

09 Nov 2001 00:48

SOMALIA WATCH

SW News

- [SW News] (Sources) **MONEY TRAIL - U.S. Moves to Cut 2 Financial Links** : Posted on [09 Nov 2001]

November 8, 2001

MONEY TRAIL

U.S. Moves to Cut 2 Financial Links for Terror Group

By **DAVID E. SANGER** and **KURT EICHENWALD**

WASHINGTON, Nov. 7 — President Bush announced an international effort today to destroy two financial networks that American officials said had long been suspected of having ties to the Qaeda terrorist organization.

The announcement came as law enforcement officials in the United States and Europe carried out raids to disrupt their operations.

Announcing the action at the Treasury Department's financial intelligence center in Virginia, Mr. Bush said that the initiative "blocks an important source of funds" for Al Qaeda and "sends a clear message to global financial institutions: You are with us, or you're with the terrorists. And if you're with the terrorists, you will face the consequences."

The financial networks are called Al Barakaat and Al Taqwa, and President Bush said they did far more than move cash. The groups, with a presence in more than 40 countries, also financed the movement of arms, provided secure communications and served as a network for Osama bin Laden to transmit intelligence and instructions to terrorist cells in the loosely linked Al Qaeda organization, government officials said.

"Al Taqwa and Al Barakaat raise funds for Al Qaeda," the president said. "They manage, invest and distribute those funds."

Treasury Secretary Paul H. O'Neill later described a complex mechanism that he said Al Barakaat used to provide secret financing to Al Qaeda. According to the secretary and other officials, the company "skimmed" a part of the fees charged on each financial transaction it conducted and paid that to Al Qaeda. These transactions, officials said, provide the terrorist network with tens of millions of dollars each year. Al Taqwa then aided Al Qaeda by providing investment advice and cash transfer abilities, they added.

While the officials described in general terms the connections between the financial networks and Al Qaeda, government officials did not provide specific evidence linking the organizations to the terrorists.

Youseff Nada, a principal of Al Taqwa, was interviewed by The New York Times early this week, when word of the administration's action became known, and he denied any involvement in terrorist activities. At the Barakaat headquarters in Mogadishu, officials defended their money-transfer operation as legitimate.

"How could we ever think to use our channels to help bin Laden?" said Abas Abdi Ali, Al Barakaat's deputy general manager. "If Al Qaeda gave us the opportunity, we wouldn't accept it."

Today's announcement came amid a flurry of raids and other actions by law enforcement officials around the world, in what the Bush administration portrayed as an example of the close cooperation the United States was receiving from foreign governments in the fight against terrorism.

In Switzerland, Mr. Nada and another man believed to be a principal of Al Taqwa were detained by the police but later released.

In the United Arab Emirates, officials today seized assets and records of Al Barakaat, which is based in Dubai. A number of European allies, including Liechtenstein and Italy, took enforcement actions against Al Taqwa. Still other nations, including several in the Middle East and Africa, helped with coordinated enforcement actions and by blocking assets of the organizations.

Whatever the financial effect, the announcement today may have reflected a significant diplomatic breakthrough for the Bush

administration. It won the help of an array of countries in a coordinated crackdown on the financial networks. These include the Bahamas, Liechtenstein and the United Arab Emirates, which in years past have been known as centers for international money laundering.

Twice today Secretary of State Colin L. Powell praised Saudi Arabia for signing a United Nations convention against terrorist financing, a clear effort to signal that the Bush administration believes that the kingdom is on board in the fight against terrorism — despite evidence that the country, which was home to 15 of the 19 hijackers in the Sept. 11 terror attacks, has dragged its feet.

In the United States, the government shut down eight storefront operations that were part of the Al Barakaat network and raided two others in Virginia. The Customs Service also charged two men in Boston affiliated with one of those operations with running an illegal money transmitting business. One of the men is in custody.

The raids also included searches of storefront cash exchange operations in five states, many with strong links to Somalia. But government officials declined to say whether there was any link between these storefront groups and the terrorist attacks on Sept. 11. Early indications are that while the two networks are being disrupted, comparatively little cash has actually been seized. However, Mr. O'Neill said he believed that in the past two months about \$43 million in terrorist funds had been blocked.

To date, Mr. O'Neill said today, 112 countries have put blocking orders in place. Other officials noted that even Saudi Arabia had reported to the administration that it had blocked accounts, and the world's largest Islamic country, Indonesia, reversed course several days ago and said it would also block specific accounts.

While the number of countries that say they are cooperating is surprisingly large, even Bush administration officials say they are uncertain how aggressively those governments are seeking out designated accounts and looking for suspicious activity.

The announcement today was the second in a series of four public statements Mr. Bush is making this week in an effort to show that the coalition he has been piecing together is beginning to win some major battles.

On Tuesday the administration agreed to have Germany, Italy and other European countries contribute militarily to the war in Afghanistan. Today he used the announcement that 62 more individuals and businesses are being added to the list of those providing financial support to Al Qaeda to reinforce his message that the war is taking place on many fronts, not just the battlefield in Afghanistan.

On Thursday Mr. Bush travels to Atlanta to visit the Centers for Disease Control and address the country about the challenges of homeland defense. And on Saturday he is speaking to the United Nations.

Current and former government officials described Al Taqwa and Al Barakaat as having long been associated with Al Qaeda, according to reports from intelligence services in America and overseas, including France and Switzerland.

The intelligence, these officials said, was varied, involving information both from people and from electronic intercepts. Moreover, officials said, the types of records used in traditional financial investigations came into play, including wire transfers and other banking documents, and suspicious activity reports filed with the government by financial institutions.

Both financial networks came together in the late 1980's. The Barakaat Group was founded around 1989 by a former banker in Somalia, Ahmed Nur Ali Jumale.

American officials say Mr. Jumale befriended Mr. bin Laden during the Afghanistan war against the Soviet Union. A government fact sheet says that Mr. bin Laden "reportedly provided" capital to Mr. Jumale's group, which in turn allowed Mr. bin Laden to use the financial network to support extremist causes.

The legitimate side of the business grew as well, branching out to at least 40 countries, including the United States, tapping into the network of Somalis who live abroad but want to send cash back home. Those transfers amount to about \$500 million a year. The Barakaat network expanded to provide telecommunication services to its customers, including Mr. bin Laden and a related Somali terrorist organization.

The group's main bank is in the United Arab Emirates, a small Persian Gulf nation whose 47 banks play an important role in global financial transfers. Money makes its way to Dubai — and eventually to Somalia — through a series of "correspondent" relationships that Barakaat has with major international banks.

Around the United States, immigrants who have used the storefront money centers as their financial connection to family members overseas reacted with surprise and anger at the raids.

In Columbus, Ohio, agents raided Barakaat Enterprise at about 10 a.m., witnesses said. The business, in a small strip mall, was cleaned to the bare walls by federal agents. Only trash was left behind.

"They confiscated everything: the machines, the cash, the records," said Shaykh Amin Abdur-Rahim, registered agent for the Columbus store. "We are innocent people. We are in total opposition to the terrorists and their methods."

Yassin Hameda, a local resident from Somalia, said that he believed the government must have made a mistake in raiding the Columbus storefront.

"People are only sending money to their families," he said. "Everybody uses this place. We are all Americans."

In Seattle, agents raided Barakaat Wire Transfer Company, which shares a small building with a mini- mart. By midmorning, agents had closed off the area and were removing food and office equipment from the minimart.

(New York Times)_

Emirates, Britain freeze assets

By WARD PINCUS -- Associated Press

DUBAI, United Arab Emirates (AP) -- The United Arab Emirates and Britain ordered financial institutions to freeze assets of 62 organizations and individuals the United States has linked to terrorism, officials announced Thursday.

The Central Bank of the United Arab Emirates ordered banks, insurance companies and financial exchanges to freeze all assets of the groups named Wednesday by the United States, according to a statement carried by the official Emirates News Agency.

Institutions that fail to comply will have their assets and operations in the United States and other countries frozen and could face "severe punishment" in the Emirates, the bank warned.

In Britain, which added 46 groups and 16 individuals to its list of international suspects, chief finance minister Gordon Brown issued a stern warning.

"We will do whatever is necessary to deprive terrorists of the funds they rely on," Brown said in a statement. "We will continue to strive to ensure that just as there is no safe haven for terrorists there will be no safe hiding place for their funds."

Among the chief targets are two Islamic financial networks accused of laundering and raising money and providing logistical support to Osama bin Laden's al-Qaida organization, suspected of carrying out the Sept. 11 attacks on the World Trade Center and the Pentagon.

The groups -- known as Al-Barakaat and al Taqua -- are informal, largely unregulated money exchanges whose funds are skimmed for use by al-Qaida and other terrorist networks, American investigators said.

In Somalia, where the Al-Barakaat group is based, President Abdiqasim Salad Hassan said Thursday that his fledging government will set up a special committee to investigate the suspected terrorist links.

Al-Barakaat, one of Somalia's biggest employers, has been crucial to propping up that country's economy since the nation of 7 million descended into chaos after opposition leaders ousted dictator Mohamed Siad Barre in 1991.

Al-Barakaat's chairman, Ahmed Nur Ali Jim'ale, who lives in Dubai, told The Associated Press on Thursday that "there is no truth" to the charges that his companies are linked to terrorism.

In a brief interview, he confirmed that Emirates authorities had shut his business operations in the country and said his U.S. lawyers would work to prove that the allegations were "lies."

The Emirates, identified as an important transfer point for terrorist money, the central bank announced Wednesday that the accounts of 12 entities had been frozen, including the Al-Barakaat group.

According to the White House, there are 15 Al-Barakaat companies that have addresses in Dubai. They include an exchange house, trading, construction, telecommunications, refreshment and finance companies and several holding companies. There was no answer Thursday at several of the companies.

The second network, al Taqua, is a loosely organized band of companies in Switzerland, Liechtenstein, the Bahamas and Italy, the White House said. It is controlled by Youssef Nada, a naturalized Italian citizen, whose assets the United States wants frozen in overseas banks.

Switzerland, which has frozen the assets of 24 groups linked to terrorist money, said Thursday that al Taqua's assets would be frozen.

Canadian assets frozen

RCMP sweep in on \$2 million thought connected to al-Qaida terrorist network

By **TOM GODFREY** -- Toronto Sun

TORONTO -- The RCMP have frozen about \$2 million in cash and assets in 26 bank accounts nationwide they suspect were destined for al-Qaida terrorists in Canada and the U.S.

The asset freeze comes as U.S. police yesterday arrested two men and shut down two financial networks -- al Barakaat and al Taqwa -- which are alleged to have channelled funds to Osama bin Laden's terrorist network.

Canadian police said a small amount of cash was frozen, along with a number of mortgage and investment portfolios.

"It wasn't all cash," a senior bank official said yesterday. "We're talking about other assets and investments."

The accounts were frozen in Toronto, Waterloo, Montreal, Ottawa, Edmonton and B.C., bank officials said. The funds were discovered by an RCMP financial intelligence task force formed to track the source and movement of terrorist funds.

RCMP Sgt. Paul Marsh said he couldn't discuss the details of the probe or assets that were frozen.

"We are following all leads obtained from financial institutions," Marsh said.

As a result of yesterday's arrests, the Mounties have intensified a probe into Barakaat North America, the Ottawa branch of one of the firms shut by U.S. police. Police are trying to obtain background information of a man named Liban Hussein, who was arrested in the U.S., and had a Canadian address.

Canadian police are also probing a number of Internet service providers that are linked to the two U.S. companies alleged to have provided al-Qaida terrorists with Internet service, secure telephone communications and other ways of sharing information.

MONEY PROBE

The U.S. Treasury Department also blocked the assets of 62 individuals and organizations connected with two networks. It has since frozen \$24 million in assets thought to belong to al-Qaida and the Taliban.

The Mounties are also probing several Toronto underground money exchanges they believe may have been used by al-Qaida suspect Nabil Al-Marabh, 35, to send funds for accomplices in the U.S. The Parkdale refugee claimant lived in Canada for six years and is accused of being a senior al-Qaida handler.

Canada Customs spokesman Mark Butler said his officials are interested in hawalas, which are informal financial networks, if taxes are being evaded.

"We are interested in tax evasion if profits are being generated," he said.

[[News](#)]

[Copyright](#) © 1999 by somaliawatch.org. All Rights Reserved. Revised: 27 Sep 2002 04:44 PM.

[Webmaster](#) [HomePage](#)