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The terrorist resourcing model applied to Canada

Terrorist
resourcing
model

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Abstract

Purpose – This paper aims to examine whether the money laundering/terrorist financing (ML/TF) model excludes important aspects of terrorist resourcing and whether the terrorist resourcing model (TRM) provides a more comprehensive framework for analysis.

Design/methodology/approach – Research consisted of case studies of resourcing activities of four listed terrorist organizations between 2001 and 2015: the Liberation Tigers of Tamil Eelam (LTTE), Hamas, a grouping of Al Qaeda-inspired individuals and entities under the heading “Al Qaeda inspired” and Hezbollah.

Findings – The most prevalent resourcing actors observed were non-profit organizations/associations, and the most prevalent form of resourcing was fundraising that targeted individual cash donations of small amounts. Funds were pooled, often passed through layers of charitable organizations and transmitted through chartered banks. The TRM is indeed found to provide a more comprehensive framework for identifying sources of resourcing and points of intervention. However, it does not in itself recommend effective means of response but it has implications for counter-resourcing strategies because it identifies resourcing actors and nodes where counter-resourcing could occur.

Originality/value – This paper advances the state of knowledge of terrorist resourcing activities in Canada and about the value of doing so through the analytical lens of the TRM as opposed to the predominant ML/TF model.

Keywords Terrorist financing, Al Qaeda inspired, Hamas, Hezbollah, LTTE, Terrorist resourcing

Paper type Research paper

Introduction

This article gauges whether the terrorist resourcing model (TRM), by virtue of providing a more comprehensive framework to identify sources of resourcing, effective means of response, points of intervention and most appropriate response actors, should supplant the predominant money laundering/terrorist financing (ML/TF). In the process, it improves our understanding of the actors and forms of resourcing prevalent in the Canadian terrorist supply chain. The article draws on four case studies: the Liberation Tigers of Tamil Eelam (LTTE), Hamas, a grouping of Al Qaeda-inspired individuals and entities under the heading



“Al Qaeda inspired” and Hezbollah. The groups were selected for relevance to Canada and anticipated availability of open source data between 2001 and 2015.

The first section of the article operationalizes the ML/TF and TRM models. Observations from the four case studies make up the second section. The third section compares findings across cases. The fourth section discusses the relative value of conducting analysis through the TRM lens and counter-resourcing implications. Finally, the conclusion identifies advantages of the TRM model in enhancing counter-financing strategy.

Models

Money laundering/terrorist financing model

Pursuant to UN Security Council Resolutions 1269 (1999) and 1373 (2001) and the international impetus to combine TF with ML (Goede, 2012; Sinha, 2015), Canada passed the United Nations Suppression of Terrorism Regulations under the United Nations Act, the Anti-Terrorism Act and amended the Proceeds of Crime (ML) Act to become the Proceed of Crime (ML) and TF Act (PCMLTFA 2001). The Act amended the mandate of Canada’s Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to include information on TF. Canada thus institutionalized the treatment of TF as a subset of ML despite conceptual and substantive differences between the two. FINTRAC (2015) defines ML as “the process used to disguise the source of money or assets derived from criminal activity”. The Egmont Group of Financial Intelligence Units (FIUs), the international association of entities such as FINTRAC, distinguishes intent from origins of funds destined for ML or terrorism but sees a commonality of methods to disguise funds:

While terrorists are not greatly concerned with disguising the origin of money, they are concerned with concealing its destination and the purpose for which it has been collected. Terrorists and terrorist organizations therefore employ techniques similar to those used by money launderers to hide their money (The Egmont Group of Financial Intelligence Units Egmont, 2015).

ML and terrorist resourcing are grouped under the same banner because of the techniques used to hide funding.

The Canadian ML/TF model is generally viewed as comprising three stages: placement, layering and integration. From an ML perspective, the model sees illegally acquired funds enter and exit the financial system in Stages 1 and 3 and laundered through multiple financial transactions in Stage 2. The measures prescribed by the model are directed at identifying large or suspicious sums in the placement and layering stages. From a TF perspective, funds acquired illegally and legally would pass through Stages 1 and 2, but Stage 3 would be hidden. Similar measures would apply as they do for ML.

The terrorist resourcing model

The approach of the TRM shares similar characteristics with models that promote a more comprehensive conceptualization of resourcing. Wittig (2011, p. 25) has argued that:

[...] it is necessary to view terrorist financing as revolving around the generation, movement, storage, and expenditure of value in support of terrorism, rather than a definition that focuses exclusively on money.

Similarly, Vittori’s (2011) typology is based on strategies used by terrorist organizations to acquire, move and store resources. Tofangsaz (2015) uses Vittori’s typology to argue that although TF and ML both include a concern for money, not all of the elements of the latter are necessarily present in TF. This undermines the logic by which the ML analogy is applied to TF. In a study of the effect of the Anti-ML – Counter-TF regime on financial

institutions, [Sinha \(2015, p. 142\)](#) underscores the “fundamental differences between money laundering and terrorist financing”, and identifies the differences between ML and TF as differences in process – TF is not necessarily illegal nor is it concealed (144) – and end goals – TF is not about financial reward and profits (145).

The TRM follows an approach similar to that of Wittig and Vittori by visualizing the resourcing process as iterative, possibly non-sequential and non-linear, and as a complex system of actors, sources and transmission channels. Substantively, it incorporates goods and services, funds/assets that were acquired from legitimate sources and the transmission of funds including those of minor monetary value of less than \$10,000. It provides a conceptual grounding for the understanding of the supply chain movement of resources from the point of acquisition to the execution of a terrorist act, the identification of vulnerable points for counter-terrorist intervention and a heuristic tool that permits an improved understanding of terrorist resourcing. TRM also corresponds more closely than TF/ML with the four elements – prevent, detect, deny and respond – that guide Canada’s counter-terrorism strategy (2013), speak to the non-financial concerns raised in the interim report of the Standing Senate Committee on National Security and Defence on countering the terrorist threat (SCONSAD, 2015) and address the non-financial sources of funding and material support noted by the 2015 FATF report on the financing of ISIL ([FATF, 2015](#)).

The TRM has five stages, but “the stages need not always occur in the same order and may not be present in every case (Commission of Inquiry Volume 5, 2010)”. It provides a conceptual grounding for the understanding of the supply chain movement of resources from point of acquisition to the execution of a terrorist act. Notwithstanding its non-linear nature in practice, the stages are described by Schmidt as follows [[Government of Canada \(2010\)](#) Commission of Inquiry]:

- *First stage – Acquisition of free or stolen funds and exchange and end-use goods:* “Acquisition activities are fundraising activities” or “consist of the direct contribution or receipt of goods or services – for example, weapons, vehicles, explosives or food.”
- *Second stage – Aggregation:* “This stage consists of pooling resources, either in a few financial institutions (for money) or in a few physical locations (for goods). In some cases, the aggregation stage is bypassed completely”. Aggregation often occurs concurrently with acquisition.
- *Third stage – Transmission to a terrorist organization:* “Here, the funds or goods are moved. Schmidt testified that this stage often involves at least one international movement of the funds or goods. The movement might occur in several steps.”
- *Fourth stage – Transmission to a terrorist or operational cell (allocation or disaggregation):* “The terrorist organization allocates funds or goods to the appropriate cell in charge of a given activity.” A terrorist or operational cell can be as small as one person. The cell’s activities include not only terrorist acts but also, importantly, activities that facilitate further acquisition such as recruitment and professional services.
- *Fifth stage – Conversion:* “This stage consists of exchanging funds or goods for end-use goods. For example, money may be used to buy a vehicle”. Conversion also includes the exchange of funds or goods for services. “End-use” refers to being used to carry out any of the terrorist organization’s activities, which may include a terrorist act.

There are a number of possible variations in the sequencing of the stages in the TRM process, or simply Stage 1 alone. During his testimony, Schmidt highlighted the similarities and differences between ML and TF, but the dissimilarities highlighted the need for a different model. The findings that follow apply the TRM to four cases studies.

Observations

The Liberation Tigers of Tamil Eelam

Observed LTTE resourcing activities took the forms of all stages except transmission to a cell. In this open source examination, 181 resourcing activities of the LTTE were captured, although there were certainly many more which occurred in Canada. Of these, 22 per cent represent acquisition activities, 12 per cent represent pooling activities, 50 per cent represent transmission to the terrorist organization and 16 per cent represent conversion activities. The acquisition of cash in amounts under \$5,000 was the most significant resourcing activity of the LTTE in Canada; it enabled massive transmissions to the LTTE's International Secretariat (50 per cent of the cases seen in open source). Legal acquisition of cash also enabled conversion to end-use goods, such as office space and propaganda. The conversion of funds into end-use goods and their transmission to the terrorist cells, which used these funds in Sri Lanka, were done outside of Canada.

The primary resourcing activities in Canada were the acquisition and transmission of cash funds through donations given by the Tamil Diaspora of about 200,000-250,000 people concentrated in Toronto and Montreal (Becker, 2006, p. 10). The World Tamil Movement (WTM) facilitated the pooling and transmission of these funds to the terrorist organization and also engaged in processes of conversion to end-use propaganda and housing or office space, to further the fundraising efforts. One notable exception was the attempt by seven Canadians affiliated with the WTM and other Canadian Tamil organizations to acquire end-use weaponry in New York in 2006 (Bell, 2013). The WTM raised funds primarily through pre-authorized monthly payments, and door-to-door collections, the sale of a Tamil newspaper, till collections and loan program manipulation. The hosting of cultural events where fundraising occurred also played an important role.

The WTM was the primary actor on behalf of the LTTE in Canada and accounted for about 97 per cent of the resourcing activities observed. On 8 April 2006, the LTTE was listed as a terrorist entity in Canada following similar declarations by India, the USA, the UK and the European Union. This was followed with the listing of WTM in Canada on 13 June 2008. Tamils in Canada were regularly visited by representatives of the WTM branches in Toronto or Montreal to ensure that they participated in what became known as the pre-authorized payment plan. A sophisticated network enabled LTTE checkpoints in Sri Lanka to determine whether an individual had made appropriate financial contributions. WTM representatives could then demand funding from the individual through the use of donation forms issued at these LTTE checkpoints, upon their return to Canada [*R. v. The World Tamil Movement of Quebec (Docket T-307-09), Federal Court (2010), #274*]. Although the practice of a pre-authorized payment plan began in Canada as early as May 1999, open source data were only available between March 2007 and February 2008, for the Quebec branch, and between July 2002 and December 2006, for the Ontario branch. This small subset of data is nonetheless representative of the overall trend and is the most significant source of funding for the WTM. Through the pre-authorized payment plan, there was a total of \$2,077,480 collected in Ontario between July 2002 and December 2006, and \$69,305 collected in Quebec between March 2007 and February 2008. Funds were also collected by activists of the WTM within Canada on a door-to-door basis, generating \$34,831 in funding for the WTM Quebec between January 2005 and January 2006 [*R. v. The World Tamil*

Movement of Quebec (Docket T-307-09), Federal Court (2010), #291]. Funds raised by the Quebec branch of the WTM were usually transferred to the Ontario branch based in Toronto and were pooled in Canadian bank accounts controlled by individuals in senior leadership positions of the Ontario WTM. Funds were then transferred overseas via wire transfers from Canadian bank accounts controlled by leading members of the WTM to accounts linked to the LTTE's procurement arm – the International Secretariat.

Tamil charity organizations such as the Tamils Rehabilitation Organisation (TRO) operated separately from, and apparently subordinate to, the WTM in Canada. The TRO was a registered voluntary social services organization in Sri Lanka whose activities initially received recognition from the Canadian, the US and Sri Lankan Governments but was eventually classified by the USA as a terrorist organization in 2007 for supporting the LTTE.

LTTE raised funds by other means, too, including \$73,000 in loans made between January 2001 and December 2003 to the Tamil Eelam Economic Development Organization (TEEDOR), purportedly for the construction of medical facilities in LTTE-controlled areas of Sri Lanka [*R. v. The World Tamil Movement of Quebec (Docket T-307-09), Federal Court (2010), #296*]; the WTM Quebec distribution of the LTTE newspaper *Ulahathamilar* (World Tamils), resulting in an income totaling \$26,575 between January 2002 and December 2006 [*R. v. The World Tamil Movement of Quebec (Docket T-307-09), Federal Court (2010), #302*]; the Tamil Savings Fund established in the fall of 2005 that benefitted from the 2004 Tsunami and raised \$213,200, of which \$137,000 was successfully transmitted to Sri Lanka just prior to the RCMP raids in April 2006 [*R. v. The World Tamil Movement of Quebec (Docket T-307-09), Federal Court (2010), #314*]; and funds generated at WTM tills placed at welfare and moral support activities for the Tamil community in Canada at events such as the “Tamil Olympics”, language competitions and celebrations of Martyr’s Day.

Hamas

Hamas case study research identified 57 cases. Analysis identified various frequencies of relationships but activities were primarily noted in the TRM pooling or aggregation stage (68 per cent). Five cases of Stage 3 transmission to a terrorist organization were identified (8 per cent), of which two were from an unknown form of transmission and three were from physical movement. There were ten recorded incidents of conversion in the open source documents (17 per cent). Three of these conversions were conducted by individuals; three by association/federation and one each by small business, terrorist organization and social media site; and charitable organization converted talent or money into a resource. The end purpose of resourcing was unknown for the majority of the events except for 11 of them, which included overseas fighters and planned shooting or other attacks in Canada. Overall, the most prevalent actors observed included citizens from the community (8) and associations/federations (6).

The most popular acquisition actors were citizens from the community (including Imams), accounting for 67 per cent of the acquisition cases. Some citizens from the community were involved in the human aspect of acquisition and were radicalized to violence. These incidents involved young individuals who went overseas to fight and did not return. Allegedly, eight youths left for Syria in January 2015 – six men and two women (Solyom, 2015; Halevi, Lt. Col. (ret.), 2013; *CBC News* 2013; *Investigative Project on Terrorism* (2005), *Islamic Extremism in Europe*). Small businesses were also popular acquisition actors and comprised 33 per cent of the acquisition in the cases.

In total, 39 cases of Stage 2 pooling or aggregation were identified, with about 80 per cent of pooling activities conducted by associations and federations, 18 per cent by charities and

2 per cent by mosques. The relationships between associations and federations and pooling actors appeared to be layered. Smaller associations would collect money for humanitarian or functional purposes, amounts often ranging from \$1,000 to sometimes greater than \$100,000. They would then transfer this money to larger entities through charitable activities or as gifts and were probably unaware that their donation would be used for non-charitable purposes.

The most common forms of pooling of the 39 cases observed, in order of frequency were, cash more than \$10,000 (37 per cent), cash of \$1,000 to \$5,000 (20 per cent), cash more than \$100,000 (15 per cent), cash more than \$50,000 (13 per cent) and cash less than \$1,000 (5 per cent). The Association mostly pooled cash of all amounts. The research revealed 11 cases of funds less than the FINTRAC threshold of \$10,000. No other forms of pooling other than funding were observed.

Many of the pooling organizations that collected money from smaller groups had charitable and humanitarian purposes and put their trust in the entities to whom they transferred the money. These money transfers appeared almost yearly for each organization and were relatively consistent for approximately 10 years. By far, the largest pooling actor appeared to be IRFAN – the [International Relief Fund for the Afflicted and Needy v. Day \(2008\)](#). IRFAN lost its charitable status in 2011 after it sent approximately \$14.6m to Hamas over the course of 2005-2009 ([Ward, 2014](#)). Life for Relief and Development Canada combined donations from other groups with a shared humanitarian mandate and donated to IRFAN.

IRFAN made use of a donation structure between organizations, whereby individuals contributed to a smaller organization's charitable cause and that organization in turn donated to a larger one with similar charitable initiatives. For example, on July 5, 2005, IRFAN Canada collected donations to provide food for Syrian orphans. A CRA investigation revealed, however, that these funds were actually transferred to the Ministry of Health under Hamas ([Ward, 2014](#)).

IRFAN is an example of a pooling agent that appeared to be an organization with charitable intentions and may even have actually provided some funds for its stated purposes. Research did not indicate that financial supporters were aware of IRFAN's link to a terrorist organization. The geographic distance between territories controlled by Hamas and Canadian supporters is a factor that might contribute to explaining the types of pooling agents and resourcing observed. In the majority of cases, the resource collected is money. Only two instances saw the acquisition (or conversion if the purchase is assumed) of end-use goods: transportation tickets and food. If we separate end-use goods for supporting fundraising and information activities in Canada from those to be used outside Canada, including for but not limited to terrorist attacks, then the appearance of end-use goods in open source documents might be less frequent because to collect end-use goods (or exchange goods for that matter) requires that the group ship the items (vehicles, weapons, jewelry, etc.) to Hamas-controlled territories. This strategy is problematic because it is expensive and could raise suspicions at border controls. Additionally, some end-use goods (such as weapons) are much easier to acquire in Hamas controlled areas than Canada where there is a lengthier application process and required documentation.

The prevalence of associations and federations as pooling actors is because they have the institutional capacity to properly transfer money. While some individuals may be capable of completing this process the amount of money they can pool is relatively insignificant compared to the money an organization can collect. The ability to acquire money, to organize the transfer and to complete the transfer requires a high degree of coordination. Organizations collect and transfer funds from individuals for charitable initiatives.

Individuals averse to terrorist agendas might donate believing that the cause is genuine. Pooling of funds was found to be the most popular resourcing activity, but it is difficult to know exactly how these funds were acquired because the main pooling actors are associations and federations, and these groups often rely on individual donations.

The most popular forms of acquisition activities by Hamas cited in open source Canadian content were (free) services of propaganda and information dissemination. There were six instances of propaganda as a method of recruitment or support. The forms of propaganda included speaking events, rallies and an essay contest. End-use goods were less common than funding resourcing and accounted for about only 3 per cent of cases. End-use goods are more difficult to transfer to the terrorist group overseas, are sometimes difficult to acquire in Canada and often attract suspicion. The lack of end-use goods observed in the open source documents does not mean that the resourcing of these goods does not exist in Canada. There was one recorded, unsuccessful incident of an effort to transfer food and other goods from Canada to Hamas. It was an initiative that sought to coordinate:

[. . .] an attempt to breach the Israeli naval blockade surrounding the Hamas-ruled Gaza Strip in order to bring supplies to and transport exports away from the region on behalf of and in aid of Hamas (*Alternatives International v. Turtle Island Humanitarian Aid* 2011).

Al Qaeda-inspired terrorism

The resourcing activities for Al Qaeda-inspired acts are unusual and reflect the nature of Al Qaeda 4.0. According to open source content, the resourcing activities were often formulated by individuals instead of groups. Furthermore, Al Qaeda-inspired resourcing activities were largely confined to acquisition and conversion activities. The most common activities in the open source investigation of the 32 cases were acquisition (46 per cent) and conversion (27 per cent). Pooling amounted to 7 per cent and transmission to a terrorist group and cell was 20 per cent. This frequency could be attributed to the relative isolation of Al Qaeda-inspired cases, in which cells obtained end-use goods for attacks. The majority of cases studied involved individuals. Many terrorist activities required little to no resourcing because many of the events were attempted with items that the individual already owned.

According to the open source documents, the type of activity that Al Qaeda inspires in Canada appears to be more individualistic than that found in other terrorist groups. The most popular actors in the cases investigated were individuals (87 per cent), with Association, Imam and charitable organization accounting for the remainder. The prevalence of individual actors does not mean that networks were or are not present in Canada, simply that these networks were unobserved in open source documents. It was common in many of the reviewed cases for these individuals to adapt or procure their own materials to enable acts of domestic terrorism. Individuals in these cases made use of homemade explosives, pressure cookers, outdated weapons or vehicles. The attacks in Saint-Jean-sur-Richelieu and at the National War Memorial and Centre Block Parliament Hill in October 2014 exemplified the operations of Al Qaeda 4.0. Both Martin Couture-Rouleau and Michael Zehaf-Bibeau acted as “lone wolves”, inspired by the narrative of Al Qaeda and supported through online networks of incitement to violence (Jenkins, 2011).

The second most common actor was an association or federation. There were two primary associations and federations involved in the collection and pooling of funds: the Benevolence International Fund (BIF) and the World Assembly of Muslim Youth. The United Nations Security Council added the BIF to the Al Qaeda and Taliban sanctions committee (Boesveld 2012). The USA claimed that the Canadian branch was using its fundraising capabilities to raise money for weapons. The USA and Britain identified BIF as

a group that was part of the resourcing chain for Al Qaeda in 2002, and continued to impose sanctions on individuals with ties to the charity through 2004 (US Department of the Treasury, 2004). Canada responded by taking control of the group's belongings on November 22, 2002 (BBC News, 2002). The World Assembly of Muslim Youth replaced BIF Canada as the primary fundraising group as early as 2002, and, though deemed inactive since 2005, its charity status was revoked in 2012 (Boesveld, 2012).

The procurement of end-use weapons was a common activity for Al Qaeda-inspired individuals in Canada. Although Abdullah Khadr allegedly purchased US\$20,000 worth of weapons to be sent to Al Qaeda cells overseas (Freeze, 2009), it was more common to acquire or convert end-use weapons or goods to be used for attacks on North American soil. For example, both Hiva Alizadeh and Ahmed Ressam planned respective attacks in North America with weapons they acquired or converted, with Hiva Alizadeh pleading guilty before a Canadian court to "possessing explosive materials for the purpose of endangering life or causing serious property damage involving Canadian citizens in their own homeland" [R. v. Alizadeh, (2014) ONSC 5421].

The Toronto 18 plotted to bomb several notable buildings in Toronto and one military base, and their resourcing activities involved a variety of end-use resources and services, including computer technical support, a training camp as a point of recruitment and radicalization, data storage devices, information about manufacturing explosives, radicalization videos [R. v. Ansari (2015) ONCA 575] and a task to acquire ammonium nitrate and find a storage location [R. v. Amara (2010) ONCA 858].

Hezbollah

The 18 resourcing activities found in open source materials for Hezbollah in Canada reflected the need to raise money and purchase supplies necessary to carry out and record attacks against Israel. Funding and instructions flowed to the terrorist cells in Canada (11 per cent), responsible for purchasing these supplies, and the supplies flowed back to Lebanon and the terrorist organization based there (6 per cent). Cells in Canada engaged in processes of acquisition (17 per cent), pooling (5 per cent) and, most importantly, conversion (61 per cent). Many of the identified cases had stages in which money was converted into travel documents and vehicles/other end-use goods. The goods and services procured by these Hezbollah cells in Canada were dual-use; the goods they acquired had both military and civilian applications. Binoculars, night-vision devices, vehicles, metal detectors, anti-dog devices, printers and computer equipment and cameras were all purchased in Canada or the USA. These end-use goods were subsequently moved to Lebanon either through cargo services or by operatives flying commercially to Lebanon. To enable operations in Canada, and in some cases to enable the movement of potential Canadian foreign fighters, the acquisition and conversion of falsified travel documents and credit cards was essential. These documents and cards were tested by members of the procurement rings in Canada, on flights to Lebanon or Iran and in domestic shopping trips across Canada. The forging of these documents also provided an important source of income to the Canadian procurement ring led by Mohammed Hassan Dbouk and Ali Adham Amhaz.

Acquisition was the next most significant resourcing activity and accounted for 17 per cent of the open source incidents. The acquisition stage requires that goods, funds or services be donated or stolen. Levitt notes that an incident that involved the acquisition of funds occurred alongside criminal efforts. One individual acquired donations from individuals every Thursday during a prayer meeting. Guests would gather in his home to pray and watch Hezbollah videos. Subsequently, the prayer members also donated money to the cause (Levitt, 2013).

The primary resourcing actors were individuals (citizens) who accounted for 76 per cent of resourcing activities. Individuals belonging to a large network were also identified in the open source content. The Canadian “dual-use Procurement Ring”, led by Mohammed Hassan Dbouk and Ali Adham Amhaz, was closely connected to the American-based cigarette smuggling network headed by Mohammed Youssef Hammoud. Dbouk and Amhaz operated under the direction of Haj Hasan Hlu Laqis, a Hezbollah operative based in Lebanon (US v. Hammoud *et al.* trial exhibits ex. 304, CSIS summaries). Peripheral members of the procurement ring provided money and resources to obtain more weapons and money. In a process that involved both acquisition and conversion, for instance, Said Harb, a periphery member of the network, wired \$4,000 to Dbouk and also provided him with a cell phone number (Levitt, 2013). The “dual-use Procurement Ring” also relied on a periphery member to provide fraudulent credit cards. A friend of Harb, another member of the network, generated false IDs and credit cards (Levitt, 2013, p. 159). These cards were used to purchase items in Vancouver in 1999. This incident is not only an example of transmission to a terrorist cell, as the credit cards were sent to the “dual-use Procurement Ring” but also indicative of conversion, as the credit cards were used to purchase end-use goods. Credit card schemes were also used by Hezbollah operatives in Canada, including extortion and threats to procure automobiles that were found in a shipping container bound for Lebanon (Bell, 2013).

Comparison

The terrorist organizations in this project differed in *modus operandi*, available data and historical and contemporary insights. The availability of data skews the results toward the LTTE figures, then Hamas, Al Qaeda and Hezbollah. LTTE is a historical case, and court proceedings provided more open source data than the other cases. The project identified 284 incidents (four from the LTTE were amalgamated to reduce the number from 288) in the five TRM stages. Cases were observed in all stages: 21 per cent acquisition, 22 per cent pooling, 35 per cent transmission to a terrorist organization, 2 per cent transmission to a terrorist cell and 20 per cent conversion. There was a more or less even distribution of cases in Stages 1, 2 and 5, but Stage 3 pooling was significantly higher because of the activities of Hamas. Of the 222 actors involved, the most prominent resourcing actors were non-profit organizations/associations (60 per cent, such as WTM, IRFAN, BIF and WAMY), followed by the citizen (27 per cent) and the Mosque (5 per cent). The LTTE’s activities were primarily in the TRM stages of transmission and acquisition in the form of money and were sent to Sri Lanka. The most prominent actor for Hamas was again the Association. Pooling of funds was the primary activity observed but with the layering of funding organizations to dissimulate transfers and blur the final destination of the funds. Al Qaeda inspired was characterized by individual actors conducting acquisition and conversion activities mostly involving end-use goods related to terrorism in Canada. Two associations were cited as collecting and pooling funds to support Al Qaeda in addition to recruiting overseas fighters, a form of acquisition. Al Qaeda inspired was primarily about individual acts of terror in Canada and the USA and the provision of overseas fighters. In general, the individual terrorists themselves acquired, or converted funds and exchanged goods to acquire, end-use goods necessary for their plans or to travel overseas. The primary actor for Hezbollah was also the individual with conversion and acquisition of end-use goods destined for Lebanon as the primary activities noted.

The findings for the acquisition stage indicate a predominance of training services and volunteer terrorist/fighter recruitment; there were fewer acquisitions of funds. These numbers represent the Al Qaeda inspired and Hezbollah contributions, as well as the LTTE

activities that were mostly confined to the pooling or aggregation stages. In terms of the incidence of acquisition of funding, 10 per cent of cases were for amounts less than \$5000.

Discussion and implications

Applying a TRM approach to the case studies in an open source document search limited to Canada met with mixed results. It certainly provided a conceptual framework to pursue the research but the prevalent types or forms of resourcing activities in Canada underutilized the comprehensive nature of the model and also made tracking cases and classification into stages difficult.

The added value of the TRM lens as compared to a traditional ML/TF lens is minimal when based on an open source examination of the LTTE's resourcing effort that focuses only on Canada. The acquisition efforts of the LTTE through the WTM in Canada were generally limited to the acquisition, pooling and transmission of cash funding, with a limited number of conversion efforts to this end – it was simply easier and more efficient to use cash for the acquisition of end-use goods in countries geographically closer to Sri Lanka and with fewer restrictions on and oversight of the purchase of war materiel. Tracing funds transferred overseas by the WTM to Sri Lanka, for instance, may demonstrate that at least some were used in the provision of humanitarian aid (their declared purpose) rather than solely in the execution of the terrorist acts the LTTE committed. Through the course of research, however, and particularly by a tangential examination of prosecutions in France and Switzerland, it is evident that the TRM could be applied to the entirety of the LTTE's resourcing effort in an open source context with a great measure of specificity, but tracking each individual dollar to its end source would likely remain impossible.

Although the TRM provides a useful cognitive map for resourcing, its application to Hamas was limited. The majority of incidents recorded in Canada were of the funding acquisition and pooling type, likely attributable to the shipping distance between Hamas occupied territories and Canada. End-use goods and services were not identified.

The scope of the TRM extended beyond what was needed to interpret the available open source search of exclusively Canadian activities of Al Qaeda inspired terrorism. Because Al Qaeda inspired individuals often intended or attempted to conduct acts on Canadian soil, a large resourcing chain was rarely necessary. Many individuals used goods they already owned or resourced small items to enable direct action, meaning that only two stages of the model existed – acquisition and immediate transfer to terrorist cell. The prevalence of individuals and “lone wolf” attacks also meant that there were very few networks for funding.

Hezbollah resourcing activities were identified in all of the TRM stages but applying the TRM lens importantly permitted the capture of conversion activities, including, in particular, end-use goods and supplies for operations and exchange goods such as vehicles. Consequently, the model points to recommendations for counter-resourcing that are outside the strictly financial sphere of interest and that would not be covered by the ML/TF model and FINTRAC's reporting requirements.

TRM was assessed on its representational accuracy, its contribution as a tool for analysis and its utility for counter-terrorist program development, especially as compared to the ML/TF model. In terms of representational accuracy, TRM provides a flexible supply chain model but whose elements, or stages, were only partially visible in this open source search. The model rightly claims to be iterative and non-linear, but it was initially presented as a linear construct. It proved difficult to place cases into their appropriate stage given the non-linearity of the stages. Specific issues included: conversion can occur at any time so it is not Stage 5 but a cross-cutting activity; the line between acquisition and conversion is unclear,

especially in cases whereby individuals procure their own end-use goods (meaning there is no acquisition, only conversion); and an open source search does not provide visibility into many of the stages leaving gaps in the supply chain that leaves a disjointed picture of events and prevents pursuing the resourcing chain to its end. TRM is in practice amorphous. A more appropriate representation of the model is as a nested-cell relationship, or concentric circles, with a grouping of events that either feed back onto themselves or lead to acts of terrorism. In this way, for example, funds, goods or services transmitted to a terrorist cell could be used for activities that facilitate the further acquisition of more funds, goods and services. It also more accurately reflects a system's view of resourcing and the fact that stages are not required in any particular order.

As an analytic tool, TRM was broad enough a model to cover the different organizational structures, aims and resourcing requirements and means of the organizations studied, although various elements of the model were not visible, which can in part be attributed to the limitation of the scope of data collection to open source events within Canada. TRM shifts the focus away from only financing, an element of the model, and permits a broader interpretation of how terrorist organizations, cells and individuals resource themselves for acts of terrorism. TRM "zooms out" and widens the scope of what and how terrorist groups acquire, transmit and convert resources for activities related to terrorism and support for their organizations.

Research indicated that the TRM could have some useful insights for counter-terrorist program development, especially in cases like Hezbollah, whereby more than non-financial resourcing was prevalent. Moreover, although the current publicly available Canadian ML/TF model of placement, layering and integration establishes the actors involved in the movement of funds and creates nodes at which counter-TF activities can occur, data collected from a TRM perspective underscored that pooling and transmission amounts can be less than the \$10,000 FINTRAC threshold and are most often legitimately acquired. The study highlighted the nature of funding transmissions from legitimate organizations to associations and foundations that, knowingly or not, transferred funds to terrorist organizations. A feedback loop was noted between terrorist or operational cell transmission and acquisition. The TRM perspective made the research team consider human services such as those related to recruitment, radicalization to extreme violence, intelligence gathering, campaigning and the dissemination of propaganda. A TRM-informed counter-terrorist resourcing strategy would, therefore, focus on interrelated measures designed to obstruct, disrupt or deter the various events, such as surveillance and control measures related to acquisition, aggregation and transmission of funds and high value goods, as FINTRAC is currently mandated to monitor surveillance and community/policing initiatives such as countering violent extremism directed at countering the acquisition of human services and surveillance and control measures related to end-use goods such as explosives or their components and weapons.

Conclusion

This article improves our understanding of the actors and forms of resourcing prevalent in the Canadian terrorist supply chain. Open source research of terrorist resourcing by the project's listed entities in Canada from 2001 to 2015 revealed that the most prevalent resourcing actors observed were non-profit organizations/associations. Similarly, the most prevalent form of resourcing was fundraising that targeted individual cash donations of small amounts. Funds were pooled, often passed through layers of charitable organizations and transmitted through chartered banks. The conversion of funds to assist in the planned

or conducted terrorist activity was generally not visible to the research team, except for the Al Qaeda inspired and Hezbollah cases.

This study demonstrates that the TRM provides an alternate perspective on the conventional ML/TF model and contributes to the broader literature on how terrorist organizations acquire the financial and non-financial support required to sustain their organizations and operations. The TRM is applicable to the spectrum of terrorist entities, from complex developed groups to self-resourced lone wolf terrorists. Although the current ML/TF model acknowledges that financing differs in some ways from laundering, such as purpose and legal origins, it emphasizes similarities in transmission and applies counter-laundering techniques and rules to counter-financing. This results in coverage of transactions that require FINTRAC submissions, but it does not shed light on how funds, services and end-use goods are obtained or how funds and exchange goods are converted into end-use goods. Moreover, the transmission amount of funds and exchange goods that are involved in terrorist resourcing are often of low value from legitimate individuals and organizations or are domestic electronic funds transfers that are not tracked. The TRM has policy implications for ML/TF because it questions the utility of a national financial transaction tracking system for terrorism that, quite understandable, does not track domestic electronic funds transfers or transactions for amounts under \$10,000 (excluding cash amounts totally \$10,000 within 24 h) unless deemed suspicious. The possible movement of funds to a terrorist organization or cell is only flagged once the funds leave or enter Canada, and most instances observed during this study were between legitimate associations and charities whose links to terrorism were detected by other means. In sum, TRM enhances our understanding of the limitations of a ML/TF approach and furthers our knowledge of resource-type approaches and the actors and activities involved.

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