



Public Summary

Counter Terrorist Financing Project Lone Actors and Small Cells

Information Exchange Working Group

IEWG

July 2019

The Egmont Group is a global body of 164 Financial Intelligence Units (FIUs). The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF).

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Overview

This document provides a summary of the Egmont Information Exchange Working Group (IEWG) Counter Terrorist Financing Report on Lone Actors and Small Cells (hereafter “the report”). The report is intended for financial intelligence units (FIUs) that are members of the Egmont Group of Financial Intelligence Units, their respective law-enforcement counterparts, and their respective national security services.

The purpose of this report is to respond to the threat of lone actor and small cell terrorist attacks on public safety¹ by examining case studies and identifying trends, methods, and indicators related to terrorism and terrorism financing activities of lone actors and small cells. The participating Egmont members within the IEWG wanted to review financial intelligence to enhance the overall intelligence picture around lone actor terrorists and develop red-flag indicators to help reporting entities detect financial transactions of lone actor terrorists before or after an attack.

The report will not be disclosed to the general public as it contains sensitive information. Nevertheless, this Public Summary will be published on the Egmont Group website to inform the AML/CFT community about the main findings of the report and increase knowledge about the illegal TF activities of lone actors and small cells. Another positive effect would be to communicate some of the messages of the report with reporting entities and increase their awareness on this topic.

This project was co-led by FIU-Netherlands and FinCEN (United States of America) and included the following FIUs, as part of the project team: AUSTRAC (Australia), FINTRAC (Canada), TRACFIN (France), FIU-Germany, PPATK (Indonesia), SIC (Lebanon), JUOBA (Luxembourg), UPWBNM (Malaysia), NFIU (Nigeria), FIU-Russia, and UKFIU (United Kingdom). The following observer organizations and international partners supported the project: Interpol, Europol, and Wolfsberg Group.

¹ Throughout the rest of the report, the phrase lone actor, unless otherwise specified, refers to perpetrators of an attack who act as an individual or as part of a small cell, as defined below.

Background

Following the completion of the Egmont ISIL TF Foreign Terrorist Fighters (FTFs) Phase II Project at the IEWG meeting in Qatar in 2017, the IEWG decided to launch a new TF project. The group decided to focus on lone actors because of the high level of interest among FIUs and law enforcement agencies due to the prevalence and seemingly random nature of these types of attacks. This project did not focus solely on ISIL/Da'esh, because lone actors have also been associated with other forms of terrorism. This project serves as one of the first multinational reviews of lone actor behavior that integrates financial and behavioral indicators from both before and after an attack. It seeks to identify indicators of lone actor activities and improve law enforcement efforts to prevent lone actor attacks.

Methodology and Definitions

This report covers all types of lone actor terrorism. The IEWG project team compiled a dataset of 122 terrorism incidents (100 lone actor and 22 small cell incidents) that occurred between 2004 and 2018 and met the criteria of this project. These 122 cases are related to all forms of terrorism identified by EUROPOL, including religiously inspired, right-wing, left-wing, ethno-nationalist, and single issue. The study analyzed 32 different aspects, including financial data, the type of attack, means used, number of casualties, and the attacker's personal circumstances and motivation.

This report investigates the motivations and means used by lone actors to determine whether FIUs can better detect the purchases of materials that could be used in an attack. This project highlights financial indicators that help FIUs detect relevant transactions prior to an attack.

Lone Actors

There is no widely accepted definition of a lone actor terrorist, but RUSI uses the following working definition:

“The threat or use of violence by a single perpetrator, not acting out of purely personal-material reasons, with the aim of influencing a wider audience and acting without any direct support in the planning, preparation, and execution of the attack. The decision to act is not directed by any group or other individuals, although it may have been inspired by others.”²

² Tom Keatinge and Florence Keen, “Occasional Paper: Lone-Actor and Small Cell Terrorist Attacks: A New Front in Counter-Terrorist Finance?,” Royal United Services Institute, 2017, <https://rusi.org/publication/occasional-papers/lone-actor-and-small-cell-terrorist-attacks-new-front-counter>.

Small Cells

RUSI uses the following working definition of a small cell:

“A group of two or three individuals who threaten or use violence with the aim of influencing a wider audience and acting without any direct external support in the planning, preparation, and execution of the attack. The cell’s decision to act is not directed by any other group or individuals, although it may have been inspired by others.”³

The report adopted the RUSI definitions of Lone Actors and Small Cells.

Key Findings

This public report does not include all key findings of the report, as some are based on sensitive information and restricted to FIU activities only. Some of the key findings below were modified to avoid disclosure of sensitive information. This process resulted in the following findings:

Key Finding 1

Lone actors commit attacks individually, but they seldom act without some outside influence or support. Several studies indicate lone actors often have had relationships with members of terrorist organizations or were previously known associates or contacts of these persons. Despite acting alone, these lone actors may still be influenced by the ideologies of terrorist organizations with which they may have previously been associated. FIUs and financial institutions should continue monitoring affiliates and known associates.

Key Finding 2

Traditional indicators of terrorism financing alone are unlikely to expose the financing activities of lone actors. However, by researching past lone actor incidents across multiple jurisdictions, the group identified common behaviors indicative of the motivation, planning, and financial reporting associated with lone actors.

Although each lone actor may exhibit a wide range of financial patterns, and financial reporting does not always exist pre-attack, identifying financial aspects of previous attacks may allow FIUs, financial institutions, and law enforcement organizations to better detect lone actor attacks.

³ Keatinge and Keen.

Key Finding 3

The project did not produce a typology unique to lone actors, but many of the examined cases reconfirmed a number of terrorist financing (TF) indicators already elaborated in other Egmont reports (ISIL Phase 1 and Phase 2). These indicators are also valid for forms of terrorism other than religiously inspired. The new indicators primarily related to the procurement of means, like firearms, and other weapons and chemicals that can be used as precursors to build improvised explosive devices or homemade explosives (HMEs).

Key Finding 4

Analyses indicate that some financial institutions, such as payment processors for online retailers or large financial institutions, able to employ threshold monitoring may be better positioned than other financial institutions to observe more granular transactional data. In nearly 40% of the analyzed cases, lone actors and small cells conducted cash transactions.

Key Finding 5

Financial institutions may be more likely to file Suspicious Activity Reports (SARs) / Suspicious Transaction Reports (STRs) on premeditated lone actor terrorist attacks versus spontaneous lone actor terrorist attacks. The observed rate of SAR/STR filing for premeditated lone actor activity is likely a result of financial institutions monitoring for such activity given the increasing security focus on lone actor activity by governments and the public around the globe.

Key Finding 6

Most of the pre-attack reporting reviewed was based on other anti-money laundering indicators, which may indicate a close nexus between terrorism and other crimes, such as possible fraud or structured transactions. However, suspicious lone actor activities undertaken prior to an attack are often not recognized as such.

Key Finding 7

In the cases analyzed in the project, firearms were the weapon most frequently used to carry out an attack. Even in jurisdictions where firearm ownership is not illegal or heavily restricted, special attention from reporting entities could potentially identify when individuals suddenly purchase large amounts of firearms and other suspicious activity indicators are present.

Key Finding 8

The use of explosives was the second most common means used by lone actors in the cases analyzed. Data on the use of explosives are limited, but this data is in line with the conclusions of the Enhanced Neutralisation of explosive Threats Reaching Across the Plot (ENTRAP) project.⁴ Terrorist groups appear to be moving away from commercial grade explosives to readily available chemicals that can be used as precursors to build HMEs. Activity relating to these regulated chemicals, and occasionally household chemicals, may trigger Suspicious Transactions Reports on Chemicals (STRCs) in jurisdictions where STRCs are reported to a special reporting body (not being the FIU), or STRs/SARs containing keywords related to chemical purchases.

Educating reporting institutions on suspicious chemical purchases may not always help identify attackers, unless the reporting institutions have access to granular transactional data and can observe precisely which chemicals are being purchased.

⁴ ENTRAP, a project based in the EU, explores the possibilities of intervening in the process of building and using IEDs and HMEs for terrorist attacks, based on easily obtainable chemicals.