



# Congressional Taskforce on Terrorism and Unconventional Warfare

10<sup>th</sup> Parliamentary Intelligence Security Forum  
Washington, D.C.  
December 7<sup>th</sup>, 2017



**Congress of the United States**  
**Washington, DC 20515**

Dear Colleague:

Thank you for your continued interest in our Parliamentary Intelligence Security Forums. One month ago, we hosted our 10<sup>th</sup> Forum in Washington, D.C. Over the past several years, these forums have reached over 70 countries and over 700 Members of Parliament.

The Library of Congress hosted our event, for which we extend our sincerest thanks. With this wonderful venue, our December forum provided an exceptional opportunity for dialogue and collaboration among international leaders in government and the private sector.

Over the course of the forum, delegates discussed a variety of security topics, including terror financing, challenges from Chinese investment, information sharing, the challenges faced by banks in the private sector, and developing successful cybersecurity defenses. Panelists at this event included security experts, financial institution representatives, and senior federal government officials from multiple countries.

We were fortunate to have representatives from 51 countries and multiple non-state organizations attend our event in Washington. Enclosed, you will find an official forum agenda, a list of panelists, a list of participants, and an official summary of events.

Thank you for your continued interest in our forum, and we look forward to working with you in the future.

Sincerely,

A handwritten signature in blue ink that reads "Robert".

Robert Pittenger  
Member of Congress  
Chairman, Congressional Taskforce on Terrorism  
and Unconventional Warfare



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# 2017 D.C. Parliamentary Intelligence-Security Forum

Thursday, December 7, 2017 • Washington, D.C.



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- 8:30 AM** Registration/ Morning Assemble
- 9:00 AM** **Congressman Robert Pittenger (R-NC)**, *Chairman, U.S. Congressional Taskforce on Terrorism and Unconventional Warfare*
- 9:15 AM** **Chairman Jeb Hensarling (R-TX)**, *U.S. House Committee on Financial Services*
- 9:30 AM** **Secretary Michael Chertoff**, *Former U.S. Secretary of Homeland Security*
- 9:55 AM** **Chairman Steve Pearce (R-NM)**, *Subcommittee on Terrorism and Illicit Finance, U.S. House Committee on Financial Services*  
**Chairman Andy Barr (R-KY)**, *Subcommittee on Monetary Policy and Trade, U.S. House Committee on Financial Services*
- 10:00 AM** Panel: Foundation for Defense of Democracies: Counter-Terror Financing
  - **Emanuele Ottolenghi**, *Senior Fellow, Foundation for Defense of Democracies*
  - **Gretchen Peters**, *Board of Advisors, Center on Sanctions and Illicit Finance, Foundation for Defense of Democracies*
  - **Yaya Fanusie**, *Director of Analysis, Center on Sanctions and Illicit Finance, Foundation for Defense of Democracies*
- 10:45 AM** **Under Secretary Sigal Mandelker**, *U.S. Treasury*
- 11:15 AM** **Chairman Devin Nunes (R-CA)**, *House Permanent Select Committee on Intelligence*
- 11:45 AM** Panel: China—Financial and Investment Issues and Cyber Espionage
  - **Mike Wessel**, *Commissioner, U.S.-China Economic and Security Review Commission*
  - **Giovanna M. Cinelli**, *Morgan, Lewis, & Bockius LLP*

Panel: Cyber-Security, Intelligence Sharing, and Terrorism
  - **Greg Henderson**, *Senior Director, Global Security Intelligence Practice, SAS*
  - **Dr. Samantha Ravich, Ph.D.**, *Former Deputy National Security Advisor for Vice President Cheney, The Chertoff Group*

- 1:00 PM** Lunch
- 1:20 PM** **Chairman Blaine Luetkemeyer (R-MO)**, *Subcommittee on Financial Institutions and Consumer Credit, U.S. House Committee on Financial Services*
- 1:25 PM** Panel: Financial Intelligence
- **Jerome Beaumont**, *Executive Secretary, The Egmont Group of Financial Intelligence Units*
  - **Barry MacKillop**, *Acting head of the Canadian Financial Intelligence Unit, FINTRAC*
- 2:00 PM** **Mariano Federici**, *President of Argentina's Financial Intelligence Unit*
- 2:20 PM** **Chairman Michael McCaul (R-TX)**, *Chairman, U.S. House Committee on Homeland Security*
- 2:45 PM** Panel: Countering Terror Financing, Illicit Finance, and Money Laundering
- **John Cassara**, *Federal Government Intelligence and Law Enforcement Professional*
  - **Kristin Reif**, *Director, Illicit Trade Strategies & Prevention, Philip Morris International*
  - **Joseph Humire**, *Executive Director, Center for a Secure Free Society (SFS)*
- 3:30 PM** Panel: Challenges Faced by Banks
- **Frederick Reynolds**, *Managing Director, Global Head of Financial Crime Legal, Barclays PLC*
  - **Craig Timm**, *Managing Director and Financial Crimes Compliance Executive, Bank of America*
  - **Alison Clew**, *Global Head of Anti Money Laundering Monitoring and Investigations, Citigroup*
  - **David MacNair**, *Director, Financial Crimes Compliance Officer for Credit Suisse*
  - **Rachel Kaufman**, *Managing Director, Financial Crimes Compliance, JPMorgan Chase & Co.*
- 4:30 PM** **Congressman Robert Pittenger (R-NC)**, *Chairman, U.S. Congressional Taskforce on Terrorism and Unconventional Warfare*
- 5:00 PM** Reception, U.S. Capitol

## Delegates Attending the 10<sup>th</sup> Parliamentary Intelligence Security Forum

### Albania

- Fatmir Mediu, *Former Defense Minister, Member of Parliament*
- Dritan Delija, *Expert, Service for Foreign Relations, Multilaterate and Bilaterate Directorate of the Albanian Parliament and Secretary of the Albanian Delegation to NATO PA*
- Vasilika Hysi, *Member of Parliament*
- Floreta Faber, *Ambassador of Albania to the United States*
- Mamica Toska, *Minister Plenipotentiary, Embassy of Albania to the United States*
- Perparim Spahiu, *Member of the Parliament*
- Arta Dade, *Former Minister of Foreign Affairs*
- Mimi Kodheli, *Member of Parliament*
- Gramoz Ruçi, *Speaker of Parliament*
- Taulant Balla, *Member of Parliament*
- Anastas Angjeli, *Member of Parliament*

### Andorra

- Elisenda Vives Balmaña, *Ambassador of Andorra to the United States*

### Argentina

- Juan Felix Marteau, *Marteau Lawyers*
- Mariano Federici, *President, Financial Intelligence Unit*
- Gerardo Díaz Bartolomé, *Head of Political Affairs, Embassy of Argentina to the United States*
- Christian Hotton, *Counselor, Embassy of Argentina to the United States*
- Juan Francisco Gutiérrez Tellería, *Secretary, Embassy of Argentina to the United States*

### Austria

- Andreas Karlsböck, *Member of Parliament*
- Christian Brunmayr, *Deputy Chief of Mission, Embassy of Austria to the United States*

### Belarus

- Pavel Shidlovsky, *Chargé d’Affaires, Embassy of Belarus to the United States*

### Belgium

- Gaëlle Powis de Tenbossche, *Counselor, Embassy of Belgium to the United States*



## **Bosnia and Herzegovina**

- Haris Hrlje, *Ambassador of Bosnia and Herzegovina to the United States*
- Sifet Podžić, *Chairman, Joint Committee for Defence and Security, Parliamentary Assembly of Bosnia and Herzegovina*
- Borislav Bojić, *Deputy Chairman, Joint Committee for Defence and Security, Parliamentary Assembly of Bosnia and Herzegovina*
- Ljiljana Miličević, *Secretary, Joint Committee for Defence and Security, Parliamentary Assembly of Bosnia and Herzegovina*
- Zeljko Grubesić, *Advisor, Joint Committee for Defence and Security, Parliamentary Assembly of Bosnia and Herzegovina*

## **Brunei Darussalam**

- Serbini Ali, *Ambassador of Brunei Darussalam to the United States*
- Izzat Hayati Zakaria, *Second Secretary, Embassy of Brunei Darussalam to the United States*

## **Bulgaria**

- Tsvetan Tsvetanov, *Member of the National Assembly*
- Donna Kovacheva, *Interpreter, National Assembly*
- Dimitar Lazarov, *Member of the National Assembly*
- Valentin Kasabov, *Member of the National Assembly*
- Mustafa Karadayi, *Member of the National Assembly*
- Tatyana Karadzhova, *First Secretary (Political Affairs), Embassy of Bulgaria to the United States*
- Filip Popov, *Member of the National Assembly*
- Ivan Anchev, *Consul General, Consul General of Bulgaria in Chicago*
- Tihomir Stoytchev, *Ambassador of Bulgaria to the United States*

## **Canada**

- Barry MacKillop, *Acting Head of FINTRAC*

## **Chile**

- Beatriz de la Fuente, *Counselor, Embassy of Chile to the United States*

## **Croatia**

- Pjer Šimunović, *Ambassador of Croatia to the United States*
- Nikica Kopačević, *Counselor, Embassy of Croatia to the United States*
- Mirna Vlašić Feketija, *Minister Counselor, Embassy of Croatia to the United States*
- Lara Romano, *Deputy Chief of Mission, Embassy of Croatia to the United States*

## **The Czech Republic**

- Hynek Kmoníček, *Ambassador of the Czech Republic to the United States*

## **Denmark**

- Jonas Parello-Plesner, *Senior Policy Fellow, Hudson Institute*

## **Egypt**

- M. Shafik Gabr, *Chairman, The Shafik Gabr Foundation*
- May El Batran, *Member of Parliament*
- Dalia Youssef, *Member of Parliament*
- Ihab Youssef
- Yasser Reda, *Ambassador of Egypt to the United States*
- Wael Hammed, *Deputy Chief of Mission, Embassy of Egypt to the United States*
- Ahmed Nabil, *Second Secretary, Embassy of Egypt to the United States*

## **El Salvador**

- Luis Aparicio, *Counselor, Embassy of El Salvador to the United States*

## **Estonia**

- Marko Mihkelson, *Member of the Riigikogu*

## **France**

- Francoise Prigent, *Second Counselor, Embassy of France to the United States*

## **Georgia**

- David Bakradze, *Ambassador of Georgia to the United States*

## **Germany**

- Metin Hakverdi, *Member of the German Bundestag*
- Christian Ströbele, *Member of the German Bundestag (Ret)*

## **Ireland**

- Noel Murphy, *Clerk to the Committee on Foreign Affairs, Houses of the Oireachtas*
- Darragh O'Brien, *Teachta Dála*
- Lisa Chambers, *Teachta Dála, Spokesperson for the Opposition on Defence*
- Seán Barret, *Teachta Dála*
- Seán Crowe, *Teachta Dála*

## **Italy**

- Antonio Leone, *Financial Intelligence Attaché, Embassy of Italy to the United States*
- Gianluca Alberini, *Minister Counselor (Political), Embassy of Italy to the United States*
- Paolo Toschi, *Counselor (Political), Embassy of Italy to the United States*



## **Jordan**

- Dina Kawar, *Ambassador of Jordan to the United States*

## **Kosovo**

- Vjosa Osmani, *Member of the Assembly of the Republic of Kosovo*
- Vlora Citaku, *Ambassador of Kosovo to the United States*

## **Latvia**

- Ainars Latkovskis, *Member of Parliament*
- Solvita Āboltiņa, *Member of Parliament*
- Laila Timrota, *Advisor to the National Security Committee of the Saeima*

## **Liechtenstein**

- Kurt Jaeger, *Ambassador of Liechtenstein to the United States*

## **Lithuania**

- Emanuelis Zingeris, *Member of Parliament*
- Rolandas Kriščiūnas, *Ambassador of Lithuania to the United States*

## **Luxembourg**

- Sylvie Lucas, *Ambassador of Luxembourg to the United States*
- Véronique Dockendorf, *Deputy Chief of Mission, Embassy of Luxembourg to the United States*

## **Macedonia**

- Talat Xhaferi, *Speaker of Parliament*
- Besa Drndar, *Interpreter*
- Gorana Pop Georgieva, *Personal Assistant*
- Marigona Marku, *Deputy Chief of Mission, Embassy of Macedonia to the United States*
- Katerina Bojoska, *First Secretary, Embassy of Macedonia to the United States*
- Vladimir Gjorchev, *Member of Parliament*

## **Malaysia**

- Murni Abdul Hamid, *Minister Counselor, Embassy of Malaysia to the United States*
- Nadhirah Zanudin, *First Secretary (Political), Embassy of Malaysia to the United States*
- Shaiful Anuar Mohammad, *Deputy Chief of Mission, Embassy of Malaysia to the United States*
- Saadon Hasnan, *Brigadier General, Defense Attaché, Embassy of Malaysia to the United States*
- Mohd Mohyiddin Omar, *Counselor, Embassy of Malaysia to the United States*
- Mohd Taufik Toh Abdulla, *Police Attaché, Embassy of Malaysia to the United States*

## **Malta**

- Angelo Farrugia, *Speaker of Parliament*
- Pierre Agius, *Ambassador of Malta to the United States*
- Antonella Bajada, *Deputy Chief of Staff, Embassy of Malta to the United States*

## **Montenegro**

- Genci Nimanbegu, *Deputy Speaker of Parliament*

## **The Netherlands**

- Henne Schuwer, *Ambassador of the Netherlands to the United States*
- Theo van der Werf, *Counselor, Embassy of the Netherlands to the United States*
- Jeroen van Vugt, *Counselor for Justice and Security, Embassy of the Netherlands to the United States*

## **New Zealand**

- Jennifer Troup, *Counselor, Embassy of New Zealand to the United States*
- Mike Asplet, *First Secretary (Political), Embassy of New Zealand to the United States*

## **Norway**

- Ingjerd Schou, *Member of Parliament*
- Ulf Leirstein, *Member of Parliament*

## **Panama**

- Franklin Morales, *Political Attaché, Embassy of Panama to the United States*
- Carmen Mora, *Political Counselor, Embassy of Panama to the United States*

## **Paraguay**

- German Rojas, *Ambassador of Paraguay to the United States*

## **Poland**

- Marek Opiola, *Member of Parliament*

## **Portugal**

- Domingos Fezas Vital, *Ambassador of Portugal to the United States*
- Sérgio Sousa Pinto, *Member of Parliament*
- Raul Maia Oliveira, *Legal Advisor, Parliament of Portugal*

## **Romania**

- Gabriel Vlase, *Vice President of the Chamber of Deputies*
- Laurențiu Constantin Rebega, *Member of the European Parliament*

## **Serbia**

- Vladimir Marinkovic, *Deputy Speaker of Parliament*

## **Singapore**

- Mridhula Pillay, *First Secretary (Political), Embassy of Singapore to the United States*

## **Slovakia**

- Veronika Remišová, *Member of the National Council of the Slovak Republic*

## **Slovenia**

- Stanislav Vidovič, *Ambassador of Slovenia to the United States*
- Damir Devčič, *Minister Counselor, Embassy of Slovenia to the United States*
- Metka Urbas, *Economic Counselor, Embassy of Slovenia to the United States*
- Borut Zunič, *Political Counselor, Embassy of Slovenia to the United States*

## **Spain**

- Ricardo Tarno Blanco, *Member of Parliament, Speaker of the Defense Committee*
- Jose Alberto Martín-Toledano Suárez, *Member of Parliament, Speaker of the Home Affairs Committee*
- Vicente Moret Millás, *Clerk, Congress of Deputies*
- Susana Fredin, *Interpreter for the Spanish Delegation*
- Jacqueline Tornell, *Interpreter for the Spanish Delegation*

## **Sweden**

- Anti Avsan, *Member of the Riksdag*

## **Turkmenistan**

- Meret Orazov, *Ambassador of Turkmenistan to the United States*

## **Ukraine**

- Sergey Rybalka, *Member of Parliament*
- Anastasia Bayborodina, *President of Ukrainian Cryptocurrency and Blockchain Association*
- Artom Petrenko, *Advisor to the Committee on Finance Policy and Banking Activity*

## **Uzbekistan**

- Javlon Vakhabov, *Ambassador of Uzbekistan to the United States*
- Alisher Akhmedov, *Attaché, Embassy of Uzbekistan to the United States*

## **United States**

- Joe Pinder, *Financial Services Committee Staff, House of Representatives*
- Mike Wessel, *Commissioner, US-China Economic and Security Review Commission*
- John Cassara, *Federal Government Intelligence and Law Enforcement Professional*

## **Vatican City State**

- Marco Bernardi, *Captain, Gendarmerie of the Vatican City State*
- Alessandro Fiorino, *Lieutenant, Gendarmerie of the Vatican City State*

## Non-State Organizations

- Mindy Kotler, *Director, Asia Policy Point*
- J.R. Helmig, *Innovation Lead, Global Security Intelligence, SAS Institute Inc.*
- EJ Kimball, *EJK Strategies*
- Jonathan Schanzer, *Senior Vice President, Foundation for Defense of Democracies*
- Emanuele Ottolenghi, *Senior Fellow, Foundation for Defense of Democracies*
- Gretchen Peters, *Board of Advisors, Center on Sanctions and Illicit Finance, Foundation for Defense of Democracies*
- Yaya Fanusie, *Director of Analysis, Center on Sanctions and Illicit Finance, Foundation for Defense of Democracies*
- Toby Dershowitz, *Foundation for Defense of Democracies*
- Tyler Stapleton, *Foundation for Defense of Democracies*
- Allie Shisgal, *Foundation for Defense of Democracies*
- Davis Norwood, *Foundation for Defense of Democracies*
- Boris Zilberman, *Foundation for Defense of Democracies*
- Andrew Davenport, *Chief Operating Officer, RWR Advisory Group*
- David MacNair, *Director, Financial Crimes Compliance Officer, Credit Suisse*
- David Hulsey, *Deputy J36 Trans National Threats*
- Thomas E. Moore, *Director, Program Integration Office (PIO) OSD AT&L/R&E/EC&P*
- Kristin Reif, *Director, Illicit Trade Strategies & Prevention, Philip Morris International*
- Floyd McLendon Jr.
- Samantha Ravich, *Former Deputy National Security Advisor for Vice President Cheney, The Chertoff Group*
- Frederick Reynolds, *Managing Director, Global Head of Financial Crime Legal, Barclays PLC*
- Ryan Schmiedl, *Vice President, Product Management, SAS Institute*
- Tom Kellermann, *CEO, Strategic Cyber Ventures*
- Megan Hannigan, *Manager, US Government Relations, Paypal*
- Craig Timm, *Managing Director and Financial Crimes Compliance Executive, Bank of America Merrill Lynch*
- John F. Walsh, *President and CEO, SightSpan Inc.*
- Aleks Medic, *Administrative Assistant, Chairman & Managing Director's Office, ARTOC Group for Investment and Development*
- Giovanna Cinelli, *Morgan Lewis & Bockius LLP*
- Greg Henderson, *Senior Director, Global Security Intelligence Practice, SAS*
- Jerome Beaumont, *Executive Secretary, The Egmont Group of Financial Intelligence Units*
- Joseph Humire, *Executive Director, Center for a Secure Free Society (SFS)*
- Alison Clew, *Global Head of Anti-Money Laundering Monitoring and Investigations, Citigroup*
- Charles Bretz, *Director of Payment Risk, FS-ISAC*
- Peter Rich, *Founding Principal, Rich Feuer Anderson*
- Natasha de Terán, *Head of Corporate Affairs, SWIFT*
- Jacqueline Halbig von Schleppenbach, *Founder and Principal, Sovereign Global Solutions LLC*
- Angelena Bradfield, *Vice President and Senior Policy Specialist, AML/CFT & Prudential Regulation, The Clearing House*
- Maura Woosley, *Citigroup*

## Summary of Presentations

### Welcoming Remarks/Greetings

Congressman Pittenger joined officials from 51 countries to discuss the national security challenges facing government and the private sector. These discussions focused on terror financing, issues with Chinese investment, cybersecurity, intelligence sharing, challenges faced by banks, money laundering, and ways in which financial intelligence units can better operate. The panels were composed of American and international experts, who discussed strategies for the states represented to consider new avenues of approach for combating terrorism more effectively and efficiently.

Congressman Pittenger welcomed the assembled delegates and remarked upon the convergence of terrorist organizations and drug cartels. While there has been success on the ground, terrorist-linked elements have become dispersed throughout the world, making it necessary to go beyond expressing concern and ask what tools can be used to combat this issue legislatively. Chairman Hensarling then commented on the vital importance of the administrations and legislatures represented at the forum having ongoing security dialogues. The importance of these dialogues is paramount in confronting threats as they are presented by terrorists who are increasingly vigilant and innovative.

Later that morning, the delegates were joined by Chairmen Pearce and Barr, who echoed the calls to vigilance, especially with regard to cybersecurity, and commented on the importance of military capability and sanctions in providing strength to diplomacy. In the afternoon, Chairmen Nunes and Luetkemeyer addressed the forum, reinforcing the sentiment that international cooperation would be the key to defeating terror financing.



Congressman Pittenger addresses the forum

### Secretary Michael Chertoff

Secretary Chertoff began his presentation by categorizing three different waves of terrorist activity. The first wave, Terrorism 1.0, was the terrorism of Osama bin Laden. Focused on earth-shattering events, these attacks were complicated making detection easier. The next wave, Terrorism 2.0, focused on small-scale attacks. While the perpetrators of such attacks were still trained, they were not trained on the same scale as was seen in Terrorism 1.0. The third and current wave, Terrorism 3.0, is the terrorism of the lone-wolf actor. These actors are not trained, nor are they necessarily



connected to each other. Instead, they are radicalized and inspired by terrorist organizations and attack on their own, seeking to instill a sense of fragility and vulnerability.

The key to combatting Terrorism 3.0 will be working with communities and examining internet activity. As many lone wolves have prior legal issues, working with police will be critical in countering this threat. Another issue discussed, was taking care of individuals before they become violent. The difficulty with this, however, would be enlisting the help of family members who may be concerned, but at the same time do not want to send a loved one to jail.

Secretary Chertoff concluded his presentation with concerns relating to the use of the internet being used to recruit terrorists and asking how states build norms and international rules to govern how interactions are conducted in cyberspace.

### Counter-Terror Financing

The first panel consisted of experts from the Foundation for Defense of Democracies who discussed aspects of countering terror financing. Dr. Emanuele Ottolenghi examined the convergence of terror finance and trafficking narcotics. While it would seem that terror groups and cartels would be ideologically opposed, they have worked together to launder money and move product. An example of this was Hezbollah engaging in illicit finance after its war with Israel in 2006. While Hezbollah's budget grew 30%, cartels used Hezbollah to move their merchandise beyond their geographic region. Dr. Ottolenghi drew attention to three problems in countering this. The first is a legislative problem in that some countries have not designated Hezbollah as a terrorist group. The second is a problem with enforcement, as the law is not always updated or used to its fullest effect. Last is a problem with resources, as more agents are needed on the ground in areas affected.

Gretchen Peters then examined what she calls, "the curse of the shiny object." This refers to people's tendency to fight problems when and where they see them instead of addressing the source and often causes more harm and inefficiencies. A prime example of this was the eradication of drug crops. A key reason why this failed was that such operations cost five times more than the crops that were destroyed. Instead, it was much more efficient to destroy labs and thus cut supplies worldwide.

Yaya Fanusie finished the panel by examining the role of cryptocurrency. While new to the realm of cryptocurrency, there has been an uptick in using such



Mr. Fanusie addresses the forum with Ms. Peters and Dr. Ottolenghi from the Foundation for Defense of Democracies

currencies in fundraising. As they keep their users anonymous, these cryptocurrencies are ideal avenues of fundraising for those engaged in illicit activities. While anonymous, they remain traceable, allowing law enforcement to intervene with online exchanges.

### Under Secretary Sigal Mandelker

Sigal Mandelker, the Under Secretary for Terrorism and Financial Intelligence, then addressed the forum. Under Secretary Mandelker gave an overview of the organization of the United States Treasury's Office of Terrorism and Financial Intelligence. Within this organization are four components which carry out the office's mission: the Financial Crimes Enforcement Network (FinCEN), the Office of Foreign Assets Control (OFAC), the Office of Intelligence and Analysis, and the Office of Terrorist Financing and Financial Crimes.



Under Secretary Mandelker, United States Treasury

Under Secretary Mandelker then turned to the efforts against the North Korean regime. These have included, thus far, sanctions against those trading with North Korea, eight rounds of sanctions against North Korea, and a FinCEN issued advisory which highlighted how front and trade companies are being used to launder money for the North Korean nuclear program.

### China – Financial and Investment Issues and Cyber Espionage

Commissioner Mike Wessel of the U.S.-China Economic and Security Review Commission expressed concerns about Chinese investment in the American economy. Despite its growing economy, China has not been on a path to market reform as the state continues to strengthen its role in the Chinese economy. In turn, this growing control leads to increased concern regarding China investing in key sectors of the American Economy. Commissioner Wessel suggested that Congress should consider measures to prevent Chinese state-owned or controlled entities from acquiring assets, such as a mandatory review of any acquisition by a Chinese entity and reviewing green field investments. In the end, he suggested a net economic benefit test of whether the transaction would benefit the United States economically.

Giovanna Cinelli then expressed the need to address these matters both efficiently and effectively while looking at what untraditional tools are available to enhance intelligence capabilities and putting in an oversight mechanism. Ms. Cinelli then gave an overview of the four goals to be

achieved: stopping unwanted activity, preventing it in the first place, mitigating the effects efficiently when actions occur, and cleaning up the mess afterward.

### Cybersecurity, Intelligence Sharing, and Terrorism

The third panel was composed of Greg Henderson from SAS and Dr. Samantha Ravich from the Chertoff Group. Dr. Ravich provided an overview of the threats of cyber-enabled economic warfare. This form of economic warfare would be constituted by hostile actors using cyber means to undermine the economy to weaken the American military. This would enable smaller economic actors to “level the playing field” against larger actors.

Mr. Henderson followed up by examining how cyber attackers can affect the economy. While cyberattacks were originally recreational, cyber attackers then realized that they could use tactics to benefit themselves. Mr. Henderson then examined three avenues of approach where cyber attackers use such tactics for financial gain. The first was the exchange of trade secrets. The second was engaging in identity theft. The final avenue was the black market.



Mr. Greg Henderson (SAS) and Dr. Samantha Ravich (Chertoff Group)

### Financial Intelligence

After lunch, the fourth panel addressed the forum concerning methods of financial intelligence. With the loss of territories over the past year, ISIS has a decreased ability to design, coordinate, and finance massive terrorist attacks. This makes the role of the lone-wolf terrorist of the utmost importance. Jérôme Beaumont examined the role of the Egmont Group in international information sharing and combatting these lone-wolf threats. The first method of facilitation is a secure web portal that allows for exchange of money laundering and terror financing information between members. The Egmont Group has also published reports on the subject and started a program in 2015 which focused on foreign terrorist fighters before going on to examine the network between facilitators and funding methods, finding people who are planning to fight for ISIS in Iraq, and focusing on small cells and lone actors. The goal of this program is to identify methodologies for finding those lone actors.

Barry MacKillop then explained the manner in which Canada’s financial intelligence unit, FINTRAC, operated. FINTRAC fulfills both compliance and intelligence functions. Organized in, 2000, FINTRAC learned from what seemed to work in other financial intelligence units. As such,

FINTRAC conducts tactical intelligence operations, sits on national security committees, and has thus familiarized itself not only with issues of financial security, but with issues pertaining to national security as a whole. As part of this, FINTRAC receives reports of any transaction or transactions conducted within 24 hours of \$10,000 or more into or out of Canada. This information has been invaluable in making connections between individuals and fleshing out the networks that fund and organize illicit activities.

### Mr. Mariano Federici

Mariano Federici, the President of Argentina's Financial Intelligence Unit, began his address by outlining the fundamental pillars to building a more secure and stable world: a democratic way of life, liberty, free markets and trade, and the need to enhance economic and financial integrity. To pursue these goals, Argentina has entered into the Argentina-US Dialogue on Illicit Finances (AUDIF). This bilateral dialogue to discuss illicit finance issues is chaired by the US Secretary of the Treasury and Argentina's Minister of Finance and focuses on four priority initiatives: understanding money laundering and terrorist financing risks in the tri-border area, enhancing anti-corruption and asset recovery efforts, enhancing operational cooperation with US sanction regimes, particularly in Venezuela, and understanding challenges to financial market access.

### Chairman Michael McCaul

Congressman McCaul, Chairman of the House Committee on Homeland Security, was the last individual speaker to address the forum. Congressman McCaul began his address by reflecting on the fact that it was Pearl Harbor Day and how the world had more complex and difficult challenges to face than during the Second World War before outlining four threats to security.



Congressman McCaul, Chairman of the  
House Committee on Homeland  
Security

The first was the threat of foreign fighters. Today's terrorist has tools, such as the internet, which were not available to when bin Laden was still alive. The message of extremist groups are disseminated through the internet to recruit those vulnerable to radicalization and inspire them to attack not in Syria, but wherever they are and to do whatever the group deems necessary. This was followed by the second threat, aviation. Long

considered the crown jewel of terror targets, the newest threat is the laptop bomb. The challenge comes from the difficulties in detecting devices this size and keeping them from getting on airplanes.



There have been suggestions about moving away from X-ray to computed tomography in detecting these threats.

The third threat was that from cyberattacks. In recent years, there has been an increase in cyberattacks from Russia, China, Iran, and North Korea. The cyberattacks seen in Estonia and Ukraine have been useful in analyzing and understanding Russia's current cyber capabilities. These cyberattacks have even extended into the disinformation campaign seen in recent elections. The final threat was those dealing with encryption. Terrorists are increasingly using encrypted apps to plan their attacks, making the threats difficult to track.

### Countering Terror Financing, Illicit Finance, and Money Laundering

The penultimate panel consisted of John Cassara, Kristin Reif, and Joseph Humire. Mr. Cassara began by examining China's relationship to money laundering. China is the world's largest money launderer and the number one exporter of illicit currency in the world. This illicit business has taken several forms. The first form deals with narcotics. China's prosperity has turned drug use into an \$80 billion a year business. As part of this business, China is the largest exporter of synthetic drugs, with the majority of synthetic drugs seized in the United States and Europe having come from China.

China has also engaged in money laundering through the violation of intellectual property rights and the trade of counterfeit goods. \$460 billion of counterfeit goods are manufactured each year in China. These goods are found in every country, providing a high-profit invitation for organized crime and terrorist financiers. The final money laundering enterprises in which China takes part are wildlife trafficking and human smuggling, with China being a "source, destination, and transit



Mr. Joseph Humire (Center for a Secure Free Society), Mr. John Cassara (Retired Government Intelligence Professional), and Ms. Kristin Reif (Philip Morris International)

country for men, women, and children subjected to forced labor and sex trafficking" carrying out this enterprise through land, sea, and air.

Kristin Reif then addressed the issue of illicit tobacco. While tobacco itself is legal in many jurisdictions, the issue arises from the illicit manner of trade. This trade facilitates crimes, such as human trafficking, while taking advantage of free-trade zones. In combatting this issue, there are five areas to hold private industries accountable. The first is

helping with resources. This is followed by a commitment to transparency and sharing information with governments of countries where they do business. The third is the data and intelligence from the market, pinpointing hotspots and distribution networks. The fourth is using technology and innovation to identify illicit products. This is capped off by the capacity of multi-national companies to mount major global initiatives across borders.

The last speaker of the panel was Joseph Humire, who examined how nation-states get involved in terror financing. Using the AMIA bombings as a case study, Mr. Humire showed how Iran increased the number of officials at their Argentine embassy while setting up halal certification companies to certify beef exported from Argentina. This logistical and financial infrastructure was used to carry out the attack. After the attack, the same infrastructure has been left in place in Latin America, leaving the area vulnerable for another attack.

### Challenges Faced By Banks

The final panel was composed of representatives from the banking industry who expanded upon challenges faced by the private financial sector. Frederick Reynolds began by speaking about their anti-money laundering program. \$8.2 billion is reported to be spent on combatting money laundering and terror financing each year. Of the suspicious activity reports (SARs) filed, 80-90% are not useful to law enforcement. The banking industry does not want to spend less, but more efficiently, looking to take an intelligence-based approach to work with government in determining what to look for.

Craig Timm followed with steps to take to make information more useful for those in the industry. The first of which is having more clearly defined goals and metrics to define how well the industry is doing with their AML program. One of the issues is that, besides the general overview of what is supposed to be done, there are no targets given to go after. The second step suggested is to receive feedback from law enforcement to help measure effectiveness of their AML programs and draw attention to overlooked areas.



Mr. Frederick Reynolds (Barclays PLC), Mr. Craig Timm (Bank of America), Ms. Rachel Kaufman (JPMorgan Chase & Co.), David MacNair (Credit Suisse), and Ms. Alison Clew (Citigroup)



Rachel Kaufman drew attention to the fact that 5-10% of investigations at her financial institution result in a SAR. These suspicious activities are usually investigated after the fact once crimes have already been discovered. This takes up resources that could best be used in a more proactive manner on new investigations or investigations already in process. There is also a need to develop typologies with law enforcement to find red flags and devote money to targeting objectives examined on outcomes rather than following process.

David MacNair explained that years ago, the scenarios that were encountered involved less sophisticated money launderers. Today, much more sophistication is put into the investment and technology behind money laundering. With the advance in sophistication, each type of account or firm needs its own type of intelligence using augmented resources in analyzing the information.

Finally, Alison Clew explained the three lines of defense against money laundering and the manner in which the money is spent on those defenses. The first line of defense is businesses designing products and services to meet clients' needs and deter money laundering. About one third of the money spent on anti-money laundering activities is spent on this by deterring people they do not want to enter into the institution and ensuring detailed technical compliance with procedures. The second line of defense is the anti-money laundering compliance program. Another third is spent on this line of defense, half of which is spent on suspicious activity monitoring and investigations. However, less than 10% of investigations result in 50% of SARs, leaving room for more efficient use of resources. 20% of funding is spent on technology to support the program, with the last 5-6% being spent on the third line of defense, the internal evaluation process. The panel was concluded with the suggestion for improvement either by law enforcement using more SARs or focusing resources to generate less irrelevant SARs.



Congressman Pittenger with Congressman Scalise,  
House Majority Whip

## **Appendix I: Recommendations from the U.S.-China Economic and Security Review Commission's 2017 Annual Report**

### **COMPREHENSIVE LIST OF THE COMMISSION'S RECOMMENDATIONS**

#### **Chapter 1: U.S.-China Economic and Trade Relations**

##### ***Section 2: Chinese Investment in the United States***

The Commission recommends:

1. Congress consider legislation updating the Committee on Foreign Investment in the United States (CFIUS) statute to address current and evolving security risks. Among the issues Congress should consider are:
  - Prohibiting the acquisition of U.S. assets by Chinese state-owned or state-controlled entities, including sovereign wealth funds.
  - Requiring a mandatory review of any transaction involving the acquisition of a controlling interest in U.S. assets by Chinese entities not falling under the above class of acquiring entities.
  - Requiring reviews of investments in U.S.-based greenfield assets by Chinese-controlled entities to assess any potential harm to U.S. national and economic security.
  - Expanding the definition of “control” to include joint ventures, venture capital funds, licensing agreements, and other arrangements or agreements that enable Chinese entities to access and/or determine the disposition of any asset.
  - Prohibiting any acquisition or investment that would confer “control” with regard to critical technologies or infrastructure. The U.S. Departments of Homeland Security, Commerce, and Defense shall prepare and regularly update a list of critical technologies or infrastructure that would not be eligible for acquisition or investment by any Chinese entities to ensure U.S. economic and national security interests are protected.
  - Including a net economic benefit test to assess the impact of acquisitions by Chinese entities in the United States to ensure they advance U.S. national economic interests.
  - Requiring that any proposed acquisition of a media property by a Chinese entity be assessed in terms of the acquiring entity's history of adhering to Chinese Communist Party propaganda objectives and its potential to influence public opinion in the United States.
  - Authorizing an independent review panel, appointed by Congress, to review the actions and activities of CFIUS on a continuing basis.

(597)

- Allowing any CFIUS member agency to bring a transaction up for review and investigation.
- 2. Congress consider legislation conditioning the provision of market access to Chinese investors in the United States on a reciprocal, sector-by-sector basis to provide a level playing field for U.S. investors in China.
- 3. Congress amend the Foreign Sovereign Immunities Act (FSIA) of 1976 to:
  - Allow U.S. courts to hear cases against a foreign state's corporate affiliates under the commercial activity exception.
  - Require Chinese firms to waive any potential claim of sovereign immunity if they do business in the United States.
- 4. Congress consider legislation to ban and delist companies seeking to list on U.S. stock exchanges that are based in countries that have not signed a reciprocity agreement with the Public Company Accounting Oversight Board (PCAOB).

### ***Section 3: U.S. Access to China's Consumer Market***

The Commission recommends:

- 5. Congress direct the Office of the U.S. Trade Representative to develop criteria for the Notorious Markets List to ensure listed companies can be held accountable for engaging in or facilitating copyright piracy and trademark counterfeiting.
- 6. Congress require the Office of the U.S. Trade Representative to expand the National Trade Estimate's coverage of China's digital trade barriers to include an assessment of their impact on U.S. industries and whether they comply with China's World Trade Organization commitments.

## **Chapter 2: U.S.-China Security Relations**

### ***Section 2: China's Military Modernization in 2017***

The Commission recommends:

- 7. Congress authorize U.S. defense spending at levels sufficient to address the growing challenge to U.S. interests posed by China's ongoing military modernization program and to ensure the United States will have the capacity to maintain readiness and presence in the Asia Pacific.

### ***Section 3: Hotspots along China's Maritime Periphery***

The Commission recommends:

- 8. Congress require the executive branch to develop a whole-of-government strategy for countering Chinese coercion activities in the Indo-Pacific coordinated through the National Security Council that utilizes diplomatic, informational, military, economic, financial, intelligence, and legal instruments of national power.



### **Chapter 3: China and the World**

#### ***Section 1: China and Continental Southeast Asia***

The Commission recommends:

9. Congress increase economic and development assistance and public diplomacy resources to Southeast Asia commensurate with its importance to U.S. strategic, economic, and political interests. A significant portion of additional funding should be directed to democracy, civil society, and governance capacity programs.
10. Congress direct the U.S. Department of State and the U.S. Agency for International Development to allocate sufficient funding for the Lower Mekong Initiative and maintain funding at a level consistent with its role as a platform for water policy coordination and as a provider of U.S. expertise for environmentally safe dam construction.
11. Congress direct the administration to increase cooperation on infrastructure projects supported by U.S. partners and allies, such as Asian Development Bank programs and bilateral projects administered by the Japan International Cooperation Agency. U.S. cooperation should leverage U.S. technical expertise regarding engineering, management, and social and environmental safeguards.

#### ***Section 2: China and Northeast Asia***

The Commission recommends:

12. Congress support initiatives that enable cooperation between the U.S. Coast Guard and maritime Asian coast guards (possibly to include joint patrols, shiprider agreements, and the expansion of the Code for Unplanned Encounters at Sea [CUES] to include coast guard and other maritime law enforcement agencies), given the prominent role of the China Coast Guard in aggressively advancing China's territorial ambitions in the East and South China seas.
13. Congress examine the state of the U.S.-Japan alliance in light of China's military modernization, paying particular attention to efforts to achieve a joint command structure for planning and executing complex combined operations.

#### ***Section 3: China and Taiwan***

The Commission recommends:

14. Congress urge the Administration to invite Taiwan to participate, at least as an observer, in U.S.-led bilateral and multilateral military and security-related exercises, including the Rim of the Pacific (RIMPAC) maritime exercise, Red Flag air-to-air combat training exercises, and Cyber Storm cybersecurity exercise, in order to support Taiwan's efforts to enhance its defense capabilities, expand opportunities for Taiwan to contribute to regional and international security, and counter China's efforts to limit Taiwan's international space.

15. Congress highlight the accomplishments and otherwise elevate the visibility of the Global Cooperation and Training Framework, which facilitates U.S.-Taiwan cooperation in areas such as public health and disaster relief. Such efforts possibly could include examining whether the program would benefit from additional staffing and funding.
16. Congress urge the executive branch to reexamine its practice regarding reciprocal visits by senior U.S. and Taiwan military officers and civilian officials with the aim of increasing high-level exchanges, including Cabinet-level officials and senior National Security Council officials, as part of an effort to enhance U.S.-Taiwan relations.
17. Congress ensure relevant U.S. military personnel are sufficiently familiar with Taiwan's defense situation by allocating funds for U.S. military personnel to take courses at Taiwan's defense educational institutions (such as Taiwan's war college, service command and staff schools, and airborne school) and other courses in Taiwan in an unofficial capacity through the American Institute in Taiwan, in order to ensure the U.S. military is prepared to act in support of Taiwan's defense if called on to do so.

#### ***Section 4: China and Hong Kong***

The Commission recommends:

18. Congress reauthorize annual reporting requirements of the United States-Hong Kong Policy Act of 1992, in an effort to ensure policymakers have the most up-to-date and authoritative information about developments in Hong Kong. The report should include an assessment of whether Hong Kong has maintained a "sufficient degree of autonomy" under the "one country, two systems" policy, among other developments of interest to the United States.
19. Congressional committees of jurisdiction examine and analyze potential U.S. policy options toward Hong Kong, including those to impose costs on Beijing for not abiding by its commitments to the territory, given mainland China's increased intrusions into Hong Kong's autonomy.
20. Members of Congress participate in congressional delegations to Hong Kong and meet with Hong Kong officials, legislators, and business representatives in the territory and while they visit the United States. In these meetings, they should raise concerns about Beijing's adherence to the "one country, two systems" policy and the recent crackdown on prodemocracy activists, including the imprisonment of Joshua Wong and others. They should also continue to express support for freedom of expression and rule of law in Hong Kong.

#### ***Section 5: China's Domestic Information Controls, Global Media Influence, and Cyber Diplomacy***

The Commission recommends:

21. Congress strengthen the Foreign Agents Registration Act to require the registration of all staff of Chinese state-run media

entities, given that Chinese intelligence gathering and information warfare efforts are known to involve staff of Chinese state-run media organizations and in light of the present uneven enforcement of the Act.

22. Congress require the U.S. Department of Commerce to collect information from U.S. companies that do business in China concerning requests from the Chinese government regarding censorship, surveillance, and data transfers, and report its findings to Congress.
23. Congress modify U.S. Federal Communications Commission regulations to require greater transparency regarding Chinese government ownership of media outlets and the clear labeling of media content sponsored by the Chinese government.
24. Congress urge the Office of the U.S. Trade Representative, when renegotiating the existing Bilateral Film Agreement between the United States and China, to increase the number of films that have access to Chinese theaters and increase the revenue sharing arrangement to a level reflecting the median arrangement existing around the globe. In addition, the arrangement should reserve a minimum of 50 percent of the quota for films from studios and independent distributors that are not owned or controlled by Chinese interests.

#### **Chapter 4: China's High Tech Development**

##### ***Section 1: China's Pursuit of Dominance in Computing, Robotics, and Biotechnology***

The Commission recommends:

25. Congress direct the National Science and Technology Council, in coordination with the National Economic Council and relevant agencies, to identify gaps in U.S. technological development vis-à-vis China, including funding, science, technology, engineering, and mathematics workforce development, interagency coordination, and utilization of existing innovation and manufacturing institutes, and, following this assessment, develop and update biennially a comprehensive strategic plan to enhance U.S. competitiveness in advanced science and technology.
26. Congress direct the Federal Bureau of Investigation in concert with the U.S. Department of Commerce's International Trade Administration to expand outreach to and develop educational materials and tools for U.S. academics, businesses, venture capitalists, and startups in dual-use sectors on potential risks associated with Chinese investors and partners, the Chinese government's role in acquiring technology through programs such as the Thousand Talents Program and Project 111, and steps to prevent industrial and cyber espionage.



## **Appendix II: Speech by Mariano Federici, President of Argentina's Financial Intelligence Unit**

I would like to start by thanking my friend Congressman Robert Pittenger for his kind invitation to this very important Forum.

Congressman Pittenger and I have been working closely for the past two years in raising awareness in Latin America on the threats and vulnerabilities affecting our region and in promoting legislative, regulatory and institutional reforms and solutions that could help us build a more secure continent.

While working together, we have built a close friendship. A friendship that is based on our honesty and straightforwardness among each other, and on our common values of respect for the democratic way of life, liberty, free markets and trade, and the need to enhance economic and financial integrity, as fundamental pillars to building a more secure and stable world.

In Argentina, we recognize the importance prioritizing and protecting the interest of each of our respective countries first. This is natural, and it is honest to admit it. But we also acknowledge the need for cooperating multilaterally and, in particular, for building strong bilateral partnerships with our friends in the interest, not only of our countries, but also of our region, and globally.

With the leadership and support of Congressman Pittenger, over the past two years, we have managed to conduct two incredibly successful regional events for parliamentarians on intelligence and security in Latin America. "The Pittenger Forum", as our legislators friendly refer to, has gathered over 400 parliamentarians, high level government officials, diplomats and private sector experts to discuss our region's challenges in the area of security and intelligence. But distinctively, it has also been the founding block in allowing us to build the kind of partnership we were aiming for with the United States.

And indeed, Argentina and the United States are in the process of building a strong strategic partnership for the protection of our mutual security and the integrity of our financial systems and economies.

Over the past two years we have given a thrust to our bilateral cooperation, particularly in the fight against organized crime and terrorism.

Following our first Parliamentary Forum with Mr. Pittenger in Buenos Aires, we have decided to establish with our US Treasury partners, the first bilateral dialogue to discuss illicit finance issues, which is called the Argentina-US Dialogue on Illicit Finances (AUDIF). AUDIF is co-chaired by the US Secretary of the Treasury and our Minister of Finance, with the operational support of FinCen and the Financial Intelligence Unit of Argentina, which I have the honor to run. The main purpose of the dialogue is precisely to identify illicit finance threats and vulnerabilities of common concern and develop joint strategies to address them.

At their last meeting together earlier this year, President Macri and President Trump pledged to strengthen their partnership to combat narcotics trafficking, money laundering, terrorist financing, corruption and other illicit finance activities through the AUDIF. They also recognized the benefits and risks of our increasing dependence on networked information and the importance of cooperation on cyber policy. Finally, they raised strong concern over the deteriorating situation in Venezuela, and agreed to work closely to preserve democratic institutions in that country. Most of these issues are being addressed under AUDIF.

Since its inception, we have held three summit meetings under the AUDIF; two in Buenos Aires and one here in Washington DC, with the participation of key US government and Argentine government officials. Priority initiatives under AUDIF have focused on i) understanding money laundering and terrorist financing risks in the TBA, ii) enhancing our anti-corruption and asset recovery efforts, iii) enhancing operational cooperation with US sanctions regimes, particularly in Venezuela, and iv) understanding challenges to financial market access and the undesired consequences of CBR loss. I would like to say a word on a few of these issues:

i) The risks stemming from the TBA are a priority concern to our government. Argentina suffered two large scale international terrorist attacks in its soil and the evidence pointed to the threats and vulnerabilities in the TBA. Despite this evidence, our previous administrations did little or nothing to address this problem. To the contrary, they went off to sign a deal with Iran, the country protecting the main suspects in at least one of these attacks (the AMIA bombings), and are now paying the consequences for these wrongdoings.

I am referring to the fact that Former President, and recently sworn in Senator, Cristina Kirchner was indicted today by a Federal Judge for the concealment of the AMIA bombings through the signature of the Deal with Iran. The judge ordered the removal of her congressional immunity by congress in order to proceed with her arrest. The indictment accuses Kirchner of developing a criminal scheme to grant impunity to the Iranian officials identified as responsible for the bombings, and who Iran has been constantly protecting.

Well our approach is radically different. President Macri repealed the deals with Iran immediately upon taking office and has been putting pressure for Iran to cooperate for once and for all with the search of the truth. I ask you also to remember every time the Iranian case may come to your attention, the participation of Iranian officials in the attacks that inflicted so much damage and pain to Argentina and the need for Iran to cease concealing these terrorist acts.

In addition, we have decided to tackle our understanding and mitigation of risks in the TBA with firmness and determination. Earlier this year, and in the context of the AUDIF, a fact finding trip of the TBA was conducted under our leadership, with the participation of Argentine, Brazilian, Paraguayan, and US government officials. The purpose of the trip was to gather information on financial activities and illicit finance risks in the TBA. The findings confirmed the large volume of transfers to high risk areas in Hezbollah controlled territory in Lebanon, the high risks of TBML through import export and retail businesses, the intensive use of cash by small and medium size

businesses and individuals and the large number of unregistered exchange houses, among other vulnerabilities.

We are now working on a joint strategy with the US government and our neighbors to tackle these problems, which will include, among other concrete operational measures, an increase of outreach and awareness raising activities, such as these type of events, in the region.

We are also conducting strategic analysis studies on terrorist financing at our FIU to identify trends and patterns of concern in this area. These studies are providing useful input and information on risks that had previously been underestimated, such as the suspicious existence of foreigners from certain conflict zone countries, residing primarily in one of our neighboring countries, crossing the borders with large amounts of cash and conducting significant gambling activity and sending remittances to the conflict zone from the area.

We now need to move towards a phase of enhanced intelligence information sharing with the US and our neighbors to complete our analysis and start taking decisive regulatory and law enforcement action. We are committed to move forward in this direction.

Finally, I would like to add that we are close to completing our National Terrorist Financing Risk Assessment as a country. This exercise is being led by our Ministry of Justice with the advice of senior US experts (former US Treasury officials) such as Juan Zarate and Danny Glaser acting as consultants to our exercise.

ii) I would lastly like to say a word on corruption. Corruption is not only a threat to the integrity of our system, it is also a vulnerability to its effectiveness. Where there is a corrupt government the fight against organized crime and terrorism is seriously compromised. Where there are corrupt regulators, AMLCFT prevention and detection risks being affected; where there are corrupt law enforcement and criminal justice officials, AMLCFT suppression will be doomed to fail. This is why we have taken such a tough stand against corruption.

It is unrealistic to be determined to fight organized crime and terrorism without being determined to fight the threat of corruption with equal might. Because corruption is a fundamental ingredient to understanding organized crime and terrorism related risks. I am absolutely convinced that our exposures to drug trafficking and money laundering risks in our region were significantly affected by corruption. In fact, I believe that the problematic of corruption explains much of the penetration of organized crime in our continent. Terrorists have also taken advantage of this by engaging in criminal activity and thereby accessing resources to finance their operations and provide for their protection.

This is why we have placed such a strong emphasis in fighting corruption through our operational work (40% of our cases are corruption cases) and why we are addressing this problem through the AUDIF and other international initiatives. Intimately related with the effective fight against corruption is the need to preserve and protect the independence and autonomy of control agencies such as Financial Intelligence Units. FIU's should be able to conduct their work with objectives,

impartiality and undue political interference. The logics of politics is a different logic. You negotiate, you cut deals, you prioritize based on political objectives. The enforcement of the rule of law, and the work of those that contribute to enforcing the law, should never be compromised by such objectives.

Argentina has also taken leadership in this matter at the regional level, galvanizing support for its strategic objectives from its regional partners, and influencing the regional agenda through actions developed under its leading roles in relevant global and regional bodies; Argentina currently chairs the G-20, the WTO, the FATF and the FATF-style regional body for Latin America (Gafilat) and, as Head of Argentina's FIU, I currently chair the FATF's Forum of HoFIU, I co-chair, with our Canadian partners, the regional representation for the Americas at the Egmont Group, and I stand as Vice-Chair of the Egmont Group's Executive Committee.

We are grateful for the opportunities the world has given us to take these leading roles, and we have decided to put them at the service, not only of our country, but also of our region, working with our most trusted global partners in building a more stable, secure and transparent region, which goes hand in hand with helping our countries unleash their productive potential to achieve sustainable levels of growth with equitable and inclusive development.

As President Macri expressed it a few days ago, while taking over the Presidency of the G20, "we want to be the expression of our region, not just our country. This is why we want to bring forward the aspirations and concerns of this developing region, which is anxious for new opportunities".

Ladies and gentlemen, Robert, you can count on Argentina as a strong strategic partner in the fight against organized crime and terrorism, the protection of our financial system's integrity, the defense of democratic values and liberty, and the respect for the rule of law. We share these values with the United States and other nations of good will across the globe and we stand ready to defend and promote them, at home and abroad.



Mr. Mariano Federici, President of Argentina's  
Financial Intelligence Unit

### Appendix III: Letters from Attendees



*L-iSpeaker*

*The Speaker*

29<sup>th</sup> December, 2017

*Dear friend,*

I would like to acknowledge with thanks receipt of your letter dated 21<sup>st</sup> December 2017 regarding the last Parliamentary Intelligence-Security Forum which you organised on 7<sup>th</sup> December 2017 in Washington D.C.

I have taken note of the said letter and I would like to reiterate my commitment to take an active part in this unique and important Forum

While I look forward to participate in the next Forum, please accept Your Honour the assurances of my highest consideration.



Angelo Farrugia

Honourable Robert Pittenger  
Chairman  
Congressional Taskforce on Terrorism and Unconventional Warfare  
Congress of the United States  
House of Representatives  
WASHINGTON, DC

The Honourable United States Congressman Robert Pittenger

Brussels, December 11th, 2017

Dear Mr Pittenger,

I would like to take a moment and express my appreciation for the opportunity to meet with you, last week, during my visit to the United States.

I highly appreciate the hospitality showed by you, your staff and the American people and the cordial exchange of views we had.

Let me take this opportunity to thank you once again for inviting me to the *10th Parliamentary Intelligence-Security Forum* and I would like to congratulate you for your initiative of organizing it.

In addition, I would like to emphasize the impact that the *Parliamentary Intelligence-Security Forum* is gaining and I strongly believe it would be a great opportunity to be organized also in Romania.

I look forward to continuing the conversation on different affairs and I am positive about the changes that we are now witnessing on both shores of the Atlantic.

As events unfold, I hope to welcome you in Europe and in Romania, my country, and contribute to stronger relations between our countries.

Sincerely,

Laurentiu REBEGA,





**To:** Željko Grubesić  
**Subject:** RE: 10th Parliamentary Intelligence-Security Forum Input

**From:** Željko Grubesić [  
**Sent:** Friday, December 22, 2017 2:36 AM  
**To:** Kennedy, Brian  
**Subject:** RE: 10th Parliamentary Intelligence-Security Forum Input

Dear Mr. Kennedy,

Thank you very much for hospitality and possibility to be part of this important Forum. 10<sup>th</sup> Forum offered a lot of possibility for dialogues and possibility to exchange information, different views and ideas. It is important that we, participants of forum, have no dilemmas how collaborate regarding counter -terror financing, intelligence data sharing and cyber security. Mr. Sifet Podzic, chairman do Defence and Security Committee of Bosnia and Herzegovina and members of the Committee expect that we will continue our cooperation in the future and that we will design our next forums according current security challenges.

Sincerely,



Parlamentarna skupština Bosne i Hercegovine  
Parliamentary Assembly of Bosnia and Herzegovina

**Željko Grubesić**  
Stručni savjetnik u Zajedničkom povjerenstvu za obranu i sigurnost Bosne i Hercegovine  
Expert Adviser in the Joint Commission for Defence and Security of Bosnia and Herzegovina

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**Subject:**

FW: 10th Parliamentary Intelligence-Security Forum Input

**From:** Fatmir Mediu

**Sent:** Thursday, December 21, 2017 2:28 PM

**To:** Kennedy, Brian

**Subject:** Re: 10th Parliamentary Intelligence-Security Forum Input

Dear Brian

Thanks a lot for the opportunity.

Congressman Pittinger is doing a great work bringing together people from around the world to have common understanding and will to counter terrorism.

Best regards to Congressman Pittinger.

Merry Christmas to all of you,  
Fatmir Mediu

Sent from my iPhone

*Courtesy translation*



**ASSEMBLY OF THE REPUBLIC OF MACEDONIA  
CABINET OF THE PRESIDENT OF THE ASSEMBLY OF THE REPUBLIC OF  
MACEDONIA**

Skopje  
December 22<sup>nd</sup>, 2017

Dear Congressman Pittenger,

I was honored to participate to the Parliamentary Intelligence-Security Forum in Washington. It was a very helpful Forum where we were able to hear and see the valuable presentations of the distinguished experts from the various fields of fighting the Islamic Jihad, like counter-terror financing, intelligence data sharing and cyber security.

We would really appreciate if during the next forums of this kind in the future, we would receive the written presentations of the key note speakers, so we would be able to use and perhaps implement the possible solutions in our legislative reforms.

We remain an interested party and devoted partner of this joint endeavor,

Sincerely,

President of the Assembly of  
the Republic of Macedonia

m-r Talat Xhaferi

A handwritten signature in blue ink, which appears to read 'Talat Xhaferi', is written over the typed name.