



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
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MEMORANDUM FOR DEPARTMENT OF DEFENSE
LEAD INSPECTOR GENERAL

FROM: Gregory Sullivan /s/
Audit Director

SUBJECT: Operation Inherent Resolve - Summary of Work Performed by
the Department of the Treasury Related to Terrorist
Financing, ISIS, and Anti-Money Laundering for First Quarter
Fiscal Year 2020

This summary provides an update on the Department of the Treasury's (Treasury) programs to combat terrorist financing and activities to disrupt the Islamic State of Iraq and Syria's (ISIS) financing. Per your request, we have provided this information in a question and answer format to help streamline the information.

Q1. In a publicly releasable format, provide information on individuals and organizations sanctioned for providing support to ISIS as follows:

a. The cumulative number of individuals and organizations sanctioned (by Treasury, not cumulative with State) for providing support to ISIS since 2014.

Treasury uses the full range of its authorities to aggressively target ISIS leaders and operatives around the world. These efforts have resulted in the United States designating 95 ISIS-associated individuals and organizations since 2014.

b. Details on individuals and organizations sanctioned for providing support to ISIS during the reporting period: October 1, 2019 – December 31, 2019.

On November 18, 2019, Treasury designated the following ISIS senior officials, procurement agents, linked companies, and charitable organizations pursuant to Executive Order (EO) 13224.¹

Sahloul Money Exchange Company (Sahloul)

Sahloul held deposits from ISIS linked individuals seeking transport out of Syria to Turkey. In late 2016, Sahloul facilitated the transfer of foreign donations to ISIS's then-headquarters in Mosul, Iraq. Additionally, Sahloul transferred thousands of dollars to ISIS operatives in Turkey.

Al-Sultan Money Transfer Company (Al-Sultan)

Al-Sultan was involved in transferring ISIS money. An ISIS associate identified Al-Sultan as an exchange that could be used to avoid scrutiny when transferring funds.

Tawasul Company (Tawasul)

A Syria-based ISIS financial facilitator transferred funds via Tawasul's office in Harim, Syria. ISIS allegedly had used Tawasul, as well as multiple other companies in Syria and Western Europe, to transfer money among ISIS fighters.

ACL Ithalat Ihracat

ACL Ithalat Ihracat is owned, controlled, or directed by Ismail Bayaltun. Ismail Bayaltun was the Chairman of the Board of Directors of ACL Ithalat Ihracat and operated ACL Ithalat Ihracat with his siblings.

Ismail Bayaltun

Ismail Bayaltun and his brother Ahmet Bayaltun, through a company they owned in Sanliurfa, Turkey, provided support to ISIS fighters.

¹ EO 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism" (September 23, 2001) targets terrorists and those who have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of terrorists.

Ismail Bayaltun and his siblings provided material support to ISIS through ACL Ithalat Ihracat. The company supplied ISIS with equipment.

Ahmet Bayaltun

Turkey-based Ahmet Bayaltun was identified as an ISIS procurement agent.

Nejaat Social Welfare Organization (Nejaat)

Nejaat was used as a cover company to facilitate the transfer of funds and support the activities of ISIS-K. Afghan leaders of ISIS-K held planning meetings under the cover of a Salafi solidarity meeting sponsored by Nejaat. Executive members of Nejaat and Salafi leaders in Afghanistan led the meeting, some of whom were financial supporters of Nejaat. Rohullah Wakil, also designated, was one of the executive members of Nejaat who co-led the meeting.

An ISIS-K facilitator managed a non-governmental organization called Nejaat. An ISIS-K recruiter worked at Nejaat and recruited ISIS-K fighters in Kabul and arranged for their travel to Nangarhar Province. Nejaat collected donations on behalf of ISIS-K from individuals in Qatar, the United Arab Emirates, Iraq, and other Middle Eastern countries. Money was then transferred from the Gulf to Asia, via the banking system, where an ISIS-K coordinator would collect the transferred funds. Nejaat's offices in Kabul and Jalalabad distributed the funds to ISIS-K commanders.

Sayed Habib Ahmad Khan

Sayed Habib Ahmad Khan was identified as the director of Nejaat. He is located in Kuwait. Additionally, Sayed Habib Ahmad Khan was identified as an ISIS-K facilitator.

Rohullah Wakil

Rohullah Wakil materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-K. Rohullah Wakil is an executive member of Nejaat who co-led a Nejaat Salafi solidary meeting which served as a cover for ISIS-K planning.

c. The number, if any, of previously sanctioned individuals and/or organizations removed from the sanctions list during the reporting period: October 1, 2018 – December 31, 2019.

No sanctioned individuals or organizations were removed from the sanctions list this reporting period.

d. Describe what is being done with Coalition partners in Iraq and Syria to disrupt ISIS financial networks.

In addition to the above designations, Treasury leverages its participation and influence in several multilateral fora to develop a shared understanding of the threat posed by ISIS, as well as encourage countries to take action within their jurisdictions and in coordination with others to disrupt ISIS financing and facilitation. During this reporting period, Treasury met with Coalition partners on several occasions:

- On November 19th and 20th, the Counter ISIS Finance Group (CIFG) met in Luxembourg City. The CIFG is a 56-member working group on countering ISIS finances and is part of the Global Coalition to Defeat ISIS. The CIFG met to assess progress made in the effort to disrupt ISIS's finances in previous months and to discuss how the Coalition can most effectively adapt to the new methods ISIS is using to raise and transfer funds. Panels focused on ISIS's regional ambitions in Europe, Southeast Asia, and Africa; ISIS's use of front companies; and efforts to undermine Iraqi reconstruction.
- In October and November 2019, Treasury hosted multiple delegations of Iraqi counterparts, including from the Kurdistan Regional Government, to reinforce the importance of continuing and reinforcing cooperation on identifying and disrupting ISIS fundraising and financial facilitation networks, front companies, and financial reserves.
- In September 2019, the Assistant Secretary for Terrorist Financing traveled to Baghdad and Irbil, Iraq to discuss, among other issues, joint Iraqi-U.S. efforts to target ISIS's financial reserves, investigate ISIS's financial networks operating across Iraq, including the Kurdistan Regional Government, and joint designations by the United States and Iraq.
- Treasury continues to work with interagency and Iraqi partners to prioritize identifying ISIS's financial reserves and financial leaders, disrupting its financial facilitation networks in Iraq, and designating

ISIS facilitators, front companies, and fundraisers in Iraq, Syria, Turkey, and elsewhere.

e. Describe ISIS funding in Syria, to include the estimated amount of funds at its disposal, how funds are generated and distributed, and any shortfalls in the amount or distribution of funds this quarter.

Since October 2019 when the United States withdrew from Syria, our ability to assess trends in ISIS financing in Syria has declined. ISIS continues to raise funds through extortion, looting, kidnapping for ransom, and the use of front companies. ISIS continues to have access to financial reserves in the hundreds of millions of dollars even as it works to rebuild its significantly reduced fundraising networks. ISIS primarily uses cash couriers, hawaladars, and money services businesses to move funds within and out of Syria and Iraq. Treasury assesses that the group's revenues in Syria remain at historic lows due to its lack of territorial control over extortable populations or recurrent access to natural resources. However, ISIS continues to adapt its financial model to respond to its fundraising challenges.

f. Describe whether the U.S. withdrawal of forces from northeastern Syria had any impact on ISIS financing this quarter? In particular, address ISIS's ability to smuggle oil within the region.

ISIS continues to generate revenue by extorting oil smuggling networks in northeastern Syria, though Treasury assesses these revenues to be small in proportion to the group's other main sources of income, including kidnapping for ransom, extortion, and looting in Iraq. Since the U.S. withdrawal from Syria and the associated loss of critical collection platforms, Treasury's insight into ISIS's fundraising and cash storage activities in Syria has decreased significantly, further limiting its ability to assess trends in ISIS financing in Syria.