



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

February 14, 2023

OIG-CA-23-015

MEMORANDUM FOR DEPARTMENT OF DEFENSE  
LEAD INSPECTOR GENERAL

FROM: Gregory Sullivan /s/  
Audit Director

SUBJECT: Overseas Contingency Operations - Summary of Work  
Performed by the Department of the Treasury Related to  
Terrorist Financing and Anti-Money Laundering for First  
Quarter Fiscal Year 2023

This summary provides an update on the Department of the Treasury's (Treasury) programs to combat terrorist financing. Per your request, we provided this information in a question and answer format to help streamline the information. This information is provided by Treasury management and is not audited by Treasury Office of Inspector General.

**Q1. In an unclassified, publicly releasable format, provide information on individuals and organizations sanctioned for providing support to the Islamic State of Iraq and Syria (ISIS) as follows:**

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

Treasury told us it uses the full range of its authorities to aggressively target ISIS leaders, operatives, financiers, and associated organizations around the world. These efforts resulted in Treasury designating 130 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, 2022 – December 31, 2022.**

**November 1, 2022 Designations**

On November 1, 2022, Treasury sanctioned a network of seven ISIS-Somalia<sup>1</sup> weapons traffickers and a related company in Somalia, as well as one ISIS supporter in Brazil,<sup>2</sup> pursuant to Executive Order (EO) 13224.<sup>3</sup>

***Liibaan Yousuf Mohamed***

- Liibaan Yousuf Mohamed (Mohamed) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. He is an ISIS-Somalia-associated businessman who carries out official duties for the group. Mohamed, through his business Liibaan General Trading Co., has made payments to ISIS-Somalia. As of 2017, Mohamed was an active member of the Puntland-based arms smuggling and illegal fishing Qandala-Hafun network. Previously, he was al-Shabaab's<sup>4</sup> senior Amniyat<sup>5</sup> operative and kidnapping facilitator.
- Liibaan General Trading Co. was sanctioned for being owned, controlled, or directed by, directly or indirectly, U.S.-designated ISIS-Somalia facilitator Mohamed.

***Abdirahman Mohamed Omar***

- Abdirahman Mohamed Omar (Omar) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to

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<sup>1</sup> ISIS-Somalia pledged allegiance to ISIS in October 2015 under Abdiqadr Mumin, previously a senior leader of an al-Shabaab faction operating in the Somali region of Puntland.

<sup>2</sup> For additional information, see Treasury's press release, "Treasury Sanctions Terrorist Weapons Trafficking Network in Eastern Africa" (Nov. 1, 2022).

<sup>3</sup> EO 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism," (September 23, 2001) provides a means by which to disrupt the financial support network for terrorists and terrorist organizations.

<sup>4</sup> Al-Shabaab is al-Qa'ida's principal affiliate in East Africa.

<sup>5</sup> The Amniyat, al-Shabaab's intelligence wing, plays a key role in the execution of suicide attacks and assassinations in the region.

or in support of, ISIS-Somalia. He is an ISIS-Somalia member and arms smuggler in the Dhofaye-Laboballe-Buruj Farah partnership<sup>6</sup> and the Qandala-Hafun network. As of 2020, Omar was considered the most active illicit arms importer in Puntland, Somalia, and has executed more than \$2 million worth of transactions over a four-year period. Omar has been involved in weapons facilitation to ISIS-Somalia and al-Shabaab since at least early 2017 and has worked closely with a U.S.-designated facilitator for al-Qa'ida in the Arabian Peninsula, to whom he sent \$300,000.

### ***Mahad Isse Aden***

- Mahad Isse Aden (Aden) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. Aden is an arms smuggler in the Dhofaye-Laboballe-Buruj Farah partnership and the Puntland-based arms smuggling and illegal fishing agent Qandala-Hafun network, alongside Abdirahman Mohamed Omar. Aden has sold weapons to both ISIS-Somalia and al-Shabaab. Aden has been a partner of Omar in the arms trade and similarly transferred nearly \$800,000 to arms suppliers in Yemen between 2015 and 2020. As of late 2020, Aden was one of the most prolific arms traffickers operating between Yemen and Puntland, Somalia. Aden serves as a key node linking Yemen- and Somalia-based arms trafficking networks.

### ***Isse Mohamoud Yusuf***

- Isse Mohamoud Yusuf (Yusuf) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. He is an ISIS-Somalia weapons and logistics facilitator in Bari, Puntland, Somalia, and is an arms smuggler as part of the Qandala-Hafun network. Yusuf runs a network of smuggling vessels, including several that he owns and uses to transport weapons from Yemen for ISIS-Somalia. Yusuf is also a relative of ISIS-Somalia leader Abdiqadr Mumin (Mumin). Yusuf runs a network of black-market smugglers who, as of

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<sup>6</sup> The Dhofaye-Laboballe-Buruj Farah partnership is a triad of arms dealers smuggling weapons from Yemen to Somalia.

2021, organized a shipment of weapons and ammunition for ISIS-Somalia; the shipment was disguised as regular weapons and sold through black market dealers. In early 2022, Yusuf facilitated the travel of ISIS militants on his sailing vessel from the Middle East to Somalia to attend meetings on the restructuring of ISIS-Somalia's leadership, tactics, and strategies. Yusuf was previously involved in piracy, and still maintains his militias in Caluula district, where the majority of his pirate operations occurred.

***Abdirahman Fahiyeh Isse Mohamud***

- Abdirahman Fahiyeh Isse Mohamud (Fahiyeh) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. As of early 2021, he was an ISIS-Somalia emir and reported to Mumin. Fahiyeh was the coordinator of the May 23, 2017, suicide bombing in Bosaso, Somalia. The attack was ISIS-Somalia's first suicide bombing and targeted a police checkpoint near the Juba Hotel, killing five people and wounding at least 12 others. Fahiyeh also organized ISIS-Somalia's monthly operational report, which included information on ISIS-Somalia's attack campaign against businesses refusing to provide ISIS-Somalia with extortion payments; recruitment numbers and a financial summary; and issues facing ISIS-Somalia externally and internally, including individuals accused of espionage. Over the course of one month, ISIS-Somalia reportedly generated \$100,000, of which an insignificant amount was used to pay ISIS-Somalia members' salaries.

***Mohamed Ahmed Qahiye***

- Mohamed Ahmed Qahiye (Qahiye) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. Qahiye is an ISIS-Somalia senior leader and was the head of the Amniyat. In early 2020, Qahiye and Mumin met with Iranian nationals who paid more than \$10,000 to ISIS-Somalia leadership. Separately, Qahiye and Mumin requested an arms shipment from Yemen that included AK-47 and pistol ammunition, rocket-propelled grenade launchers, and PK machine guns.

### ***Ahmed Haji Ali Haji Omar***

- Ahmed Haji Ali Haji Omar (Haji Omar) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS-Somalia. As of mid-2019, he was an ISIS-Somalia commander in charge of weapons smuggling in Bari, Puntland, Somalia. Haji Omar is an arms supplier who is a significant figure in ISIS-Somalia's leadership structure.

### ***Osama Abdelmongy Abdalla Bakr***

- Osama Abdelmongy Abdalla Bakr (Bakr) was sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS. In 2016, senior ISIS leaders directed Bakr to make contact with the Democratic People's Republic of Korea (DPRK). Bakr took direct instructions from an ISIS leader and was paid nearly \$30,000 by ISIS leaders in support of his efforts. Bakr sought multiple meetings with DPRK embassy employees in Brazil in an effort to purchase lightweight weaponry and anti-drone technology for the benefit of ISIS. ISIS ultimately did not receive anything from the DPRK. Bakr remained in contact with ISIS leaders through at least 2018. Additionally, Bakr has helped individuals immigrate to and obtain employment in Brazil.

### **November 7, 2022 Designations**

On November 7, 2022, Treasury sanctioned a network of four individuals and eight companies in South Africa that belong to an ISIS cell,<sup>7</sup> pursuant to Executive Order 13224. This network is led by U.S.-designated South African ISIS cell leader Farhad Hooper (Hooper).<sup>8</sup>

### ***Nufael Akbar and Yunus Mohamad Akbar***

- Brothers Nufael Akbar and Yunus Mohamad Akbar were sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or

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<sup>7</sup> For additional information, see Treasury's press release, "Treasury Designates Members of ISIS Cell in South Africa" (Nov. 7, 2022).

<sup>8</sup> Hooper, who helped organize and begin the operations of the South Africa-based ISIS cell, was sanctioned by Treasury in March 2022.

goods or services to or in support of, ISIS. They are senior members of a Durban, South Africa-based ISIS cell led by Hooper. Nufael Akbar has collaborated with and been directed by Hooper and is a central commanding figure in the cell. Yunus Mohamad Akbar functions as an enforcer and logistical coordinator for the cell.

- MA Gold Traders (PTY) LTD was sanctioned for being owned, controlled, or directed by U.S.-designated ISIS facilitator Nufael Akbar.
- Bailey Holdings (PTY) LTD and Flexoseal Waterproofing Solutions (PTY) LTD were sanctioned for being owned, controlled, or directed by U.S.-designated ISIS facilitator Yunus Mohamad Akbar.
- HJ Bannister Construction CC was sanctioned for being owned, controlled, or directed by U.S.-designated ISIS facilitators Nufael Akbar and Yunus Mohamad Akbar.

#### ***Mohamad Akbar and Umar Akbar***

- Mohamad Akbar and Umar Akbar, two of Hooper's associates, were sanctioned for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, ISIS. They were arrested, along with Hooper, by South African authorities in 2018 for their involvement in a plan to deploy improvised incendiary devices near a mosque and commercial retail buildings.

#### ***Farhad Hooper-Controlled Companies***

- Sultans Construction CC, Ashiq Jewellers CC, Ineos Trading (PTY) LTD, and Shaahista Shoes CC were sanctioned for being owned, controlled, or directed by U.S.-designated ISIS facilitator Hooper.

- c. The number, if any, of previously sanctioned individuals and/or organizations removed from the sanctions list during the reporting period: October 1, 2022 – December 31, 2022.**

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

**Q2. In an unclassified, publicly releasable format, describe what was done this quarter with Coalition partners in Iraq and Syria to disrupt ISIS financial networks.**

Treasury told us it continues to work with interagency and Coalition partners, including the Government of Iraq, to prioritize identifying ISIS's financial reserves and financial leaders, disrupting ISIS's financial facilitation networks in the Middle East. In addition, Treasury is working to designate ISIS facilitators, front companies, and fundraisers in various countries. Treasury also takes a leadership role in the Global Coalition to Defeat ISIS, serving as a co-lead of the Counter ISIS Finance Group (CIFG) along with its counterparts from Italy and Saudi Arabia.

On November 8 and 9, 2022, Treasury co-led a virtual CIFG meeting with dozens of Coalition members and observers, including Iraqi partners, to exchange information on ISIS financing activities and the efforts to counter them across multiple continents. On December 6 and 7, 2022, the CIFG met in The Hague with the other Coalition working groups and presented to the Political Directors' Meeting a brief overview of the state of ISIS's finances and the CIFG's priorities in the coming year.

**Q3. In an unclassified, publicly releasable format, describe ISIS funding in Iraq and Syria, to include what has changed since last quarter, 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. Include the methods ISIS uses to transfer funds into and distribute funds within Iraq and Syria.**

Treasury told us ISIS's financial situation remains largely unchanged since the previous quarter. ISIS continued to raise funds through extortion of oil smuggling networks in eastern Syria, kidnapping for ransom targeting civilian businesses and populations, extortion, looting, and the possible operation of front companies. The group relied on money services businesses, including hawalas,<sup>9</sup> throughout Iraq, Syria, and Turkey, to transfer funds internationally. ISIS probably has tens of millions of U.S. dollars available in cash reserves dispersed across the region.

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<sup>9</sup> The hawala system is a widely used form of Informal Value Transfer Systems, a term used to describe those money or value transfer systems that operate informally to transfer money as a business.

In November 2022, Treasury published additional information related to ISIS financing in Syria and Iraq:<sup>10</sup>

Despite substantial leadership losses this year, ISIS Core<sup>11</sup> remains intact and maintains access to as much as \$25 million in cash reserves held in Syria and Iraq. The terrorist group amassed these funds during its 2014-2017 occupation of Iraqi and Syrian territories by selling oil, extorting local economies, and looting banks. ISIS leadership uses these funds to support its branches and networks around the world, finance extremist operations, maintain a loyal cadre of supporters, conduct recruitment, secure the release of its members from prisons and internally displaced persons camps, and pay family members of deceased and imprisoned ISIS personnel. However, ISIS Core's revenue streams are diminishing due to pressure from the military forces of the Global Coalition [to Defeat ISIS] and law enforcement actions in the region. We estimate that ISIS militants operating in Syria and Iraq spend more money per month than they can generate during the same period. As a result, ISIS leaders rely on declining incomes from extorting local businesses, kidnapping for ransom, looting, and sporadic external donations to fill their coffers. This year, ISIS leaders in Iraq and Syria have increasingly emphasized the importance of fundraising to their subordinates, probably because the group recognizes that it will be unable to support members without increasing their revenue in the coming years.

**Q4. In an unclassified, publicly releasable format, describe the methodology ISIS uses to transmit and distribute funds into and out of al-Hawl<sup>12</sup> and other camps, as well as Syrian Democratic Forces detention facilities holding ISIS detainees. Include any changes to estimates of funds transmitted, particularly to residents in al-Hawl.**

Treasury told us ISIS supporters use a combination of cash, hawalas, virtual currencies, and online fundraising platforms to transfer funds, including to individuals in al-Hawl. The group's supporters have gathered and sent funds to intermediaries in Turkey who smuggle the

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<sup>10</sup> Treasury, "Fact Sheet: Countering ISIS Financing" (Nov. 18, 2022).

<sup>11</sup> ISIS Core refers to the main portion of ISIS in Iraq and Syria, along with the key leaders of the global organization. The term is mainly used to differentiate the main ISIS leadership from the regional ISIS affiliates, such as ISIS-Khorasan and ISIS-Philippines.

<sup>12</sup> Al-Hawl (or al-Hol) is an internally displaced persons camp in northern Syria housing upwards of 70,000 refugees. It holds one of the largest concentrations of current and former ISIS members who continue to receive donations from ISIS supporters internationally.

cash into Syria or send the funds to hawalas operating in the camp. In al-Hawl, ISIS supporters have received up to \$20,000 per month via the hawala system; the majority of these transfers originated outside Syria or passed through neighboring countries, such as Turkey. There have been no changes to estimates of the funds transmitted to al-Hawl and other camps.

**Q5. In an unclassified, publicly releasable format, provide an update on any actions taken this quarter with regard to the unfreezing of Afghan Central Bank assets held in the United States and the implementation of these funds for humanitarian aid for the Afghan people.**

Treasury told us the Board of Trustees of the Fund for the Afghan People<sup>13</sup> met for the first time on November 21, 2022, in Geneva, Switzerland. The Board took steps to further operationalize the Fund, including agreeing to the principle of initial Afghan co-chairmanship and to the establishment of an Afghan Advisory Committee. The Board also agreed to make prudent investments to protect the Fund's assets, to further define potential disbursements, and to initiate a recruitment process for an Executive Secretary.

Treasury told us robust safeguards have been put in place to prevent the funds from being used for illicit activity. In its first meeting, the Board of Trustees agreed on additional steps to continue to safeguard the Fund's assets for Afghanistan's people, including hiring an external auditor to conduct annual audits, and developing compliance controls and foundational corporate governance documents.

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<sup>13</sup> The United States, through Treasury and the State Department, and in coordination with international partners, announced on September 14, 2022, the establishment of a fund to benefit the people of Afghanistan, or the "Afghan Fund." The Afghan Fund will protect, preserve, and make targeted disbursements of its \$3.5 billion in assets to help provide greater stability to the Afghan economy to benefit the people of Afghanistan.

**Q6. In an unclassified, publicly releasable format, describe any changes this quarter to (1) licenses<sup>14</sup> designed to facilitate the continued delivery of humanitarian assistance to Afghanistan; (2) the designation of Taliban and/or Haqqani<sup>15</sup> officials as Specially Designated Nationals; and (3) the overall sanctions regime against the Taliban.**

Treasury's Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals.

Treasury told us OFAC is not easing pressure on the Taliban. The Taliban remains designated as a Specially Designated Global Terrorist (SDGT), while the Haqqani Network remains designated as an SDGT and a Foreign Terrorist Organization under Section 219 of the Immigration and Nationality Act.<sup>16</sup>

OFAC has issued seven Afghanistan-related general licenses<sup>17</sup> to enable the flow of legitimate humanitarian assistance supporting the basic human needs of vulnerable populations in Afghanistan through legitimate and transparent channels. These channels include the U.S. Government, international organizations, and nongovernmental organizations, so that such entities can continue to engage in humanitarian assistance and certain other activities that support the Afghan people. However, OFAC has limited the scope of these general licenses to continue to deny resources to malicious actors. For example, the licenses do not allow financial transfers to the Taliban;

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<sup>14</sup> A license is an authorization from the Office of Foreign Assets Control (OFAC) to engage in a transaction(s) that otherwise would be prohibited. There are two types of licenses: general licenses and specific licenses. General licenses allow all U.S. persons to engage in the activity described in the general license without needing to apply for a specific license. A specific license is a written document issued to a particular person or entity, authorizing a particular transaction in response to a written application.

<sup>15</sup> The Haqqani Network is a Sunni Islamist militant organization primarily based in North Waziristan, Pakistan. It conducts cross-border operations into eastern Afghanistan and Kabul.

<sup>16</sup> 8 U.S.C. 1189, *Designation of foreign terrorist organizations*.

<sup>17</sup> OFAC General Licenses No. 14, "Authorizing Humanitarian Activities in Afghanistan" (September 24, 2021); No. 15, "Transactions Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, Replacement Parts and Components, or Software Updates in Afghanistan" (September 24, 2021); No. 16, "Authorizing Noncommercial, Personal Remittances to Afghanistan" (December 10, 2021); No. 17, "Official Business of the United States Government" (December 22, 2021); No. 18, "Official Activities of Certain International Organizations and Other International Entities" (December 22, 2021); No. 19, "Certain Transactions in Support of Nongovernmental Organizations' Activities in Afghanistan" (December 22, 2021); and No. 20, "Authorizing Transactions Involving Afghanistan or Governing Institutions in Afghanistan" (February 25, 2022).

the Haqqani Network; any entity in which the Taliban or the Haqqani Network owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest; or any blocked individual who is in a leadership role of a governing institution in Afghanistan other than for the purpose of effecting the payment of taxes, fees, or import duties, or the purchase or receipt of permits, licenses, or public utility services, provided that such payments do not relate to luxury items or services.