

# How might a charity be abused for terrorist purposes?

Charities exist to create better societies. The charitable sector is diverse and far-reaching, spanning many different types, aims, activities, sizes and places. They are however, united by a commitment to voluntary action; they have a desire to improve society, giving people a voice and improving quality of life. Many charities tackle potential causes of alienation in communities. Some concentrate on promoting and upholding human rights. Others provide aid or supply essential services.

The sector's impact is both domestic and international. Charities often operate in areas of high risk in the UK or internationally, where the need can be greatest. They extend to sections of communities that sometimes governments find hard to reach, working to deliver in extreme or adverse conditions. Their awareness and understanding of local issues is often greater than that of public or private bodies because of their closeness to the people themselves.

Charities, like other parts of society, condemn terrorist acts and indeed do much to alleviate conditions that may lead people to turn to extremism or terrorism. The Terrorism Act 2000 consolidated earlier counter-terrorism legislation and has been supplemented by additional legislation. **CONTEST** sets out that the threat posed by international terrorism is different in nature and scale from the terrorist threats faced in the past. International terrorism is motivated by an extremist ideology and exploits modern travel and communications to spread through global networks. It is ever-evolving, as terrorists continue to develop new methods and make use of new technologies.

In our experience, proven instances of terrorist involvement in the charitable sector are rare but completely unacceptable. However, charities are vulnerable to terrorist and other criminal abuse for a number of reasons. Charities:

- enjoy high levels of public trust and confidence, which is crucial to their success;
- often rely on goodwill and voluntary support in one form or another;
- are diverse in nature, providing a broad range of activities and reaching all parts of society. Because of this reach, large numbers of people come into close contact with charities, including those who may abuse them, through their services, the use of their property and through their trustees and volunteers;
- are relatively easy to set up;
- may depend on one or two individuals who play a key, and often unsupervised, role, particularly with smaller charities;
- have a global presence, including in conflict areas and/or where there is little infrastructure, and frequently move money, goods and people to these areas;
- often have complex financial operations including multiple donors, investments and currencies, often receiving and using cash, having to account for high volumes of small scale transactions and using informal money transfers;
- may have complex programmes of operation and may pass funds through intermediary partner organisations to deliver their services, as well as operating directly themselves;

- may have unpredictable and unusual income and expenditure streams, so suspicious transactions may be harder to identify;
- may have branches and/or projects that are not under the direct supervision or regular control of trustee management;
- may be subject to different and, in some cases, weaker levels of regulation in different parts of the world; and
- are powerful vehicles for bringing people together for a common purpose and collective action, and may inadvertently provide a ready-made social network and platform of legitimacy for terrorists or terrorist sentiments.

Additionally, there may be factors that increase the vulnerability of some charities; for example, those which operate in certain international areas or engage in a particular type of work. However, it is clear from the enormous diversity of the sector that the risks will vary in each case. Charities working solely in the UK may experience high risks as well as those operating abroad, although the nature of those risks will differ.

All parts of the UK economy, including the financial sector, are tightening their safeguards and defences against terrorist abuse. As avenues for terrorists to exploit in these sectors are closed off, there is an increasing risk of attention focusing on others, including the charitable sector. It is the purpose of this guidance to raise awareness and explain the key counter-terrorism legislation, whilst helping charities to develop their own risk measures and procedures.

As explained above, the abuse of charities for terrorist purposes may take a variety of different forms, especially given the diverse nature of the charitable sector. The reputation of charity, the international reach of many charities – including into hard to access or vulnerable communities – and their financial systems, can all provide openings for terrorists. While the risks of abuse may increase if a charity works in unstable or high risk countries overseas, the risks can be present for charities working in the UK as well.

A charity's funds, facilities and name are precious assets and vulnerable to exploitation for terrorist purposes. In our experience, these are usually at greater risk from influences outside the charity, although abuse can also happen from within the charity or be carried out by someone connected to it. People who seek to abuse charities may see them as a vulnerable target because of the high level of public trust and confidence there is in the charitable sector. Abuse might occur in the following ways:

## Charity funding

Funds may be raised in the name of a charity or charitable purposes, which are then used by the fundraisers for supporting terrorist purposes, with or without the knowledge of the charity. Where a charity's funds are being moved from one place to another, including internationally, they could be diverted before reaching their intended recipients. A charity might be used to launder money or be used as a legitimate front for transporting cash or other financial support from one place to another. This risk is increased if the charity's financial controls are weak. The recipients themselves could misuse the funds, a risk that increases if proper due diligence checks are not carried out first on the recipient.

## Use of charity assets

Charity vehicles might be used to transport people, cash, weapons or terrorist propaganda, or charity premises used to store them or arrange distribution. Individuals supporting terrorist activity may claim to work for a charity and trade on its good name and legitimacy in order to gain access to a region or community. They may use the charity and/or its name as a seemingly legitimate cover to travel to difficult to reach places to take part in inappropriate activities such as attending terrorist training camps. The communications network of a charity could be exploited to allow terrorists to contact or meet each other. Sometimes the charity may simply provide the opportunity for terrorists to meet. These activities may well take place without the knowledge of the charity or its trustees.

## Use of a charity's name and status

Terrorist activities may be hidden by or take place alongside additional, and otherwise legitimate, charitable activities. A charity may give financial or other support to an organisation or partner that provides legitimate aid and relief. However, that organisation or partner may also support or carry out terrorist activities. A school that teaches terrorist ideology or trains terrorist recruits alongside proper classes may be able to provide full receipts for the school books bought with charity funds. Its terrorist activities would make it completely unacceptable for a charity to support that organisation.

If an alternative purpose of an organisation which distributes food is to support terrorism, this is not a legitimate charitable activity. If the organisation has relief purposes, but chooses to provide relief only to the families of terrorists or a particular terrorist organisation, this is also not legitimate activity. While each family may be in need, the unstated purpose becomes to help the terrorist or terrorist organisation's work.

## Abuse from within a charity

Although it is less likely than abuse by third parties, those within a charity may also abuse their position within the charity and the name of charity itself for terrorist purposes. This might include 'skimming' off money in charitable collections and sending or using the funds to support terrorist activities. People within a charity may arrange for or allow charity premises to be used to promote terrorist activity or extremist ideology. Trustees themselves may also be held accountable for engaging in behaviour or making inappropriate comments for a similar purpose. Charities may invite speakers or use volunteers they know to be likely to promote extremist views to influence the charity's work. They may abuse the charity by allowing those involved in terrorist activity to visit or work with them.

## Sham charities

In extreme cases, terrorists may try to set up an organisation as a sham, promoted as charitable but whose sole purpose is really to raise funds or use its facilities or name to promote or coordinate inappropriate and unlawful activities.