

Identifying Terrorist Trade-Based Money Laundering

Trade-based money laundering (TBML) involves using international trade transactions to transfer illicit money and disguise its origins. Some violent extremists use TBML to disguise their illicit proceeds and fund their operations. TBML can be difficult for state and local law enforcement, other security stakeholders, and the private sector to detect and disrupt because of the complexities of trade transactions, the large volume of international trade, and the sophisticated schemes used to avoid detection.

SCOPE: This product provides federal, state, local, territorial, and tribal law enforcement agencies, along with private-sector stakeholders, awareness of terrorist TBML activities and offers indicators for improved detection. This product is not a response to a specific threat against the United States; it provides general awareness of, considerations for, and additional resources related to international terrorism threats and/or threats resulting from general terrorist tactics, techniques, and procedures. This product uses the term "violent extremists" to refer to foreign violent extremists and those US-based violent extremists who are directed, enabled, or inspired by, or who otherwise affiliate or collaborate with, foreign violent extremists.

REPORTING: In the event of suspected terrorist TBML, please contact the state or major urban area Fusion Center or FBI Field Office and follow your jurisdiction's suspicious activity reporting protocol.



TBML RISK INDICATORS

Observation of one or more of the risk indicators below may suggest that TBML-related activity is occurring.

NOTE: Although the presence of one or more indicators is not proof of illegal activity, it may warrant further examination or investigation. More intense scrutiny may be appropriate if multiple risk indicators are present.

POTENTIAL INDICATORS OF TERRORIST TBML-RELATED ACTIVITIES

	Individuals associated with violent extremist activity conducting trade transactions at a scale that could enable money laundering		Falsely describing number, quality, or value of items on invoices or other trade-related documents
	Content or size of shipment appears inconsistent with exporter or importer's regular business activities (e.g., a car dealer exporting clothing)		Issuing multiple invoices for same shipment with different descriptions of goods, their value, or number of items shipped
	Company address appears to be inconsistent with the business in which it is engaged		Customs documents falsified, missing, rejected, or duplicative of old documents
	Company lacks online presence or has an online presence inconsistent with its purported business activities		Contracts, invoices, or other trade documents including unusual fees or vague descriptions of the traded items
	Company name that mimics more-established competitors		Contracts supporting complex or regular trade transactions appearing unusually simple. (e.g., copying a "sample contract" structure available online)
	Company owner(s) appearing to lack experience required to operate a trading business		Transaction involves payment from a third party with no obvious connection to the transaction
	Company's number of staff inconsistent with its trading volume		Shipments typically considered at high risk of involvement in money laundering or from countries deemed to present a high risk of money laundering
	Recently established company making high-volume or high-value trades		Shipments routed through numerous jurisdictions with no economic or commercial justification
	Reluctance or refusal to provide information on a product's destination		Product(s) incompatible with purported shipping destination
	Unfamiliarity with an imported or exported product's intended use		



NOTICE: This is a Joint Counterterrorism Assessment Team (JCAT) product. JCAT is a collaboration between NCTC, DHS, and FBI to improve information sharing among federal, state, tribal, and territorial governments and private-sector partners. JCAT's products are intended to enhance public safety awareness in light of violent extremist and terrorist threats. Consider the enclosed information in the context of existing laws, regulations, authorities, agreements, policies, or procedures. For additional information, contact JCAT at JCAT@NCTC.GOV. This document is best printed in 11 X 17.

WARNING: Information contained in this document should not be taken as evidence of guilt or innocence and should not be relied upon for operational or enforcement action. Open-source reporting contained in this document is also not confirmation of its credibility or accuracy, nor does it imply NCTC's official view or endorsement.

RESOURCES



DEPARTMENT OF HOMELAND SECURITY

Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI) is a collaborative effort by DHS, FBI, and state, local, tribal, and territorial law enforcement partners to help prevent terrorism and other related criminal activity by gathering, documenting, processing, analyzing, and sharing suspicious activity reporting.

<https://www.dhs.gov/nationwide-sar-initiative-nsi>

US Immigration and Customs Enforcement

- The **Homeland Security Investigation's Trade Transparency Unit (TTU)** analyzes financial and trade data, including import and export data exchanged with partner countries. The TTU uses the Data Analysis and Research for Trade Transparency System to analyze trade and financial data to identify suspicious transactions that may warrant investigation for money laundering or other crimes. <https://www.dhs.gov/trade-transparency>
- The **National Bulk Cash Smuggling Center (BCSC)** provides real-time operational support to federal, state, local, and international agencies involved in the enforcement and interdiction of bulk value and illicit proceeds moved throughout the country and across international borders through various methods and transportation networks. <https://www.ice.gov/partnerships-centers/bcsc>



FEDERAL BUREAU OF INVESTIGATION

Money Laundering, Forfeiture, and Bank Fraud Unit (MLFBU): 1-800-CALL-FBI or <https://www.fbi.gov/contact-us>

The **Internet Crime Complaint Center (IC3)** is the central hub for reporting cyber crime. IC3 also shares combined reports and trends across FBI field offices and other law enforcement partners. <https://www.ic3.gov>

JOINT COUNTERTERRORISM ASSESSMENT TEAM

JCAT has published a series of First Responder's Toolboxes to enhance awareness of illicit activity, offer considerations, and provide resources for public safety officials who are investigating financial crimes, including digital currency. Refer to the following products for additional information, which are also available on the [ODNI website](#).

- "Identifying and Preventing Terrorist and Other Illicit Financing," 5 December 2022
- "Awareness of Illicit Cryptomining-Related Activities May Improve Detection," 27 September 2021
- "Identifying and Preventing Illicit Use of Cryptocurrency by Terrorists," 23 September 2021

RESOURCES



DEPARTMENT OF TREASURY

The **Office of the Comptroller of the Currency (OCC)** is an independent bureau of the Department of the Treasury. The OCC charters, regulates, and supervises all national banks, federal savings associations, and federal branches and agencies of foreign banks. <https://www.occ.treas.gov/index.html>

- **The Bank Secrecy Act (BSA)** establishes requirements for recordkeeping and reporting by private individuals, banks, and other financial institutions, all of which help authorities identify the source, volume, and movement of funds into and out of the United States or processed by financial institutions; the BSA requires financial institutions to report suspicious financial transactions to Treasury. <https://www.occ.treas.gov/topics/supervision-and-examination/bsa/index-bsa.html>

The **Financial Crimes Enforcement Network (FinCEN)** safeguards the financial system from illicit use; combats money laundering and its related crimes, including terrorism; and promotes national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. <https://www.fincen.gov>

The **Office of Terrorism and Financial Intelligence (TFI)** develops and implements US Government (USG) strategies to combat terrorist financing domestically and internationally and develops and implements the National Money Laundering Strategy, as well as other policies and programs to fight financial crimes. <https://home.treasury.gov/about/offices/terrorism-and-financial-intelligence>

The **National Strategy for Combating Terrorist and Other Illicit Financing (2022)** helps guide USG efforts to effectively address the most serious illicit finance threats and risks to the US financial system. <https://home.treasury.gov/system/files/136/2022-National-Strategy-for-Combating-Terrorist-and-Other-Illicit-Financing.pdf>

OTHER^a

The **Financial Action Task Force (FATF)** is an independent intergovernmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction. <https://www.fatf-gafi.org>

- **Trade-Based Money Laundering Trends and Developments (2020)** aims to help the public and private sectors with the challenges of detecting TBML and highlights recommendations to address TBML risks. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Trade-Based-Money-Laundering-Trends-and-Developments.pdf.coredownload.inline.pdf>
- **Trade-Based Money Laundering Risk Indicators (2021)** helps the public and private sectors identify suspicious activity in international trade. The report includes risk indicators on the structure of business, trade activity, trade documents and commodities, and account and transaction activity. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Trade-Based-Money-Laundering-Risk-Indicators.pdf.coredownload.inline.pdf>

Countering Trade-Based Money Laundering: <https://www.worldbank.org/en/olc/course/35619>

^a These materials and trainings are included to illustrate the variety of offerings that these organizations offer and are not to be considered endorsements of their content.





JOINT COUNTERTERRORISM ASSESSMENT TEAM

PRODUCT FEEDBACK

Please use the link below to complete a short survey. Your feedback will help JCAT develop counterterrorism products that support the public safety and private sector community.

<https://www.JCAT-url.com>

For further information, please email JCAT
jcat@odni.gov



(U) The Joint Counterterrorism Assessment Team (JCAT) is a collaboration by NCTC, DHS, FBI, state, local, tribal, and territorial government personnel to improve information sharing and enhance public safety. The First Responder's Toolbox is an ad hoc, unclassified reference aid intended to promote counterterrorism coordination among federal, state, local, tribal, and territorial government authorities and partnerships with private sector officials in deterring, preventing, disrupting, and responding to terrorist attacks.