Global Financial Marketplaces: The Battleground for Counterterrorism in the 21st Century

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Abstract: *The Global War on Terror has claimed countless lives, cost trillions of dollars, and has led to complications such as environmental damage and refugee crises. This essay provides an analysis of the current counterterrorism strategy of traditional warfare, concluding that this strategy must be adapted for the modern landscape. By analyzing two case studies, as well as sources ranging from government documents to polling data to newspapers, this essay argues that counterterrorism financing is the best strategy to spearhead global counterterrorism efforts. Counterterrorism financing proves to be the most reliable, ethical and promising strategy that can bring an end to a seemingly endless struggle.*

Introduction

In May of 2018, the United States Treasury Department unveiled a scheme by Iran to transfer funds illicitly on behalf of the Islamic Revolutionary Guard Corps from the Central Bank of Iran to Hezbollah through a bank in Iraq ("Outlaw Regime" 23). This move was just one way that the Islamic Revolutionary Guard Corps and Iran's Ministry of Intelligence and Security support terrorism around the globe. Iran has also been caught supporting and funding terrorism by "using front companies to move funds, procur[ing] restricted materials and technologies, exploit[ing] currency exchange networks in neighboring countries, and produc[ing] counterfeit currency" ("Outlaw Regime" 7). Through these tactics, Iran provides Hezbollah with roughly $700 million in funding each year ("Outlaw Regime" 10). This behavior has drawn the attention of many international organizations such as the Financial Action Task Force (FATF), the leading global organization for combatting money laundering and terrorist financing.

The fight against terrorist financing is increasingly important in the larger fight against global terrorism. As noted by the World Bank, technological advancements such as automation, online marketplaces, and cryptocurrencies have created a financial environment that is well-suited for illicit financial flows (Tropina 11-12). Unfortunately, legislators and regulators in the U.S. and other nations have been playing catch-up when it comes to combatting terrorist financing and strengthening defenses within our financial institutions. Since the attacks of September 11, 2001, the primary focus of the U.S. and its allies has been on waging a ground war in the Middle East to defeat prominent terrorist organizations like al Qaeda and ISIS. Yet even with the deaths of both terrorist organizations' top leaders—Usama Bin Laden and Abu Bakr al-Baghdadi, respectively—terrorism continues to plague the world, and there seems to be no visible end to extremist jihad. As a result, there is also no visible end to the United States' involvement in the Middle East or the so-called Global War on Terror. This raises serious concerns about the immense resources (i.e. money, time, opportunity cost) that have been—and will continue to be—dedicated to this cause, not to mention the number of lives lost.

The fight against terrorism is commonly referred to as counterterrorism, which Christopher McIntosh, a former employee of the Center for Strategic and International Studies and the Office of Naval Intelligence, defines as "all the means by which the state can address the threats it perceives as arising from those groups identified as terrorists and as such can include actions in a variety of areas" (30). This definition does not provide specific details about what classifies a group as a terrorist organization or what specific actions fall under the rules of engagement. Such ambiguity is largely due to the nature of the Global War on Terror, with its massive geographic scale, profound ideological implications, and heavy involvement by multiple intelligence communities. McIntosh includes this level of ambiguity in his definition because governments must be loose with their wording in order to effectively thwart such non-traditional adversaries. In order to have the greatest chance at success, nations must be willing to keep all options on the table for locating, monitoring, and eliminating terrorist organizations.

Until recently, traditional warfare has been the primary option for combatting terrorist organizations, but the time has come to wind down war efforts and to dedicate more funding to other counterterrorism strategies, particularly counterterrorism financing (CTF[1]). CTF is the monitoring of global marketplaces and currency transactions in order to track and freeze potential monetary assets of terrorists or those associated with known terrorists. CTF practices are typically joint efforts conducted by both the private and public sectors of a nation. The private sector acts as the first line of defense by reporting on suspicious financial transactions; the government then acts in its investigative and prosecutorial capacities. The outcome is that the terrorists and their supporters are left without access to funding and will have no means to organize or carry out attacks.

Counterterrorism financing is a much more effective and efficient method of counterterrorism due to its reactive, rather than proactive, nature, thus eliminating the downside of having to aggressively hunt down the terrorists. Instead, CTF serves a support function for governments to investigate and detain suspected terrorists and their supporters. It also presents only a small probability of physical harm to all parties involved, especially civilian populations, and can be integrated into both the private and public sectors. Through close analysis of the counterterrorism strategies and financing, this paper shows that CTF is the least controversial method of counterterrorism in regard to its ethical implications and costs to all parties involved, while remaining highly effective in its ability to thwart terrorist plots and reinforce bonds between the U.S. and its allies.

Background

Before 9/11, most Islamic-affiliated terrorist groups were sponsored by states, false charities, or individuals. Typically, they moved money through the use an underground financial system called *hawala* that is unregulated by governments, has few internal regulatory controls, and is often conducted on the basis of privacy; these conditions were favorable to organizations like al Qaeda (Roth et al. 68). After 9/11, terrorist organizations evolved to become more sophisticated in their under-

1 For a list of all acronyms used in this paper, see page 33.

standing and use of the global marketplace. These organizations are now closely linked to organized crime because of their effective use of money laundering techniques (Delston and Walls 102). For example, when ISIS controlled vast amounts of land in Syria and Iraq, they captured oil fields and sold petroleum to generate revenue, levied various forms of taxes on those who lived under their rule, developed an agriculture-based economy, and participated in looting and ransom payments (Jaafar and Woertz 14). Increasingly sophisticated operations like these have led to a more dynamic battlefield in the fight against international terrorism, requiring even greater sophistication on the part of governments to combat terrorist financing through CTF practices.

CTF: Detect and Protect

As a more recently developed method of counterterrorism, CTF uses technological and legal means to combat terrorism. This allows for a reactive strategy to facilitate the process of law enforcement-backed investigations built around financial evidence of crimes. It is important to note that the term "reactive" does not mean that a terrorist plot must be carried out in order to begin utilizing CTF as a counterterrorism strategy, but rather that a transaction or string of transactions must first occur to allow CTF policies and procedures to take effect. CTF is an ongoing and developing counterterrorism strategy that must be further developed and funded to anticipate future actions and tactics of terrorists in order to be as effective as possible (Lewis). This can be executed by prioritizing CTF efforts, taking advantage of the world's increases in technological capabilities in financial markets, and implementing stronger regulations on global financial systems and institutions.

The rapid development of digital technologies in recent decades and the dramatic transition to highly automated financial practices have opened the door to more practical modes of gathering funding for terrorist organizations' illicit purposes. According to the World Bank, the movement of illicit financial flows around the globe has become a pressing issue that the world's financial institutions and regulatory bodies must address (Tropina 1). The nature of digital technology and automation have led to the development of a unique financial environment that is well suited for money laundering because of increased automation and speed of information transfers, greater levels of individual anonymity, the inherent complexity of online transactions, and an overall lack of regulation (Tropina 11-12). However, the rise in digital technologies has also been beneficial for helping to eliminate market inefficiencies and assisting law enforcement agencies in tracking white-collar crimes. With the combination of "proper legal framework, international cooperation, and public-private cooperation," technology can be used to track, monitor, and investigate illicit financial flows through all stages: Earning, Transferring, and Using (Tropina 1). "Earning" consists simply of obtaining the initial illegal funds. "Transferring" involves the placement and layering of the illegal funds so as to hide the original source of the funds. "Using" consists of placing the illicit funds into the legal financial system (Tropina 3). The evolution of criminal activity with regard to the three stages of illicit financial flows has been continuously developing over the years as digital technologies have flooded global marketplaces, creating new phenomena such as underground digital markets (Tropina 6). Underground digital markets help facilitate illicit financial flows and are only one example of the many challenges that governments and law enforcement agencies struggle to tackle (Tropina 10).

Since their creation in the 1970s, CTF regulations and practices have done their best to evolve to combat the new and emerging threats in global markets (Bures 714). Since being established at the 1989 G-7 summit, the Financial Action Task Force has become the international standard-bearer for both anti-money laundering (AML) and CTF practices (Delston and Walls 85). The FATF focuses on providing private financial institutions and other market players with a framework for monitoring and disrupting terrorist financing, while also providing a bridge between the public and private sectors so that they can work cooperatively to fight the financing of terrorism (Bures 715). The FATF recommends that private financial institutions adopt specific regulations as building blocks for constructing a comprehensive risk-based AML/CTF program. The three main building blocks of AML/CTF programs are "Know Your Customer/Customer Due Diligence" (KYC/CDD), "Currency Transactions Reports" (CTRs), and "Suspicious Activity Reports" (SARs) (Investment Company Products 336-338). A risk-based approach signifies that the AML/CTF program is formulated upon an initial and continuous analysis of the financial institution's clients and the level of risk that they pose to the specific financial institution. KYC/CDD is the collection of customer information to provide an assessment of that customer's risk to the financial institution and the subsequent monitoring of clients' accounts (Investment Company Products 336). This is essentially the first line of defense in a company's AML/CTF program, and it is necessary to establish the proper level of risk for potential clients. This phase of a financial institution's AML/CTF program is crucial, but it is also where many financial institutions fall short. A case analysis of Standard Chartered Bank is discussed in the "Global/Sociocultural Impact on Counterterrorism" section below, which details financial institutions' shortcomings in their KYC/CDD policies.

Currency Transaction Reports are currency transactions that exceed $10,000, either as a lump-sum or in small increments, over the course of one day made by a single individual (Investment Company Products 337). If a transaction fulfills these requirements, then a Currency Transaction Report must be filed to FinCEN, the Financial Crimes Enforcement Network. Finally, a Suspicious Activity Report is a report that must be filed if transactions of at least $5,000 are made that appear to serve no reasonable purpose. A SAR must also be filed if it appears that an individual is trying to circumnavigate a Currency Transaction Report, also referred to as "structuring transactions," or if a customer provides false or misleading information to a financial institution (Investment Company Products 338).

According to a risk assessment course offered by the Association of Certified Anti-Money Laundering Specialists, an overall AML/CTF program consists of three main lines of defense ("Know Your Risk"). The first line of defense consists of the official and documented policies and procedures for handling accounts and transactions, as well as collecting and maintaining client information, and forms the bulk of a financial institution's AML/CTF program. Most of the staff for an AML/CTF department should be placed here so that all policies and procedures can be thoroughly followed. The second line of defense consists primarily of a compliance officer, whose job is to assess the effectiveness of the AML/CTF program and make sure that it complies with all current regulations and sanctions, as well as to address potential emerging risks by making necessary changes to the financial institution's risk assessment programs. The compliance officer is to remain separate from other business activities so as to avoid conflicts of interest. The third line of defense is a financial institution's internal/external audit teams ("Know Your Risk"). Their function is to assess the adequacy of the overall AML/CTF program and to analyze the effectiveness and extent of the program's training for the staff. The effectiveness of the world's financial institutions' AML/CTF programs, which should always be internally monitored by the financial institution's second and third lines of defense, is paramount in the world's fight against terrorism and terrorist financing because it helps to establish the building blocks for law enforcement agencies to open and conduct their investigations.

The use of the financial information collected by FinCEN from all Suspicious Activity Report and Currency Transaction Report filings is extremely valuable to law enforcement agencies, such as the FBI, when examining "numerous records over a period of time [giving] law enforcement a better understanding of possible violations and investigative opportunities" ("Bank Secrecy Act Data"). The financial information that law enforcement agencies gather through FinCEN provides the initial trail of breadcrumbs and acts as the building blocks for potential cases. More importantly, the database of financial information held by FinCEN allows law enforcement agencies to cross-reference data from other past or ongoing investigations. For example, a recent analysis of all Bank Secrecy Act documents filed reveals that roughly 80,000 filings relating to individuals had some form of relationship to subjects of ongoing terrorism investigations ("Bank Secrecy Act Data"). This is a critical juncture in CTF, where the strategy initially works as a reactive process by monitoring and reporting of transactions, but then facilitates a proactive investigation based on evidence of financial malpractice. In today's world, financial data has become an integral part of many criminal investigations (Hudak). The collection and use of such data are extremely important undertakings that require the cooperation of both the private and public sectors, which helps to narrow the available space for persons of interest (POIs) to operate and fund illicit activities such as terrorism. Through this process of acquiring and analyzing financial information collected, the AML/CTF programs become the most important aspect in being able to identify and isolate POIs and their assets, ultimately facilitating a proactive force in the fight against terrorism.

The Costs and Externalities of Counterterrorism

A call to arms is often a nation's initial response to a terrorist attack, but is not always the ideal method of counterterrorism because of the guarantee of fatalities, the immense costs involved, and the global/sociocultural impacts of war. Although war can be an effective solution in some situations, it is often ineffective in the fight against terrorism due to the ideological fervor of many terrorist organizations and their lack of a concrete identity. For almost twenty years, the GWoT has been waged, with the United States and its allies no closer to victory. Countless soldiers and civilians have suffered from the physical and mental hardships posed by a constant state of war. Many governments in the Middle East have grown increasingly unstable as well, creating power vacuums and only worsening the situation by giving rise to terrorist organizations like ISIS (Crowley). With any war, the initial talking points typically revolve around the death toll and destruction brought upon the nations involved. In the Global War on Terror, civilian populations have repeatedly found themselves as the primary targets for terrorist attacks and defensive strategies. Most notably, it was reported that ISIS used civilians as human shields to defend key strategic locations (Cumming-Bruce). Throughout the entirety of the conflict, civilian casualties have accounted for almost 52.5% of all war-related deaths in Iraq, Afghanistan, and Pakistan; by comparison, opposition fighters represent roughly 22.5% of all war-related deaths and U.S. and allied troop deaths account for almost 25% of total casualties (Crawford, "Human Cost" 1). Clearly, these countries are being devastated by the seemingly endless state of war, but the question remains as to whether the "accomplishments" of the Global War on Terror are worth the pain and suffering inflicted on local civilian populations. Crawford estimates that nearly twenty-one million people across Iraq, Afghanistan, Pakistan, and Syria are either refugees, internally displaced, or asylum seekers ("Human Cost" 5). This level of tragedy creates further turmoil that affects those countries tasked with taking in refugees, as seen during the peak of the European Refugee Crisis between 2015 and 2016. The events that have occurred over the past twenty years in the Middle East relating to the GWoT have led to the "worst man-made disaster the world has seen since World War II" ("Syria 'Worst Man-Made Disaster").

In order to mitigate such onslaughts against civilian populations, the United States and its allies must adjust their counterterrorism strategy to accommodate less invasive and aggressive measures for combating terrorism. Counterterrorism financing does not put people, and most importantly civilians, in harm's way or lead to humanitarian crises. Therefore, more funding and manpower should be shifted from conventional warfare to CTF to bolster a counter-terrorism strategy that better accommodates current humanitarian needs.

Besides the death toll, there are other measures, both quantitative and qualitative, that must be addressed in respect to costs of fighting terrorism. According to Neta Crawford, professor of political science at Boston University, the U.S. government will have spent a staggering $5.9 trillion dollars as of FY2019 on post-9/11 war efforts (Crawford, "United States Budgetary Costs" 1). The Watson Institute's calculation is comprehensive and in-depth, relying not only on direct war costs calculated and distributed by the Pentagon, but also including past and obligatory medical costs for veterans, estimated future interest obligations on war debt, and war-related Homeland Security spending ("United States Budgetary Costs" 1). Crawford estimates that through FY2023, the U.S. will have attained a price tag of $6.7 trillion for all post-9/11 war spending ("United States Budgetary Costs" 3). To put the Global War on Terror into comparison, total war expenditures by the U.S. between World War I and 9/11 totaled only $5.6 trillion (Dagget 2). Looking at the direct cost figures of U.S. government spending on post-9/11 wars reveals an inverse correlation between total input and outcome, which must be reversed to more effectively fight the Global War on Terror.

Even if the monetary costs of post-9/11 wars weren't staggering, the indirect costs of these wars cannot be fully measured but are perhaps even more compelling. As outlined by McIntosh, when governments engage in wars, almost all resources are funneled into combat and little can be directed elsewhere, such as researching, evaluating, and implementing other tactics and strategies that could be more efficient (31). Aside from being used solely for purposes related to the Global War on Terror, government spending is also cut and reallocated from other areas of the country such as education, infrastructure, and healthcare.

Counterterrorism financing allows the monetary costs of implementing and sustaining an effective counterterrorism strategy to be divided up between governments and the private sector. A survey of 143 financial institutions in the U.S. and Canada conducted by LexisNexis Risk Solutions estimated that AML/CTF compliance costs for both U.S. and Canadian FIs would total $31.4 billion (U.S. financial institutions account for $24.6 billion) in 2019 (True Cost of AML Compliance Study 4). For the U.S. government, the budgetary requests of the Department of the Treasury's Office of Terrorism and Financial Intelligence for FY2019 totaled $159 million, an increase of $36.835 million from FY2018 ("Congressional Budget Justification" 3). Additional costs of CTF include fines and sanctions that could be placed on both financial institutions and countries that fail to adhere to AML/CTF regulations. These costs are very difficult to predict and estimate, but an example of a financial institution not implementing the proper CTF controls will be discussed later in this section. However, the estimated overall cost of U.S. AML/CTF compliance (financial institutions and government expenditures) in 2019 was $24.759 billion. Clearly, by promoting CTF as a counterterrorism strategy, the opportunity costs over time would be significantly cheaper and could bring about a more beneficial outcome in the fight against terrorism.

Traditional warfare and CTF offer very different outcomes that encompass both sociocultural and international affairs. Around the year 2000, the number of democracies in the world surpassed the number of autocracies (Roser). However, in the past five years, the spread of democracy has slowed (Roser). This could be caused by the push for anti-globalization and nationalism that is rooted in some countries' involvement in overseas conflicts. Nevertheless, the increase in the overall level of democracy throughout the world has led to governments having a higher degree of accountability and sometimes facing harsh public criticism for their approaches to counterterrorism. One example would be the change in attitudes towards traditional in democratic nations such as the U.S., U.K., and France following the wars in Iraq and Afghanistan. In the U.S. specifically, recent polling shows that 57% of Americans would not favor direct military intervention with Iran following the destruction of one of the United States' drones (Brownlee). Another poll, which asked whether or not Americans felt safer in the years following 9/11, found that in mid-2016, roughly 65% (an all-time high) felt less safe from terrorism (Mueller and Stewart 6). To further illustrate the shift in sociocultural ideals towards traditional warfare as it pertains to counterterrorism, the philosophy of both the Obama and Trump administrations has been to remove U.S. ground forces from the Middle East (Crowley). This shows that both the public and senior government officials agree that the wars in the Middle East have gone on for long enough and that it is time for a change in foreign policy with regard to counterterrorism.

Another issue that has been discussed at great length on the world stage is the concept of state sovereignty. An underlying benefit of global implementation of adequate AML/CTF controls, when coupled with increased country cooperation dealing with the exchange of information, is protection against infringements upon states' sovereignty. State sovereignty been a talking point for most major geopolitical conflicts in the 21st century, ranging from the wars in Iraq and Afghanistan and the Syrian Civil War to the Russian annexation of Crimea. The pending case of Hafiz Saeed, a UN-designated global terrorist, sheds light on how a counterterrorism strategy centered more around CTF can help to promote state sovereignty more so than traditional warfare.

Hafiz Saeed, the apparent mastermind behind the 2008 Mumbai attack and key figure in the terrorist group Lashkar-e-Taiba, is being tried alongside roughly a dozen accomplices for money laundering and terrorist financing in Pakistani courts ("Hafiz Saeed Says Facing Threat to Life"). The charges were brought forward by Pakistan's Punjab Police's Counterterrorism Department under the country's Anti-Terrorism Act of 1997. An official of the department stated that the charges were brought forth on evidence that "these suspects made assets from funds of terrorism financing. They held and used these assets to raise more funds for further terrorism financing" ("Pakistan Court to Take up"). Historically, Pakistan has been reluctant to wholeheartedly engage in the fight against terrorism. However, the Financial Action Task Force is giving Pakistan until February 2020 to raise their CTF practices to that of FATF's global standards or face being sanctioned, leading to a limitation of Pakistan's access to world organizations such as the International Monetary Fund and World Bank (Hashim). At this point in time, the only other countries blacklisted by the FATF are Iran and North Korea. By cooperating with the FATF and other countries to combat terrorist financing, Pakistan increases its legitimacy on the world stage.

With a shift in counterterrorism strategy focusing around counterterrorism financing, countries would be in charge of all CTF operations within their borders and decrease the potential for military invasions or violations of international law regarding human rights and the surveillance of persons of interest. Given the reduced chances of bloodshed, lower overall quantitative and qualitative costs, and a better footprint with regard to international relations, CTF is the more desirable strategy to be prioritized and better supported in dismantling terrorist organizations and reducing the quantity and overall effectiveness of terrorist attacks.

Profit Maximization vs. National Security

Although joint efforts between the public and private sector to combat terrorist financing are extremely useful, they have one potential drawback: the private sector's goal of profit-maximization (Bures 720). As famed economist Milton Friedman asserted, a business's sole purpose is to make a profit and satisfy the needs of its stakeholders (Friedman 6). For the most part, this has not been the case when applied to the implementation of counterterrorism financing practices because businesses are, more often than not, willing to adopt additional regulations (Bures 721). However, the reason for financial institutions implementing CTF practices and incurring additional cost is a case of choosing the lesser of two evils (Bures 721). Financial institutions are capable of determining actual figures for implementing and sustaining CTF practices outlined by governments and organizations such as Financial Action Task Force, but they are not capable of measuring the actual costs of not implementing appropriate CTF safeguards, which can lead to sanctions and monetary penalties, but also impact the financial institution's reputation, thus driving many smaller institutions out of business (Bures 721).

Standard Chartered Bank, a multinational financial services company, is a prime example of what happens when a financial institution does not properly implement and enforce appropriate CTF/AML regulations and practices. The bank was recently found guilty by U.S. and U.K. regulators for breaching sanctions and poor AML/CTF controls (Coppola). Standard Chartered Bank handled roughly $438 million worth of transactions between 2009-2014, a "majority of which involved Iran-linked accounts from its Dubai branch, routing payments through, or to, its New York office or other U.S. based-banks" ("U.S. Treasury Department"). Iran, being a declared state sponsor of terrorism by the United States State Department, should therefore be subject to further scrutiny by any financial institution ("Country Reports on Terrorism 2018"). Although not all of the funds that Standard Chartered Bank handled were tied to the Iran-linked account used to finance terrorism, given Iran's track record it is likely that some of the funds were for terrorist financing. Standard Chartered Bank's $438 million of transactions linked to these countries violated several sanctions including the Iranian Transactions and Sanctions Regulations, Cuban Assets Control Regulations, and Syrian Sanctions Regulations ("U.S. Treasury Department").

Standard Chartered Bank's poor AML/CTF control involved their Middle East branches. An important detail to note is that Standard Chartered Bank is an emerging-markets specialist lender focusing on areas such as Africa, the Middle East, and Asia. Many of these regions are categorized as "high risk" for financial institutions, and should therefore automatically be subject to extra scrutiny by any bank's AML/CTF departments ("Improving Global AML/CFT Compliance"). The U.K.'s Financial Conduct Authority, a financial regulatory body, found "serious and sustained shortcomings" in customer due diligence and in Standard Chartered Bank's AML/CTF audit capabilities ("FCA Fines Standard Chartered Bank"). The total fine imposed on Standard Chartered Bank for their failure to comply with sanctions and AML/CTF controls amounted to a staggering $1.1 billion ("U.S. Treasury Department").

The initial fine, coupled with the potential fear of U.S. authorities barring Standard Chartered Bank from dollar clearing, would cripple the financial institution because most of their transactions involve the flow of U.S. dollars (Coppola). Both of these penalties represent unknown costs and potentially fatal outcomes to a financial institution that cannot be fully measured prior to their enactment. Therefore, it is ideal for financial institutions to implement a comprehensive and effective AML/CTF program within their financial institution. These potential unknown costs motivate financial institutions to implement CTF safeguards, but in doing so, financial institutions sometimes flood the reporting system with minor suspicious activities to make sure they comply with the standards (Bures 721). Nevertheless, successful implementation of CTF practices can act as a deterrent and create roadblocks for terrorist organizations looking to secure and move funds.

Even with the debate of profit versus security in the private sector, counterterrorism financing is of the utmost importance in the fight against terrorism. As Roth et al. pointed out, "the highest-level U.S. government officials publicly declared that the fight against al Qaeda financing was as critical as the fight against al Qaeda itself" (2). CTF provides the U.S. and its allies with a tool that limits the number of lives that are put in danger by allowing the heavy lifting to be done by pooling resources from both the public and private sector. Although the disruption of the flow of money itself is an extremely difficult task even with modern CTF practices, being able to simply follow the money and "locate terrorist operatives and supporters and to disrupt terrorist plots" allows CTF to double as a surveillance method (Roth et al 2). Allowing CTF practices to flag suspicious transactions and then trace the money to specific individuals tied to terrorist organizations greatly helps to provide potential targets for the military, to reveal the location and other information of terrorist supporters, and to allow for the confiscation of monetary assets. CTF lays the underlying framework to provide a more comprehensive and efficient counterterrorism strategy that promotes the use of regulations and reactive actions without the escalation of violence.

Conclusion

In order to have a comprehensive counterterrorism strategy, nations must be prepared to use all possible options to protect the lives of their citizens from acts of terror. Each method has circumstances under which it is effective. Traditional warfare may have been the most appropriate response initially after 9/11, and espionage may have been the most effective means of tracking down and killing terrorist leaders like Usama Bin

Laden. In today's fight against global terrorism, however, counterterrorism financing is the most appropriate tool because its controls and practices operate around-the-clock, offering maximum effectiveness and efficiency. During every moment of every day, software can be running on computers to log, track, and analyze financial transactions, searching for key criteria that indicate suspicious and potentially illicit activities.

Furthermore, CTF helps to promote peace and safety across the entire world by improving global cooperation and opening channels of dialogue between countries through organizations such as the Financial Action Task Force. CTF also indirectly helps to eliminate infringements upon nations' sovereignty by minimizing the impact of warfare. CTF may even facilitate an end to the Global War on Terror. This monumental task could bring peace to the Middle East, allowing millions of refugees to return home. Funding that had been previously used for the Global War on Terror could then be shifted to restoring stability in these war-torn countries. In order to begin making strides toward these goals, a new comprehensive global strategy on counterterrorism, spearheaded by CTF, must be developed and implemented as soon as possible. Otherwise, the world will remain stuck in a seemingly endless conflict that continues to divide the world on political, religious, and ethnic lines.

Appendix: Acronyms

AML	Anti-money Laundering
CDD	Customer Due Diligence
CTF	Counterterrorism Financing
FATF	Financial Action Task Force
FinCEN	Financial Crimes Enforcement Network
KYC	Know Your Customer

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