

AUSTRAC – Misuse of ICT in Terrorism Financing

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Introduction

- ICT and Terrorism Financing
 - What is the Risk?
- Virtual Currencies
- Online Crowd Funding





ICT and Terrorism Financing

- Tool Kit approach
 - Open source block chain analysis
 - Links bitcoin wallets to biographical details
 - Law enforcement data holdings
 - Classified data holdings
 - Financial indicators
 - Suspicious Transaction Reports



ICT and Terrorism Financing

- SMRs referrals
- Law enforcement data bases
- Profiles over AUSTRAC data base
 - Money mules
 - Elder / romance scams
 - Targeting profiles



Risk of the use of ICT for Terrorism Financing

- Highly Vulnerably
- Unknown likelihood
 - General acceptance of increasing likelihood
- Post ISIL - Iraq and Syria
 - Increasingly cyber aware
 - Returnee Foreign Terrorist Fighters





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Virtual Currency

- Understanding virtual and crypto currencies
 - How they interact with financial Institutions
 - What is their AML/CTF Risk?
 - Their role as a reporting entity



Interactive Environment

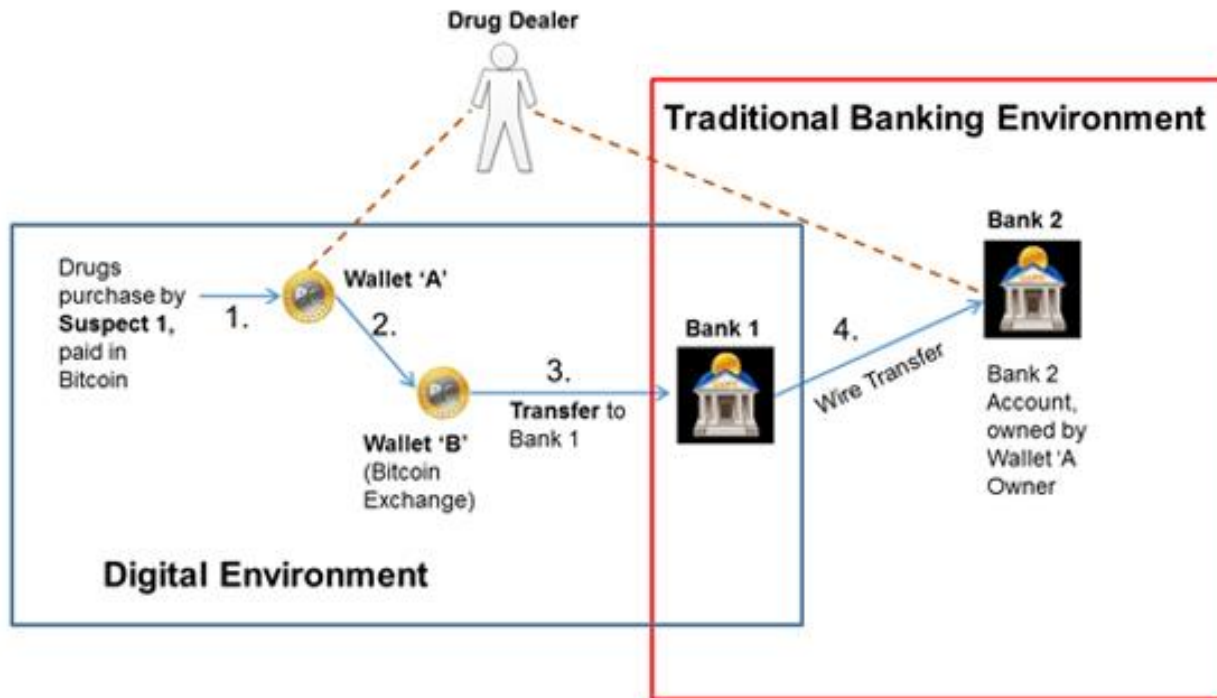


Figure 1. Interactive Environment, Peter Warrack – University of Toronto 2014



Virtual Currencies Cont.

- Review of AML/CTF Act to include virtual and crypto currencies.
 - To crypto currency distributors to be regulated, or allow voluntary reporting





Online Crowdfunding Platforms

- Unregulated charities
 - No obligations to adhere to advertised cause
- Operate in open and closed spaces
 - Public crowd funding platforms
 - Private closed groups
- Reliant on bank identification
 - Often non-reportable transactions



Questions?



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