

September 11: The 20-year journey

Certain events are etched in our minds forever. For those of us who were working in the public or private sector on September 11, 2001, the attacks against the U.S. by al-Qaeda were clearly one of those historic moments that remain embedded in our minds. For those of us who began our careers subsequent to that fateful day, the 20th anniversary of 9/11 is a somber time to take a step back and gain perspective.

September 11, 2001, began as a peaceful and beautiful day on the East Coast of the U.S. At 8:00 a.m. EST, people were going about their daily routine clueless about the catastrophe that was minutes from unfolding on four planes at airports in Boston, Newark and in Northern Virginia. At 8:19 a.m., the first hint of a problem came when flight attendants on one of those planes notified the airline that their flight had been hijacked. At 8:46 a.m., that plane crashed into the North Tower of the World Trade Center. Initially, most people believed it was a tragic accident. Then, at 9:03 a.m., a second plane crashed into the South Tower of the World Trade Center. At that point, a sense of numbness set in with the realization that this was no accident. It was a moment in time that will never be forgotten. The shock was further amplified at 9:37 a.m. when a third plane crashed into the Pentagon. The horror was intensified for the next half hour with the reporting of a fourth plane being hijacked and heading toward Washington, D.C. At 10:03 a.m., because of the heroic action of passengers on board, that flight suddenly crashed in a field in Shanksville, Pennsylvania.

What we knew and what we learned

What we knew was that al-Qaeda was a terrorist organization operating in Afghanistan under the protection of the Taliban. Its leader Osama bin Laden had an intense hatred for the U.S. There were numerous warning signs about bin Laden's aspirations and intent to attack U.S. interests around the world. Unfortunately, as a nation, the U.S. had a false sense of security and invincibility against an international terrorist attack to the homeland.

What we learned in a humbling fashion was how vulnerable an open society like the U.S. is to terrorism. We also learned how adept and adaptive al-Qaeda was at identifying and exploiting systemic vulnerabilities. Conversely, during the immediate investigative response to the 9/11 attacks, the U.S. quickly determined that al-Qaeda and, more broadly, terrorists had two major vulnerabilities: communications and finance. Within weeks after the attacks, the FBI established a communications and financial timeline to trace the origin of the attacks to al-Qaeda.

In the aftermath of the 9/11 attacks, the U.S. Congress established the 9/11 Commission. Their findings were published in the "9/11 Commission Report." This report was the most authoritative, comprehensive, objective and reliable account addressing 9/11. It set forth in great detail how al-Qaeda planned and successfully executed the attack; the vulnerabilities, shortcomings and failures of the U.S. government that offered al-Qaeda the opportunity to succeed; and the countermeasures taken by the

U.S. in response. Importantly, the report provided 41 recommendations for the government to adopt to establish best practices and minimize future threats.

The 9/11 Commission issued a report card regarding the progress being made by the U.S. government responding to terrorism. The highest grade was for the response to terrorist financing, A-. An underlying reason for this was the level of cooperation and partnership the interagency community developed in the form of a working group known as the Policy Coordinating Committee for Terrorist Financing, coupled with what the 9/11 Commission “Monograph on Terrorist Financing” described as “extraordinary cooperation” with the financial community.

Pre-9/11 threat environment

With a false sense of national security, the U.S. government considered counterterrorism a low priority. Consequently, there was a lack of dedicated government resources; a lack of adequate human intelligence; minimal and inconsistent terrorist financing investigations; and ineffective sanctions. These shortcomings were exacerbated by a lack of information sharing between U.S. law enforcement and intelligence agencies. From a financial intelligence perspective, there was a need for more robust Bank Secrecy Act (BSA) regulations and reporting.

Warning signs for the 9/11 terrorist attack originated with the first World Trade Center bombing in February 1993. A massive truck bomb was detonated in the parking garage under the Twin Towers. The intent of that bombing was to cause the Towers to collapse. Although there were serious damages and fatalities, the attack did not achieve the desired results. The mastermind for this attack was Ramzi Yousef. He was the nephew of Khalid Sheikh Mohammed (KSM), who, in turn, was the mastermind for 9/11.

From 1993 to 2001, there were numerous other warning signs. In 1994, Yousef and KSM developed the Manila Air or Bojinka plot in the Philippines. This plot was intended to detonate bombs simultaneously in a series of flights from Asia to the U.S. The Philippine police disrupted the scheme. In 1996 and 1998, bin Laden issued fatwas, a form of a ruling or order, against the U.S. The first fatwa called for Muslims to kill U.S. soldiers; the second called to kill Americans. Al-Qaeda bombed two U.S. Embassies in East Africa in 1998 and the USS Cole in 2000. Mixed in with these activities was fragmented periodic intelligence reporting about likely terrorist attacks in the U.S.

Prior to 9/11, terrorist financing was not a priority for the intelligence community. Likewise, law enforcement, particularly the FBI, did not systemically address terrorist financing. Yet, CIA intelligence reporting before 9/11 advised that al-Qaeda’s cash flow during this time was steady and secure.

9/11 attacks

In 1996, KSM met with bin Laden in Tora Bora to propose an operation to attack the U.S. KSM’s Tora Bora proposal involved hijacking 10 planes, in the U.S., to attack targets on both the East and West Coasts. KSM’s plan was too grandiose, and bin Laden turned it down. Subsequently, in early 1999, bin Laden met with KSM in Kandahar, Afghanistan. At this meeting, bin Laden approved KSM’s plan to hijack large commercial planes and use them as missiles to attack targets in the U.S. Shortly thereafter, a series

of meetings were held involving bin Laden, KSM and Mohammad Atef, al-Qaeda's military chief and top advisor to bin Laden. At these meetings, plans for the 9/11 attacks were developed, including initial target selection. Although the seed for the 9/11 attacks was planted in 1993, the plot was not conceived until 1999. The combination of bin Laden's organizational leadership and commitment of al-Qaeda resources in the form of funding and operatives with KSM's planning and operational leadership made the plot viable.

The core participants in the 9/11 plot fall into three general roles: the leaders, the facilitators and the 19 hijackers, which can be broken into two smaller groups of the four pilots and 15 muscle hijackers. Beginning in spring 1999, bin Laden, Atef and KSM selected the facilitators and hijackers. The first two hijackers arrived in the U.S. in January 2000. Initially, they were selected as pilots but were unable to acclimate to Western culture. They became muscle hijackers. Subsequently, four pilots who were more familiar with Western society were chosen. They entered the U.S. in the spring and summer of 2000. The pilots spent the coming year in flight training and conducting in-flight surveillances on cross-country aircraft to identify points of vulnerability for hijacking planes. The 13 remaining muscle hijackers entered the U.S. in the spring and summer of 2001. In the days leading up to the attacks, the 19 hijackers formed the four flight teams. On the morning of 9/11, the hijackers successfully executed their plan.

One point concerning the 9/11 attacks is irrefutable. The plot required funding. The cost was between \$400,000 and \$500,000. Approximately \$326,000 passed through financial institutions. Bin Laden provided most of the funding for the 9/11 plot to KSM, who then provided the money directly to the hijackers or indirectly through three facilitators. Each of the 19 hijackers opened bank accounts in the U.S. to deposit and withdraw money in order to support them in furtherance of the plot. Foreign bank accounts were also used, as well as money services businesses (MSBs) and foreign exchanges. Approximately 20 wire transfers were sent between the facilitators and the hijackers, which included unused funds the hijackers wired back to facilitators.

Immediately following the attacks, the FBI initiated an investigation. Based on cell phone calls from each hijacked flight, the 19 hijackers were quickly identified and the financial trail began to unfold. It started with the manner in which hijackers purchased airline tickets, the identification of bank accounts, tracking the wire transfers, and then establishing and building the timeline of bank transactional activity and communications. The responsiveness of the financial services industry greatly facilitated this process.

Post-9/11 impact

Nearly 3,000 people were killed in the attacks. In the years since that tragic day, hundreds of first responders have died from toxins they were exposed to at all four crash sites. Secondary multifaceted impacts of 9/11 included the exposed systemic intelligence failures, level of complacency, lack of information sharing, limited focus on terrorist financing, need for stronger BSA reporting requirements and the need for more robust public-public and public-private partnerships. All of these vulnerabilities were successfully exploited by al-Qaeda.

The U.S. government launched an urgent and massive response to 9/11, which began to fuse the existing systemic failures exposed by the terrorist attacks. There was a military response; intelligence and investigative response; regulatory and sanctions response; and the development of sustainable public-public and public-private partnerships. In addition, the international community, including the

United Nations, rallied to support the U.S. and broadly took measures to criminalize terrorism and terrorist financing.

Notable countermeasures were established in the aftermath of 9/11 on many levels. They have been built upon and enhanced in the years since, with the objective to minimize the risk of future 9/11-like attacks. In addition to the formation of the 9/11 Commission, in October 2001, the U.S. Congress passed the USA PATRIOT Act, strengthening legal provisions to deal with the threat of terrorism. The financial provisions of the USA PATRIOT Act greatly enhanced BSA requirements. The Financial Action Task Force (FATF) held a special plenary session on terrorist financing in Washington, D.C. in October 2001, where they implemented the Special Recommendations on Terrorist Financing. In October 2002, FATF issued typologies and guidance regarding terrorist financing. Since that time, FATF has continued to provide periodic guidance regarding terrorist financing.

Current threat environment

Over the 20 years since 9/11, the terrorist threat environment has continuously evolved. The primary threat between 2001 and early 2019 was organization driven. There was an evolution and devolution of organizations. Preceding 9/11, and especially on and in the aftermath of 9/11, al-Qaeda posed the primary threat. In 2013, with the development of a caliphate in Syria and Iraq, the Islamic State (IS) emerged as the most significant terrorist threat. In 2019, the caliphate fell and IS transformed into an insurgency.

With their ability to recruit and radicalize extremists through the internet, al-Qaeda and IS began to transform the threat from organizations to individuals in the form of homegrown violent extremists (HVEs). HVEs are inspired by the ideology of foreign Islamist terrorist groups. Along with the HVE threat, beginning in 2019, the threat of domestic violent extremists (DVEs) became more prevalent. DVEs are individuals who commit violent acts in furtherance of ideological goals stemming from domestic influences, such as racial bias and anti-government sentiment. The top threat from DVEs stems from those identified as racially or ethnically motivated violent extremists (RMVEs).

In 2021, the most significant terrorist threats emanated from HVEs and DVEs. The significance of the DVE threat shockingly manifested itself with the January 6 riot at the U.S. Capitol. As the U.S. and like-minded countries prioritize the threats posed by HVEs and DVEs, they cannot lose sight of the threat posed by foreign terrorist organizations. Although currently lacking the capacity to do so, both al-Qaeda and IS aspire to conduct a 9/11-like attack against the U.S.

From a terrorist financing perspective, the shift from an organizational to individual-centric threat environment, one that is more decentralized and leaderless, means that financing is more localized. Thus, funding is less likely to flow from organizations to operatives as it did for 9/11. Funding is more likely to be self-generated and originate from local sources. Whether attacks are perpetrated by HVEs or DVEs, lone actor attacks require minimal funding. They tend to be cheaper, less sophisticated, smaller scale and more likely to succeed.

Conclusion

It took more than two years to plan and execute the 9/11 attacks. For two years, money was spent preparing for and executing the terrorist attacks of 9/11. For two years, there were touch points with banks and MSBs. Even with two years of touch points, the transactional activity of the hijackers was unremarkable and not suspicious. However, for the most part, the hijackers and their facilitators used their true identities and left a financial trail. That financial trail allowed the FBI to follow the money, link the hijackers and facilitators together, and take the funding directly back to KSM and indirectly to bin Laden. The funding flow for 9/11 was identified in a matter of weeks due to the unprecedented support that the FBI received from the financial sector. As evidenced with the Capitol riot, the threat landscape has changed. The funding requirements have changed from organizational to lone actors or groups of individuals. If best practices have taught us anything, the daunting challenge presented by self-funded terrorists requires sustainable and meaningful public-private partnerships.

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