

Some of the “Red Flag” indicators are:

- Account transactions that are inconsistent with past deposits or withdrawals (cash, checks, wires, etc.).
- Transactions involving a high volume of incoming or outgoing wire transfers, with no logical or apparent purpose, that come from, go to, or transit through locations of concern (i.e., sanctioned countries, non-cooperative nations, sympathizer nations).
- Unexplainable clearing or negotiation of third party checks and their deposits in foreign bank accounts.
- Structuring at multiple branches or the same branch with multiple individuals.
- Corporate layering; that is, transfers between bank accounts of related entities or charities for no apparent reasons.
- Wire transfers by charitable organizations to companies located in countries known to be bank or tax havens.
- Lack of apparent fund-raising activity (i.e., lack of small checks or typical donations) associated with charitable bank deposits.
- Using multiple accounts to collect funds that are then transferred to the same foreign beneficiaries.
- Transactions with no logical economic purpose (i.e., no link between the activity of the organization and other parties involved in the transaction).
- Overlapping corporate officers, bank signatories, or other identifiable similarities associated with addresses, references, and financial activities.
- Cash debiting schemes in which deposits in the United States correlate directly with ATM cash withdrawals in countries of concern. Reverse transactions of this nature are also suspicious.
- Issuing checks, money orders, or other financial instruments, often numbered sequentially, to the same person or business, or to a person or business whose name is spelled similarly.

How You Can Help

Although the United States is confronted with a cunning, devious enemy, the financial and trade communities have shown extraordinary vigilance and dedication in reporting suspicious activity believed to be terrorist related, adhering to the reporting requirements under the Bank Secrecy Act.

Perhaps more than any other, these two business sectors have been of great service in helping the nation combat terrorism and dismantle its financial infrastructure.

Operation Green Quest is partnering with the financial and trade communities and is encouraging more businesses to seize the initiative in reporting suspicious financial and business transactions believed to be terrorist related.

No government expertise can match the knowledge of those in the most affected industries — banking, accounting, stock and commodities brokering, to name just a few — in understanding the structural, procedural, administrative, managerial, functional, or other vulnerabilities that might exist in these systems.

This program is voluntary; it does not replace the legal obligation to report suspicious or unusual transactions.

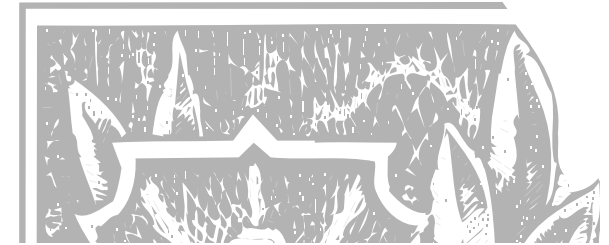
If you believe you have witnessed, or have information about, a financial transaction that could be related to terrorism — or if you have any questions at all about OPERATION GREEN QUEST — we urge you to call (202) 927-0840. You may also contact the U.S. Customs Service using the information below.



U.S. Customs Service
Office of Investigations
1300 Pennsylvania Avenue, NW
Washington, D.C. 20229

Please visit the U.S. Customs Web Site at www.customs.gov
TO REPORT POSSIBLE ILLEGAL FINANCIAL ACTIVITY,
PLEASE CONTACT
1(800) BE ALERT

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**U.S. Customs Service
Office of Investigations**
www.customs.gov



GREEN QUEST

Overview

OPERATION GREEN QUEST is a multi-agency terrorist financing task force that brings the full scope of the Treasury's financial expertise to bear upon

"...Identifying, disrupting, and dismantling the financial infrastructures and sources of terrorist funding."

The Treasury Department established Operation Green Quest in October 2001 as an essential part of America's response to the events of September 11.

Green Quest includes representatives from the Customs Service; Internal Revenue Service; Secret Service; Bureau of Alcohol, Tobacco and Firearms; Office of Foreign Assets Control; Financial Crimes Enforcement Network; Federal Bureau of Investigation; Postal Inspection Service; Naval Criminal Investigative Service; and Department of Justice.

By coordinating investigations of terrorist financing, Green Quest assures it is proceeding according to national priorities and presidential directives. Further, as the epicenter for such investigations, Green Quest is in constant contact with law enforcement, intelligence, and financial establishments worldwide, as it coordinates with its member agencies, while redirecting resources to meet national-security objectives.

Sources of Terrorist Funding

For a terrorist organization to prosper, it must:

- Build and maintain an effective financial infrastructure
- Develop sources of funding
- Establish a way to transmit funds
- Assure that funds can be used to acquire the items needed to commit terrorist acts

Financial activities typically associated with, and often indicative of, terrorist funding activities, have emerged as a result of Green Quest's investigative efforts. Some indicators include:

Charity or Relief Organizations

A variety of methods may be used to collect funds for philanthropic or humanitarian causes. Solicitation methods range from obligatory religious donations to direct-mail and Internet appeals. Part of these funds, which are primarily dedicated to third-world charitable causes, have been and are susceptible to being diverted to terrorist networks, often without the donor's knowledge.

Legitimate Enterprises

Terrorist groups are increasingly using so-called "front companies" — legitimate businesses that commingle legally and illegally obtained funds in order to avoid

suspicion — to generate revenue for their networks and activities. These businesses run the gamut from convenience stores to international investment-management services. Terrorist organizations are also exploiting international trade by converting susceptible assets like cash into precious commodities like gold and gemstones. Gems and precious metals are then universally convertible to "operational" assets; (i.e., cash).

Illicit Enterprises

Profits from a variety of criminal enterprises benefit terrorist organizations. Some of the more common are:

- Drug manufacturing, smuggling, and distribution
- Identity theft for profit
- Credit-card, insurance, welfare and food-stamp fraud
- Theft, adulteration, and resale of infant formula
- Counterfeit merchandise schemes involving a host of consumer items such as designer clothing, jewelry, fashion accessories, and household products
- Interstate cigarette smuggling
- Alternative remittance systems and unlicensed currency remitters

Indicators of Suspicious Activity

Certain types of business and financial transactions serve as "indicators," or "red flags" that call for further scrutiny by the banking and trade communities.

On their own, some of the indicators listed below may not reach the threshold that would prompt an institution to file a Suspicious Activity Report (SAR). Nonetheless, these indicators are characteristic of the kinds of activity that Operation Green Quest is analyzing as it follows the money.

Recognizing that these red flags are dynamic and evolving, Operation Green Quest will update affected industry by updating this pamphlet with newly-identified indicators.

"Finding the Missing Piece of the Terrorist Puzzle"