

U.S. Banks Cite Signs of Paris Attackers, Says FBI Official

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U.S. financial institutions have identified funds potentially linked to last week's terrorist attacks in Paris, according to a top counterterrorism investigator with the FBI.

The attacks on Friday evening by suicide bombers and suspected Islamic State members armed with Kalashnikov-style assault rifles lasted nearly three hours and targeted attendees of a soccer match at the Stade de France and a rock concert over five miles away, as well as patrons of several bars and restaurants in the heart of the French capitol.

Compliance officers at American financial institutions have since notified federal investigators of their intent to file suspicious activity reports, or SARs, on accounts tied to the alleged attackers, according to Jerry Roberts, section chief of the FBI's counterterrorism division. Roberts said he has not seen the reports and was unable to discuss their contents.

At least nine individuals took part in, or otherwise facilitated, the series of coordinated shootings, which killed 129 people. Authorities in France and Belgium are searching for two individuals believed to be among the terror cell's only survivors of the attacks: Salah Abdelslam and a second, unnamed person, according to French officials.

Several of the men rented a suburban home northeast of Paris as recently as last week and at least one may have had a fake Syrian passport, according to *The New York Times*.

Following the January attacks on Paris-based satirical weekly *Charlie Hebdo*, financial institutions similarly provided significant leads to investigators, according to Roberts, who spoke Tuesday at the *ABA/ABA Money Laundering Enforcement Conference* in Washington, D.C.

"As they're giving us information, [recent] transactional information, we're able to do subpoenas immediately," he said. "That's going to help us identify close associates, and then we can go out and start to hit those associates."

Friday's attack prompted the U.S. Financial Crimes Enforcement Network (FinCEN) to postpone a planned update to its database of Bank Secrecy Act reports, according to Sarah Green, senior director of enforcement and anti-money laundering policy at the Financial Industry Regulatory Authority, a self-regulatory organization.

Financial institutions have been filing approximately 1,000 reports per month on transactional activity possibly linked to Islamic State, FinCEN Director Jennifer Shasky Calvery said in a meeting with reporters at the ABA/ABA conference. The tips have proved "useful" to American and foreign officials in understanding the financial workings of the militant group and other terrorists, she said.

"I was certainly talking to my counterparts around the world as soon as the attacks happened," said Shasky Calvery at the meeting.

Evolving tactics

The disclosure of U.S. account activity potentially linked to the attack coincided with a hearing Tuesday by members of the U.S. House Committee on Foreign Affairs on Islamic State's increased reliance on private donations, stolen artifacts and kidnapping ransoms to fund its operations.

The group's operatives continue to smuggle antiquities from Syria into the European Union, but are increasingly transiting the goods through Lebanon after key border crossings fell under Kurdish control, said Michael Danti, an academic director with the American Schools of Oriental Research (ASOR) Cultural Heritage Initiatives in Boston, during testimony.

The organization, also known as ISIS or ISIL, then partners with transnational criminals in countries bordering Syria to move the materials into Greece, Cyprus and Bulgaria, and ultimately into the European Union's passport-free Schengen Area, he said.

Over \$300 million of artifacts stolen from museums and world heritage sites in Syria and Iraq have flooded the black market since 2014, according to ASOR estimates.

Islamic State has also benefited from an apparent decision by Iraqi officials to forego issuing new currency in the wake of the group's seizure of \$800 million in cash from government offices last year, and from the extortion of money from former civil servants receiving government paychecks despite living in territories controlled by the Sunni militants, Rep. Brad Sherman (D-CA) said during the hearing.

Shifting policies

The attacks come as nations worldwide reconsider steps to choke off financial channels for terrorist groups.

On Monday, the Paris-based Financial Action Task Force said that a recent survey of 194 jurisdictions indicates that relatively few nations have successfully convicted suspected terror financiers or made timely use of economic sanctions to target terrorists.

The Paris-based intergovernmental group vowed in the report to continue pressuring countries to target funds linked to terrorists, and said it would review its own recommendations on how to tackle the issue, according to the report.

France, which in September imposed new terrorism-related reporting duties on financial institutions, has also called on the European Union to toughen laws and better fund initiatives aimed at combatting terror financing. The new regulations limit cash purchases by French nationals to €1,000 and require banks to report monthly deposits and withdrawals of more than €10,000, among other steps.

"The French banking system has put in place strong infrastructure to combat terrorism funding and the banking sector is strictly supervised," said Philippe Goutay, an attorney for Jones Day in Paris. "At this stage, it is looking unlikely that the French government will issue new anti-terrorism financing laws soon," he said.