



17th Parliamentary Intelligence-Security Forum

Washington, D.C., United States of America

December 12, 2019



Contents

Documents	4
Welcoming Remarks.....	12
Congressman Robert Pittenger	12
Mariano Federici.....	13
Keynote Address.....	14
Dan Coats, former Director of National Intelligence.....	14
Opening Statements	15
Brent McIntosh, Undersecretary of the Treasury	15
Dr. Charles Clancy, the MITRE Corporation	17
Juan Zarate, Sightspan	18
Current Trends of Global Jihad and the Return of Foreign Fighters	19
Robin Simcox, the Heritage Foundation.....	19
Joseph Humire, Center for a Secure Free Society	20
Martin Rapaport	21
Emanuele Ottolenghi, Foundation for Defense of Democracies	22
Artificial Intelligence, FinTech, Financial Software and Advanced Analytics	23
Craig Timm, Bank of America	23
Stuart Jones, CEO, Sigma Ratings.....	24
United States Senator Ted Cruz.....	25



Cryptocurrencies and Blockchain Technology	26
David Schwartz, FIBA.....	26
Troy Paredes, Former Commissioner, US Securities and Exchange Commission	27
Adversarial Foreign Investments, Illicit Finance, Trade-Based Money Laundering.....	27
J.R. Helmig, SAS	27
John Cassara, AML/CTF Expert.....	28
Derek Maltz, Former Special OPS DOJ	29
Kristen Reif, Philip Morris International	30
Panel on Transnational Cooperation and the Role of Financial Intelligence Units	31
Alejo Campos, Crimestoppers	31
Mariano Federici (FIU Argentina) and Jerome Beaumont (Egmont Group)	32
Andreas Frank (EU AML) and Michael Braun (Former DEA COO)	32
Congressmen French Hill and Bill Huizenga	33



Documents

20 F St. NW - Suite 700
Washington, D.C. 20001
United States of America



Office: 202-318-2000
Cell: 704-307-3500
robert@robertpittenger.com

STEERING COMMITTEE

Hon. Andreas Schwab, Chairman
Germany

Hon. Shaikh Abdulla Rashed AlKhalifa
Bahrain

Hon. Olivier Cadiac
France

Hon. Robert Dussey
Togo

Hon. Manuel Espina
Guatemala

Hon. Mariano Federici
Argentina

Mr. Shafik Gabr
Egypt

Hon. Vladimir Gjorchev
Macedonia

Mr. J.R. Helmig
SAS

Hon. Csaba Hende
Hungary

Hon. Holden Chow Ho-Ding
Hong Kong

Mr. Joseph Humire
Center for a Secure Free Society

Hon. Erzhan Kazykhanov
Kazakhstan

Hon. Arjun Kumar Karki
Nepal

Hon. Madeleine Moon
United Kingdom

Hon. Haidara Mamadou
Ivory Coast

Mr. Jacob Norwood
Citi

Hon. Sooroj Phokeer
Mauritius

Ms. Kristin Reif
Philip Morris

Mr. Frederick Reynolds
Barclays

Hon. Johannes Selle
Germany

Hon. Ksenia Svetlova
Israel

Hon. Kadyr Toktogulov
Kyrgyz Republic

Hon. Dalia Youssef
Egypt

Hon. Emanuelis Zingeris
Lithuania

In Honor and Memoriam,
Andreas Karlsböck
Austria

CONGRESSMAN ROBERT PITTENGER
Chairman
Parliamentary Intelligence-Security Forum

Dear Member:

On Thursday, December 12, the Parliamentary Intelligence-Security Forum will host its 17th Counter-terrorism briefing for Parliamentarians and government officials, with over two-hundred delegates attending from sixty-five countries. Please be sure to bring business cards and identification for the event. You will also find enclosed an updated agenda for your reference. For any questions, please email Sean@pi-sf.com .

Sincerely,

Congressman Robert Pittenger
Chairman, Parliamentary Intelligence-Security Forum
20 F St. NW — Suite 700
Washington, DC 20001 USA
Office: +1 202 318 2000
Mobile/WhatsApp/Signal/Wechat: +1 704 307 3500
Skype: live:RobertPittenger
Robert@PI-SF.com
www.PI-SF.com





Congressman Robert Pittenger
Chairman, Parliamentary Intelligence - Security Forum

20 November 2019

Dear Parliamentarian or Distinguished Leader:

Please join us as a delegate for the 17th Parliamentary Intelligence-Security Forum in Washington, DC on December 12, from 9am to 6pm at Senate Dirksen Office Building, Hearing Room 106, reception following at Hart 900. To date, confirmed expert presenters include: former Director of National Intelligence Senator Dan Coats, Israeli Minister Tzachi Hanegbi, former House Intelligence Committee Chairman Mike Rogers, Argentina F.I.U. President Mariano Federici, Intel Member of Congress Chris Stewart, Financial Services Member of Congress French Hill, AML/CTF expert John Cassara, Craig Timm with Bank of America, J.R. Helmig with SAS, Jacob Norwood with Citi, John Walsh with Sight Span, Dr. Emmanuel Ottolenghi with Foundation for Defense of Democracies, Robin Simcox with Heritage Foundation, Joseph Humire with Center for Free Secure Society, Juan Zarate CEO of Financial Integrity Network and many others.

PROGRAM TOPICS:

CURRENT TRENDS OF GLOBAL JIHAD

THE RETURN OF FOREIGN FIGHTERS

ILLICIT FINANCE

INTELLIGENCE SHARING

CYBER SECURITY

TRADE BASED MONEY LAUNDERING

FINANCIAL SOFTWARE AND ADVANCED

ANALYTICS

5G

ARTIFICIAL INTELLIGENCE

FINTECH

HUMAN TRAFFICKING

TRANSNATIONAL PROSECUTION

EMERGING THREAT OF DRONES

ADVERSARIAL FOREIGN INVESTMENTS

CRYPTOCURRENCIES

THE ROLE OF FINANCIAL INTELLIGENCE UNITS

FACEBOOK/LIBRA

Please let us know at your earliest convenience if you can participate at this outstanding counter terrorism briefing with your confirmation by responding to sean@pi-sf.com.

Sincerely,

Congressman Robert Pittenger
Chairman, Parliamentary Intelligence-Security Forum

Office: +1 202 318 2000

Robert@PI-SF.com

www.PI-SF.com





Senator Dan Coats

Dear Distinguished Leader:

As a former US Senator serving on the Intelligence Committee and as Director of National Intelligence, I am fully cognizant of the immense security challenges confronting America and the larger global community.

Terrorism remains a persistent threat and in many ways is positioned to increase in 2020. The conflicts in Syria and other parts of the region have generated a large pool of skilled and battle-hardened fighters who remain dispersed throughout the region. The spread and adaption of new technology will continue to drive the world in which we live in ways we have yet to fully understand. Advances in areas such as Artificial Intelligence, communication technologies, biotechnology and materials sciences are changing our way of life. But, our adversaries are also investing heavily into these technologies and they are likely to create new and unforeseen challenges to our health, economy and security.

The Parliamentary Intelligence-Security Forum provides an important platform for legislators around the world to be briefed on these current security challenges. As well, experts from private industry, intelligence agencies and strategically aligned think tanks provide essential policies, strategies and tools to enable legislators to develop an effective working knowledge and stronger international collaboration to dismantle the capabilities of terrorist organizations and annul their prevailing implacable resolve.

I am pleased to be kicking off this critical international forum on December 12, 2019 at the Senate Dirksen Office Building, Hearing Room 106, registration at 8am, with the conference from 9am to 6pm. Kindly respond to sean@pi-sf.com to confirm your attendance.

Sincerely,

A handwritten signature in black ink that reads "Daniel R. Coats". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Daniel R. Coats



BILL HUIZENGA
2ND DISTRICT, MICHIGAN

COMMITTEE ON FINANCIAL SERVICES

Congress of the United States
House of Representatives
Washington, DC 20515-2202

2232 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2202
PHONE: 202-225-4401
FAX: 202-226-0779

4555 WILSON AVE
SUITE 3
GRANDVILLE, MI 49418
PHONE: 616-570-0917
FAX: 616-570-0934

1 SOUTH HARBOR
SUITE 6B
GRAND HAVEN, MI 49417
* BY APPOINTMENT
www.huizenga.house.gov

October 18, 2019

Dear Parliamentarians:

Over the last six years the Parliamentary Intelligence-Security Forum has developed into a highly effective organization in bringing together Parliamentarians with leading experts to address a broad range of counter terrorism issues. Through this initiative, we have seen significant outcomes to deter and prevent the actions of Islamic terrorists and protect our citizens.

Please make every effort to join us for this highly important briefing on December 12 at the Senate Dirksen Office Building, Room 106, from 9am to 6pm, with a reception following at Hart 900. We must understand the current technology advances engaged by these very sophisticated adversaries and be adept in how to mitigate and prevent their sinister and malevolent intentions.

Your presence is important as we build a stronger working knowledge and effective collaboration on these critical issues. Please RSVP to sean@pi-sf.com to confirm your attendance. I look forward to seeing you there.

Sincerely,


Bill Huizenga
Member of Congress

PRINTED ON RECYCLED PAPER



GEORGE HOLDING
SECOND DISTRICT
NORTH CAROLINA



COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

October 17, 2019

Dear Parliamentarian:

The Parliamentary Intelligence-Security Forum in Washington, DC on December 12, from 9am to 6pm, at Dirksen Senate Office Building 106, provides a unique and critically important opportunity for Parliamentarians to gather from throughout the world to learn from the best experts in the world regarding counter terrorism issues. Our threats and challenges with Islamic jihad are ever evolving with sophisticated technology employed by these determined adversaries.

We must be vigilant and adapt to their strategies and capabilities. I urge you to participate in this security briefing, as we build greater knowledge and collaboration to defeat this ominous and unrelenting threat to all of us.

Sincerely,

George Holding
Member of Congress

WASHINGTON, D.C. OFFICE
1110 LONGWORTH HOUSE OFFICE BUILDING • WASHINGTON, D.C. 20515
PHONE 202.225.3032 • FAX 202.225.0181

RALEIGH DISTRICT OFFICE
7200 FALLS OF NEUSE RD. SUITE 204 • RALEIGH, NC 27615
PHONE 919.782.4400 • FAX 919.782.4490





17th Parliamentary Intelligence-Security Forum
December 12, 2019
Dirksen Senate Office Building – Washington, D.C.





PARLIAMENTARY INTELLIGENCE-SECURITY FORUM

DIRKSEN SENATE OFFICE BUILDING, HEARING ROOM 106

WASHINGTON, D.C.

THURSDAY, DECEMBER 12, 2019

8:00 – 9:00 REGISTRATION and COFFEE/DANISH

9:00 – 9:15 WELCOME

- CONGRESSMAN ROBERT PITTENGER
- MARIANO FEDERICI, President of FIU Argentina

9:15 – 9:45 KEYNOTE ADDRESS

- THE HONORABLE DAN COATS, former Director of National Intelligence

9:45 – 10:30 OPENING STATEMENTS

- THE HONORABLE BRENT MCINTOSH, Undersecretary of Treasury
- T. CHARLES CLANCY, Ph.D., The MITRE Corporation
- THE HONORABLE JUAN ZARATE, Chairman of Financial Integrity Network

10:30 – 11:45 CURRENT TRENDS OF GLOBAL JIHAD and THE RETURN OF FOREIGN FIGHTERS

- JAMES LEWIS, CSIS
- JOHN WALSH, SIGHTSPAN
- ROBIN SIMCOX, The Heritage Foundation
- STUART JONES, CEO, Sigma Ratings
- JOSEPH HUMIRE, Center for a Secure Free Society

11:45 – 12:00 U.S. SENATOR TED CRUZ

12:00 – 13:15 CRYPTOCURRENCIES and BLOCKCHAIN TECHNOLOGY

- DANTE DISPARTE, Libra and Digital Payments
- ALBERTO ECHEGARAY, Cryptocurrencies
- DAVID SCHWARTZ, FIBA
- TOM KEATINGE, Centre for Financial Crime & Security Studies
- TROY PAREDES, Former Commissioner, U.S. Securities and Exchange Commission



13:15 – 14:30 WORKING LUNCH

- CONGRESSMAN CHRIS STEWART, House Intelligence Committee
- EMANUELE OTTOLENGHI, Foundation for Defense of Democracies
- SAMANTHA RAVICH Ph.D., Former Advisor to Vice President Cheney

14:30 – 15:45 ARTIFICIAL INTELLIGENCE, FINTECH, FINANCIAL SOFTWARE AND ADVANCED ANALYTICS

- CRAIG TIMM, Bank of America
- JACOB NORWOOD, CITI
- DAWN SCALIA, McKinsey
- JESSICA MANDEL, Credit Suisse

15:45 – 16:45 ADVERSARIAL FOREIGN INVESTMENTS, ILLICIT FINANCE, TRADE BASED MONEY LAUNDERING

- JOHN CASSARA, AML/CTF Expert
- KRISTEN REIF, PMI
- J.R. HELMIG, SAS
- FLORA OKEREKE, BAT
- DEREK MALTZ, Former Special OPS DOJ

16:45 – 17:00 U.S. CONGRESSMAN FRENCH HILL**17:00 – 18:00 TRANSNATIONAL PROSECUTION, THE ROLE OF FINANCIAL INTELLIGENCE UNITS**

- ANDREAS FRANK, EU AML
- JEROME BEAUMONT, Egmont Group
- ALEJO CAMPOS, Crimestoppers
- MICHAEL BRAUN, Former DEA COO
- NICK MAXWELL, Head of the Future of Financial Intelligence Sharing Research Programme

18:00 – 18:15 CLOSING REMARKS

- MARIANO FEDERICI, President of FIU Argentina
- CONGRESSMAN ROBERT PITTENGER

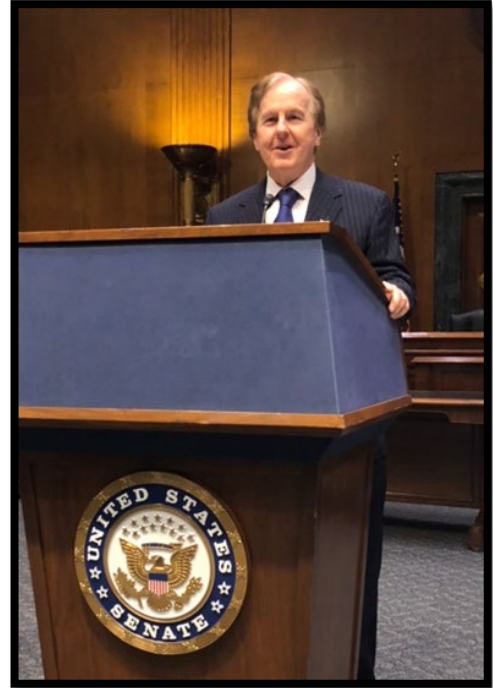
18:15 RECEPTION in Hart Senate Building, Room 900



Welcoming Remarks

Congressman Robert Pittenger

The forum began with opening remarks from former United States Congressman Robert Pittenger. During his remarks, Congressman Pittenger remarked on why these fora began. In the wake of the Edward Snowden revelations, the vulnerability of security infrastructure became visible to the entire globe. It was seen that not only the United States, but a whole host of nations also lack the tools necessary to be able to combat issues that could arise that closely resemble the Snowden incident. In a time in which the global landscape is increasingly dynamic with emerging technologies that have the ability to disrupt current international norms and systems, it is now more important than ever to collaborate with those around the world to share expertise and practices in order to confront the new challenges of the 21st century. For this very reason, these fora were started: to provide expert testimonies and international best practices in a series of engaging dialogues so that the world of the future is one that is safe. It is his hope that the forum today will continue to follow in the footsteps of the previous forums that have been largely credited with major steps that have been taken throughout the world to improve security capabilities.



Mariano Federici

Mariano Federici, the former President of Argentina's Financial Intelligence Unit, began his opening remarks in noting how the dynamic world today has been growing more inter-dependent. In the international context, there is more complexity in all of these global interactions than ever before. One of these complexities can be seen in capitalism, which has brought prosperity while also bringing about risk. Of these risk factors, one of note is transnational crime, such as illicit finance, which has grown as the world has further globalized. While life is safer now than ever before, humanity as a whole has also been less likely to take risks, and that is dangerous. What we can see as a result is that South America, North Africa, and other regions have lost more than 30% of their banking relationships. The loss of those relationships lowers the flow of information that is needed to reliably track illicit money flows. Governments and their security organizations must not stop taking risks, because sitting passively will allow for bad actors to conversely, take more risks.

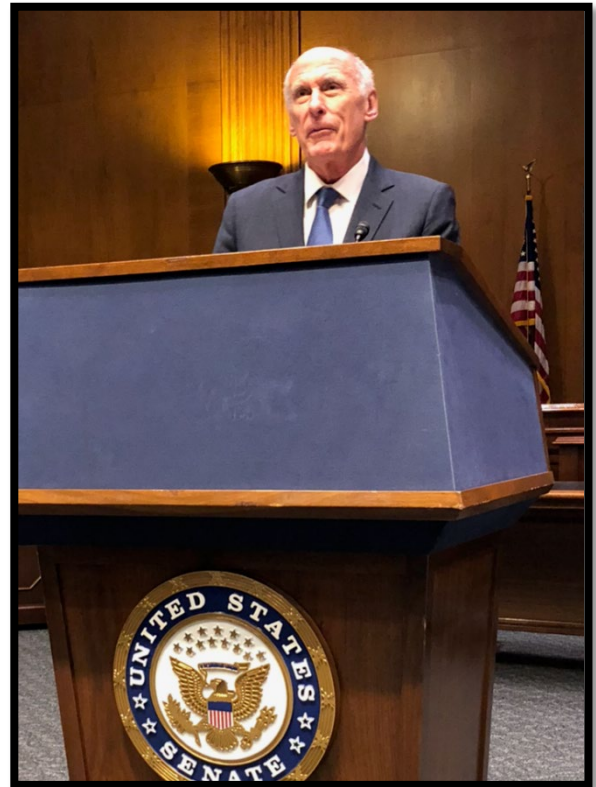


Keynote Address

Dan Coats, former Director of National Intelligence

The honorable Dan Coats began his keynote address by noting how this is a world that we all share. As a result, the key to making a difference is through cooperation. Currently, the principal threats to US security are international

terrorism, Syria, China, and Russia. There has been a proliferation of public demonstrations against authorities throughout the world that begin as a result of a variety of causes, ranging from increased prices to election fraud. To elaborate with examples, the demonstrations in Iran began with increased gas prices. The demonstrations in Lebanon began with corruption and social media prices. The demonstrations in Chile began with increases in subway fares and the demonstrations in Bolivia



and even in Moscow were due to election fraud. David Brooks argues that these protests are 10x bigger stories than impeachment. Mr. Coats acknowledged that he knows these protests are not the primary subject of the forum, but that they show a growing norm that threatens governments and stability.

Speaking on what he perceives to be very relevant emerging threats, Mr. Coats then began to speak on technological changes. Changes ranging from artificial intelligence to IP protections present new capabilities for wealth and threats that were previously unimagined in human



history. Congress created the National Security Commission on Artificial Intelligence to get a handle on emerging technologies and threats, but more is needed. A new such initiative that could be likened to the Manhattan project that applies to AI, 5G, and quantum computing would be the best way to tackle these emerging challenges and governments must work with the private sector in order to be successful.

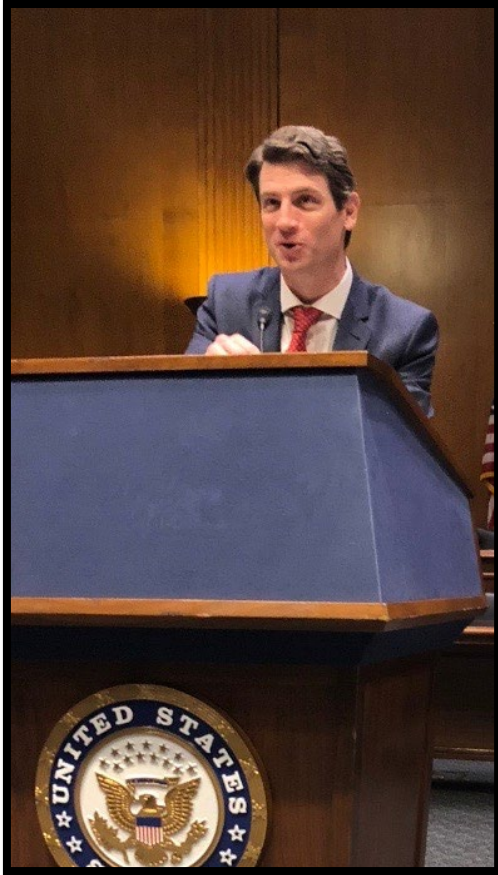
Speaking on China, Mr. Coats explained how President Xi Jinping formally declared the pursuit of complete technological dominance over the west by 2047. But in the nearer future, the Chinese President laid out other goals that must be met before this. These goals include Chinese dominance of the top ten global technologies (such as robotics) by 2025 and Chinese superiority in all advanced technologies by 2035. The United States is falling behind on the technological landscape and Mr. Coats urged the creation of a national lab to advance these technologies. Beijing has the largest government departments in the world that focus on artificial intelligence, for example, and they are working on the military application of AI, viewing it as the way to narrow the gap between their military and the West's. Closing his keynote address, the honorable Mr. Coats stated that on the world stage, President Xi is the most competent leader and we must do all we can to not fall behind.

Opening Statements

Brent McIntosh, Undersecretary of the Treasury

Undersecretary McIntosh focused on the subject of cryptocurrencies. In reference to cryptocurrencies, stablecoins are a type of cryptocurrency that are of note because they actually utilize a basket of assets to back the currency. What can be seen as a growing trend is the establishment of central bank-backed digital currencies that operate on a similar framework to





stablecoins. However, a colleague of his once remarked that stablecoins are neither stable, nor coins. On the aspect of regulatory supervision, crypto has been used for illicit sales, human trafficking, money laundering, terrorism financing, and more. As a result, the Treasury told crypto operators that they must regulate their currencies and FinCen told them they must enforce anti-money laundering regulations as traditional currencies.

The emergence of new cryptocurrencies, such as Libra, even with their regulatory risks, are due to the inefficiencies of the money system. As ministers of government, we must look at these inefficiencies and

address them whilst addressing the questions of these digital currencies. On the traditional banking system, one of the inefficiencies that can be seen is that of deposit-banking, which is no longer profitable nor even use much at all with digital currencies. On the topic of foreign investment risks, the Treasury believes that FDI promotes growth and innovation but not all FDI is benign. This belief translated into needed reforms such as those seen with the CIFIUS protocol reform. Now, every FDI transaction is analyzed on a case-by-case basis with robust analysis. Additionally, CIFIUS's jurisdiction has been broadened by Congress, granting the ability to get to "non-controlling" transactions; i.e., any transaction that can pose national security risks such as those dealing with personal data or sensitive technology. A loophole was closed that allowed for real estate transactions regarding property located next to locations with sensitive technologies to be purchased by foreign actors. Undersecretary McIntosh concluded his remarks



by stressing the necessity of international collaboration, stating how currently there are 40+ countries with whom there is collaboration on their investment regimes but more can always be done.

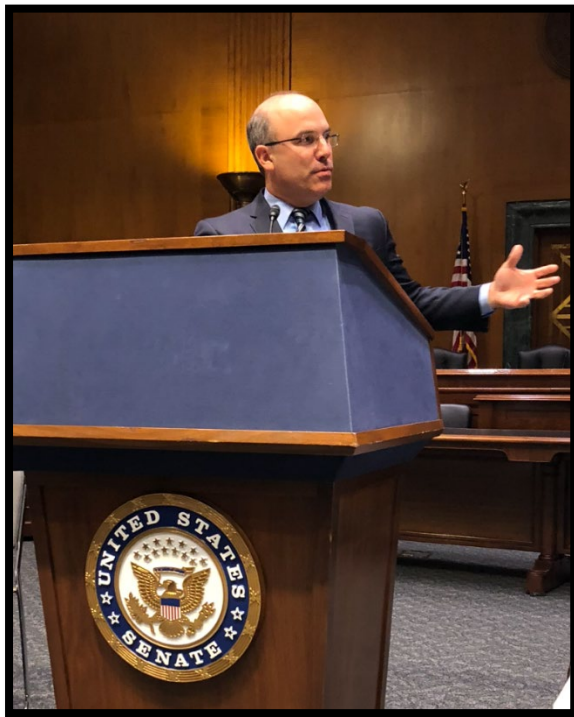
Dr. Charles Clancy, the MITRE Corporation

Doctor Clancy began his statement by identifying technologies such as 5G, AI, and quantum computing to be the key tech areas in both military and commercial sectors. Future conflicts will ultimately consist of robots fighting in cyberspace and as a result, a thriving technology sector will be necessary to provide the environment for economic and military power. Now until the 2000s did companies such as Huawei focus globally, having their products develop with stolen intellectual property (even offering employees incentives for stealing intellectual property). There has been a deliberate effort to move China from being an imitator to an innovator. On the international stage, this was seen in 2013 with the Belt and Road Initiative, which was a Chinese international strategy that focused on investments in physical and digital infrastructure throughout key countries. An example of this was a port that was built in Sri Lanka as a part of this initiative, which was used as a debt trap in China's favor.

The threats on the global landscape due to increasing Chinese capabilities in the technological arena can be imagined with the global telecommunications system. Huawei and ZTE together control 30% of the market share in global



telecommunications and could theoretically take down portions of the internet for half an hour if they wanted to. China is outpacing the United States in artificial intelligence, patents, and more. They have even spoken about their surveillance technology that they have used to track ethnic minorities as they move through cities and they are using the Belt and Road Initiative to export this surveillance technology to authoritarian regimes throughout the world. Since China has insourced much of its supply chain, the United States does not have as much leverage now as we



used to. Dr. Clancy stated that the US must make more investments in its national innovation because the US should place more of a focus on investment than on just punitive measures in order to combat the growing threat of China.

[Juan Zarate, Sightspan](#)

Over the past two decades, there has been a focus on financial security and transparency. Mr. Zarate explained vital contextual areas that pose real risks as they evolve. Nefarious actors have been

growing more sophisticated with their illicit finance schemes and they've also been blending terror and organized crime due to economic opportunities and scale. They've acquired the ability to blend these schemes with legitimate trade and finance and many insurgent groups such as ISIS and others in India and Africa are becoming economics unto themselves as a result.

New technology keeps on being developed every day that will present new challenges in the realm of combating illicit finance. There has been an explosion of ransomware that can be paid for with cryptocurrencies and this can be used to avoid sanctions, as North Korea has done, and



to profit. The establishment of new payment systems that don't provide traceability make it harder to track who's behind trade flows through a system that utilizes several intermediaries. IBM has proven the use of quantum encryption on the cloud, showcasing quantum capabilities that were science fiction less than a decade ago.

There must also be a focus on policy because there is a significant amount of risk associated with data and while policy consistently evolves, it has not fully addressed these risks. The question that must be answered is that of what is being done with all of the data that has been aggregated by companies, organizations, or even countries like China. How can politicians purchase expensive properties that are not commiserate with their public salaries and known income? We must assume that they can do this through illicit means. The financial system has been under more attacks by state and non-state actors and now there is the new threat of cyber-enabled economic warfare.

Current Trends of Global Jihad and the Return of Foreign Fighters

Robin Simcox, the Heritage Foundation

Mr. Simcox began his talk by focusing on the violent consequences that have been seen through the release of many of the terror prisoners who were previously imprisoned in Europe. The problem must be analyzed from its origin. In troubled areas in the Middle East that have been affected by ISIS, many children have been exposed to the caliphate's ideology and propaganda. ISIS propaganda has shown children



being taught how to murder people and how to blow up cars. How do we mitigate potential threats and help to reverse this ideology?

The global jihadist movement is in flux at the moment; it is directionless. However, there are still many countries with extremist activity or Al-Qaeda/ISIS-oriented groups. Some of these countries include Syria, Iraq, Yemen, the Philippines, Sri Lanka, Nigeria, India, Trinidad and Tobago, and many more. All of these factors provide opportunities for groups such as Al-Qaeda or ISIS to exploit. We have deficiencies in these areas which we must work on. We were unable to foresee the East attacks in Sri Lanka and they were large-scale attacks, of which we should have been able to foresee and prevent.

[Joseph Humire, Center for a Secure Free Society](#)

Mr. Humire focused on counter-threat networks.

Specifically, he stated that there must be a focus on transregional threat networks in order to counter them.

Trinidad and Tobago does have a terrorist problem, they were previously aligned with Al-Qaeda and now they are likely aligned with ISIS. We must do more work to anticipate terrorist attacks, it is not enough to simply react to them. Many countries do not have the provisions to designate terrorists until they commit some sort of criminal act. However, this is starting to change. Now, foreign terrorist groups are starting to be

designated as such. Argentina did so with Hezbollah under President Macri, thus being the first Latin American country to have a directory of foreign terrorists and thus, having the capability of



enacting penalties. Latin America has had much experience with domestic terrorism (communists, nationalists, etc.) and has established protocols for such, but not until now have we started to see protocols for foreign terrorists.



Martin Rapaport

Mr. Rapaport spoke of the impact of the diamond trade on illicit finance. The criminal benefits of diamonds are that they are very valuable and easy to move. The value of trade in the diamond industry is estimated at around \$7.5 billion every day. The United States exports \$5 billion worth of diamonds more than it imports and the United States does not produce any diamonds. Many other countries have similar sets of situations

and so what we're seeing is the bifurcation of markets. The bifurcation is occurring in legitimate markets with legitimate supply chains and shady markets.



Emanuele Ottolenghi, Foundation for Defense of Democracies

Mr. Ottolenghi focused his talk on Hezbollah and its role in trade-based money laundering and the role that plays in terrorist activity. When it comes to trade-based money laundering(TBML) for illicit activity, Hezbollah does not only distribute the products but they also broker them and ensure that the money in the illicit transactions is delivered to the seller minus the commission that is used to finance terror. On the topic of immigration, Mr. Ottolenghi remarked on how many people decide to take the risks of the journey because those risks are less than the risks they'd be faced with if they stayed in their terror-ravaged countries. Providing some more information on how Hezbollah and other groups engage in TBML, Mr. Ottolenghi explained how legitimate facades in the forms of import/export companies are needed to create paper trails. These paper trails provide a mask of legitimacy that is needed in order to accumulate the supplies needed for terror operations. An example of this was seen in Panama when ice packs for first aid kits were slowly amassed through bulk purchases through Hezbollah front companies in order to produce bombs. The Hezbollah operative who was apprehended for this activity was in the United States and had plans to bomb the Panama Canal.



Artificial Intelligence, FinTech, Financial Software and Advanced Analytics

Craig Timm, Bank of America

The use of technology in order to better understand risk was the focus of Mr. Timm. Specifically, Mr. Timm looked at AI in the financial crimes space and how banks are using it. The primary challenge in getting AI to work is the collection of data. Data is needed in order to teach an AI system how to be accurate. Additionally, feedback is important because it is important to know which data and which reports are helpful.

Mr. Timm also touched upon behavioral analytics. Behavioral analytics is the use of data in order to understand client behavior in the banking space. However, data can be used to analyze behavior in order to make predictions outside of the banking space as well. Traditionally, banks have not had the tools for behavioral analytics in the aspect of financial crimes. However, now some banks such as Bank of America are employing it to find illicit activity or illicit finance. He stated that with AI technology, they've been able to find over 50 characteristics that are considered "bad" and with technology, are able to look at several transactions at a time in order to identify illicit activity. This has



helped thwart many criminal actions such as charities that have been involved with terrorist financing.



Stuart Jones, CEO, Sigma Ratings

The CEO of Sigma Ratings, Stuart Jones spoke on how governments can collaborate to make data available.

There is data that governments have collected on politically exposed people and governments have the capability to gather more data. However, this comes with the risk of intrusions of privacy on citizenry.

Governments must work together to develop strategies to integrate internal as well as external data in a trustworthy and efficient manner. Integrating and linking this data

would make it dynamic and this is critical for using data to improve outcomes in combatting illicit activity and improving overall processes.



United States Senator Ted Cruz

US Senator Ted Cruz spoke on the importance of freedom not just in America, but throughout the world. He stated that he felt that it was a privilege to be able to champion freedom as a Senator and he has been working to do so throughout the entirety of his public life. One of the greatest triumphs of freedom was the downfall of the Berlin Wall. For the longest time, the Berlin Wall was the symbol of oppression and division as it physically divided West and East Berlin. On the western side of the wall, the citizenry enjoyed numerous freedoms and the prosperity that comes with it. On the east side, the citizens suffered under an oppressive regime and without freedom, the entire area was in disarray and lagged behind the prosperity of the west. Fights for freedom did not end with the fall of the Berlin Wall, however. Fights for freedom continue to this very day and the Senator recounted a story on how he has continued this fight throughout his time in the Senate. On this subject, Senator Cruz referred to China and its oppression of dissenting voices. Through Senator Cruz's efforts, he managed to get China to release an important journalistic prisoner whom had voiced concerns over China's policies. In order to do so, Senator Cruz deferred to the importance of symbolism. As a Senator, he was able to have influence over the street name in front of the Chinese Embassy in Washington DC and thus, in order to get China to release its prisoner, Senator Cruz moved to

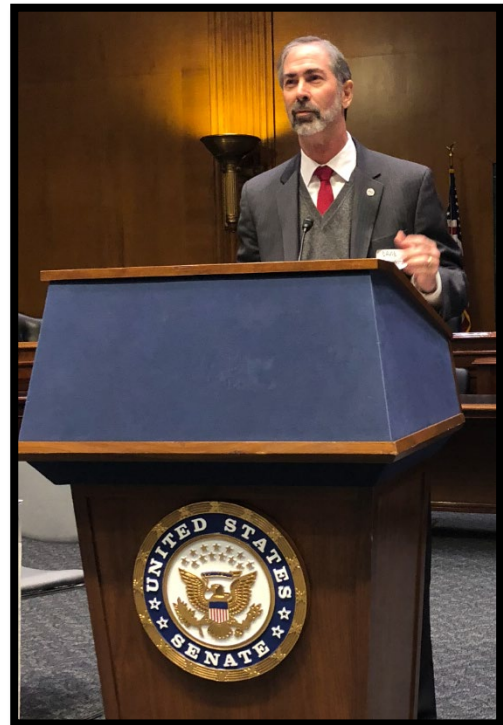


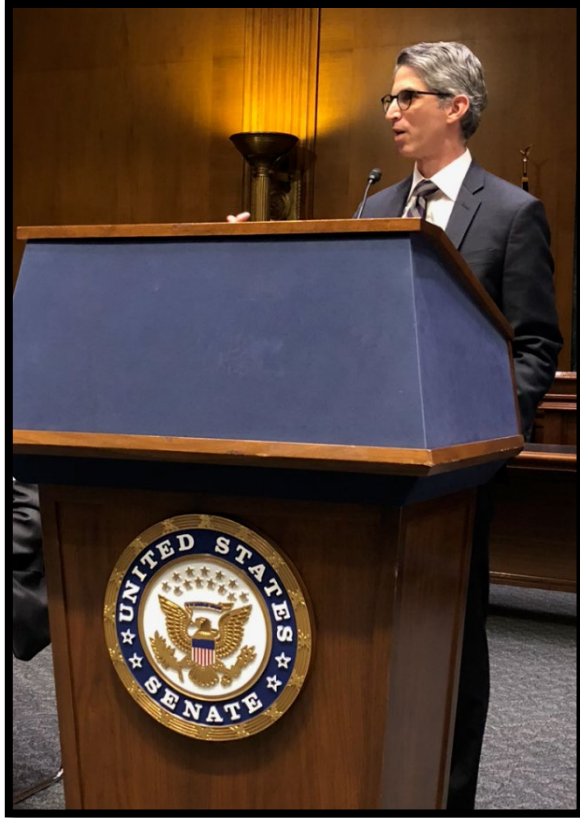
rename the street after the prisoner. Much like how the Berlin Wall was a symbol of oppression, changing the street name would have been a symbol of freedom, specifically, freedom of speech. The strength of this symbolism was enough to spur China to offer to release its prisoner in exchange for maintaining the previous street name. Senator Cruz concluded his remarks by stating that the fight for freedom is one that will continue and even through the smallest actions, we can all fight to secure freedom and prosperity for the world.

Cryptocurrencies and Blockchain Technology

David Schwartz, FIBA

Mr. Schwartz began his talk on cryptocurrency by explaining how blockchain is the technology on which cryptocurrency works. The purpose of crypto was to have a decentralized currency and since it's a commodity, it's worth only as much as people want to pay for it. Another perceived benefit of cryptocurrency is anonymity but it is not entirely anonymous, but there are ways to mask oneself if someone were to be proficient enough. However, there is a lot of risk associated with cryptocurrency and that is the reason why banks won't go anywhere near it. One of the reasons for this perceived risk is the unreliability of the currency, as its value can be very volatile. In addition, cryptocurrency does not have the best reputation as countries such as Venezuela developed their own cryptocurrency in order to circumvent international sanctions.





Troy Paredes, Former Commissioner, US Securities and Exchange Commission

The former Commissioner of the US SEC, Troy Paredes, gave quick remarks on how entities classify assets. Specifically, he explained the determinations around classifying if an asset is a security, a currency, or a commodity. There is a practical significance to the classification of the asset. For example, if an asset is a security, then all of the securities laws are triggered and applied to it. If it's a commodity, then all of the commodities futures regulations are applied to it.

Thus, when analyzing the potential benefits and risks of assets, one must ask which regulatory regimes would be triggered by its existence?

Adversarial Foreign Investments, Illicit Finance, Trade-Based Money Laundering

J.R. Helmig, SAS

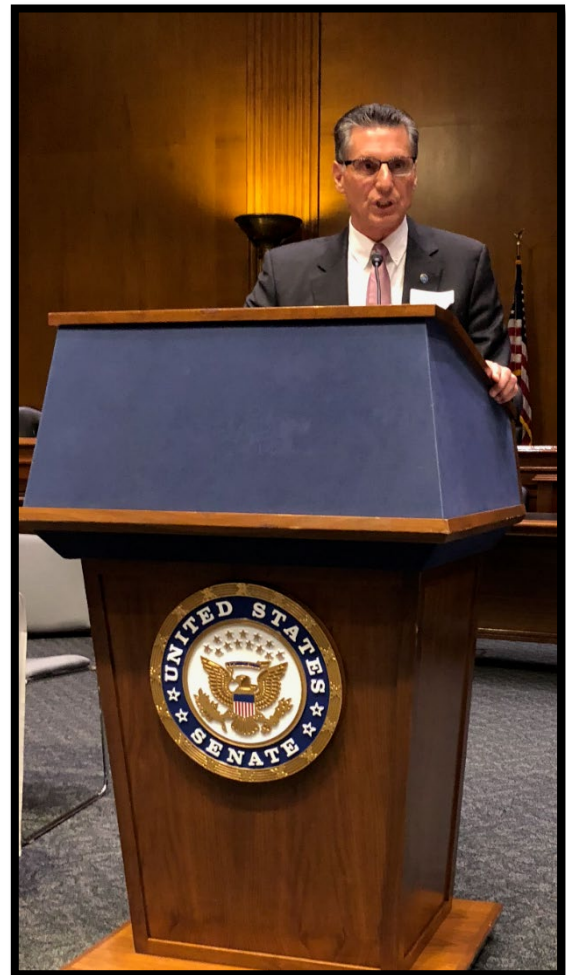
Mr. Helmig, the Innovation Lead of Global Security Intelligence at SAS opened by stating that if you do not have an artificial intelligence or an internet-of-things strategy in place already, you're five years behind. Many analysts for authorities around the world spend maybe 80% of their time cleaning data; this needs to be reversed because it is an inefficient use of labor and time. In order to reverse this trend, data processes must be automated through the incorporation of AI, as has



been discussed earlier in the forum. Improvements in data analysis through automation would allow for a more efficient defense against trade-based money laundering (TBML). By going after TBML, a government could earn a return on the investment of data collection costs within 6-9 months by recouping those lost taxes and then a government could use those profits to hire more personnel to bolster law enforcement capabilities.

John Cassara, AML/CTF Expert

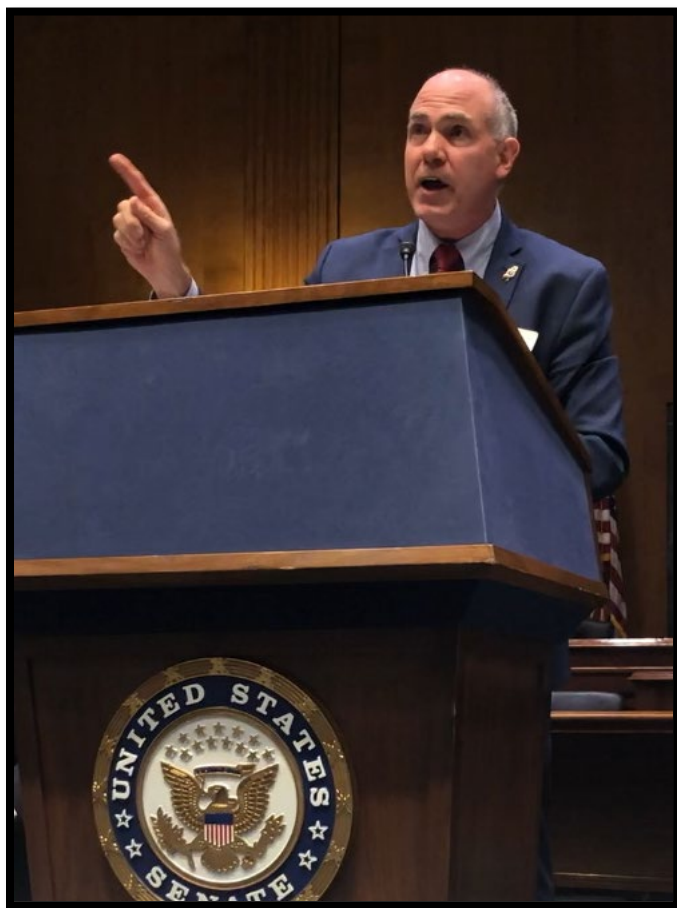
Author and AML/CTF expert John Cassara spoke on the unnoticed threat of the Chinese underground banking system. To provide some context, Mr. Cassara provided some statistics: officially, the World Bank estimates that there were around \$150 billion in remittances out of the United States in the previous year. However, the IMF estimates that unofficial remittances probably totaled over \$1 trillion per year. One of the primary methods to illicitly transfer remittances is through “flying money” brokers in a system that is pervasive in the Chinese underground banking system. While authorities do not want to interfere with legal



remittances by hard working immigrants, it is important to combat the issue of flying money due to the sheer amount of remittances that are transferred that avoid taxation and regulation. Not only do these remittances avoid taxation and regulation, the very fact that they are opaque in nature makes them very lucrative for criminals. The methods that are used for flying money



primarily depend on invoice manipulation in trade, otherwise referred to as TBML. This method of illicit financial transfers is pervasive in all types of criminal activity.



[Derek Maltz, Former Special OPS DOJ](#)

Former Special OPS agent Derek Maltz recalled how he helped build a network in the DEA. However, he stressed that much more has to be done. Today, there are more kids dying to drugs than before and we must unite to combat this as one law enforcement agency alone is not strong enough to do so. Cartels are able to move their money globally through methods such as the previously mentioned “flying money” form of TBML. Speaking on an example called

Project Cassandra, which was a US investigation into Hezbollah and the terrorist organization’s funding. The DEA knew that Hezbollah had been increasingly involved with drugs and organized crime in order to fund its activities and had been channeling funds from the Americas through Africa in order to reach Hezbollah in Lebanon. However, this initiative had its limitations and while the DEA had about 300 possible companies working with Hezbollah in the United States, they were only able to hit 30 of them because of a lack of unity and cooperation between law enforcement agencies.



Kristen Reif, Philip Morris International

Kristen Reif of Philip Morris International spoke about the role that cigarettes play in trade-based money laundering. Cigarettes are one of the most widely-used commodities in illicit activity due to the global demand for them and due to their small size, which makes it easy to transport large quantities of them that could mask TBML through invoice manipulation. In emphasizing the perceived importance that criminal organizations have of cigarettes, she referenced the Medellin Cartel in Colombia. Pablo Escobar started off smuggling cigarettes before becoming the biggest cocaine dealer in the world. It is important to recognize the impact that cigarettes play in TBML in order to more effectively identify when illicit activity is occurring.



Panel on Transnational Cooperation and the Role of Financial Intelligence Units

Alejo Campos, Crimestoppers

Mr. Campos remarked that within the last ten years in Latin America, we have learned that we must work with all organizations in all sectors in order to combat TBML. The private sector, the public sector, universities, law enforcement, regular citizens, and many other entities can play big roles through cooperation. Crimestoppers has been working with GAFILAT in order to fight TBML and they work to help support authorities. In Panama in the last month, there were more than \$2million in illicit goods from anonymous reports. In the Colon Free Trade Zone, five new cases where drugs, weapons, human trafficking and more have been involved have been opened with help from anonymous reports. This stresses the importance that working with the people themselves as they can help provide invaluable information to authorities in the fight against crime.



Mariano Federici (FIU Argentina) and Jerome Beaumont (Egmont Group)

In the panel, Mr. Federici stressed that we need strong and independent FIUs in order to effectively combat illicit activity. He stressed the importance of maintaining independence so that FIUs may be insulated from politics. This is especially important



when countries are dealing with pervasive corruption in government. Mr. Beaumont added to Mr. Federici's remarks by stating that the strength of FIUs must also be stressed because they have to be better-equipped to fight terrorist financing and TBML. There has to be more interagency cooperation so that information can be shared that would be vital for this purpose.



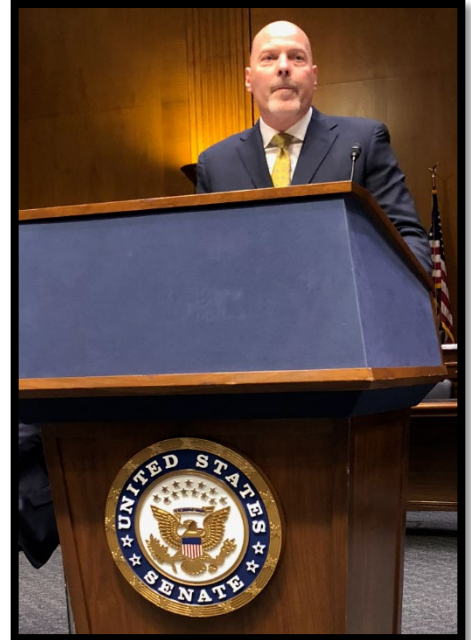
Andreas Frank (EU AML) and Michael Braun (Former DEA COO)

Mr. Frank stressed the importance of cooperation between countries, stating that we must not focus on interagency cooperation but must also include international cooperation. This is essential in order to win the fight against illicit finance. The role that international cooperation is a large one and the benefits can be seen in all manners of activities, not only in the



combat of TBML. One must only look at Iran in order to know the importance of not undermining each other.

Mr. Braun wanted to highlight the important points made by some of the other panelists. The important role that FIUs play in facilitating international prosecutions should not be ignored and he agrees that they should be strengthened and allowed to be independent and insulated from politics.



Congressmen French Hill and Bill Huizenga



Congressman French Hill spoke about some reviews of the World Bank and the International Monetary Fund (IMF). Speaking about 2020's review of the CIFIUS Bill that was signed into law in 2018, he explained how the review will assess third world countries and other countries to see if they are keeping with transparency best practices (accounting practices) so that sovereign lending through the IMF is done correctly. On the World Bank side, it's seeing that China graduates from a preferential rates status and it is also considering the merits of a digital dollar

that's crypto-based through blockchain technology.



Congressman Bill Huizenga, adding to the final remark on cryptocurrency, focused on China and the fact that they have set up their own cryptocurrency. He stated that the United States has to confront the reality that China could set the pace on cryptocurrency on the world stage and we must do everything we can to not fall behind.



Congressman Bill Huizenga and Chairman Robert Pittenger



Chairman Robert Pittenger and Congressman French Hill





Congressman Robert Pittenger and Senator Dan Coats, former Director of National Intelligence





The Honorable Juan Zarate with Congressman Pittenger



The Honorable Brent McIntosh, Undersecretary of the Treasury, with Congressman Pittenger



Congressman Pittenger with Congressman Chris Stewart



Members of the Parliamentary Intelligence-Security Forum Steering Committee, at a post-forum planning breakfast



Attendees

Albania

The Honorable Lefter Maliqi
Dr. Kostaq Papa

Algeria

Ms. Wafa Ameuri

Argentina

Counsellor Marcos Stancanelli
Dr. Alejandro Itzcovich
Ms. Natalia Andrada
Ms. Maria Ines Rodriguez Ledermann
Mr. Sergio Daniel Otiana

Austria

Ambassador Martin Weiss
DCM Guenther Salzmann

Belgium

Brigadier General Georges Franchomme
The Honorable Kristof Calvo
The Honorable Gaelle Powis de Tenbossche

Bolivia

Deputy Jose Carlos Gutierrez Vargas

Bosnia and Herzegovina

The Honorable Prodanovic Lazar

Botswana

DCM Wame Phetlhu



Brazil

Mr. Rafael de Mata
Councilman Major Elitusalem
Deputy João Carlos Soares Gurgel

Bulgaria

Mr. Dimitar Lazarov
General Constantin Popov
Mr. Valentin Kasabov
Mr. Elhan Kalkov
Mr. Filip Popov
Ambassador Tihomir Stoytchev
Mrs. Dona Kovacheva
Mrs. Tatyana Karadzhova
Mr. Georgi Ovcharov

Cameroon

The Honorable Etoundi Essomba

Canada

Ms. Georganne Burke
Senator Josée Forest-Niesing
Mr. Ari Laskin
The Honorable Leona Alleslev
The Honorable Anju Dhillon
Mr. Jérôme Beaumont

Chad

Colonel Naimbaye Yelké Dasnan
Mr. Chabadine Youssouf

Colombia

Mr. Arturo Restrepo

Congo

Ambassador Serge Mombouli
Mr. Stephane B. Mamaty



Côte d'Ivoire

Mr. Gerard Kouame

Croatia

Ms. Lara Romano

Czechia

The Honorable Ondřej Benešík

Mr. Jan Lipavský

Ms. Tereza Vorlová

Denmark

The Honorable Ellen Trane Nørby

Ecuador

Mr. Juan Carlos Sanchez

Mr. Byron Vinicio Suquilanda Valdivieso

Egypt

The Honorable Dalia Youssef

Mr. Barakat Elleithy

El Salvador

Counselor Luis Aparicio

France

The Honorable Joëlle Garriaud-Maylam

Mr. Boris Toucas

Germany

Mr. Juergen Kaltenstadler

Mr. Oezcan Mutlu

The Honorable Petra Grimm-Benne

Dagmar Frank



Ghana

Brigadier General Abu Alhassan
Mr. Joseph Ngmenibayihe
Mr. Bernard K. Acquah

Hong Kong

The Honorable James To Kun-sun

Hungary

Mr. Gábor Bascó
Mr. Csaba Hende
Kese Beatrix
Mr. Zoltán Sáringer

India

Patel Anupriya

Ireland

Mr. Brian Cahalane
Counsellor Joe Gavin
David P.B. Norris
Jonathan O'Brien
Neale Richmond
Louise O'Reilly
Dessie Ellis
Sean Sherlock
Brendan Griffin
Michael Noonan
Catherine Connolly
Danny Healy-Rae

Jordan

Mr. Ahamd Habashneh



Latvia

Ambassador Ojars Eriks Kalnins
Mr. Janis Dombrava
Laila Timrota
Inese Libina-Egnere
Ainars Latkovskis
Rihards Kols

Lithuania

The Honorable Emanuelis Zingeris
Mr. Antanas Pazarauskas
Mr. Tadas Kubilius

Luxembourg

Sven Clement

Macedonia

The Honorable Vladimir Gjorchev

Madagascar

Mr. Adoghi Jorvelinho Pilaza

Malawi

Ms. Agnes Nkusankhoma
The Honorable Ajilu Richard Kalitendere Machinga
The Honorable Kenneth Zikhale Reeves Ng'oma
The Honorable Susan Dossi
Ambassador Edward Sawerengera
Mrs. Violet Skeva

Mali

Deputy Karim Keita
Ms. Muna Belle



Malta

Speaker Ancel Farrugia Migneco
The Honorable Mario Galea
The Honorable Keith Azzopardi
Mr. Charles Calleja

Mexico

Martha Tagle Martinez

Montenegro

The Honorable Nebojsa Medojevic

Namibia

Mr. Jerome Mutumba

Netherlands

The Honorable Martijn van Helvert
Mr. Theo van der Werf

New Zealand

The Honorable Judith Collins
Paul Eagle
Fletcher Tabuteau
The Honorable Jacinda Ardern
Jan Tinetti

Nicaragua

Francisco Campbell

Norway

Mr. Trond Helleland

Panama

DCM Carmen Mora



Paraguay

Deputy Luis Jose Gonzalez
Ms. Claudia Andrea Escobar Rey
Mr. Arnaldo Franco
Mr. Fidel Zavala
Mr. Sebastian Garcia
Ms. Katya Gonzalez
Mr. Fernando Silva Facetti
Mr. Carlos Arregui
Mr. Jose Cantero Sienra
Mr. Andres Lu

Philippines

DCM Patrick Chuasoto

Poland

Mr. Łukasz Czekierda

Romania

The Honorable Andi Gabriel Grosaru
Ms. Stefana Rotaru

Singapore

Mr. Desmond Lim

Slovakia

Mr. Martin Peter
Mr. Roman Chandoga
Mr. Tomas Poloma
Ms. Lenka Turaz

Slovenia

Stanislav Vidovic
Mr. Damir Devcic
The Honorable Zmago Jelinčič Plemeniti



Somalia

Ambassador Ali Sharif Ahmed
Mr. Abdirahman Shariff

South Sudan

Mr. Angong Acuil
Mr. Dombek Yai Kuol

Spain

Arturo Relanzon

Sri Lanka

Rear Admiral Meril Sudarshana

Sudan

Ambassador Magdi Ahmed Mofadal Elnour

Switzerland

Ambassador Jacques Pitteloud

Tajikistan

Mr. Majidzoda Jurahon Zoir

Togo

The Honorable Frederic Edem Hegbe
Mr. Awoki Koinzi

Uganda

Nanyondo Veronica Namaganda
Ambassador Santa M. Laker Kinyera
Brigadier General Stephen Kashure



United States

Mr. David Schwartz
Mr. E.J. Kimball
Mr. Ben Davis
Professor Hugo Bonilla
Mr. Gordon Bowen
Ms. Ruth Levush
Mr. Peter Roudik
Ms. Maria Sierra
Mr. Brian Polk
Mr. Bill Nosal
Mr. Mike Silverman
Edward Hill
Derek Maltz
J.C. Boggs
Ms. Morgan Chalfant
Ms. Giovanna Cinelli
John Collingwood
Brett Fetterly
Ms. Sarah Prescott
Mr. David Lynch
Ms. Nelson Peters
Mr. Joe Walters
Dr. Marvin Feuer
Mr. Jamie Gough
Congressman Todd Rokita
Mr. Jesse Spiro
Mr. Luke Sully
Mr. Peter Clanton
Congressman Steve King
Mr. Bill Maupin
Mr. Brad Harmon
Mr. Faruk Okcetin
Mr. Dan Spuller
Mr. Greg Henderson
Mr. Mark Stevens
Ms. Leah Campos
Ms. Tatanya Szeliga
Mr. Jose Cruz
Major General William Walker
Dr. Mauricio Vásquez

Uzbekistan

Ambassador Javlon Vakhabov



Zambia

Ambassador Ngosa Simbyakula
Brigadier General Jabes Zulu
Mr. Sililo Mutaba

Zimbabwe

The Honorable Dought Ndiweni
The Honorable Concillia Chinanzvavana
Mr. James Chidakwa
The Honorable Settlement Chikwinya
Mr. Jacob Mudenda

