies and services to facilitate the secure and rapid exchange of information concerning all aspects of offences set forth in article 2;
- (b) Cooperating with one another in conducting inquiries, with respect to the offences set forth in article 2, concerning:
  - (i) The identity, whereabouts and activities of persons in respect of whom reasonable suspicion exists that they are involved in such offences;
  - (ii) The movement of funds relating to the commission of such offences.

4. States Parties may exchange information through the International Criminal Police Organization (Interpol).

## Article 19

The State Party where the alleged offender is prosecuted shall, in accordance with its domestic law or applicable procedures, communicate the final outcome of the proceedings to the



Secretary-General of the United Nations, who shall transmit the information to the other States Parties.

#### **Article 20**

The States Parties shall carry out their obligations under this Convention in a manner consistent with the principles of sovereign equality and territorial integrity of States and that of non-intervention in the domestic affairs of other States.

#### **Article 21**

Nothing in this Convention shall affect other rights, obligations and responsibilities of States and individuals under international law, in particular the purposes of the Charter of the United Nations, international humanitarian law and other relevant conventions.

#### **Article 22**

Nothing in this Convention entitles a State Party to undertake in the territory of another State Party the exercise of jurisdiction or performance of functions which are exclusively reserved for the authorities of that other State Party by its domestic law.

#### **Article 23**

1. The annex may be amended by the addition of relevant treaties that:

- (a) Are open to the participation of all States;
- (b) Have entered into force;
- (c) Have been ratified, accepted, approved or acceded to by at least twenty-two States Parties to the present Convention.

2. After the entry into force of this Convention, any State Party may propose such an amendment. Any proposal for an amendment shall be communicated to the depositary in written form. The depositary shall notify proposals that meet the requirements of paragraph 1 to all States Parties and seek their views on whether



the proposed amendment should be adopted.

3. The proposed amendment shall be deemed adopted unless one third of the States Parties object to it by a written notification not later than 180 days after its circulation.

4. The adopted amendment to the annex shall enter into force 30 days after the deposit of the twenty-second instrument of ratification, acceptance or approval of such amendment for all those States Parties having deposited such an instrument. For each State Party ratifying, accepting or approving the amendment after the deposit of the twenty-second instrument, the amendment shall enter into force on the thirtieth day after deposit by such State Party of its instrument of ratification, acceptance or approval.

## **Article 24**

1. Any dispute between two or more States Parties concerning the interpretation or application of this Convention which cannot be settled through negotiation within a reasonable time shall, at the request of one of them, be submitted to arbitration. If, within six months from the date of the request for arbitration, the parties are unable to agree on the organization of the arbitration, any one of those parties may refer the dispute to the International Court of Justice, by application, in conformity with the Statute of the Court.

2. Each State may at the time of signature, ratification, acceptance or approval of this Convention or accession thereto declare that it does not consider itself bound by paragraph 1. The other States Parties shall not be bound by paragraph 1 with respect to any State Party which has made such a reservation.

3. Any State which has made a reservation in accordance with paragraph 2 may at any time withdraw that reservation by notification to the Secretary-General of the United Nations.



### **Article 25**

1. This Convention shall be open for signature by all States from 10 January 2000 to 31 December 2001 at United Nations Headquarters in New York.
2. This Convention is subject to ratification, acceptance or approval. The instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations.
3. This Convention shall be open to accession by any State. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

### **Article 26**

1. This Convention shall enter into force on the thirtieth day following the date of the deposit of the twenty-second instrument of ratification, acceptance, approval or accession with the Secretary-General of the United Nations.
2. For each State ratifying, accepting, approving or acceding to the Convention after the deposit of the twenty-second instrument of ratification, acceptance, approval or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification, acceptance, approval or accession.

### **Article 27**

1. Any State Party may denounce this Convention by written notification to the Secretary-General of the United Nations.
2. Denunciation shall take effect one year following the date on which notification is received by the Secretary-General of the United Nations.



## **Article 28**

The original of this Convention, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations who shall send certified copies thereof to all States.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Convention, opened for signature at United Nations Headquarters in New York on 10 January 2000.

## **Annex**

1. Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on 16 December 1970.
2. Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 September 1971.
3. Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, adopted by the General Assembly of the United Nations on 14 December 1973.
4. International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on 17 December 1979.
5. Convention on the Physical Protection of Nuclear Material, adopted at Vienna on 3 March 1980.
6. Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 24 February 1988.
7. Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on 10 March 1988.



8. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on 10 March 1988.

9. International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on 15 December 1997.







**Financial Action Task Force  
on Money Laundering**  
Groupe d'Action financière  
sur le blanchiment de capitaux

**Special recommendations  
on Terrorist Financing**

**FATF Special Recommendations on Terrorist Financing**



Recognising the vital importance of taking action to combat the financing of terrorism, the FATF has agreed these Recommendations, which, when combined with the FATF Forty Recommendations on money laundering, set out the basic framework to detect, prevent and suppress the financing of terrorism and terrorist acts.

## **I Ratification and implementation of UN instruments**

Each country should take immediate steps to ratify and to implement fully the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism. Countries should also immediately implement the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts, particularly United Nations Security Council Resolution 1373.

## **II Criminalising the financing of terrorism and associated money laundering**

Each country should criminalise the financing of terrorism, terrorist acts and terrorist organisations. Countries should ensure that such offences are designated as money laundering predicate offences.

## **III Freezing and confiscating terrorist assets**

Each country should implement measures to freeze without delay funds or other assets of terrorists, those who finance terrorism and terrorist organisations in accordance with the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts.

Each country should also adopt and implement measures, including legislative ones, which would enable the competent authorities to seize and confiscate property that is the proceeds of, or used in, or intended or allocated for use in, the financing of terrorism, terrorist acts or terrorist organisations.

## **IV Reporting suspicious transactions related to terrorism**

If financial institutions, or other businesses or entities subject to anti-

money laundering obligations, suspect or have reasonable grounds to suspect that funds are linked or related to, or are to be used for terrorism, terrorist acts or by terrorist organisations, they should be required to report promptly their suspicions to the competent authorities.

### **V International Co-operation**

Each country should afford another country, on the basis of a treaty, arrangement or other mechanism for mutual legal assistance or information exchange, the greatest possible measure of assistance in connection with criminal, civil enforcement, and administrative investigations, inquiries and proceedings relating to the financing of terrorism, terrorist acts and terrorist organisations. Countries should also take all possible measures to ensure that they do not provide safe havens for individuals charged with the financing of terrorism, terrorist acts or terrorist organisations, and should have procedures in place to extradite, where possible, such individuals.

### **VI Alternative Remittance**

Each country should take measures to ensure that persons or legal entities, including agents, that provide a service for the transmission of money or value, including transmission through an informal money or value transfer system or network, should be licensed or registered and subject to all the FATF Recommendations that apply to banks and non-bank financial institutions. Each country should ensure that persons or legal entities that carry out this service illegally are subject to administrative, civil or criminal sanctions.

### **VII Wire transfers**

Countries should take measures to require financial institutions, including money remitters, to include accurate and meaningful originator information (name, address and account number) on funds transfers and related messages that are sent, and the information should remain with the transfer or related message through the payment chain.



Countries should take measures to ensure that financial institutions, including money remitters, conduct enhanced scrutiny of and monitor for suspicious activity funds transfers which do not contain complete originator information (name, address and account number).

## **VIII Non-Profit Organisations**

Countries should review the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism. Non-profit organisations are particularly vulnerable, and countries should ensure that they cannot be misused:

- (i) by terrorist organisations posing as legitimate entities;
- (ii) to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; and
- (iii) to conceal or obscure the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.

## **IX. Cash Couriers**

Countries should have measures in place to detect the physical cross-border transportation of currency and bearer negotiable instruments, including a declaration system or other disclosure obligation. Countries should ensure that their competent authorities have the legal authority to stop or restrain currency or bearer negotiable instruments that are suspected to be related to terrorist financing or money laundering, or that are falsely declared or disclosed. Countries should ensure that effective, proportionate and dissuasive sanctions are available to deal with persons who make false declaration(s) or disclosure(s). In cases where the currency or bearer negotiable instruments are related to terrorist financing or money laundering, countries should also adopt measures, including legislative ones consistent with Recommendation 3 and Special Recommendation III, which would enable the confiscation of such currency or instruments.