

Treasury Sanctions Iraq-Based ISIS Financial Facilitation Network



June 15, 2017

Action Underscores Continued U.S. Collaboration with the Government of Iraq on Countering ISIS's Terrorism Financing Operations

Washington – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) took action today to disrupt an Islamic State of Iraq and Syria (ISIS) financial facilitation network by designating one individual and one entity pursuant to Executive Order (E.O.) 13224, which targets terrorists and those providing support to terrorists or acts of terrorism. Specifically, OFAC designated Umar al-Kubaysi (al-Kubaysi) and his company, Al-Kawthar Money Exchange (Al-Kawthar), building upon OFAC's December 2016 actions, which marked the first designations of ISIS-linked money services businesses. Al-Kubaysi and Al-Kawthar play an important role in ISIS's financial operations by moving money both within and outside of ISIS-controlled territory. As a result of today's action, all property and interests in property of those designated today subject to U.S. jurisdiction are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

"The Treasury Department designates those who make it possible to move funds in and out of ISIS-controlled territory as one way to disrupt ISIS' financing networks. We are committed to shining a bright light on anyone who would attempt to provide terrorists access to the international financial system," said OFAC Director John E. Smith. "These actions are part of a continued effort to target individuals and entities that willfully provide support to ISIS in order to constrict this violent terror group's operational reach and shut off its access points to the international financial system."

OFAC designated al-Kubaysi and Al-Kawthar in coordination with the Government of Iraq, which has also taken steps under its domestic authorities to bar this entity from the Iraqi financial system and freeze any assets al-Kubaysi and Al-Kawthar may have subject to Iraq's jurisdiction.

Additionally, the Department of State today designated ISIS members Mohammad Shafi Armar, Oussama Ahmad Atar, and Mohammed Isa Yousif Saqar Al Binali.

UMAR AL-KUBAYSI

Al-Kubaysi was designated for acting for or on behalf of ISIS.

Al-Kubaysi's involvement with ISIS and its predecessor organizations dates back to 2006 when al-Kubaysi was transferring operational funds primarily for ISIS's predecessor, al-Qa'ida in Iraq (AQI), and other insurgent groups. Since then, al-Kubaysi has worked with an ISIS weapons facilitator and has acted as a financial facilitator for ISIS. Specifically, as of mid-2016, al-Kubaysi was involved in financial activities with ISIS and, in 2014, worked with an ISIS weapons facilitator to smuggle pickup trucks from Syria to Iraq.

AL-KAWTHAR MONEY EXCHANGE

Al-Kawthar was designated for being owned or controlled by al-Kubaysi.

As of mid-2016, al-Kubaysi owned Al-Kawthar, which was located in ISIS-controlled territory. Between late 2015 and early 2016, Al-Kawthar Money Exchange reconciled financial transfers worth approximately \$2.5 million with another Iraq-based money exchange company that was associated with ISIS financial facilitators. Al-Kawthar sent transfers using a Gulf-based company, which is co-owned by two suspected ISIS facilitators.

In spring 2014, al-Kubaysi, as the owner of Al-Kawthar, reconciled deposits and withdrawals with the Hanifa Currency Exchange, which is owned by ISIS financial facilitator Fawaz Muhammad Jubayr al-Rawi. OFAC designated both Fawaz Muhammad Jubayr al-Rawi and the Hanifa Currency Exchange branch in Albu Kamal as Specially Designated Global Terrorists pursuant to E.O. 13224 on December 13, 2016. In 2013, Al-Kawthar was involved in facilitating money transfers for AQI.

Identifying information on the individuals and entity designated today.

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