The Task Force on Money Laundering in Central Africa (GABAC) is a specialised body of the Central African Economic and Monetary Community (CEMAC) whose missions include:

• Combating money laundering and the proceeds of crime;
• Implementing appropriate measures in a smooth and concerted fashion to support these efforts within the CEMAC;
• Assessing the impact and effectiveness of the measures adopted;
• Assisting member states with their anti-money laundering policy;
• Working with existing African and international organisations.

GABAC has been an associate member of the Financial Action Task Force (FATF) since October 2015.
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Since independence of the countries therein, Central Africa has been one of the most unstable sub-regions of the continent. However, despite the presence of the Lord Resistance Army (LRA) in the east of the CAR since 2008, the countries remained relatively little affected by the current notion of terrorism. This situation has changed since the irruption of Boko Haram on the strategic scene of the Lake Chad Basin.

Deadly attacks by Boko Haram, which was listed as a terrorist organisation in 2014, directly concern Cameroon and Chad, with a potential risk of infiltration into the CAR. Hence this typology exercise, extended to an analysis of the context, to better develop an understanding firstly of the extension of terrorist activity in Central Africa and secondly the mechanisms for financing terrorism.

The data used to achieve this end shows that the phenomenon needs to be analysed from a holistic, cross-border perspective. A sub-regional approach is therefore required, at the level of the countries concerned, both for the intelligence of the foundations, players, actions and incidences of terrorism and for identifying the risks, trends and methods of financing. Local, mainly cross-border, social and economic models, together with the socio-political context, provide terrorist organisations with the means for networking, recruitment and self-sufficiency.

It has emerged that the most serious current terrorist threat in the sub-region comes from the religious extremism distilled by Boko Haram, taking advantage of the socio-economic problems facing young people and backwardness in terms of schooling and professional training, especially in border areas.

Boko Haram has taken advantage of the porosity of borders, knowledge of the terrain and existing social, cultural and economic interactions to recruit from social categories that are receptive to its religious discourse and the perspective of easy gains offered by the profitability of the disorder that it has just created. It has also emerged that other categories of operators have seen an opportunity for business, especially through hostages and various supplies provided for the terrorist organisation in exchange for enticing payments.

The LRA, for its part, is benefiting from the long instability in the contact zones between Central Africa and East Africa to transmigrate to the borders of States, carrying out incursions into the CAR. Little information is however available on its actual mechanisms of financing.

As regards the financing of terrorism, it is clear that although terrorist organisations receive external funding, they mainly produce their own resources. Other foreign
terrorist groups raise funds in the sub-region.

Eleven typologies of confirmed financing of terrorism in Central Africa have been identified, namely misuse of non-profit organisations; misuse of new methods of payment; misuse of money transfer agencies; illicit trafficking; financing by economic operators; the raising and remittance of money; extortion; financing by politically exposed persons; kidnapping with demands for ransom; ambushes and looting and crime involving wildlife. Other potential sources of financing have also been identified. These include informal manual money exchange, the trafficking of agricultural products and the trafficking of gems.

The money raised passes through a range of channels, including physical transport and remittance as already practised by economic operators trading outside of the region; transfer by electronic means and the provision of goods instead of cash.

Between north-eastern Nigeria, the extreme north of Cameroon and western Chad, the ways in which funds are raised and circulated rely on trading agents and circuits, in particular cross-border smuggling. Boko Haram uses funds generated in Central Africa in particular to purchase weapons, food supplies and products used to make explosive devices or to finance cells and remunerate certain categories of its members.

As with the widespread wayside robberies and kidnappings that the studied area has experienced over the past two decades, terrorism in Central Africa is multi-faceted. Some of these facets are manifest, whereas others still lack precision. Its financial, economic and social impact, however, is considerable, particularly in Cameroon and Chad. Hence the existence of national and sub-regional counter-terrorism measures, introduced both by States directly impacted and by those aware of the risk of infiltration.

Major risks have been highlighted regarding the dissemination of terrorist cells. The analysis of the conditions of effectiveness of these measures and of cells combating the financing of terrorism suggest that as the threat is sub-regional, the implementation or consolidation of integrated counter-terrorism partnerships, involving all services concerned by issues regarding human and animal cross-border migration, economic and social exchanges, defence and security, trade and financial flow, etc., is urgent.
Over time, Central Africa has proved to be the most unstable sub-region of the African content. Shortly after independence in 1960, the Congo was plunged into war, subsequently triggering the first intervention by UN peacekeepers. Since then, this part of the continent, which generally corresponds to the ECCAS* zone, has endlessly experienced successive mass violence, with sprawling civil wars that have had devastating effects on peace, safety, development and community life in the countries that have had little time to start their national construction. Aside from Gabon and Equatorial Guinea, which have been relatively spared by security crises, each of the eleven other countries has experienced periods of major instability due mainly to political and intra-community fighting and organised crime. Angola, Burundi, the Republic of the Congo, Rwanda and the DR Congo have experienced long years of violence between military factions underpinned by geopolitical rivalries dating back to the Cold War, geo-strategical reconfiguration wars pre-dating the East-West conflict and ethno-political combats. Although not directly concerned by this study, these countries nevertheless play a role in disseminating a war infrastructure, the effects of which are felt beyond the Great Lakes region. In such an open sub-region, violence is not exclusive to States, since fighters, weapons and criminal resources resulting from the exploitation of controlled land, spread and sometimes play a role in inflaming the socio-political situation of neighbouring countries. The example of violence perpetrated by Jean-Pierre Bemba’s MLC fighters in the CAR is indicative of the regionalisation of crises, the convertibility of rebels and the transfer of arms from one zone to another in a process that reproduces conflicts. This is how criminal organisations such as the Lord Resistance Army (LRA) managed to renew their arsenal within the local black market.

The spatial framework of this study lies within the zone covered by the Central Africa Economic and Monetary Community (CEMAC), comprising Cameroon, the Central African Republic, Chad, the Congo, the Gabon and Equatorial Guinea. The latter three are not directly concerned by this study, since no terrorist activity perpetrated by a recognised organisation has yet been reported within their respective territories. However, the fact that they border countries that are affected by acts of terrorism and from which nationals participate in terrorist operations, has led the

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* Economic Community of Central African States comprising the following States: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Republic of Guinea, Gabon, Rwanda and Sao Tome & Principe.
GABAC to include them in this analysis of the facts and risks of terrorism in general and, more particularly, its financing. In addition, the sub-regional approach adopted by the study justifies looking beyond the borders, which are ultimately porous. In order to remain consistent with the subject of the study, the only States directly concerned are Cameroon, Chad and the CAR, which are experiencing terrorist activity and confirmed risks of activity, as well as the financing of terrorism. It should be noted that the terms of reference require firstly a better understanding of all aspects of this relatively new phenomenon in the sub-region and secondly, intelligence of its financing mechanisms. However, this study only involves local phenomenological parameters that affect the mechanisms of financing terrorism.
I.1 General context

In Cameroon at the end of the 1980s, at the time of the irruption of a severe economic crisis, rural and cross-border crime emerged, followed by extensive hostage taking along its eastern border and sea piracy. On an internal level, highway bandits, kidnappers and pirates had such an economic and social impact that they lead to the creation of a special force called the Rapid Response Brigade, which has since conducted anti-criminal, counter-insurgency and counter-terrorist missions, notably against Boko Haram.

Chad has experienced a bellicose political period, characterised from 1966 to 2008 by a succession of rebellions and coups, some successful and some not, aimed at overthrowing the existing regime. Over a period of nearly half a century, this country has seen dozens of politico-military groups form, break up and reproduce. Chad’s eastern border with Sudan has been the launch pad for all major rebellions. This side is also where the Sudanese Janjaweed carries out attacks and, above all, where a range of smuggling operations are conducted between the East and Central Africa, notably the CAR.

In this study, the description of the military past of Chad highlights the challenge this country represents for terrorism in Africa in general, as well as the challenge it sets for this phenomenon in the Lake Chad Basin in particular. Indeed, in nearly half a century of continual confrontation between rebel factions and government forces, Chad has accumulated three military variables with sometimes contradictory strategical effects, namely established experience of anti-guerrilla fighting in the Sahel region, extensive logistics and thousands of former fighters needing to start a new life.

This strategic experience enables N’Djamena to intervene to help countries threatened by terrorist attacks, as can be seen with the deployment of Chadian forces in Mali, Nigeria, Cameroon and Niger in a synergy of actions with armed forces from France, the UN or the countries affected, depending on the case. However, many war weapons have been disseminated clandestinely from or via Chad, some of which are used in organised crime, notably terrorism. Active participation by Chad in integrated anti-radicalisation initiatives led by the Sahel G5, supported militarily by Operation Barkhane, together with its diplomatic activism to find a rapid solution to the Libyan problem, the prolongation of which is providing fertile soil for Daesh, adds to the specific situation of Chad on the African chessboard in the fight against terrorist organisations. In light of the above, it is clear that Chad has, one way or another, opened fire on the main terrorist organisations active on the African continent, namely AQIM, Boko Haram and Islamic State.

As for the Central African Republic, it is particularly the presence of the LRA in the east of the country, bordering on the DR Congo, that makes it a country subject to terrorist threats. However, there are grounds for examining the criminalisation of its socio-political and economic environment to explore the risks of instrumental-
sation of its weaknesses by opportunists. For the past two decades, the country has been torn apart by mutinies, coups d’état, foreign intervention and the occupation of entire swathes of territory by armed groups. The most serious crisis is that opposing armed groups gathered together under the Seleka movement to the Anti-Balaka, causing hundreds of thousands of people to flee to neighbouring countries, de-structuring many community resources and bringing the country back to its initial efforts of national construction.

A report by a UN-commissioned group of experts recently portrayed a grim view of the criminal economies profiting from disorder in Central Africa. Irrespective of their name and area of operation, armed groups plunder, organise the plundering or receive a share of the plundering of the natural resources of Central Africa. With tolls, plundering, poaching, racketeering, illegal mining and miscellaneous trafficking, the Central African hinterland has been described as an open-air bank from which warlords help themselves, whilst the population struggles every day under the weight of poverty made worse by a breakdown in economic activity due to the lack of security. Creating fear and profiting from disorder thus appear to be the common threads of a war economy, combined with flourishing entrepreneurship based on insecurity. In nearly all CAR border areas, transmigration of armed groups makes it easier for illegal activities to take hold. This context has promoted the setting up of non-profit organisations, whose obviously criminal activities have emerged, without it being possible to repress them in time. Poor State control over the peripheries fosters the ring-fencing of border areas, whose coveted resources are likely to fund terrorists, just as they can finance the military-criminal and political-military groups that plunder these areas. The country is also exposed to environmental crime, the products of which transit through porous borders to supply Asian markets.

This brief description of the socio-political context of the studied area brings to light the pre-existence of organised cross-border crime in the borders between Cameroon, CAR and Chad, together with borders between these countries and some of their neighbours, in particular Sudan, South Sudan, the DCR and Nigeria. Above all, it makes it possible to transcend an immediate interpretation of the security problems raised at any given time**, as there is a crime-feeding substrate present in the medium or long-term context, depending on the case. This substrate is a system of conflicts that facilitates the renewal of threats in a permanently unstable sub-region. These are no longer facts, but rather criminal phenomena, for which the nature of the game, in other words the methods, varies according to the relating issues, which can take on identity-based, political or religious connotations, without ever disposing of the considerable economic and financial motivation.

It is also important to perceive the terrorism of the study area as a phenomenon to be analysed in a systemic manner. A sub-regional approach is therefore required, at the level of the countries concerned, both for the intelligence of all aspects of terrorism and for identifying the risks, trends and methods of its financing. Further

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** See GABAC, Rapport de l'exercice de typologie sur l'utilisation abusive des organismes à but non lucratif à des fins de financement du terrorisme en Afrique Centrale, 2015.
on in the report, we will see how the local and mainly cross-border economic and social models provide terrorist organisations with the resources for networking, recruitment and self-sufficiency.

1.2 Specific context

Terrorism is perpetrated in Central Africa by two officially listed organisations. It takes advantage however of the structured criminal workings, methods and risks created by disparate organisations, which, despite measures aimed at securing the borders, continue to plunder the sub-region border zones.

- The Lord Resistance Army (LRA): founded in 1988, it has been active in the east of the CAR since 2008. The LRA especially operates in the regions of Haut Mbomou, Mbomou and Haute Kotto. The original key objective of the LRA was to overthrow the regime of President Yoweri Museveni and set up a new regime based on the Ten Commandments. Most sources now suggest that the group is currently fighting for its survival. The LRA has allegedly been reduced to between 200 and 300 men roaming the rural areas on the borders of Sudan (Darfur), South Sudan, the CAR and the DR Congo. It is made up of recruits, including kidnapped children, and survives through poaching and the illegal trade of ivory, wood, ore and weapons, with armed groups in Darfur. According to information provided by Central African members of the Task Force, LRA fighters are trafficking with ex-Seleka armed groups.

The LRA was listed as a terrorist organisation by the US Department of State in 2001 and by the African Union in 2011. The forests, porous borders, low government presence near the borders and the ring-fencing of certain border areas by armed groups all help to foster criminal economies and the transmigration of armed groups. The LRA takes advantage of this confusion.

- Boko Harem, which calls itself Jama’aatAhl al-SunnahLidda’awatiwal Jihad (Group of the People of Sunnah for Preaching and Jihad), is an Islamic sect created in 2002 by Mohammed Yusuf, a young preacher from the Izala movement, a melting pot of reformism in Nigeria. Yusef broke away from Izala, a movement that calls for the participation of Muslims in the political life of their country in order to mould the system according to its vision of society. Yusef, on the other hand, was anti-system, salafist and determined to overthrow modern institutions and their leaders to set up a society governed by Islamic law, the Sharia. His social and political satire accused those ruling the country of having set up a system of poor governance
in Nigeria that was responsible for immorality, poverty and mass unemployment, whilst the minority benefits from corruption and nepotism to monopolise public resources. Both millenarian and focused on the social problems of modern-day Nigeria, Yusef wanted Islamic orthodoxy led by a Caliphate to cleanse the Islamic religious environment of the Sufi brotherhoods accused of diluting original Islam with practices foreign to the Traditions bequeathed by the Prophet Mohammed. Since the death of Yusuf during the Maiduguri confrontation in July 2009, the sect has become militarised, adhering to violent extremism, ring-fencing areas bordering on Cameroon in north-eastern Nigeria, gaining territory through attacks and successes against the Nigerian security forces, retreating following offensives from the security forces and the Multinational Joint Task Force organised by the countries suffering from attacks, recruiting widely from young people in the Lake Chad Basin, massacring civilians, perpetrating suicide attacks and laying anti-personnel mines, destroying villages and infrastructures, frequently performing decapitations, driving people from their homes and recruiting widely from young people in border areas. Boko Haram was listed as a terrorist organisation in 2014 and is deemed to be the most violent armed group in the world. In Cameroon in July 2016, there were more than 56,000 Nigerian refugees, nearly 200,000 internally displaced persons and over 1,100 civilian and military deaths\(^1\). In April 2016, 32,728 Nigerian refugees were registered in Chad\(^2\).

\(^1\) Sources: HCR/Maroua and Cameroon defence and security forces
\(^2\) Expert report, 2nd regional summit on security in the Lake Chad Basin, 12 and 13 May 2016)
The LRA has been carrying out terrorist activities in the east of the CAR since 2008. Boko Haram started extending its field of action to Cameroon and Chad in 2013, holding out against national armies and even a sub-regional coalition which has however gradually reduced its room for manoeuvre.

How have groups claiming to be on a religious mission managed to turn themselves into murderous criminal organisations and resilient terrorists, despite the resources that States, regional and international organisations in particular have deployed to end their operations? The answer to this question calls firstly for an analysis of all aspects of terrorism in Central Africa and secondly for a greater understanding of the mechanisms through which they finance their operations.

II.1. Objectives

II.1.1. General objective

The general objective of this study is to draw up a phenomenology of terrorism in Central Africa and identify its sources and methods of financing to reveal the loopholes in national and sub-regional instruments to combat the financing of terrorism, as well as increasing the ability of States to effectively combat the access, movement and use of financial resources by terrorist organisations and the individuals that help them carry out criminal acts.

II.1.2. Specific objectives

- To analyse the determinants of terrorism and its specificities in Central Africa;
- To identify the methods and techniques used by terrorists and their followers to raise, move and use funds, detailing, insofar as possible, the breakdown of work between the various players in the financing chain;
- To categorise the different methods of financing used in Central Africa;
- To increase the ability of authorities in charge of enquiries and proceedings to understand how legal and illegal funds are used for financing terrorism;
- To identify relevant indicators and red flags;
- To help financial and supervisory institutions to take decisions relating to the monitoring of declarations of suspicious operations with respect to the financing of terrorism;
- To help decision-makers and legislative and judicial authorities to identify and close loopholes in legislation on terrorism and the financing of terrorism.
II.1.3. Méthodology

This study has been performed using double entry methodology meeting the two main orientations prescribed by the terms of reference.

II.1.3.1 Collecting and processing phenomenological data

A number of studies have been produced on armed groups in Central Africa, in particular on the LRA and Boko Haram. Although the first of the two organisations is quite well known due to its age and the assessment of its human impact on the borders of Uganda, the DR Congo, South Sudan and the CAR, this is not the case for the activities of the Nigerian Islamic sect in Central Africa. To avoid repetition of widely known facts, collected data has focused on trying to understand the machinations of Boko Haram in this sub-region.

Apart from the use of open sources, the search for empirical data has nevertheless proven to be the only credible approach to try to achieve a better understanding of the financial activities of Boko Haram in Cameroon and Chad.

The topicality of the subject, together with data confidentiality and security paranoia, have restricted access to information, leading to alternative approaches being necessary for the gathering of data. Using interviews with locals and those working in administration and security, together with the sparse statistical data provided by the security forces and international organisations working in the field, and capitalisation of miscellaneous sources provided by members of the Task Force, it is indeed a method of research via traces that has been adopted. Due to the data available, the study focuses on the terrorist activities and financing of Boko Haram in Cameroon and Chad.

II.1.3.2 Collecting and processing data on the financing of terrorism

In this aspect, the approach is in line with the framework laid down by the FATF as regards typologies focusing on risks, trends and methods. To this effect, existing studies have been taken into account, some of which are summarised in the review of literature, to identify fields at risk and the mechanisms for financing terrorism listed elsewhere and potentially fields of vulnerability in the sub-region. Similarly, the project scope for this combined exercise of analysis and typology was set in advance, namely to help States and bodies preventing and repressing terrorism and its financing to better understand the determinants, mechanisms, effects and loopholes used by terrorists to mobilise, move and use their funds. The study also assesses the implementation of good practice contained in the related FATF Recommendations and, if
necessary, propose corrective measures to improve the compliance of national and sub-regional instruments and strategies for combating the financing of terrorism in Central Africa.

To this end, the GABAC has:

- Created a Task Force comprising fifteen members from the six countries of the CEMAC zone and representing the following administrations: justice, defence, internal security and intelligence, and financial intelligence units (FIU);

- Drafted a questionnaire, with the technical support of the FATF and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), which it has then distributed to States, requesting the following information in particular: a brief description of the national socio-political and security context detailing existing armed groups; case studies on the financing of terrorism; an assessment of the vulnerabilities of the financial intelligence system; the sources, flow and volumes of transactions relating to the financing of terrorism; the origins and destinations of funds; relevant legal proceedings either closed or in progress; trends and indicators for the financing of terrorism, etc. Requests for more information on specific subjects were also sent;

- Organised four Task Force meetings: in Bangui in February 2016 to enable Task Force members to meet, harmonise their views on the study to be performed and draw up an implementation schedule; in Douala in April 2016 and in N’Djame-na in May 2016 to assess the data collected and the data to be completed prior to the first drafting of the text; in Libreville in August 2016 to submit the first draft;

- Participated in Joint Task Force meetings, involving the GABAC, GIABA and the FATF, on the financing of terrorism in Central and Western Africa. It has been demonstrated herein that, investigating the sources and mechanisms of financing terrorism in the area in question should not be restricted to the usual methods and targets of banking information and other investigations into formal transactions. The new aspects of terrorism in this area of very scarce banking, characterised by the physical movement of funds and trading of exchanges, calls for diversification of the sources and approaches for collecting data in order to take into account the customary methods of producing and moving funds that terrorists may use. Hence the global approach adopted by this report: verifying if the mechanisms for financing terrorism known elsewhere are used in the studied zone and identifying new typologies.
Since 2001, a great deal of literature has studied terrorism, in particular the Islamic terrorism embodied by Al Qaeda, the Islamic State Group and their related groups. Alongside the innumerable scientific articles and works on the subject, journals have specialised in the analytical monitoring of a dynamic phenomenon that has not been out of the headlines since the attacks that year on the United States. Authors generally attribute political, ideological and, more recently, socio-economic causes to the relations and methods of contemporary terrorism. This more recent development in thought can be explained by the increasing enrolment of young people by terrorist organisations, drawing upon the most underprivileged layers of society, including in Europe, from where many foreign fighters have set off to join Daesh in Iraq and Syria.

In 2004, Kofi Annan, endorsing the UN High-level Panel report on Threats, Challenges and Change, commented on the complexity of modern day threats, saying: 

*We cannot treat issues such as terrorism or civil wars or extreme poverty in isolation. The implications of this interconnectedness are profound. Our strategies must be comprehensive. Our institutions must overcome their narrow preoccupations and learn to work across issues in a concerted fashion*. Since then, terrorism has expanded to new areas, sometimes adopting an insurrectional connotation and sometimes merging with organised crime. Above all, it prides itself on large-scale massacres, conceptualising the barbarity it causes, and claims only to stop when its time has come to rule.

Between the partisans of absolute repression and those putting forward a more flexible approach focusing on promoting good governance, Ban Ki-moon has opted for an anticipative approach focusing on prevention against violent extremism, driven mainly by socio-economic factors. Effective governance, development and prevention form the template of the new UN Plan of action to prevent violent extremism published in May 2016.

The LRA has been the subject of a number of analyses, some of which portray it as a moribund organisation reduced to a criminal gang of a few hundred men, whilst others are sceptical as to its designation as a terrorist organisation.

Hundreds of insights have been published as regards Boko Haram, mainly in the form of articles, notes on the economic situation and reports. Most focus on the background of the sect and its violent actions. With it being difficult to access to information held by the legal and security services, difficult to access to the zone of action, difficult to access Boko Haram militants and with the fragmentary nature of available data, intelligence on Boko Haram is reduced to conjecture and theoretical and conceptual disarray which provides further justification for the pertinence of pursuing the investigation and seeking more information. It is especially important...
to ascertain the extent of regionalisation of the movement and more specifically, the circumstances, nature and effect of its expansion into Central Africa.

The other core issue of this study involves the financing of terrorism. This has been a topical subject since 2001. As W.A. Tupman pointed out in an article with an evocative title, many certainties surrounding terrorism and its financing are contradicted by the ambiguity of said concepts, which may cause confusion and conflation if care is not taken. He does nevertheless highlight the fact that methods of financing terrorism generally follow those of organised crime. The nature of this study, however, calls for an accredited comprehension of terrorist financing. According to the Interpretive Note of Recommendation 2, “the term terrorist financing includes the financing of terrorist acts and of terrorists or terrorist organisations”. Consequently, it is the trends and methods of financing identified by prior typology exercises that establish the mechanisms known in this field.

The first report produced by the FATF on terrorist financing dates back to 2008. It emerges that the financial requirements of terrorist organisations vary according to their size, organisation, extent, etc. Money is used to finance operations, for the operational charges of organisations and to develop an environment that favours the deployment of their activities. Carrying out a terrorist act costs less, but preparing it requires relatively high resources (maintaining networks and cells, recruiting, carrying out propaganda, financing, activities, etc.). Opportunism and flexibility characterise the methods of financing, which notably include non-profit organisations (NPOs), standard investments and the use of their own funds. Terrorists also benefit from illegal methods of financing, including drugs, fraud and government support in fragile States. To move funds, they use the physical carrying of cash, the movement of goods, NPOs and alternative systems of transfer.

In fact, all methods used to move money are risky. To prevent terrorist financing, the 2008 Report recommends combining counter-terrorist intelligence and financial intelligence to enhance the ability of authorities to detect and conduct investigations into terrorist activities. Four main areas for combating terrorist financing are also identified: legal action against fragile States and tax havens; working with the private sector to ensure the availability of information to be able to detect terrorist financing; building a better understanding between public and private sectors; and increasing the role of financial intelligence as a tool for combating terrorism.

In 2015, a more extensive report summarised cases resulting from several typology exercises and other sources. It observed that in less than a decade, methods of financing had evolved with changes in terrorist organisations. Hence the need to more clearly ascertain the use of funds (areas of expenditure) to prevent terrorist acts:

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8 Emerging Terrorist Financing Risks, 2015 FATF Report
operational requirements and personnel; propaganda and recruitment; training, wages, payments and miscellaneous compensation for the families of the deceased; and action aimed at the vulnerable layers of society to undermine State support and promote recruitment. Information also needs to be gathered on the financial agents of organisations, such as who connects the funds, who does the accounts, how the funds are moved and who handles the transactions, etc. The Report indicates that the funds are transferred via banks, remittance agencies (particularly in the absence of AML/CFT mechanisms for this sector, agents and other employees can make transfers and falsify supporting documents on behalf of terrorist groups) and cash couriers.

The traditional methods of financing funds are: private donors, misuse of NPOs, criminal activities (smuggling, counterfeiting, bank robberies, drugs, tax fraud, extortion and ransoms), self-financing of cells (loans and savings), income from businesses (car rental, restaurants, etc.), financing from States (even though we do not have a clearly established typology on this issue). Emerging risks include, in first place, self-financed Foreign Terrorist Fighters, who provide logistic support, recruit and facilitate the obtaining of travel documents, means of transport and access to conflict zones. Modern day means of communication and payment are also a boon for terrorists who collect funds via social networks and new payment methods (such as virtual currencies, pre-paid cards and electronic transfers). It is acknowledged that as regards new payment methods, a significant amount of work remains to be carried out to ascertain how they are instrumentalised by terrorists. In addition, terrorists exploit natural resources, such as mineral ores, oil, gas and precious metals, mainly in areas outside of State control. They are also involved in extortion, smuggling, kidnapping for ransom, theft and the illegal trading of ivory and coal.

As regards the specific case of Africa, the GIABA Report is our initial focus of attention. It was produced in a context of emerging terrorism in the Sahel, where terrorist organisations (including the AQIM, MOJWA, Ansar Dine and Al-Mourabitoun) spread, committing terrorist acts in Nigeria, Niger and Mali. This report establishes four typologies: financing via trade and other lucrative activities; via NGOs and charity payments; via the smuggling of weapons, merchandise and currency (cash couriers); and by drug trafficking. Two cases respectively illustrate the involvement of Politically Exposed Persons and the use of alternative transfers (Hawala).

One of the pioneering aspects of the study was to have showed how vulnerable individuals, in these case pupils in Koranic schools, are manipulated to collect funds for Boko Haram. In addition to providing proof that the mechanisms identified by the FATF finance terrorism in West Africa, the study also opens leads for investigations into what it calls the endogenous production of funds. It is with respect to this self-financing that the present report*** seeks out new methods of fund-raising by terrorists, in particular the members of Boko Haram.

The GIABA Report details several established methods of financing by Boko Haram in West Africa. It has been reviewed and extended by the joint FATF-GABAC-GIABA study on terrorist financing in West and Central Africa. The GABAC contributed to this study by attending Task Force meetings and providing examples of cases. This study shows that Boko Haram is self-financed mainly through extortion and the spoils resulting from attacks on banks and villages. As we will see in the present study, other methods of financing have been identified, verified and only confirmed between September and December 2016. The Joint Report rightly established that the sources of terrorist financing are largely similar in the two sub-regions. Consequently, it has emerged that cooperation between States is the best approach to counter the financing****.

Open sources have also mentioned financing by Boko Haram from neighbouring Nigeria. Citing sources from the US Department of the Treasury, Reuters***** has reported that Boko Haram has received several hundred thousand dollars from the AQIM, which is relatively insignificant compared to the amounts it reaps from ransoms.

Reporting on the French family of Tanguy Moulin-Fournier, kidnapped in the extreme north of Cameroon in February 2013, the press agency announced that “Boko Haram was paid an equivalent of about $3.15 million by French and Cameroonian negotiators before the hostages were released, according to a confidential Nigerian government report later obtained by Reuters”.

Jacob Zen from the Combating Terrorism Center at Westpoint, reports that the sect relies more on local financing, listing the political and business circles of Borno at the time of Muhammad Yusuf, before the financiers gradually appear on the scene, some of which are recruited from the cross-border smuggling regulars:

“BOKO HARAM has made inroads with new financiers, who are from Borno and bordering areas of Cameroon’s Extreme North Region... These financiers provide BOKO HARAM with weapons and a route to negotiation with the Cameroonian government in kidnapping-for-ransom operations. One Cameroonian financier, Alhaji Abdalla, is a vehicle exporter based in Amchide whose business operations extend to Qatar (the vehicles likely move from Doha to other ports in Asia). He served as a key negotiator for Boko Haram in talks with the Cameroonian government for the release of the French Moulin-Fournier family of seven...in February 2013. The government paid a $3.14 million ransom and released BOKO HARAM prisoners in

**** FATF/GIABA/GABAC/ Terrorist Financing in west and Central Africa (october 2016) 
***** http://www.reuters.com/article/us-usa-nigeria-bokoharam-insight-idUSKBN0F636920140701
April 2013 in exchange for the family9”.

According to security sources, Abdallah did take part in negotiations with Boko Haram, but his subsequent questioning by security services opens loopholes in the interactions between the socio-cultural networks, business networks and criminal networks.

This chapter sets out the link between the many cross-border players, the diversity of the economic and social exchange networks that connect them and the opportunities that the informal nature of the workings and corridors of movement of both people and goods offer Boko Haram for its recruitment of followers and production of resources. This in particular involves demonstrating that to the south of Lake Chad and the Sudanese border at Maiduguri, the same socio-cultural area exists, in which individuals, goods and ideas have been circulating immutably for many years, involving both instruments of development and products of trafficking. As is the case with other cross-border zones, players exploit the integration that States have facilitated by reducing border controls or that States endure in places where border zones are areas of instability due to the movement of armed groups or their ring-fencing.

**IV.1. A relatively homogenous socio-cultural area promoting the establishment of cross-border networks**

In the southern part of the Chad Basin, a few large cross-border ethnic groups control both traditional and modern political power at the local level, together with cross-border trade and external exchanges. These are mainly the Shuwa Arabs, the Kanuri and Kotoko from the north-east of Nigeria to the west of Chad, transiting via the Logone and the Chari in Cameroon. The other communities are smaller and are found in smaller areas, although these areas also straddle borders, such as the Mafa in the Mandara Mountains and the Boudouma and Kanembou on the islands and shores of the Lake. The major groups have daily contact with each other, as although the colonial borders did not necessarily divide the same families, many marriages have sealed long-lasting ties.

Ethnicity and business go hand-in-hand with respect to the control of production sectors or the distribution of goods. For example, whilst fishing and the fish trade are the prerogative of the Kotoko and the Musgum, the distribution of cola nuts and provisions appears to be handled by the Kanuri. The Arabs, on
the other hand, are more involved in the import trade, especially from the Middle East. Although there are various gateways between the economic players from these different communities, we agree with Karine Bennafla that trade networks in the Basin are characterised by monopolies and co-optations\(^\text{10}\). Between Maiduguri, N’Djamena, Maroua, Fotokol and Kousseri, these business links are interwoven with social links and are catalysts for integration, yet they also constitute channels for infra-state regulation and therefore a risk.

How have these cross-border relations been exploited by Boko Haram? Rather than redundantly researching the ethnicities of Boko Haram, it is in the instrumental use of economic-identity networks in the Chad basin that we need to look for their potential direct or indirect participation in the financing or commission of terrorist acts. The case of the economic operator described above by Jacob Zen, together with those of other individuals questioned by security forces, suggest that when it comes to identifying the risks of terrorism being financed by economic operators, we need to look at these cross-border transactions combined with identity networks, which terrorists can exploit or use for supplies, as is suggested, moreover, by the field notes gathered when seeking data for this study.

**IV.2. From smugglers to terrorists, knowledge of the terrain and traffic capitalised by Boko Haram**

The second aspect of the regionalisation from which Boko Haram benefits, arises from the identity of the individuals that the sect employees in its division of operational work. It has emerged from legal and security sources, as well as from press data, that many emirs, recruiters and other Boko Haram heads of sectors in its operational areas are former traffickers of a variety of substances, as well as drivers driving to and from the border towns (such as Banki, Kousseri, Fotokol, Amchidé and Limani) and Gamburu or Maiduguri, and those transporting smuggled goods, particularly fuel. This also applies to those in charge of logistics, the transport of weapons, daily supplies or the procurement of spare parts for motorbikes and other vehicles. One legal source states that the operating costs of cells set up outside Nigeria were paid by Abubaker Shekau himself, whilst internal sectors were able to finance themselves. It has also emerged from reading articles and interviews that wholesalers previously living between Amchidé and Banki or Fotokol and Gambaru, to cite just one example, play a role in managing the operational front of the organisation and provide financing opportunities for Boko Haram, notably by taking hostages.

\(^{10}\) Karine Bennafla, *Le commerce frontalier en Afrique Centrale* [Cross-border trade in Central Africa], Paris, Karthala.
IV.3. The lure of profit for young people persisting in resourcefulness and social pressure

The States of the Chad Basin and international partners have converging views on the urgency of providing viable solutions to the socio-economic problems of young people by the creation of jobs, increased education and vocational training. This integrated approach is aimed at preventing radicalisation and violent extremism more widely, as we have postulated that it is the social insecurity and exclusive Koranic education of the majority of these young people that Boko Haram instrumentalises to spearhead religious intolerance. Here again, it is worth emphasising that various sources have proved that Shekau’s organisation recruited Islamic scholars from Cameroon and Chad to indoctrinate recruits parallel to their military training. There is however another category of young people, who have often quickly started a family and who carry out jobs of minor importance, who joined the insurgents because the recruiters held out the promise of easy gains from spoils and other expected benefits.\(^\text{11}\)

The security and legal forces referred to list the following “jobs” for presumed recruits. Their occupations are quoted as described in the documents: sellers of plastic; sellers of rice; motorbike mechanics; motorbike salesmen; sellers of boubous; embroiderers; sellers of buckets; sellers of millet and beans; shopkeepers; tailors; drivers; sellers of smuggled medicines; sellers of empty perfume bottles; sellers of fuel; motorcycle taxi drivers, etc.

Before joining Boko Haram, they lived in places such as Maroua, Amchidé, Banki and Kousseri. Ideology means little either to this category of individuals or for the many motorcycle taxi drivers arrested whilst transporting weapons and munitions hidden in various goods between N’Djamena, Kousseri and the Nigeria border. It is smugglers that are familiar with the back roads that have added value in the price paid by Boko Haram according to the category of weapons to be delivered.

Ideology also counts little for those who devote themselves to the exchange or trafficking of the products needed for the sect’s operations, such as fuel, gas and chemical substances. In fact, this is an example of what Alain Bauer calls “lumpen-terrorism\(^\text{12}\).”

This is also partly how the expansion of Boko Haram to Lake Chad should be interpreted, in other words as a “proletarian” strategy to reconquer resources by islanders. Christian Seignobos\(^\text{13}\) develops this interpretation of the determinants of membership of the Kanembou, Boudouma, Mobeurs and other communities living on the lake islands and surrounding areas. He suggests that the Islamic insurgency provided an opportunity for these populations to regain possession of the income generated by the exploitation of the agricultural, grazing and fishing resources of this large oasis in the heart of a semi-arid environment. They have witnessed land disputes between the States bordering the Lake since 1983, together with the influx of environmental migrants from various counties of the Chad Basin and the Sahel and an increase in trafficking and exploitation of both the fish and land by entrepreneurs from urban areas, who have largely benefited from the fruit of fishing and agriculture. Poor therefore and without any means of production of their own, local populations have been reduced to working for the “foreign” investors in exchange

\(^\text{11}\) Security and legal sources: statements from prisoners


for modest remuneration in comparison with incoming revenue. They therefore remain structurally indebted in an environment where the general school enrolment rate is under 10% and where basic social services are thin on the ground. Joining Boko Haram therefore seems like an indigenous revolt on the part of young people, who also see it as an opportunity to make a great deal of money quickly, as confirmed by a certain number after their arrest following the N’Djamena attacks in June and July 2015, which killed 62 people, including 10 suicide bombers, and left nearly 200 wounded.

For the Islamic sect, this is also a sure way of extending its territorial stronghold and accessing a major source of self-financing, as considerable quantities of fish and peppers leave the Lake each day for the markets of neighbouring countries. On this subject, Bakary Sambe reports that “Boko Haram has managed to reorganise these channels for its own economic benefit, which it uses to finance its violent actions around a basin that is highly strategical as a rear base and fallback zone. Some government sources in Niger estimate the amount collected weekly, solely in the Nigeria border region of Diffa, to be 8 billion CFA Francs (around €12,000,000).”

It is therefore perhaps not by chance that out of the 10 people sentenced and executed in N’Djamena in September 2015 following the attacks, seven were fishermen and six were Boudouma from Lake Chad, all aged under 30 and, except for one, with wives and children. Furthermore, it can be deduced from the rapid deployment of socio-economic actions parallel to the reinforcement of defence resources at the Lake that the Chadian government is aware of the link between crime and poverty in this region, over which strategic control is essential for the socio-economic and political stability of the Chadian Basin in general and Chad in particular.

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14 Chadian security sources
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Chapter V

Analysis of typologies and red flags

V.1. Typologies

Ten typologies of established terrorist financing in Central Africa have been identified.

Typology 1: Misuse of non-profit organisations

Case n°1: Misuse of a foreign NPO

The attention of the FIU was drawn to a report of suspicion concerning a considerable flow of money between 2012 and 2014, comprising cash deposits. In total, over 10.5 billion CFA francs (around 16 million euros) were deposited by a national of a country neighbouring Cameroon, a member of the Lake Chad Basin Commission, into the bank account of an NGO called “ABC”. The origin of the funds remains unknown. These funds were then withdrawn in cash from the Kousséri branch of the bank in the extreme north of Cameroon. FIU investigations into this case reached the following conclusions: The NGO “ABC” is internationally classified as a jihadist propaganda organ. It has established ties with terrorist groups (it was created by a member of the Muslim Brotherhood, has established links with Al Qaeda, Ansar Al Islam, the armed branch of Hamas, the Kashmir Rebels, etc.). The brother of Osama Ben Laden was the treasurer of “ABC” until the US terrorist attacks of September 2001. US secret services uncovered the role of the NGO in the logistic support of the 2001 World Trade Center attacks. On an international level, the activities of “ABC” have been banned in the USA (2002), Canada (2004), Great Britain (2004), Pakistan (2004) and India on suspicion of providing financial support for terrorist organisations.

The FIU reached the conclusion that the NGO “ABC” was being used as an instrument to fund Boko Haram fighters under the cover of charity work. The FIU conclusions are based on: Prior activities of the NGO (an established role in raising funds for Al Qaeda) and a massive increase in the volume of bank deposits since 2012 (intensification of Boko Haram armed operations). The unknown origin of the funds, despite all efforts. The areas where the funds are withdrawn and incompatibilities between the amount of funds and the actual activities of the NGO in the field. The FIU sent a report to the Military Tribunal pursuant to legal provisions. A confidential intelligence note was sent to other operational security services.
The key promoters of the NGO in Cameroon have been arrested.

Source: Cameroun

**Case n°2: Terrorist financing by economic players raising funds and misusing an NPO**

The attention of the FIU was drawn to a number of transfers made by a national economic operator to an ABC NGO based in the Democratic Republic of the Congo. The sector of activity of this operator and the reasons for the transaction did not appear compatible.

Indeed, the economic operator is well-known in the import-export sector. He generally performs large-scale commercial transactions. Furthermore, he is a major political figure. Yet the transfers of very large amounts of money to the DCR do not appear compliant with his known commercial activity.

FIU investigations have shown that within a two-year period (2011 and 2012), nearly 2.5 billion CFA francs (around €3,000,000) were transferred by this economic operator to the ABC NGO. The ABC NGO belongs to two Lebanese brothers, Moussa and Nabil, listed by the United Nations Sanctions Committee as fundraisers for the Hezbollah terrorist group. According to information received from foreign partners, the brothers Moussa and Nabil recently forged an alliance with the Al Qaeda in the Islamic Maghreb (AQIM). The intelligence was transmitted to the state prosecutor (Article 40 of the ECCAS Regulations). Operational security services have been informed.

Source: Cameroun

**Case n°3: Financing by foreign supporters transiting via an NPO**

A person named “Chérif”, with no declared occupation, opened an account with a local bank in the last quarter of 2014. Once the account was opened, an international transfer of over 360 million CFA francs (around 548,780 euros) was credited to the account of Mr “Chérif” without any economically valid justification. The bank filed a report of suspicion with the FIU. The FIU investigations into the persons involved and the reasons for this transaction, together with the financial environment and activities of Mr “Chérif” revealed the following: the account in question was opened solely for the purposes of this operation; the transfer was ordered by
an NGO from a European country; the funds transiting the account of Mr “Chérif” were in fact intended for a Mr “Said”, representing a charity that allegedly works in the Cameroon-Niger-Nigeria-Chad border areas; according to the internal intelligence services, this NPO is actually a dummy association controlled by Boko Haram, which used the cover of the association via its followers “Chérif” and “Said” to transfer funds raised by its supporters abroad. The case is due before the competent courts; Messrs “Chérif” and “Said” have been arrested and the network is currently being dismantled.

Source: Tchad

**Case n°4**: Attempted financing via a fraudulent transfer of funds, abusing both a bank and an NPO.

On 6 May 2012, a report of suspicion from bank P reached the FIU, reporting an electronic transfer of 345,531,367 CFA francs (around €526,800) sent from a European country to an Islamic NGO with headquarters in Birmingham, via the bank account of Mr V, but for the benefit of an NGO. Investigations established that this was a fraudulent transfer of funds made electronically from the website of the central bank. This involved cybercriminals hacking into the bank’s computer system. The beneficiary, Mr V, representing the NGO in Chad, was actually conducting subversive terrorist-related activities.

Source: Tchad

These cases give an idea of the variety of forms of misuse to which the terrorists and their financiers submit organisations normally designed to relieve the difficulties encountered by the vulnerable layers of society. The proliferation of NPOs, together with their diversity and sources of financing, whether private or from abroad, constitute major challenges for authorities in charge of monitoring their activities and checking they comply with regulations, in particular their terms of reference. Yet studies have shown that despite good regulation of the sector, NPOs are under the radar of administrative and financial supervision, which, in the case of Central Africa, does not have sufficient personnel or adequate logistics to monitor their activities in the field. In addition, the rarity of communication platforms between the donors and the public services means that the States have no information about the financing of NPOs, which, furthermore, rarely register their management and financial reports with supervisory authorities, as stipulated by regulations. It should be noted that Chad has withdrawn its accreditation from certain NGOs for having overstepped their statutory missions by getting involved in religious activism.
In light of its socio-economic context, the situation of the CAR attracts an increasing number of charities, without the State being able to supervise their activities. The humanitarian crisis due to the influx of refugees, returnees and internally displaced populations in the Chad Basin has resulted in a clear growth in civil society organisations operating, in the case of Cameroon, under the regime of authorisation, which can be obtained more quickly than NGO accreditation.

**Typology 2 : Misuse of money transfer agencies**

**Case no1 : The raising of funds via a financial messaging company**

“Peter”, a Cameroon national, lived in Bamenda in the north-west region of Cameroon. He had no fixed employment and earned money from a small cigarette stall. The attention of the FIU was drawn to Peter’s repeated reception of Western Union money transfers in 2014.

FIU investigations concluded as follows: There were no family links between Mr Peter and the person dispatching the money; Peter collected nearly 112 million CFA francs (170,731 euros) via Western Union between January and March 2014; Dispatches were divided into transactions of under 1 million CFA francs. The reason provided for all these transactions was “Family assistance to illegal immigrants of ‘Gamma’ town”. There are no illegal immigrants listed by the administrative authorities in the town of “Gamma” located in the north-west of Cameroon. Mr Peter, who is unknown to all authorities, has not carried out any social actions in this region of Cameroon. The funds were dispatched from Saudi Arabia, South Sudan, Kenya and Mali; The funds were all withdrawn from Western Union branches located in the combat zones of the Extreme North, even though they were intended for the “Immigrants of the town of ‘Gamma’” located in the North West. The security services reported regular travel by Mr Peter to Maiduguri in Nigeria.

Source : Cameroun

In today’s world, financial messaging is one of the weak links in the international mechanisms for combating the financing of terrorism, as it enables people not known to financial establishments (walk-in clients) to easily move money anywhere in the world. The use of financial messaging companies in the studied zone is spreading rapidly, almost entirely replacing faxed money orders which, until the beginning of the 2000s, was the only fast way of transferring money. Yet the instability of telephone lines, expansion of digital technology, upsurge in insecurity on roads and near markets, and the development of trade in particular, have combined to firstly encourage the creation or domiciling of Micro-Finance Institutions (MFI) in areas of flourishing economic activity and secondly generate widespread use of financial messaging companies.
A long side foreign companies such as Western Union and Money Gram, national companies have been created, such as the Express Union in Cameroon, that have opened branches in neighbouring countries and diversified their range of services to include banking services. More recently, mobile telephone companies have introduced Mobile Money. As with NPOs, transferring money to returnees, internally displaced populations and refugees outside of camps can carry risks of terrorist financing. Some indications of this have emerged from data provided by security services, which show the convergence of sending small amounts of money from Nigeria to benign people in the Extreme North of Cameroon.

Typology 3 : Misuse of financial establishments

**Case n°1 : Misuse of a manual currency exchange office**

B. Exchange currency exchange office was based in Camville, a town on the border with Nigeria. Camville (Cameroon) and Nigerville (Nigeria) form a single geographical town, with the border consisting of a simple street. Up until 2012, B. Exchange had an average annual turnover of 100 million CFA francs (around €152,500), mainly generated by the sale of foreign currency to Chadian, Cameroonian and Nigerian shopkeepers.

The attention of the FIU was drawn to a massive increase in currency purchase operations by B. Exchange between 2012 and 2014. The results of the FIU investigations were as follows: Between 2012 and 2014, B. Exchange purchased currency from local banks for a total amount of 226 billion CFA francs (€344.52 million). The currency was acquired from local banks on the basis of forged currency purchase authorisations, allegedly issued by the Ministry of Finance. The origin of the funds used for the cash purchase of so much currency from the banks is unknown. B. Exchange used forged travel documents and passports to account for the use of the acquired currency. Regular contact between the promoter of B. Exchange and certain commanders of Boko Haram were discovered by the security services (one of these fighters had been killed during a skirmish with the Cameroon Army and found to have nearly 50,000 euros in his pack).

The FIU forwarded its information to the state prosecutor in December 2014 (Article 40 of the ECCAS Regulations). The operational security services were notified (information shared with the operational intelligence services). Those involved were arrested. The exchange office was shut down.

Source : Cameroun
Case n°2 : Network for raising and transferring funds by Boko Haram followers via a micro-finance establishment

Mr “Kala”, a Nigerian national, lived between Maroua and N’Djamena; he was known in both towns as a farmer of various types of vegetables. Based on certain information held by the operational intelligence services and after a period of observation by said services (tailing, phone tapping, etc.), it was established that since 2012, Mr “Kala” had been in regular contact (once a week) with Boko Haram followers, who were also being tailed. The operational security services then brought in the FIU to investigate the business activities of Mr “Kala”.

FIU investigations revealed that: Mr “Kala” held two bank accounts in a micro-finance institution (Beta Finance) with branches in the main cities of the ten Cameroon regions. His two accounts were held by the “Beta Finance” branch in Kousseri. When opening his accounts with “Beta Finance”, Mr “Kala” stated his occupation as a “salesman” without providing any other details. He is not known to the tax authorities. The bank accounts of Mr “Kala” operated exactly as transition accounts, used by terrorist networks to raise money or by drugs traffickers to transfer money. Indeed, it was observed that large amounts of money were deposited in cash by several dozen individuals onto the two accounts in question from “Beta Finance” branches in various cities in the country. The money thus deposited was then immediately withdrawn in cash by Mr “Kala” in Kousseri. In total, 38,789 billion CFA francs (around €59,500,000) were thus raised by this network between 2012 and 2015. 83 Cameroon, Chad, Mali and Nigerian nationals were identified as depositors of cash into the two accounts of Mr “Kala” in cities in several regions of Cameroon. These depositors have no business activity that could potentially justify possession of such capital; the total deposited by some of them during this period exceeded 1 billion CFA francs. When withdrawing the money from the “Beta Finance” branch in Kousseri, Mr “Kala” was always accompanied by two individuals (suspected by security services to be Boko Haram logisticians). This case is still being investigated by security services. The depositors are still being tracked down and arrested.

Source : Cameroun

Manual exchange operations constitute one of the key vulnerabilities in terrorist financing, due largely to the use of currency in international commercial transactions (the buying of weapons) and the ease of moving large sums of money in very small volumes (use of €500 notes).
This case also illustrates the vulnerabilities of the financial sector in general in these areas where business transactions with immediate neighbours and the areas for obtaining supplies of a range of goods, are rapidly expanding. Rules of caution are not always followed in the case of economic operators open to the outside world and who can suddenly increase their financial surface. They also bear witness to the significant risk of economic-identity networks being exploited by terrorism, which uses pre-existing business relations and personal relationships for its own benefit.

The second case fully demonstrates the advantage of encouraging cooperation between national intelligence units and operational intelligence services for achieving better results in tracking down terrorist financing. It also takes into account the trans-nationalisation of fundraising networks controlled by Boko Haram followers, involving Cameroon, Nigeria, Mali and Chad nationals. Furthermore, the case suggests the urgency for increasing the sharing of information between neighbouring countries and between countries belonging to separate sub-regions subjected to a terrorist threat. It also highlights the vulnerability of micro-finance institutions with respect to misuse for the purposes of financing terrorism. These MFI have increased in number in border zones, improving the perception certain economic operators previously had of banks, preferring as they did to carry substantial amounts of money often kept at home. Their vulnerability to money laundering in Central Africa was already somewhat perceptible.

**Typology 4 : Illicit trafficking**

**Case n°1 : Financing via traditional business activities**

A report of suspicion sent to the FIU denounced a suspicious transaction between a company X selling miscellaneous products (foam mattresses, plastic mats, etc.) and a foreign operator M. This transaction involved the transfer of 176,203,000 CFA francs (around €268,602) ordered by company X for the benefit of foreign operator M for the provision of a service to be performed on the national territory by company X.

FIU investigations revealed that: operator M is in fact a cover used by Boko Haram leaders; company X is a dummy company controlled by the Boko Haram sect. Company X was formed to repatriate funds generated via fictitious service provision agreements. The actual beneficiary of the financial transactions was the Boko Haram sect via its followers in Chad. Following the investigation, this case was passed on to the competent courts. Arrests have been made and the case is pending in the courts.

Source : Chad
**Case n°2 : Pillaging of livestock**

During the first quarter of 2014, an association of Chadian livestock sellers leaving Nigeria on foot with 2,030 cattle was robbed of its animals by members of Boko Haram, on the border and on Nigerian territory. On 8 March 2016, in Midai, a Nigerian village on the border with Chad, Boko Haram members stole 700 cattle from the local population. These two operations provided the sect with resources equivalent to 2730 x 300,000 CFA francs, namely 819 million CFA francs (around 1.248 million euros).

Source : Chad

**Case n°3 : Boko Haram financing via income from livestock theft**

In 2013, a local bank filed a report of suspicion to the FIU, describing a suspicious operation. This involved a cash deposit followed by the withdrawal of all deposited funds by a Mr “Rabia”.

Following an investigation by the FIU in cooperation with national security services, it emerged that: Mr “Rabia” was a national from a country neighbouring Chad; He entered Chad on 14 February 2013 carrying 79.75 million CFA francs (€122,000) in cash; this amount was deposited in the bank account opened for this purpose with the said bank. This money was allegedly income from the sale of livestock by Mr “Rabia”. The aforementioned was identified as a member of Boko Haram and the livestock sold came from the various pillaging by the terrorist group of local farmers. The FIU passed the case on to the competent courts and Mr “Rabia” was arrested.

Source : Chad

**Case n°4 : Livestock theft and cross-border trafficking**

The recurrence of livestock theft recorded by administrative authorities, defence and security forces and traditional authorities, together with the increase in prosecutions relating to these acts in the area of Mayo Sava (Cameroon), adjoining north-east Nigeria, are serious grounds for suspecting that Boko Haram terrorists are making use of this method of financing. As the decentralised departments of livestock, fisheries and animal industries (MINEPIA) record all types of livestock mo-
vement within their jurisdiction, the GABAC contacted the Minister in question to request a consolidated assessment of livestock theft in the zones affected by Boko Haram. A field mission of the said ministry included this concern in its agenda. A summary of collected data establishes the following losses: 31,101 cattle, 19,306 small ruminants and 4,003 poultry. The financial assessment is as follows: “the financial assessment records financial worth of 8,553,414,500 CFA francs (around €13,000,000). The species concerned are cattle, mainly stolen by terrorists, followed by small ruminants and then poultry. Horses, donkeys and camels have not be recorded”. In light of this widespread trafficking, the Governor of the Extreme North Region has ordered the temporary closure of 21 cattle markets.


Case n° 5 : Motorcycle trafficking

Following the suicide attacks of June 2015 in N’Djamena, investigations by the security committee implemented in Chad led to the dismantling of a motorcycle trafficking network on behalf of Boko Haram. This operated as follows: a courier appointed by Boko Haram delivers re-sellers (also appointed by Boko Haram) motorcycles in spare parts, for reassembling and selling on the local market. Income from the sales is passed onto a collector in charge of transferring it in cash to the Boko Haram base. When questioned, the suspects declared that a re-seller could receive around 30 motorcycles per month. Each motorcycle is sold for between 400,000 (around €610) and 500,000 CFA francs (around €762). The same sources cited the names of financial intermediaries and routes along the chain which leads from where the motorcycles are sold to recipients of the cash in the Sambisa Forest. Security sources mentioned that the leader of the Boko Haram cell in N’Djamena had previously been involved in motorcycle trafficking in a Cameroonian town, before moving away for fear of being recognised by the displaced populations that were flooding in.

Source: Chad

These cases represent a sample of the local financing opportunities which Boko Haram can access. Firstly, there is capitalisation of the food industry by taking over or participating in the supply of everyday foodstuffs.
Fish and meat are the two sources of animal protein, consumed daily in massive quantities, with a permanent sub-regional demand. These are sources of fast wealth. Secondly, there is the area of manufactured products, which play a role in transport, weddings and homes, etc. Motorcycles are now the method of transport competing with buses for short-distance inter-urban transport, exceeding taxis in some city areas. They are the main instrument for smuggling between the countries of the Chad Basin. This typology is essential for understanding the specificities of terrorism and its financing in the Chad Basin, as it is the centrepiece of the relation between economic traditions and criminal practice. Furthermore, it calls on States to improve their control over cross-border exchanges, involving services which are not normally associated with combating terrorist financing.

Typology 5 : Financing by economic operators

**Case n° 1 : Financing of Boko Haram by an economic operator**

In 2012, a bank filed a report of suspicion denouncing unusual operations performed by an economic operator named Mr “Tango”. Indeed, Mr “Tango”, an occasional client of said bank, ordered a money transfer via an international financial messaging company of 89.67 million CFA francs (€137,000) for the benefit of Mr “Nono”, residing in a Gulf state. The activity of Mr “Nono”, together with the economic reasons for the transaction and the origin of the transferred funds, had not been clearly provided for the bank. Following the investigations performed by the FIU, both as regards internal intelligence sources/financial institutions and certain diplomatic representations, it emerged that: according to the declarations of Mr “Tango”, the transaction was supposed to cover hotel costs; Mr “Nono” is a West African national identified by security services due to his terrorist activities in the Sahel, mainly with Boko Haram. The FIU referred the case to the courts and Mr Tango was arrested for financing terrorism.

Source : Chad

**Case n° 2 : Illicit financial gain and facilitating the committing of terrorist acts by an economic operator**

In the first half of 2015, a Mr Ida invited a Mr Karkabi, residing in Kousseri (Cameroon), to N’Djamena to pick up certain members of his family and drive them to Kousseri, where another person would be waiting to take them to Nigeria. When they arrived in Kousseri, they were arrested by security services as a result of the
intelligence they possessed with respect to the family. Investigations revealed that Karkabi was an informal Chadian transporter, well known in the city of Kousseri. For at least six years, he had been smuggling weapons between Chad and Cameroon on his motorcycle. At the beginning, he worked with a Mr Kasko, residing in Blangoua, to whom he delivered bags of millet containing hidden AK-47 type assault weapons. These weapons had been obtained at the Abéché bus station in N’Djamena from a certain Abouky, who himself obtained them from the Chad-Sudan border. The weapons that Karkabi transported were then sold by Kaskoaux wayside robbers, known as “road blockers”. Receiving 30,000 CFA francs for each weapon delivered, he was able to build up a small fortune and decided to buy a car with which he could earn even more money. Aided by the Boko Haram phenomenon, he became friends with “Ida”, a Nigerian in the pay of the terrorist group for which he delivered weapons and explosives. Using Karkabi’s vehicle, they continued to supply the terrorist bases located in Nigeria via Chad and Cameroon. Once Ida had been identified as the mastermind behind the N’Djamena attacks, investigations were carried out by Cameroon and Chad security services to establish the identity of other members of the network.

Source : Cameroun

Case n° 3 : Logistical support for a terrorist group

On 10 January 2015 in Mora, “Ripo” and “Isaka” were arrested by the police for breaching security directives in force in this location, which had been a target for terrorist attacks. Subsequent investigations established that Isaka was the tribal chief of the Oru region, from where he had fled in 2013 due to Boko Haram attacks, before seeking refuge in Ibashi, where he formed a friendship with Ripo and a man named Kasko. Together, they decided to send fuel to Oru, where there was an established need. Initially, this was for driving mills to grind the cereals belonging to Kasko in order to feed the remaining population. To this end, Ripo, the vigilance committee coordinator of Mviam, was called upon to carry out the task. He had to collect drums of diesel that had been deposited by Kasko in Moukissa’s shop. Kasko also travelled to Oru, carrying foodstuffs of all kinds. Ripo, however, who received the deliveries of diesel, handed them over to any individual who introduced themselves as an employee of Kasko. He took advantage of the situation to supply a very large quantity of diesel to his childhood friend, a certain Ibasso, known by the security forces as a highly active agent from the Boko Haram terrorist group. Similarly, Kasko, who claimed to the operating his mills, did not however make any profits.
Investigations established that Kasko was sending fuel to the members of Boko Haram who were roaming the areas of Limani and Omaka.

Source: Cameroun

**Case n° 4: Supply of products used to commit acts of terrorism**

On 24 March 2014 in the city of Kousseri, a man named Akoutou was arrested by a security forces patrol. He was suspected of being a member of the Boko Haram sect. In 2002, following the death of his father and due to increasing family difficulties, Akoutou left his village to join his elder brother Kemta in Kousseri. The brother owned a domestic gas bottle supply store in the city. On his arrival, he enrolled in a Koranic school, where the teacher introduced him to a man called Akim, a member of Boko Haram living in Banki. Alongside his religious studies, he became involved in his elder brother’s activity, which mainly consisted of trafficking domestic gas bottles. To meet the constant increase in demand from Akim, he started traveling regularly to Chad where he purchased a number of 12 kg bottles at 12,000 CFA francs a piece. He then siphoned the gas off into 6 kg bottles and delivered them in large quantities to Akim, who used them to make improvised explosive devices. He then sold the others at 8,000 CFA francs a bottle through the standard channels. On 24 March 2014, Akoutou was arrested in the company of other individuals, in particular a man named Bika, whose cell phone contained Boko Haram videos. Another of his companions, Dodoum, was arrested by security forces in Maroua and formally identified by a number of witnesses as a preacher in the pay of Boko Haram.

Source: Cameroun

As with the cases of manual currency exchange, these give an idea of the ambiguity that can cover the activities of economic operators, especially in border areas. Opening outwards, whether on a local or international level, is obviously a risk factor for interaction with terrorist networks, especially in countries under the threat of terrorism. They highlight the need to find a compromise between free exercise of economic activity and the strengthening of controls on money transfer transactions of all kinds, and the involvement of services in charge of transport in creating databases of accredited transporters. The low number of vehicle checks and the high number of smuggling routes facilitate the trafficking of arms, which, in this case, are delivered in small quantities to Boko Haram via illegal cross-border transport operators. The second case also shows how criminal players are reproduced with changes in the practices of organised crime. The two other cases once again illustrates the urgent need to involve services in charge of trade and transport, as well as unions, in the prevention of terrorism, particularly the committing of terrorist acts.
Typology 6 : Collecting and remitting funds

Case n° 1 : Collecting and remitting funds by cash couriers

When controlling the border crossings of persons and goods, the security services intercepted a large quantity of different currencies hidden in goods belonging to a Mr Z, a national of a West African country. This currency comprised:
- 568,000 euros in 500-euro notes (1,136 notes)
- 460,000 euros in 100-euro notes (4,606 notes)
- 135,000 Bahrain dinars in 20-dinar notes (6,750 notes).

Investigations established that:
- Mr Z, a national of a West African country, had already travelled to Chad on several occasions as a tourist.
- Mr Z was a cash courier identified by the security services.
- He was a member of the Boko Haram terrorist group.

Mr Z was arrested and the seized currency was placed under seal.

Source : Chad

This case raises the problematic issue of the circulation of cash in the studied area. Despite the risks arising from lack of security due to the frequency of armed attacks, economic operators have continued to transport large sums of money. The length of the borders, numerous crossing points and back roads for avoiding customs, insufficient security forces allocated to monitor border areas and corruption among government officials are just some of the factors that encourage the physical carrying of cash. The fact that this money is often kept in homes makes it difficult to determine its origin and volume, or track the movements of couriers. It is chance searches, which have become routine due to Boko Haram, that lead to money hidden in goods being discovered, as is also the case with weapons and munition.

Typology 7 : Extortion

Case n°1 : Financing through forced contributions

Under the investigations carried out following the June 2015 attacks, several suspected members of Boko Haram were arrested in Chad. During questioning, they named a highly respected tribal and religious leader named Daoud, living in the Lake Chad region, as a Boko Haram activist. The authorities were surprised at the involvement and participation of this respectable character in Boko Haram finan-
cing and recruitment. Investigations by security services established that:
- Daoud had been actively collaborating with Boko Haram since the beginning of its activities in the Lake region.
- According to his declarations, this was a forced collaboration in exchange for protection of his community and goods from the scourge of Boko Haram.
- To this end, Daoud collected money, supplies and cattle from his community, which he then forwarded monthly to Boko Haram chiefs.
- Youngsters were also recruited as contributions of young men from each family.
Daoud was arrested by the security forces for financing terrorism.

Source : Tchad

Case n° 2 : Financing through illegal payments

A major Chadian economic operator of Nigerian origin, with a significant part of his family in Nigeria, was cited by terrorists arrested under the investigations conducted subsequent to the June 2015 attacks as one of the Boko Haram financiers. The security services identified and arrested him. After questioning, he admitted paying 5,000,000 CFA francs each month in the form of cheques made out to an individual holding an account with a local bank. He declared that he had never met the person in question. These monthly payments were made to protect his family living under death threats in Nigeria. Investigations by intelligence services confirmed that this economic operator did indeed have family living in Kano and Maiduguri. The bank also confirmed monthly payments of 5,000,000 CFA francs from his account during the previous two years. The beneficiary of the cheques was identified by terrorists arrested after the aforementioned attacks as one of the local Boko Haram chiefs. Both he and the economic operator were brought before the competent courts.

Source : Chad

This case demonstrates continuity between the methods used by organised crime and those adopted by terrorists. Between the period of wayside robberies and the emergence of terrorism in Central Africa, there was almost a decade of prosperity of kidnappings with the payment of ransoms. From the north-west of the CAR to the shores of Lake Chad, the elder children of Peul lineages, the children of farmers and tradespeople and their children have in particular been kidnapped by various groups that have then demanded and obtained the payment of ransoms.
From 2003 onwards, tens of thousands of farmers, sometimes deprived of their cattle which they have had to sell to meet the kidnappers’ demands, moved away from insecure areas to find refuge in neighbouring countries. Despite the presence of security forces, many families have preferred to pay the ransoms as kidnappers have been known to execute a number of hostages when the money has not been paid. This phenomenon is continuing in the Region of Adamaoua in Cameroon. Unwillingly, parents are participating in the financing of organised crime and, in the aforementioned case, to the financing of Boko Haram. This applies to community leaders and families, who have faced the dilemma of giving in to the demands of Boko Haram or fleeing. Cameroon and Chadian security and legal sources have reported on this predicament of having to choose between the survival instinct or complicity with a terrorist organisation.

**Case n°1 : Financing of armed groups and terrorist acts by politically exposed persons**

In 2003, an “Alpha” country was repeatedly attacked on its border with the “Beta” country by an armed group from “Beta” which initially had no grievance with “Alpha”. The interception of telephone calls by leaders of the armed group revealed a significant number of calls to a Mr “Sam”, an economic operator and politician who is a national and resident of the “Alpha” country, who had business relations with a number of traders in the “Beta” country.

Investigations conducted into money transfer institutions and mobile telephone operators revealed that: it was at the request of “Yota”, a politician, citizen and resident of the “Alpha” country that “Sam” allegedly entered into contact with the armed group via its partners, the financial prey of the said group. This involved Yota inflicting terror in this part of the “Alpha” country, after the terrorist threat that had emerged in another part of this country. The terrorist acts and medical care of the group were financed by Yota either by money transferred to the group leaders or by cash carried by Sam, who frequently travelled to the “Beta” country.

Conclusion: Yota and Sam committed the crime of terrorism financing, as defined by the ECCAS Regulations and other legal provisions. This case is still being undergoing adjudication in the national courts of the “Alpha” country.

**Case n° 2 : Financing of terrorism and the laundering of the proceeds of terrorism by a local politician**

Mr “MOTO”, a national of country “A” of Central Africa, highly popular among the people of his region of origin, was contacted by the authorities of the Republic
to negotiate the release of foreign tourists taken hostage by the Boko Haram terrorist group. The demanded and negotiated ransom was paid and the hostages were released. Shortly after, other kidnappings occurred and the same procedure was followed to release the hostages.

Investigations undertaken revealed the following: Without being a member of the terrorist organisation, Mr Moto allegedly had acquaintances with whom he maintained intelligence to his benefit. After the first negotiations, Mr Moto put himself forward as a candidate and then won the local elections. His campaign was financed by the commission received from the negotiation. Mr Moto’s standard of living allegedly suddenly increased and he developed a number of business activities. After the first release transaction, he himself organised and financed other kidnapping operations, assisted by his acquaintances who were members of the terrorist organisation. It was established that Mr Moto committed the crime of financing terrorism, as well as laundering the proceeds of terrorism, as stipulated and punishable under legal provisions in force.

Mr Moto and several of his acolytes were brought before the relevant courts.

**Case n°1 : Financing through hostage ransoms**

In 2013 and 2014, Boko Haram carried out several operations that resulted in the kidnapping of people in the Extreme North of Cameroon. Four of the operations were specifically aimed at kidnapping designated targets. Security sources state the following facts:

- On 16 May 2014, Boko Haram members attacked the offices of a Chinese road construction company in Waza in the area of Logone and Chari. They seized 10 Chinese members of the staff, 10 vehicles and explosives;
- On 19 February 2013, seven French tourists were kidnapped near the Waza National Park in the Extreme North of Cameroon. Boko Haram confirmed it was holding them;
- In November 2013, a French priest was kidnapped in Nguechewe in the Extreme North of Cameroon in an operation apparently co-ordinated by Boko Haram and its Anasaru dissidence;
- In April 2014, two Italian priests and a Canadian nun were kidnapped in the parish of Tchéré near Maroua, by armed men belonging to Boko Haram;
- On 22 July 2014, hundreds of heavily armed individuals belonging to Boko Haram stormed the locality of Kolofata in the area of Mayo Sava, following an infiltration during the night from the Nigerian border. It was the day before a religious festival involving hundreds of people that had come to pay homage to a major political figure who originated from the town. This particularly violent attack resulted
in the kidnapping of 17 people, including the wife of the politician. All the hostages were released following negotiations. No official source has confirmed the payment of a ransom. However, a number of clues tend to suggest this was the case:

- Banknotes, probably part of the ransom, were seized;
- One of the negotiators was arrested by the security services and is still held in custody;
- One person was arrested and remains in custody in relation to the kidnappings;
- Certain intermediaries in the negotiations have been brought before the courts.

Source: cross-referencing of security, legal and open sources

**Typology 10 : Ambushes and looting**

**Case n° 1 :**

Mrs Amina was a stallholder at the seasonal market of Doumbère, where she sold a range of consumer goods, as well as second-hand items. In April 2016, along with eight other women, she was arrested by the security forces. Three months previously, the locality of Doumia had been looted by a group of armed individuals using trucks. They pillaged the locality, ransacking shops and stores which were emptied of large quantities of consumer goods and various items of equipment. Mr Hosha, a shopkeeper, who had numerous kitchen utensils stolen, then saw several cooking pots from his stock for sale by Mrs Amina on the market in Doumbère. Investigations revealed that Mrs Amina and her companions were regularly supplied by a dormant branch of Boko Haram, who gave them products and objects to sell. They also received remuneration. At the time of their arrest, they had already been active for a two-year period, during which time they had sold many items in various local markets.

**Case n° 2 :**

In July 2015, men named Alidou, Bouska and Isma were arrested by the security forces after being denounced by the head of the Birdina locality. Bouska had come to the village and been provided with accommodation by brothers Alidou and Isma.
The attention of the village head was drawn to the fact that Bouska had an amputated arm and followed an intensive care programme involving a large quantity of drugs. The village head notified the security forces which for some time had been looking for a group of individuals that had ransacked the pharmacy of Kounti Hospital Centre, stealing more than 10 tons of drugs and a range of pharmaceutical items. Descriptions of the criminals provided during the investigation matched those of Alidou, Bouska and Isma, whose group had just clashed with a national defence force of the country, resulting in the injury of Bouska, who had managed to escape. Their questioning revealed that the stolen drugs had been transferred to the general staff of the Boko Haram terrorist group.

As with cattle and fish, there are so many specific cases within this typology that it verges on a list of In Brief news items. Attacks targeting trucks and passenger transport vehicles, together with raids to plunder goods, are numerous and daily occurrences. They sometimes demonstrate the confusion between organised crime and terrorism. According to the testimonies of victims and the security sources, these attacks form the main method of providing supplies to Boko Haram units spread over different areas. In some cases, these are intentional deliveries of supplies, disguised as attacks on the trucks transporting them. This is where it is worth remembering that as membership of Boko Haram increases, recruits are obliged to self-finance from the spoils resulting from these attacks. The same observation applies to the LRA, who frequently pillage and carry out other aggressions on the belongings of people in the East of the CAR, in particular. According to the LRA Crisis Tracker, “The LRA (…) conducted 145 lootings between June 2011 and June 2012 … looting, or the stealing of goods, is serious and life-altering for geographically and economically isolated communities. When the LRA loots a community, they are robbing that community of not only its resources, but also its livelihood; and across the Democratic Republic of Congo (DR Congo) and Central African Republic (CAR), the LRA commits this atrocity daily17. «

**Typology n° 11 : Crime involving wildlife**

**Case n° 1 : The sale and exchange of poached products**

The Chadian defence and security forces have arrested poachers originating from several countries. They were in possession of a range of wildlife products (especially elephant tusks) resulting from their criminal activities. Among the arrested poachers were several terrorists listed as members of the LRA, and members of the Seleka group. When questioned, they stated they were on an assignment ordered by their respective general staffs to exchange these wildlife products for weapons,

cars and supplies, or else to sell them. The purchasers in this criminal network are the heads of the Janjaweed group based in Darfur, with whom the LRA and Seleka have business relations. During this operation, the defence forces recovered and confiscated a war weapon in their possession. Assisted by the consular services of a Western country, it was established that this weapon had been lawfully acquired by the Ugandan army in 1999.

Source: Chad

Case n° 2: Risk of fishing and the illegal traffic of fish products

The ban imposed by Niger on selling fish from Lake Chad led the Cameroon authorities to take an interest in the risk of the illegal exploitation of this resource by Boko Haram in its sections of the Lake. Observation of the fish market revealed that catches were in decline and the quantities sold had been halved over a three-year period, with fishermen no longer allowed access to the fishing areas or having simply given up the activity. The cumulative effect of the reduction amounted to a loss of business evaluated at 8,554,296,000 CFA francs (around €13,000,000). As insecurity had led to the departure of fishermen from the Lake Chad area, this had an improvised effect of a circumstantial biological rest period. This resulted in an increase in number and strong development of fishing resources, leading to larger catches and larger fish. This now provides bait for the terrorists who target the fishermen attracted by this boon, who have no hesitation in fishing despite the dangers to which they are exposing themselves.


This typology raises the increasing problem of environmental crime. Armed groups are responsible for the widespread taking of natural resources and protected spaces. Despite the security and regulatory measures taken to protect elephants in particular, their tusks are at the core of increased trafficking between Central Africa and Asia. The determination of poachers is matched by their operating methods, which involve mobilising small armies and using heavy weaponry. This was the case in January 2012, with the massacre of hundreds of elephants for their tusks in the Bouba Ndjidda Reserve in Cameroon.

18 https://www.savetherhino.org/rhino_info/thorny_issues/is_elephant_and_rhino_poaching_funding-terrorism
Although these poachers came from Chad, investigations have shown that poachers also come from other countries, especially Sudan. Links have emerged with the Janjaweed, who are involved in arms trafficking into Central Africa. This is a criminal economy financed by resources raised via criminal acts and reinvested in trafficking aimed at maintaining organised crime, including terrorism. In this context, it appears increasingly evident that Al Shabbab, the Janjaweed and the LRA are engaged in the lucrative trafficking of rhinoceros horn and ivory to Asia. Investigations by Central African security services have also shown that ivory stored on the Central African territory is exchanged by members of the LRA for uniforms, weapons, chargers and munition supplied by the Janjaweed militia of Darfur. They deliver the ivory to intermediaries, who then sell it on to the Asian markets. As an example, the discovery of a stash of elephant tusks in the Central African jungle near Djéma (north-east CAR, close to Darfur) further confirmed the importance of poaching in the mechanisms for financing the LRA. Advanced military training of eco-wardens, together with militarised protection of wildlife reserves and monitoring of isolated deposits of gems need to be strengthened in most countries on account of the gold rush observed in Chad, continued attacks on elephants in Cameroon and the CAR and many other forms of illegal access to natural resources. This situation once again raises the need for cross-border partnerships.

V.2. Risk indicators and red flags

V.2.1. Risk indicators of the financing of terrorism

These are not formal cases, but probable mechanisms.

- Production and sale of agricultural products: people living on the shores of Lake Chad receive modest amounts of money from Boko Haram in the form of loans to finance the growing of potatoes, onions and other vegetables and sell them on local markets. (Security sources).

- Informal manual currency exchange: a Cameroon FIU report states that the activity of manual currency exchange is flourishing in Douala and Yaoundé. This mainly involves private operators, mostly originating from Mali, the Ivory Coast, Senegal and Guinea. Informal manual currency exchange was widespread in the Amchidé-Banki region before locals were forced to leave the area due to insecurity. Boko Haram had installed one of its bases in Banki.

- Precious metal trafficking: the control of Anti-Balaka, ex-Seleka and other politico-military armed groups over the mining areas of CAR is likely to promote trafficking for terrorist groups operating in Central Africa and beyond.

19 Sources: Journal de Bangui du 12 février 2013, Ministère des eaux et forêts de la RCA.
V.2.2. Risk indicators of the expansion of terrorism and red flags

- Boko Haram members arrested following the N’Djamena attacks revealed the existence of cells in other areas of Chad and Kousseri, in particular;

- The persistence of violent extremism in CAR, which is likely to attract jihadi terrorist groups;

- Piracy attacks on petrol tankers in Gabonese territorial waters in 2015 and wide-scale poaching in the Mikebe border area between Cameroon and the Congo both contribute to the risk of terrorism financing activities expanding into this part of Central Africa. This zone contains nationals of a number of countries (Gabonese, Cameroonian, Congolese, Central Africans, Chadians, Senegalese, Burkinabes, Malians, Chinese, Malaysians, Ghanaians and Lebanese, etc.), who carry out numerous offences, including poaching, mining precious metals (including gold) and deforestation;

- Nationals from Cameroon and Chad, trained in terrorism in the ranks of Boko Haram, which has recruited them in large numbers, constitute an ongoing, latent threat;

- The absence so far of any de-radicalisation policies promotes the persistence of terrorism. This also applies to the mixed results of DDR policies, which lead to fighters being recycled into other forms of violence;

- Central Africa is in contact with regions under the threat of terrorist groups, pirates and other criminal groups, whose movements in porous border zones facilitates repeated threats and the potential infiltration of terrorist activities;

- Low security levels in identification and nationality documents facilitate the hiding of terrorists and other wanted persons;

- Without the perpetuation of sub-regional mechanisms to fight terrorism, such as the Multinational Joint Task Force, there is a risk that the terrorist groups will relocate.
Conclusion

This study shows that Boko Haram draws advantage from a regional environment that facilitates cross-border criminal activity. The porosity of borders, integration of economic and social networks in the border zones of the Chad Basin, the informal nature of economic exchanges and the existence of an itinerant economy based on the sale of produce are some of the endogenous factors that the organisation instrumentalises both to carry out its attacks and mobilise its resources. Poverty and the under-employment of young people, who in addition receive little formal education, provide it with a recruitment pool of people whose socio-economic frustrations are instrumentalised within the framework of an insurgency that is both ideological and socio-economic in nature.

The movement of cash from one market to another or one country to another facilitates the concealment of transactions. Overall, it has emerged that it is the regionalisation of business networks, community identities and exchanges that enables the organisation to diversify its sources of finance, move stolen goods and raise funds. Insufficient cross-border cooperation as regards security in general and the fight against terrorism in particular, are a factor that contributes to the ongoing persistence of threats. To this is added the corruption and deficiencies reported in the implementation of instruments to combat terrorism financing contained in the relevant FATF Recommendations and community texts.

Recommendations

The recommendations are chiefly aimed at States, as they provide the impetus and guidelines required for implementing the legal instruments, training and partnerships suggested by the Task Force:

A. A. Regulation or implementation of existing norms

1- Adapt national and sub-regional regulations and laws to the new terrorist threats and their financing, taking into account their specific nature and sensitivity. Investigation procedures, characterisation of offences and powers of investigative authorities must be in line with the new trends in this area of crime.

2- Adopt national and sub-regional legislation that supervises financial messaging and enables effective control of transfer operations involving funds and securities made by money transfer companies both internally and internationally. In this context, it is urgent to oblige international money transfer companies to create a national and legally independent entity that is accountable for operations performed within their network.
3 - Implement a mechanism to detect and neutralise “Hawala” type networks, which enable funds and securities to be moved without any traceability.

4 - Improve supervision of new methods of payment implemented by economic players as part of financial inclusion policies, in order to prevent misuse by terrorist groups.

5 - Revitalise and empower administrations that oversee NPOs and especially NGOs. Accreditation procedures, identification of their directors, control of their activities, formal determination of their source of financing and knowledge of their bank accounts are a fundamental aspect of the fight against terrorism financing. More widely, implement the relevant recommendations of the typology exercise on the misuse of NPOs in the financing of terrorism in Central Africa.

6 - Urgently take measures to computerise civil status and improve the security of national identities.

7 - Implement Regulation no. 02/03/CEMAC/UMAC/CM of 4 April 2003 on payment systems, methods and incidents, the provisions of which should considerably reduce the movement of cash in economic transactions.

8 - Strengthen national and community legislation on environmental crimes.

9 - Implement all the FATF Recommendations on terrorist financing.

**B. Training those involved in combating terrorist financing**

1. Train those involved in the chain of the prevention and suppression of terrorism and its financing with respect to financial investigation and counter-radicalisation methods. Disseminate the various typologies of terrorism financing recorded worldwide among the departments responsible for applying the law.

2. Raise awareness among those involved on the diligence required in terms of detecting operations potentially linked to terrorist financing.

**C. National and sub-regional partnerships**

1. Involve the GABAC with all forums organised by the ECCAS involving security problems in the sub-region;

2. Encourage consultations between the various monetary authorities and the BEAC/COBAC for improving supervision of manual currency exchange operations. Due to the security context, States should prohibit the direct importing of currency by commercial banks and micro-finance institutions. As a parallel move, strict measures should be introduced to counter informal currency markets, whilst reviewing applicable laws to facilitate the opening of currency exchange offices by
those operating in the informal sector, which would improve clarity in the movement of currency.

3. Bring the relevant public services and financial institutions of all kinds together onto a permanent platform for consulting and exchanging information on terrorist financing.

4. Create a cooperation framework for services, which could take the form of a “National Criminal Intelligence Centre», comprising the financial intelligence services, police intelligence units, local police, the army, customs and external intelligence services. This Centre would fuse information held separately by the various entities. Intelligence produced by this Centre should be able to be used directly as proof during legal proceedings.

5. Create exchange platforms between the CRF and other intelligence services and ensure they attend appropriate meetings to which the GABAC is also invited. The cost involved in this participation should be paid by the States.

**D. Implementation of integrated strategies for combating terrorism and its financing**

1. Draw up a sub-regional anti-terrorist strategy adapted to developments in the threat and endogenous financing risks

2. Carry out urgent actions to resolve the socio-economic problems of underprivileged groups, particularly young people.

3. Update data on poaching in the sub-region and its potential links with criminal systems operating in, from and towards Central Africa; render the sub-regional force operational in combating this phenomenon.
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