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## Terrorist funds-tracking no secret, some say

### Cite White House boasts of tighter monitoring system

By Bryan Bender, Globe Staff | June 28, 2006

WASHINGTON -- News reports disclosing the Bush administration's use of a special bank surveillance program to track terrorist financing spurred outrage in the White House and on Capitol Hill, but some specialists pointed out yesterday that the government itself has publicly discussed its stepped-up efforts to monitor terrorist finances since the Sept. 11, 2001, attacks.

On Monday, President Bush said it was "disgraceful" that The New York Times and other media outlets reported last week that the US government was quietly monitoring international financial transactions handled by an industry-owned cooperative in Belgium called the Society for Worldwide Interbank Financial Communication, or SWIFT, which is controlled by nearly 8,000 institutions in 20 countries. The Washington Post, the Los Angeles Times, and The Wall Street Journal also reported about the program.

The controversy continued to simmer yesterday when Senator Jim Bunning, a Republican of Kentucky, accused the Times of "treason," telling reporters in a conference call that it "scars the devil out of me" that the media would reveal such sensitive information. Senator Pat Roberts, a Kansas Republican, requested US intelligence agencies to assess whether the reports have damaged anti terrorism operations. And Representative Peter King, the chairman of the House Homeland Security Committee, has urged Attorney General Alberto Gonzalez to pursue "possible criminal prosecution" of the Times, which has reported on other secret government surveillance programs. The New York Times Co. owns The Boston Globe.

But a search of public records -- government documents posted on the Internet, congressional testimony, guidelines for bank examiners, and even an executive order President Bush signed in September 2001 -- describe how US authorities have openly sought new tools to track terrorist financing since 2001. That includes getting access to information about terrorist-linked wire transfers and other transactions, including those that travel through SWIFT.

"There have been public references to SWIFT before," said Roger Cressey, a senior White House counterterrorism official until 2003. "The White House is overreaching when they say [The New York Times committed] a crime against the war on terror. It has been in the public domain before."

Victor D. Comras, a former US diplomat who oversaw efforts at the United Nations to improve international measures to combat terror financing, said it was common knowledge that worldwide financial transactions were being closely monitored for links to terrorists. "A lot of people were aware that this was going on," said Comras, one of a half-dozen financial experts UN Secretary General Kofi Annan recruited for the task.

"Unless they were pretty dumb, they had to assume" their transactions were being monitored, Comras said of terrorist groups. "We have spent the last four years bragging how effective we have been in tracking terrorist financing."

Indeed, a report that Comras co-authored in 2002 for the UN Security Council specifically mentioned SWIFT as a source of financial information that the United States had tapped into. The system, which handles trillions of dollars in worldwide transactions each day, serves as a main hub for banks and other financial institutions that move money around the world. According to The New York Times, SWIFT executives agreed to give the Treasury Department and the CIA broad access to its database.

SWIFT and other worldwide financial clearinghouses "are critical to processing international banking transactions and are rich with payment information," according to the 33-page report by the terrorist monitoring group established by the UN Security Council in late 2001. "The United States has begun to apply new monitoring techniques to spot and verify suspicious transactions. The group recommends the adoption of similar mechanisms by other countries."

Some worry that the new disclosures will nonetheless hamper US counterterrorism efforts.

"I worked this stuff and I can guarantee that [revealing the SWIFT] information made a difference," said Dennis Lormel, a retired FBI special agent who helped establish the bureau's Terrorist Financing Operations Section before leaving government in 2003. "The disclosure will have an adverse impact on investigations. It was used in two specific instances where

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But the White House has also been very public about its efforts to track the overseas banking transactions of Americans and other foreign nationals.

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Less than two weeks after the 9/11 attacks, Bush signed an executive order calling for greater cooperation with foreign entities to monitor money that might be headed to terrorist groups. The executive order was posted on the White House website.

The document called for "cooperation with, and sharing information by, United States and foreign financial institutions as an additional tool to enable the United States to combat the financing of terrorism."

Richard Newcomb, the head of the Treasury Department's Office of Foreign Asset Control at the time, later publicly credited the president for enabling US law enforcement and intelligence agencies to nab suspected terrorists, including followers of "Hambali," Al Qaeda's leader in Southeast Asia. The New York Times report said Hambali's capture in 2003 came with the aid of information gleaned from SWIFT.

Administration officials have said this week that the disclosure of such details were particularly damaging to US security.

Nevertheless, in July 2003 -- a month before Hambali was captured -- Newcomb told the Senate Government Affairs Committee in detail about a program initiated after 9/11 between his office and the Pentagon to track Hambali's financial network in Southeast Asia. The scope of the project included Indonesia, the Philippines, Malaysia, and Singapore, focusing on the finances of Jemaa Islamiyah, the Al Qaeda group run by Hambali that was responsible for deadly bombings in Bali in 2002.

He said the operation "identified the key leaders, fund-raisers, businessmen, recruiters, companies, charities, mosques, and schools that were part of [Jamaa Islamiyah] support network. Thus far, we have imposed sanctions against two of these key nodes, and are coordinating action against several others," Newcomb told the committee.

Other public documents have also detailed post-9/11 efforts to follow terrorist money.

The Patriot Act approved by Congress after the attacks emphasized providing new authorities for the Bush administration to track and choke off terrorist funds around the world. One part of the act, dealing specifically with terrorist money, was described by the Treasury Department as the most "significant [anti-money-laundering] law" since a 1970 law requiring banks to report cash transactions over \$10,000.

That section of the Patriot Act required the Bush administration to "adopt regulations to encourage further cooperation among financial institutions, their regulatory authorities, and law enforcement authorities" to track terrorist-related money laundering.

In testimony before Congress in early 2002, Juan C. Zarate, deputy assistant Treasury secretary in charge of terrorism and violent crime, discussed how the global exchange of information was a key element in choking off their source of funds.

He cited a special international meeting hosted a month after the attacks by the international Financial Crimes Enforcement Network, "to eliminate existing impediments to exchanging information" between financial institutions and to find solutions to the challenges of tracking terrorist funds. ■

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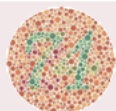
  
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