



MONEY LAUNDERING

AND TERRORIST ACTIVITY FINANCING WATCH

October-December 2010

UNCLASSIFIED

© Her Majesty the Queen in Right of Canada, 2010
ISSN: 1923-8282



Financial Transactions and
Reports Analysis Centre
of Canada

Centre d'analyse des opérations
et déclarations financières
du Canada

Canada 

Money Laundering and Terrorist Activity Financing Watch:

- Summarizes relevant group-based, activity-based and country-based money laundering (ML) and terrorist activity financing (TF) issues;
- Alerts readers to new developments that could possibly be exploited for money laundering or terrorist activity financing purposes in Canada.

The ML/TF Watch is a quarterly review of news articles compiled by FINTRAC's Macro-Analysis and Research unit. The articles provided in this issue range from October 2010 to December 2010.

Caveat

The content presented herein is a summary of news articles and does not include any FINTRAC analysis. The views expressed are those of the original authors. FINTRAC is not responsible for the accuracy, currency or the reliability of the content. References to the respective articles are provided at the end of this document.

Money Laundering

→ Group-Based (p.2)

- Hell's Angels and the Mafia allegedly infiltrated Quebec construction industry (p.2)
- FARC members and associates arrested in three countries (p.2)

→ Financial Activity-Based (p.3)

- Undeclared Canadian income held at two Swiss Banks (p.3)
- Texas car dealers assisted criminals in laundering money through luxury cars (p.3)
- Insurance industry considered attractive for money laundering and terrorist financing (p.4)
- Money laundering through virtual worlds (p.5)

→ Country-Based (p.6)

- Mexico and the United States sign money laundering and arms trafficking agreements (p.6)
- Mexico to regulate multi-purpose financing institutions (p.6)
- Five British banks accused of fuelling corruption of Nigerian politicians (p.7)
- Vatican establishes money laundering watchdog (p.7)
- FATF updates its list of countries with strategic deficiencies (p.8)
- Transparency International releases its corrupt countries index (p.8)

Terrorist Activity Financing

→ Group-Based (p.9)

- Al Qaida affiliates added to the Canadian list of terrorist entities (p.9)
- OFAC targets drug traffickers linked to the Taliban (p.10)
- Al Qaida operatives captured in Saudi Arabia (p.10)
- Al Qaida in the Arabian Peninsula's latest strategy includes low-cost attacks (p.11)

→ Financial Activity-Based (p.11)

- Two British banks accused of helping Iran evade anti-terrorism sanctions (p.11)
- Three Somali nationals accused of conspiring to wire funds to Al Shabaab (p.12)
- ATMs new gateway for money laundering and terrorist financing, Indian financial intelligence unit reports (p.12)

→ Country-Based (p.13)

- Ontario Court of Appeals toughens terrorism sentences (p.13)
- WikiLeaks reveal that Gulf countries are a concern for facilitating terrorist financing (p.13)
- United States offers Sudan a way off of its terror list (p.14)

→ Bibliography (p.16)

Money Laundering

GROUP-BASED

Hell's Angels and the Mafia allegedly infiltrated Quebec construction industry:

On November 23rd, the president and building contractor of a Montreal construction company, LM Sauvé, declared that the Fédération des travailleurs et travailleuses du Québec (FTQ) collaborated with the Hell's Angels and members of other organized crime groups to infiltrate the Quebec construction industry. The declaration came from Paul Sauvé who testified before a parliamentary committee in Ottawa responsible for investigating allegations of illegal lobbying and favouritism concerning certain government contracts. Prior to Sauvé's declaration, a public inquiry of the construction industry for collusions and corruption was demanded on November 17th by the new FTQ president, Michel Arsenault, who is calling the inquiry to clear the names of more than 100,000 FTQ union workers.

In the July-September 2009 issue of the *ML/TF Watch*, it was reported that the Sûreté du Québec was investigating a money laundering scheme tied to the infiltration of Quebec's construction industry by outlawed motorcycle gangs. The police operation, titled Project Diligence, targeted Jocelyn Dupuis, the former president of the FTQ-construction. Dupuis was arrested in March 2010 over allegations of fraudulent expense claims and forgery that he committed. Dupuis is also reported to be friends with Normand "Casper" Ouimet, the apparent leader of the Hell's Angels Trois-Rivières chapter. Ouimet, who was arrested in Montreal on November 1st, has been wanted by the police since 2009 for 22 counts of murder and for masterminding a scheme to take over masonry companies to

launder money. As explained by the *Toronto Sun*, Ouimet was once a business partner of Sauvé. According to Sauvé, the Hell's Angels were able to get into his family business at a time when he needed quick cash to finish a project. Sauvé soon lost control of his company's financial dealings and ultimately went bankrupt.

The construction industry in Quebec is also allegedly infiltrated by the Italian mafia. In 2009, the Quebec government initiated an investigation entitled "Operation Hammer" to look into corruption and collusion in the construction industry by organized crime groups. According to *CTV News*, the Sûreté du Québec is looking into allegations that the Italian mafia created a construction cartel that was increasing construction prices by 35% in the Montreal area. According to one anonymous contractor, construction bids had been rigged by the mafia by using code words indicating the minimum value of the winning bid. The "competing" companies would thus start their bids above that amount. Furthermore, according to *La Presse* judicial reporters, André Cédilot and André Noël, there is evidence of an existing construction cartel called the "Fabulous Fourteen". The group has allegedly manipulated offers for Montreal construction sites for years.¹

FARC members and associates arrested in three countries: The Revolutionary Armed Forces of Colombia (FARC) were the target of several police operations during this quarter. On October 1st, Spanish police arrested 41 people suspected of financing FARC with laundered drug proceeds. The arrests were part of Operation Mirror (Operacion Espejo), a Spanish, Colombian and Ecuadorean police investigation which began in August 2008 after authorities noticed a "very significant rise" of money being transferred from Spain to Colombia and Ecuador. The Interior Ministry

of Spain stated that since the start of the money transfers, nearly 200 million euros had been transferred. An article by the *Telegraph UK* claimed that there were 12 FARC members among the beneficiaries. During the raids in Spain, police also seized 150,000 euros and 550 lbs of cocaine as they searched 27 homes and money transfer offices across 13 cities in Spain. According to Colombian police, the money is believed to have originated from cocaine sales in Europe with Spain as a key entry point of the trafficked drug.

Later, on October 13th, 11 more people were detained for money laundering charges linked to the FARC and other Colombian drug cartels. Of the 11 arrests, nine were made in Ecuador and two in Spain; bringing the total number of individuals arrested as part of Operation Mirror to 52. Authorities suspect that the nine people who were arrested in Ecuador received proceeds from Spain and transferred the money to bank accounts held by Colombian drug traffickers, who allegedly passed on some of the funds to FARC.

On November 5th, Colombian authorities also arrested Oscar Cuevas, known as the “king of money laundering” for his reputation of having laundered the most drug money in Colombia for the FARC and the Cali Cartel. Cuevas will now stand trial in Spain, where the request of the arrest originated due to crimes Cuevas is suspected of committing between 2001 and 2004.²

FINANCIAL ACTIVITY-BASED

Undeclared Canadian income held at two Swiss Banks: The Canada Revenue Agency (CRA) has received information from investigators in France on 1,800 bank accounts registered to Canadians at HSBC Private Bank in Geneva. The documents,

which were part of a larger list of 80,000 accounts, were originally forwarded by a former HSBC bank IT security specialist to French investigators. As a result of the information leak, 19 Canadians with accounts at the HSBC branch in Geneva have voluntarily declared to the CRA the money they held in the Swiss accounts. According to the CRA, as of October 3rd, 15 investigations of this small group have already revealed \$1 million in unreported income. Also in 2009, the CRA collected approximately \$33 million from Canadians who declared their money in accounts at HSBC and UBS in Switzerland. According to the CRA, in 2009, it found more than \$1 billion in federal taxes from hidden assets held abroad by Canadian taxpayers. Also in that year, as a part of the CRA’s voluntary disclosure program, another \$138 million was recovered from 3,000 Canadians who came forward and disclosed their income. It is not illegal for Canadians to have offshore bank accounts. However, Canadians are required to declare all of their global income to the CRA. Canada has a tax treaty with Switzerland that allows for an exchange of information, however, only when there is suspicion of a Canadian hiding income. On October 22nd, Prime Minister Stephen Harper met with Swiss President Doris Leuthard to make changes to the existing double-taxation agreement to free more financial records and allow the CRA to access financial information on Canadians who are suspected of using banks in Switzerland to evade taxes. The new measures, which will take affect in January 2011, are to ensure that Canadians respect domestic tax laws and to facilitate the recovery of lost tax revenue.³

Texas car dealers assisted criminals in laundering money through luxury cars: In a case investigated by the Internal Revenue Service (IRS) of the United States, Richard

Arledge and Steve Ham were convicted on December 6th for helping criminals launder illicit proceeds by selling them high-end luxury cars. Arledge was the owner of the Richard Arledge Suzuki car dealership and also ran Expressway Financial Inc. which provided financing and was managed by Ham. Prosecutors relied on the testimony of more than 30 witnesses to demonstrate to the federal jury the nature of the illicit activities conducted by the two Texas businessmen. According to prosecutors, the two businessmen sold luxury cars (which included Bentleys, Aston Martins and Maseratis) to fraudsters, drug dealers, pimps and gamblers. The criminals usually paid for their luxury cars in thousands of dollars in cash provided to the dealership in pillowcases, shrink-wrapped plastic packages and in fast food paper bags. One criminal customer testified that he provided US\$48,000 in cash directly to Arledge in two double-bagged plastic grocery bags. Despite regulations which require cash transactions over US\$10,000 to be reported, Arledge, Ham and other dealership employees promised the criminals that the dealership would not report the cash deals to federal authorities. As reported by *Complanet*, Arledge and Ham also concealed the fact that the criminals were purchasing the vehicles in the name of third parties. Afterwards, the dealership would label the purchase of the cars as a lease, enabling them to re-acquire the luxury cars if they were seized by law enforcers. In addition to Arledge and Ham, 13 former employees of the dealership were indicted for various money laundering transgressions, including conspiring to launder proceeds of fraud, prostitution, illegal gambling, and drug trafficking.

The July-September 2009 edition of the *ML/TF Watch* featured a similar story involving individuals who laundered illicit proceeds using their car dealership. Damon and Larry

Young, two brothers in the United States who previously owned a car dealership in Maryland, pleaded guilty in September 2009 for their roles in helping criminals launder drug money. In a sting operation led by the Drug Enforcement Administration (DEA), the two brothers sold a 1998 BMW 528 to an undercover DEA informant for US\$19,000 in “dirty cash”. The brothers failed to file a currency transaction report when accepting more than US\$10,000. Instead, the paperwork of the sale reflected a down payment of US\$9,000 and a financed sum of US\$10,000, with the car dealership being the lien holder. This allowed the dealership to reclaim the vehicle if it was ever seized by authorities and return the asset to the criminal. The brothers were sentenced on September 20th to less than two years in prison.⁴

Insurance industry considered attractive for money laundering and terrorist financing: A 78-page typology report published on October 15th by Moneyval, a European anti-money laundering agency, revealed the vulnerabilities in the insurance industry, focusing on the pension funds and life insurance sectors. According to Moneyval, with the rise of sophisticated controls against money laundering and terrorist financing in the banking sector, criminals have turned to the insurance industry and other non-banking products to launder money. For instance, the insurance industry is characterised by low levels of suspicious activity reporting (SARs). Factors such as insufficient knowledge about money laundering in the insurance sector, the general lack of anti-money laundering supervision and the international nature of the reinsurance market make it difficult to understand all aspects of transactions and could explain the low-levels of SARs. Furthermore, the fact that insurance products are frequently marketed through non-insurance professionals (e.g. banks, estate

agents, etc.) presents a considerable weakness in AML/CFT controls. This is because third-party insurance providers have “no required skills” in analyzing transactions for suspicious activity. As assessed in the report, the insurance sector is primarily vulnerable at the layering stage of the money laundering cycle. To help strengthen AML/CFT controls, Moneyval invites countries to “extend the scope” of their AML/CFT regimes to cover all aspects of the insurance industry, including non-life insurance and reinsurance.⁵

Money laundering through virtual worlds:

There is a concern among some anti-money laundering experts that online games such as “Second Life”, “World of Warcraft” and the online version of “Dungeons and Dragons” could be exploited by transnational criminals looking to launder money. According to an article by *Investor’s Business Daily*, massive multiplayer online role-playing games (MMORPGs) offer a nearly “foolproof way” to layer and move criminal proceeds from various criminal organizations, including terrorist networks, South American drug cartels, and the Russian mob. Amir Orad, the CEO of Actimize Inc., a provider of anti-crime software, explains how proceeds of crime can be placed, layered, and eventually laundered through MMORPGs. In the game of “World of Warcraft” for example, criminals launder money by buying virtual gold coins with their criminal proceeds. Criminals purchase the gold coins either from friends or employed cheap-labour game accomplices in India or China. Cyber-security tracker Winn Schwartau claims that it would not be unusual for drug cartels to hire “whiz kids” to launder their proceeds through these online games. At the layering stage of the money laundering cycle, one method used by criminals is for one player to open hundreds of separate accounts in a game and buy and sell items in the virtual

world to and from themselves. According to *Investor’s Business Daily*, the activities can appear very legitimate, and the small amounts used in each transaction are hard to detect. Afterwards, at the final stage of the cycle, all the virtual money is funnelled into one master account held by the criminal and sold to someone else in the game for real money through a credit-card transaction or PayPal payment. According to Orad’s figures, the percentage of money being laundered through MMORPGs is relatively low because the games are not as big as the real economy. However, as the online gaming industry continues to grow, it will become more widely used by criminals due to the ease with which it is possible to launder money in such a less-controlled environment. The issue of money laundering through gaming sites is proving to be a judicial challenge for law enforcement agencies across the world. For instance, it is extremely difficult for law enforcement officials to identify the country in which an online financial crime occurred. To illustrate the dilemma, take a French citizen, based in another country, who is logged into a computer in the Ukraine and is dealing with a player in a fourth country. Orad explains that ultimately countries and law enforcement officials can combat the growing problem through international collaboration combined with placing anti-crime technologies in the online games. Companies behind MMORPGs are already increasing their efforts to help detect illicit practices. Owners of “Second Life” (Linden Lab) for example, have installed certain software controls to detect suspicious behaviour in money movements. When asked to give an estimated annual amount of real money circulating through online games, Orad claimed “trillions in various real local currencies”, which when converted into dollars, would be tens to hundred of millions of dollars.⁶

COUNTRY-BASED

Mexico and the United States sign money laundering and arms trafficking agreements:

Mexico and the United States have signed two agreements during the first week of October to cooperate against arms trafficking activities and money laundering at the borders. The agreements were signed by Mexican Attorney General, Arturo Chavez, along with U.S. Assistant General, Lanny A. Breuer, and the director of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, Kenneth Melson. The first agreement states that the United States is to provide US\$2.9 million in border surveillance system and special equipment to combat and detect money laundering operations, which will ultimately strengthen bilateral cooperation in the area. The second agreement is geared towards tracking and halting the north-to-south flow of weapons across the borders by allowing Mexico to access a tracking database called e-Trace. The database will enable the country to obtain precise information about the origin of weapons seized from Mexican drug cartels. Chavez said that the two agreements will allow Mexico to step up efforts to combat drug trafficking and organized crime, which have been a reason behind more than 28,000 deaths in Mexico since President Felipe Calderon took office in December 2006.⁷

Mexico to regulate multi-purpose financing institutions:

A relatively new kind of financial institution that has emerged in Mexico has been identified by the Mexican government as a system used by organized crime groups to launder money. The "Sociedad financiera de objeto multiple", or Sofomes, are primarily unregulated in the country and provide all types of credit, including property loans, car loans, personal loans, commercial loans and so on. According to Salvador Mejia, a partner

of a Mexico City-based financial consultancy, criminal organizations approach homeowners in delinquency and offer to pay off their loan debt to Sofomes. The Sofomes, who are eager to free themselves from defaulted loans, accept the funds from buyers without asking many questions or conducting proper due diligence. The criminals are thus able to effectively layer their proceeds in real estate purchases and, except in name, essentially own the property. Sofomes initially finance their loans from other financial institutions and through public bonds. The funds given to Sofomes are kept in pooled accounts maintained by Mexican banks. Unregulated Sofomes are not required to fill out suspicious transaction reports (STRs). According to a June 2010 report from Mexico's central bank, only 23 out of the 1,704 Sofomes that operate in Mexico are regulated. The remaining unregulated Sofomes are overseen by the Mexican Tax Administration Service (SAT) for anti-money laundering (AML) concerns. However, an October 2008 mutual evaluation of Mexico completed by the Financial Action Task Force (FATF), declared that the SAT is underfunded, understaffed and the agency is unable to process STRs that are filed by the regulated Sofomes. The Mexican government originally established Sofomes as part of a 2006 deregulation to increase credit in the country. In efforts to suppress Mexico's drug trafficking cartels, the Ministry of Finance announced on December 13th that it plans on issuing new regulations on property financing, ultimately affecting the Sofomes and other companies providing lending, factoring and financial leasing services. According to a Mexican daily newspaper, *El Universal*, the regulations would follow the AML rules that the Mexican government introduced which limit the cash deposits of US dollars at Mexican banks to US\$4,000 per month and lowered reporting requirements of cash instruments from US\$3,000 to US\$500.⁸

Five British banks accused of fuelling corruption of Nigerian politicians: A report entitled “International Thief” exposed the complicity of five British banks in a money laundering scam involving corrupt Nigerian politicians who were indicted for their illicit activities. Published on October 11th by Global Witness, a non-governmental organization (NGO), the report accused five banks—Barclays, HSBC, Natwest, Royal Bank of Scotland and UBS—of fuelling corruption in Nigeria. The NGO maintains that the five banks accepted millions in British pounds between 1999 and 2005 from two former governors accused of corruption: Diepreye Alamieyeseigha of Bayelsa State and Joshua Dariye of Plateau State. The banks accepted the funds without following proper due diligence and without investigating the customers and the source of their funds. Alamieyeseigha was charged in 2007 with embezzlement and money laundering and Dariye was arrested in 2004 in London for purchasing properties worth millions of pounds while his annual legitimate earnings amounted to US\$63,500. The report highlights the fact that Barclays, HSBC and UBS’s are complicit in the corruption scam even though they are all members of the Wolfsberg group, an international body set up in 2000 to enhance global anti-money laundering procedures. Global Witness expressed concerns that the banks and the Financial Service Authority (FSA), UK’s banking regulator, are not taking the problem of corruption seriously. Anti-money laundering regulations, which require banks to identify their customers and their source of funds, are not being adequately enforced. The NGO claims that this problem is ongoing and points to the actions taken by U.S. regulators against the American arm of HSBC a week prior to publishing its report.

On October 7th, the U.S. Treasury Department and the Federal Reserve issued separate enforcement actions against HSBC North America Holdings Inc. for poor suspicious activity monitoring, independent testing and customer due diligence, particularly over accounts tied to politically exposed persons (PEPs). The Treasury Department’s order criticized HSBC USA for not monitoring two-thirds of the wires carried out by its Payments and Cash Management division. The order also claimed that the bank failed to monitor bulk cash transactions between 2006 and 2009 related to affiliates controlled by the bank’s parent company HSBC Holdings Plc. The Federal Reserve’s 12-page cease-and-desist order claimed that the violations were a result of poor AML resources and staffing. The Federal Reserve called on the banks to allocate more funding for personnel to ensure that compliance duties are completed in a “timely” manner.⁹

Vatican establishes money laundering watchdog: After a financial scandal involving the Vatican Bank in early September, Pope Benedict XVI announced in December the creation of a new financial watchdog agency which will allow the Vatican to uphold European Union rules against money laundering (ML) and terrorist financing (TF). The new Financial Information Authority will oversee the implementation of a new Vatican legislation to reduce ML and TF vulnerabilities associated with handling money. The new regulations are due to come into full effect by April 1st, 2011, after the new authority is set up and its members are chosen. This new authority will be the “contact point” for the EU and other international organizations committed to combating money laundering; such as the Financial Action Task Force.

The Vatican is a sovereign city-state and is outside EU jurisdiction. The Vatican Bank,

also known as the Institute for Religious Works, or IOR has, until now, exempted itself from international banking regulations on the basis that it is not a real bank. The IOR has only one branch located in the apostolic palace in Rome and handles accounts for the Pope, his cardinals and religious orders. The Pope committed to the new banking regulations as the Vatican bank remains implicated in a money laundering investigation. In September 2010, the director of the Vatican Bank, Ettore Gotti Tedeschi and his deputy were investigated by Italian authorities for attempting to transfer money without identifying the sender or recipient. Italian prosecutors seized 23 million euros (US\$30.5 million) from a Rome bank account registered to the IOR and have twice refused to release the money. Although the Vatican maintains that the scandal was a simple misunderstanding, it nonetheless supported the creation of a watchdog body to insure a better compliance in ML and TF regulations.¹⁰

FATF updates its list of countries with strategic deficiencies: The Financial Action Task Force (FATF) announced on October 22nd that seven countries were added to its list of jurisdictions that “pose a risk to the international financial system” due to their inadequacy or failure in implementing and enforcing anti-money laundering (AML) and combating the financing of terrorism (CFT) measures. The Paris-based intergovernmental group declared that despite having drafted political commitments to monitor financial crime, Bangladesh, Ghana, Honduras, Philippines, Tanzania, Venezuela and Vietnam were identified as having AML/CFT deficiencies. According to the FATF, the seven countries all developed action plans to meet FATF requirements but described them all as “high-level” and requiring implementation, enforcement and commitment. The FATF first published its

countries with strategic AML/CFT deficiencies list in February 2010; the newly added jurisdictions now bring the total number of cited countries to 31. The FATF invited the countries it identified as holding strategic AML/CFT deficiencies to design a cooperative action plan in order to avoid outright designation as a threat to the international financial system.

At the same time, the FATF removed Qatar from its blacklist after it cited “significant improvement” in Qatar’s AML and CFT framework. As a result of this progress, Qatar is no longer subject to FATF’s special monitoring. Qatar was originally cited as having strategic deficiencies by the FATF in February 2010. Since then, Qatar’s government and law enforcement officials executed an action plan that included a new legal framework for the country, an AML/CFT rulebook for the Qatar International Finance Centre as well as various training and outreach programs by various financial institutions and monetary authorities. Qatar will nonetheless continue to work with MENA-FATF to address ongoing issues, specifically the implementation of Special Recommendation III on proper procedures to identify and freeze terrorist assets. Qatar, along with Azerbaijan are the first countries to be removed from the strategic deficiencies list.¹¹

Transparency International releases its corrupt countries index: The latest Transparency International global corruption index was released in October. The report is an annual audit that examines the scale of corruption present in 178 countries. While Canada was ranked sixth on the scale (first being the least-corrupt), many other countries worth noting were placed on the opposite end of the index. The Corruption Perception Index (CPI) placed Somalia as 178th, therefore, the

most corrupt country in the world, with Afghanistan and Myanmar tying in second place. An article by *Canadian Press Newswire* cited concerns that Afghanistan, the second-most corrupt country in the world, is also the “No.1 recipient of Canadian tax payers’ foreign aid dollars.” According to the article, concerns from Westerners about the corruption in Afghanistan have been an issue for years. In the same month the audit was released, Afghan President Hamid Karzai admitted that his government receives millions of dollars in cash from Iran. According to Transparency International, the unstable government in the country as well as its history of conflict continue to put Afghanistan in the bottom rankings of the index.

Additionally, Transparency International rated Russia as the 154th corrupt country in the world out of 178 jurisdictions—tying the country with Cambodia, Kenya and Laos. The ranking by Transparency makes Russia the most corrupt G20 country, with India, China and Brazil respectively ranked as 87th, 78th, and 69th. According to *Reuters*, corruption in Russia is a way of life in many aspects; whether it is through small bribes or million dollar kickbacks to officials who hold power over the US\$1.2 trillion economy. In the July-September 2010 issue of the *MLTF Watch*, it was reported that Russia issued new anti-money laundering (AML) legislation in efforts to tackle the widespread corruption in the country. Despite legislation efforts, the head of Transparency International’s Russian branch, Yelena Panfilova, argues that you cannot fight corruption with words and paper. Panfilova claims that the campaign has failed and brought the struggle with corruption in Russia to a “dead end.”

On December 12th the Financial Action Task Force (FATF) released a reference guide on the use of FATF recommendations to fight

corruption. According to FATF, corruption and money laundering are “intrinsically linked” because money laundering is commonly used to conceal proceeds derived from corruption. With the implementation of proper anti-money laundering and counter-terrorist financing measures, countries can better safeguard the integrity of their economy while increasing the transparency of their financial system. Proper measures also help facilitate the detection, investigation and prosecution of corruption and money laundering, as well as the recovery of stolen assets.¹²

Terrorist Financing

GROUP-BASED

Al Qaida affiliates added to the Canadian list of terrorist entities: Canada’s Minister of Public Safety, Vic Toews, announced on December 23rd that the Government of Canada has added both Al Qaida in the Arabian Peninsula (AQAP) and Al Qaida in the Islamic Maghreb (AQIM) to its list of entities associated with terrorism, enabling the Crown to seize any monetary assets in Canada belonging to the groups. According to the Minister, AQAP was added to the list due to “reasonable grounds to believe” that the group knowingly participated or facilitated a terrorist activity. AQAP recently claimed responsibility for the attempt to ship explosives hidden in ink cartridges on cargo planes from Yemen to Chicago, and was also linked to the foiled plot to detonate a plane bound for Detroit on December 25th, 2009. Meanwhile, the Minister removed the Salafist Group for Call and Combat (GSPC) from the list of entities and replaced the group with AQIM. Public Safety’s website states that the GSPC officially merged with the central Al Qaida organization in September 2006 and

subsequently changed its name to Al Qaida in the Islamic Maghreb. The Minister also announced that the two-year review of the Criminal Code was completed and his recommendation that all 42 entities currently listed should remain on the list was accepted by the Governor in Council. The names of listed entities under the Criminal Code can be found on the Public Safety Canada website at www.publicsafety.gc.ca.¹³

OFAC targets drug traffickers linked to the Taliban: The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) designated Haji Agha Jan Alizai and Saleh Mohammad Kakar as Specially Designated Global Terrorists. The designation builds on U.S. President Obama's June identification of Alizai as a drug kingpin. According to OFAC, Alizai managed one of the largest drug trafficking networks in Helmand, Afghanistan, and provided funds to the Taliban in exchange for protection of his drug trafficking business. In 2008, a group of narcotics traffickers, including Alizai, paid the Taliban a "tax" on land where opium was planted. The Taliban agreed to provide security and transportation for narcotics materials in exchange for shelter and transportation to Taliban fighters. Alizai also purchased weapons for the Taliban and facilitated the travel of Taliban members to Iran by acquiring Iranian visas and fraudulent Iranian passports. For his part, Kakar operated several heroin processing laboratories in Kandahar, Afghanistan, which were protected by the Taliban. Kakar supported the Taliban's logistical and financial needs by collecting cash from drug traffickers while managing and hiding the money on behalf of Taliban leaders. According to OFAC, in addition to facilitating drug traffickers' tax payments, Kakar also provided the Taliban with vehicles from a car dealership he owned that were ultimately used in suicide attacks. OFAC designated the two individuals under

Executive Order 13224, which freezes any assets the designees have in the United States and prohibits U.S. entities or individuals in conducting any transactions with them.¹⁴

Al Qaida operatives captured in Saudi Arabia: Saudi Arabia's Interior Minister announced on November 26th that 149 Al Qaida-linked fighters from 19 cells had been arrested over a period of eight months. According to the Interior Minister, Mansour Turki, some of those 19 cells have links to Al Qaida in Somalia and Afghanistan but the large majority have ties to Al Qaida in Yemen. Turki described the cells as small, independently-operated and still in their infancy stages. The Interior Ministry additionally confiscated 2.24 million riyals (US\$597,000) from the Al Qaida suspects. Those captured were accused of raising money and recruiting members to carry out attacks in the Kingdom. According to one unnamed Interior Ministry official, the group planned on financing their operatives by robbing banks and companies. The militants also attempted to collect money during the Islamic pilgrimages of Hajj and Umra in Mecca. Turki commented that those who provided donations were not aware their money was given to militant organizations. The attackers, 124 of whom were Saudi nationals while the remaining 25 were foreigners, planned to kill Saudi government and security officials as well as media workers by sending poisoned gifts, such as perfumes, to their offices. A security analyst at INEGMA, a Dubai-based group, indicated that the change of explosives to chemicals is significant for Al Qaida because it demonstrates resolve and a "change in tactics." The year 2010 has proven to be significant for the country in terms of disrupting Al Qaida-related activities. In March 2010, Saudi Arabia arrested 113 Al

Qaida militants that were planning attacks on the country's energy facilities. The arrests announced in November were one of the largest sweeps by the government in years.¹⁵

Al Qaida in the Arabian Peninsula's latest strategy includes low-cost attacks: A new edition of the magazine "Inspire" written by the Al Qaida affiliate in Yemen, Al Qaida in the Arabian Peninsula (AQAP), reportedly shows the group's growing savvy in their operations and messaging. The claim, made by Ben Venzke who runs the Virginia-based company "Intel-Center", is based on the 23-page "special issue" of the English-language magazine which provides detailed accounts of the technology, tactics, philosophy and other operational details used in the failed parcel bomb plot by AQAP in October. The foiled attack, titled by the group as Operation Hemorrhage, reflects Al Qaida's new strategy of low-cost terror attacks that produce wide economic damage. According to the magazine article, Operation Hemorrhage involved packaging toner cartridges that were embedded with explosives and sent via the United Parcel Service and FedEx from Yemen to two out-of-date addresses of Chicago synagogues. The attacks failed because the packages were intercepted in Dubai and Britain due to a tip from intelligence officials in Saudi Arabia. Nevertheless, the magazine claims that the plot was in fact a success due to many reasons. For one, the operation only cost US\$4,200 (for two Nokia mobiles US\$150 each, two HP printers US\$300 each, plus shipping, transportation and other miscellaneous expenses). Second, the plot was planned by less than six people over three months. Finally, the magazine is quoted saying that the "supposedly 'foiled plot' will without a doubt cost America and other Western countries billions of dollars in new security measures" in addition to the fear and disruption that it also caused. The magazine

states that the group has adopted the strategy of "a thousand cuts" to "bring down America", claiming that smaller attacks involving less players and less time are more feasible to circumvent security barriers placed by the United States. The magazine includes photographs of the printers and bombs before they were packaged and shipped, as well as a detailed description of the construction and disguise of the explosives. Intelligence officials believe that the magazine is primarily the work of Samir Khan, an American citizen who moved to Yemen from North Carolina last year.¹⁶

FINANCIAL ACTIVITY-BASED

Two British banks accused of helping Iran evade anti-terrorism sanctions:

Investigations by U.S. prosecutors found that two of Britain's largest banks, Lloyds TSB and Barclays, helped Iran evade UN sanctions. As reported by *Global Press Service* in an October 17th article, the banks allowed Iranian clients to access up to US\$600 million of the U.S financial system by hiding the customers' identities. Sanctions against Iran have been implemented by the United States and the United Nations to target Iran's atomic capability, leaders of the Revolutionary Guards, as well as the country's shipping, money laundering and financing for terrorism.

The article declares that at the behest and knowledge of Iranian bank customers, Lloyds TSB developed a system of intentionally manipulating and deleting information concerning sanctioned countries, individuals and entities. As for Barclays, the bank forfeited US\$298 million in August 2010 over transactions that breached the *Trading with the Enemy Act* and *International Emergency Powers Act*. Barclays was charged for dealing with Iran, Cuba, Libya, Sudan and Myanmar. According to the article, the bank followed

instructions from banks in Iran and other sanctioned countries to omit their names out of dollar payment messages.

According to *Global Press Service*, in efforts to put pressure on Iran, the European Union will ban insurance services to the country, investments in its oil industry and trading in bonds. The article states that only financial transactions below £8,800 to and from Iran will be permitted and those exceeding £35,200 will need to be approved by authorities in Europe. A quote by acting assistant attorney general, Matthew Friedrich states that the U.S. Department of Justice will continue to use criminal enforcement measures against the intentional evasion of the US sanctions laws, particularly where such conduct has the potential to finance terrorist activities.¹⁷

Three Somali nationals accused of conspiring to wire funds to Al Shabaab: Three men were indicted by a federal grand jury in the United States for conspiring to funnel money to the Somali terrorist group, Al Shabaab. Returned on October 21st, the indictment charged Mohamed Abdi Yusuf, a Somali national living in St. Louis, with one count of conspiracy to provide material support to a foreign terrorist organization and three counts of providing material support to a foreign terrorist organization. According to the indictment, Yusuf used money remitters in the United States to wire funds to an accomplice, Duwayne Mohamed Diriye who was in Somalia or Kenya. Diriye in turn passed the money to people linked to Al Shabaab. The indictment affirms that Yusuf collected donations for Al Shabaab and added his own contributions between February 2008 and July 2009. A third man, Abdi Mahdi Hussein from Minneapolis (also of Somali descent), was charged with one count of conspiracy to structure monetary transactions. Both men

sent money to Diriye through Qaran Financial Express, the Minneapolis money transfer business where Hussein worked. According to the indictment, Yusuf, Hussein and other unspecified alleged schemers tried to mask thousands of dollars worth of wire transfers by breaking them up into small, independent transactions under US\$3,000. The indictment also states that Yusuf and Hussein spoke in code and used fictitious names and telephone numbers when transferring the funds. The conspirators also allegedly used a second money remitter named North American Money Transfers (operating under the name of "Mustaqbal"). According to the indictment, some of the money Yusuf wired to Al Shabaab was used to buy a vehicle to transport fighters. While federal agents arrested Yusuf and Hussein, Diriye remains at large.¹⁸

ATMs new gateway for money laundering and terrorist financing, Indian financial intelligence unit reports: Officials from various intelligence agencies in India are reporting an increase in the number of suspicious withdrawals made in large amounts from ATM machines, which offer easy transnational access to funds. In a 66-page report, the financial intelligence unit (FIU) of India reported that ATMs are becoming a new gateway to fund terror and carry out money laundering activities. According to a senior Finance Ministry official, withdrawals from ATM machines reduce the chances of detection of terrorist financing by police and intelligence agencies. For example, a bank report was received by the FIU on transactions linked to a savings account in a district of Kerala. The account showed cash deposits below Rs50,000 (US\$1,000) across several branches in Kerala and Maharashtra. An official explained that the deposits were subsequently followed by withdrawals through ATMs. After the FIU disseminated the same bank report to an intelligence agency,

enquiries revealed that the holder of the account had gone to work in a Gulf country. Remittances were sent from the Gulf country into this account and a second one, and were immediately followed by cash withdrawals from an ATM in Hyderabad city in India. Further investigations into the accounts revealed that the suspect had business connections with an offender involved in a pipe bomb case. An associate of the offender was withdrawing the funds from Hyderabad-based ATMs to allegedly facilitate their terrorist activities. A total of 17,209 suspicious transaction reports were reported between 2009 and 2010 by various banks and financial institutions in the country to India's FIU.¹⁹

COUNTRY-BASED

Ontario Court of Appeals toughens terrorism sentences: Ontario's highest court, the Ontario Court of Appeal, released six major decisions on December 17th concerning terrorism cases. The series of decisions is seen by some legal experts as a strict message that home-grown terrorism is a serious issue in Canada and sentences will not be lenient. In its leading judgement, the court exchanged the 15 year sentence of Ottawa terrorist Mohammed Momin Khawaja for a life long term and 24 concurrent years in addition to the life term. As mentioned in the October 2008-March 2009 issue of the *MLTF Watch*, Khawaja is the first person to be successfully sentenced under the *Anti-Terrorism Act* over five counts of financing and facilitating terrorism. The Ontario Court of Appeal also increased the sentence of two "Toronto 18" members by respectively adding six and seven years to their original court sentences and also toughened their parole eligibility requirements. The court also dismissed the appeal of a third "Toronto 18" member, Zakaria Amara, the leader behind the operation who received a life sentence in

January 2009 after pleading guilty to terrorism charges. Furthermore, the panel dismissed appeals from two men allegedly linked to the Liberation Tigers of the Tamil Eelam (LTTE): Piratheepan Nadarajah and Suresh Sriskandarajah. The court ordered their extradition to the United States to face trial for allegedly facilitating the purchase of surface-to-air missiles and AK-47s from an undercover police office in New York, for the purpose of assisting the LTTE. Finally, the court reinstated a significant section of the 2001 *Anti-Terrorism Act* requiring authorities to prove that terrorism offences are motivated by political, religious, and ideological reasons. The decision means that a clear distinction must be made between terrorism and other crimes. However, the Court of Appeal cautioned authorities not to fall back on racial or religious stereotypes when investigating and searching for motives.²⁰

WikiLeaks reveal that Gulf countries are a concern for facilitating terrorist financing:

The release of over 200 documents from the U.S. State Department by the whistleblower website wikileaks.org has revealed U.S. diplomatic negotiations surrounding the issue of the United Arab Emirates (UAE), Saudi Arabia, Kuwait and Qatar and their respective efforts in combating terrorist financing and money laundering crimes. Among the leaked cables, a communiqué in December 2009 from the U.S. Treasury Department's Office of Intelligence and Analysis suggests that the Afghan Taliban and the Haqqani Network receive "significant funds" from UAE-based businesses. The Taliban also extorts money from UAE's large Pashtun community which includes nearly one million Pakistanis and 150,000 Afghans. Militant groups also procure money by kidnapping Pashtun businessmen or their relatives in Dubai. U.S. intelligence officials' sources claimed that Taliban-linked officials had visited the UAE to raise or

transfer funds. In one case, two senior Taliban fundraisers regularly travelled to the UAE and laundered money through local front companies. The cable acknowledged commitments made by UAE's State Security Department and Dubai's General Department of State Security to halt Taliban-related financial activity in the country. The leaked documents indicated UAE's full cooperation towards disrupting Taliban finances and added that the country also asked for specific information on suspected Taliban figures travelling to the UAE. Officials in the UAE also claimed that Taliban financial supporters were transferring smaller amounts of money across multiple hawalas to minimize detection. Furthermore, a September 2009 cable from the U.S. embassy in Abu Dhabi stated that the lack of effective border controls in the UAE on cash is being exploited by Taliban couriers and Afghan drug lords.

Saudi Arabia also appeared as a major concern in terms of terrorist financing. According to a secret paper dated December 2009 and signed by Hillary Clinton, Saudi Arabia is the largest source of funding in the world for extremist militant groups such as Al Qaida, the Afghan Taliban, and Pakistan's Lashkar-e-Taiba and other terrorist groups. The cable indicates that the problem in Saudi Arabia is that there is a major security vulnerability during the hajj pilgrimage, which supposedly allows extremists to raise millions of dollars annually. The cables explain that militants soliciting funds enter the country under the guise of pilgrims, who often travel with large amounts of cash. The militants also set up front companies to launder funds as well as to receive money from government-sanctioned charities. The cable also mentions that although the Saudi government has taken important steps to criminalize the financing of terrorism and restrict the flow of money overseas, Saudi Arabia is still reluctant to stop

the movement of money. More specifically, the cable criticizes Saudi Arabia's refusal to ban three charities that are classified in the United States as terrorist entities. According to Clinton, these charities send money overseas and at times fund extremism.

In the same leaked cable, two other gulf countries were also cited over terrorist financing concerns: Qatar and Kuwait. Clinton described Qatar as "the worst in the region" and Kuwait as a "key transit point" and a source of terrorist funds for Al Qaida and other militant groups. According to an AML officer at a California bank, banks are considering it an "obligation" to review the data present in the cable leaks. However, according to Heather Lowe, a legal counsellor at Global Financial Integrity, risk adjustments for banks based on the cable leaks may be minor because many of the nations cited for lax anti-money laundering or counter-terrorist financing compliance have been publically named for those issues in U.S. State Department Reports.²¹

United States offers Sudan a way off of its terror list: The United States government announced in November that it is willing to remove Sudan from its list of state sponsors of terrorism as soon as July 2011 if the country meets certain conditions. According to senior U.S. officials, the government of Sudan is required to hold a transparent one-time referendum in January 2011 on the status of southern Sudan and to respect the results of the vote—which could ultimately lead to a partition of the state. The vote is mandated by a 2005 peace accord that ended a 22-year civil war between the Muslim north and predominately Christian south. U.S. senior officials stated that between January and July 2011, Khartoum must "implement all the appropriate post-referendum agreements" such as border demarcation, oil revenue

sharing, currency, citizenship and other issues. Some analysts, such as Laura Jones who is part of a humanitarian advocacy group, believe that a “partial lifting” of U.S. sanctions is more likely than a full elimination of all sanctions. Clif Burns, a Washington, D.C.-based lawyer who advises clients on international sanctions, believes that in the event that sanctions are lifted, it is more probable that the south will see a complete lifting of sanctions “absent of an arms embargo.” Data collected by the global intelligence firm, Stratfor, also indicates that the majority of Sudan’s oil and natural gas deposits are situated in the south of the country. The United States has virtually banned all trade with Sudan since 1997. Currently the U.S. list of state sponsors of terrorism also includes Cuba, Iran, and Syria.²²

BIBLIOGRAPHY

1. "FTQ Construction union wants corruption inquiry." *CBC News*. November 17, 2010.
 "Dropping the Hammer on organized crime." *ctvmontreal.ca*. October 22, 2009.
 "Quebec Federation of Labour demands construction inquiry." *ctvmontreal.ca*. November 17, 2010.
 Boisvert, Yves. "La mafia, la construction et les villes." *La Presse*. November 11, 2010.
 Canadian Press. "Top Hell's Angel faces 22 murder charges." Accessed from: *CBC News*. November 2, 2010.
 CBC News. "Whistleblowers say mafia is fixing Montreal construction bids." Accessed from: *Macleans.ca*. October 16, 2009.
 Daly, Brian. "Hell's Angels hitman arraigned in 22 killings." *Toronto Sun*. November 2, 2010.
 FINTRAC. *Money Laundering and Terrorist Activity Financing Watch: July-September 2009*. Government of Canada. Accessed online.
 La Haya, Dominique. "La FTQ associée au crime organisé." *Le journal de Montréal*. November 24, 2010.
 La Haya, Dominique and Huguette Young. "Paul Sauvé se dit convaincu que la FTQ collabre avec les Hell's." *Réseau Canoë*. November 23, 2010.
 Myles, Brian. "La Police met le grappin sur un Hell's Angels notoire." *Le Devoir*. November 3, 2010.
 Olivier Schmouker. "600 Commerçants victimes de la mafia à Montréal." *Les affaires*. October 25, 2010.
 Vastel, Marie. "Le monde de la construction est infiltré par la mafia, dit Paul Sauvé." *Le Devoir*. November 24, 2010.
2. "11 Charged with Funnelling Money to Colombian Rebels." *Latin American Herald Tribune*. October 13, 2010.
 "Eleven more detained for laundering money for FARC, drug cartels." *Monsters and Critics*. October 13, 2010.
 "Spain arrests 'Farc suspects.'" *Al Jazeera*. October 2, 2010.
 "Spanish police crack suspected FARC money laundering ring." *The Telegraph*. October 2, 2010.
 Alsema, Adriaan. "Colombia's 'king of money laundering' arrested." November 6, 2010.
 Rainsford, Sarah. "Spain arrests members of 'Farc money-laundering ring.'" *BBC News*. October 1, 2010.
3. "Harper seals Swiss tax treaty." *Canadian Press*. October 22, 2010.
 "Taxman finds \$33 million in undeclared income Canadians held in two Swiss banks." *Canadian Press*. October 19, 2010.
 Canada Revenue Agency. "Canada cracks down on offshore account holders." Government of Canada. September 30, 2010.
 Ditchburn, Jennifer. "Canada gets look into secret Swiss accounts." *Chronicle Herald*. October 23, 2010.
 McArthur, Greg. "French probe reveals 1,800 Swiss accounts held by Canadians." *Globe and Mail*. September 29, 2010.
4. FINTRAC. *Money Laundering and Terrorist Activity Financing Watch: July-September 2009*. Government of Canada. Accessed online.

- Wolf, Brett. "Car dealers head to prison for laundering drug money and protecting criminals' assets." *Complinet*. September 20, 2010.
- Wolf, Brett. "Texas car dealers laundered funds for drug dealers, pimps, fraudsters and gamblers." *Complinet*. December 13, 2010.
5. Coyle, Martin. "Fraudsters eyeing insurance industry to launder cash, says report." *Complinet*. October 20, 2010.
- Moneyval. Council of Europe. *Money laundering through private pension funds and the insurance sector*. Strasbourg: 2010, accessed online.
6. Tsuruoka, Doug. "Cash in the millions circulating via games." *Investor's Business Daily*. December 23, 2010.
- Tsuruoka, Doug. "Online games are new choice for money laundering." *Investor's Business Daily*. December 27, 2010.
7. "Mexico, U.S. to cooperate in fight against arms trafficking, money laundering." *Latin American Herald Tribune*. Accessed on October 6, 2010.
8. Adams, Colby. "Mexico to regulate multi-purpose financial companies for AML: report." *Moneylaundering.com*. December 13, 2010.
- Mitchell, Jason. "Mexico: Wary welcome for the rise of the sofomes." *Euromoney*. July 2008.
9. Coyle, Martin. "Compliance officers need more help to identify corrupt funds, says anti-graft body." *Complinet*. October 14, 2010.
- Durojaiye, Biodun. "Barclays, HSBC, UBS, others 'fuel corruption in Nigeria.'" *CompassNewspaper.com*. October 12, 2010.
- Monroe, Brian. "OCC, Fed Penalize HSBC USA for 'Systemic' Problems." *Moneylaundering.com*. October 7, 2010.
- Wolf, Brett. "Federal regulators order HSBC Bank of USA to bolster its AML compliance program." *Complinet*. October 7, 2010.
10. "Vatican sets up finance watchdog." *Belfast Telegraph*. December 30, 2010.
- "Vatican sets up watchdog to combat money laundering." *BBC News*. December 30, 2010.
- Associated Press. "Vatican creates financial watchdog agency, issues money-laundering law." Accessed from: *Canadian Press*. December 30, 2010.
- Totaro, Lorenzo. "Pope Benedict commits Vatican to upholding European money-laundering laws." *Bloomberg*. December 30, 2010.
11. "Ghana to be blacklisted over money laundering." *Peace FM Online*. October 1, 2010.
- "Qatar makes significant progress in strengthening its framework." *Zawya*. October 25, 2010.
- Monroe, Brian. "FATF adds seven to list of countries with poor AML controls." *Moneylaundering.com*. October 22, 2010.

- Seleanu, Daniel. "FATF removes Qatar from strategic deficiencies list." *Complinet*. October 24, 2010.
- Vagen, Trond. "Concerns remain over Asian countries on FATF watch list." *Complinet*. November 22, 2010.
12. "Afghanistan No.2 in corruption list, receives most Canadian foreign aid." *Canadian Press*. October 26, 2010.
- Financial Action Task Force. *Corruption*. Paris: 2010, Accessed online.
- FINTRAC. *Money Laundering and Terrorist Activity Financing Watch: July-September 2010*. Government of Canada. Accessed online.
- Reuters. "Russia slides down global corruption league." Accessed from: *Complinet*. October 26, 2010.
13. Canada Gazette. *Regulations Amending the Regulations establishing a List of Entities*. Extra Vol. 144, No.5. Ottawa, December 23, 2010.
- Public Safety Canada.
"The Government of Canada Lists Al Qaida in the Arabian Peninsula as a Terrorist Entity."
Government of Canada. December 23, 2010.
14. Kouri, Jim. "Afghan narcotics traffickers added to Global Terrorists list." *Examiner.com*. November 6, 2010.
- Wolf, Brett. "OFAC targets Taliban-linked drug traffickers." *Complinet*. October 27, 2010.
15. "Al-Qaeda 'planned poison plot.'" *Al Jazeera.net*. December 4, 2010.
- Al Sharif, Asma. "Al Qaeda planned to kill Saudis with poisoned gifts." *Reuters*. December 4, 2010.
- Laessing, Ulf. "Dozens of would-be al-Qaeda terrorists captured: Saudis." *Ottawa Citizen*. November 11, 2010.
- Leassing, Ulf. "Saudi Arabia arrests 149 suspected of Qaeda links." *Reuters*. November 26, 2010.
16. Shane, Scott. "Al-Qaida's new strategy: Low-cost terror attacks." *The National Post*. November 22, 2010.
17. Global Press Service. "British banks hide identities of Iranians to evade anti-terrorism sanctions." Accessed from: *Complinet*. October 17, 2010.
- Pelofsky, Jeremy and James Vicini. "Judge calls Barclays settlement sweetheart deal." *Reuters*. August 17, 2010.
18. "US accuse 3 men with conspiring to aid Somali terrorist group through money transfers." *Canadian Press*. December 3, 2010.
- Wolf, Brett. "Somali national in St. Louis and accomplices allegedly funneled money to terrorist at home." *Complinet*. November 4, 2010.
19. "ATMs new gateways for terror funding and money laundering." *Indian Express.com*. December 5, 2010.
- "ATMs new gateways for terror funding and money laundering." *The Economic Times*. December 10, 2010.

20. Macleod, Ian. "Khawaja sentence doubled as court gets tough on terror." *Ottawa Citizen*. December 18, 2010.
- Makin, Kirk and Justice Reporter. "Ontario court sends tough message on terrorism." *The Globe and Mail*. December 17, 2010.
- Tyler, Tracey. "Appeal court hikes sentences for terror convictions," *The Toronto Star*. December 17, 2010.
21. "Stop the funding of terrorists." *The Record*. December 12, 2010.
- FINTRAC. *Money Laundering and Terrorist Activity Financing Watch: April-June 2009*. Government of Canada. Accessed online.
- Global Press Service. "Saudi Arabia largest funder of Islamist militant groups, suggests secret papers." Accessed from: *Complinet*. December 6, 2010.
- Manroe, Brian. "Massive Whistleblower Leak Required Reading for Banks." *Moneylaundering.com*. November 29, 2010.
- Seleanu, Daniel. "UAE is hub for terror finance activities, according to leaked US diplomatic cables." *Complinet*. December 7, 2010.
22. Adams, Colby. "Potential Sanctions Changes for Sudan, Myanmar Would Unfold Slowly." *Moneylaundering.com*. November 19, 2010.
- Global Press Service. "US offers Sudan a way off terror list by 2011." Accessed from: *Complinet*. November 8, 2010.