

Terrorism Speech

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REMARKS AS PREPARED FOR DELIVERY

Not long ago, the head of Interpol asked an audience of academics and lawyers an intriguing question: Imagine that, somewhere in New York City, there lies hidden a sleeper cell of terrorists waiting to be activated. Who would be most likely to be in possession of information about these terrorists? Would it be the CIA? The FBI? The Department of Defense? The State Department? Or would it be the New York City Police Department?

In fact, in many instances, the Police Department and local law enforcement would be the most likely bet. Think about it: the NYPD has nearly 35,000 sets of eyes and ears patrolling every street of every neighborhood in New York. The NYPD receives, over the course of an average year, reports of a staggering 12 million complaints, arrests, and 911 calls.

Collectively, these resources represent a priceless trove of raw intelligence. And every year, a good percentage of this small army of officers, complainants, civilian witnesses, and criminal defendants comes to my office. Every year, countless reams of these reports cross the desks of my attorneys. We use these resources to build cases, to prosecute individual crimes. But as our Office moves beyond a traditional crime-control function to consider what our role is in fighting terrorism, we must consider the enormous resources to which we have access and ask the fundamental question of all intelligence operations: are we connecting the dots?

This evening I want to tell you what some of what we are doing at the Manhattan DA's Office in the ongoing and constant fight against terrorism; and against the proliferation of weapons of mass destruction by the world's most dangerous regimes, and explain how several new initiatives that we developed to fight crime also help to keep us safe from terrorist threats.

In our first nine months, we have worked quickly to address this public safety function. In doing so, I have relied heavily upon the central principle laid down by three giants of law enforcement who preceded me: Thomas Dewey, Frank Hogan, and Robert Morgenthau. That principle is a fundamental balance, reflected throughout our work – the balance between public safety and civil liberties. In the terrorism context, this means keeping us safe from our enemies while not becoming the enemy ourselves.

In all of our new initiatives, we are refocusing our thinking, to see even routine cases as potential resources in detecting potential terrorist acts. And so we are today working with the NYPD to develop protocols to screen criminal defendants, even in relatively

minor cases, for information and leads relating to possible terrorist networks and individuals. The annals of traditional law enforcement are full of stories about that one extra interview – or sometimes, the re-interview, the bane of every detective’s existence – that unexpectedly breaks a case. The same is true in our work against terrorism. It sometimes feels like trying to find a needle in a haystack, but this basic, unglamorous investigative work is as essential in preventing terrorism as it is in solving a cold case.

#### Cyber-Crime, ID Theft, and Cyber-Security

There are new fronts in this battle. The internet is the crime scene of the 21<sup>st</sup> century, and it will be a key battlefield in the fight against crime and terror. The internet provides terrorists with a form of immediate communication and complete anonymity, as it does for all of us. But beyond that, it provides terrorists with the tools for recruitment, for fund-raising, for gathering intelligence, and for moving funds around the globe. We in law enforcement must ensure that our presence in cyberspace, and our level of sophistication with the tools of this new era, are every bit as advanced as anyone who would do us harm, either through terrorist attacks or from fraud and theft.

To that end, early in my tenure I created a new cybercrime and identity theft bureau with 8 full-time and 75 part-time ADAs, to make sure that our Office is at the cutting edge of technology, and is prepared to handle these complicated cases. We have worked with federal law enforcement partners to prosecute important cases targeting criminals in New York City and throughout the world. Just a few weeks ago, in a joint investigation with the US Attorney for the Southern District of New York, we announced the indictments and state criminal charges against 36 individuals who ran an international identity theft ring based in Europe and Eastern Europe that used stolen identities and the internet to hack into accounts from banks in NY and steal millions of dollars. Cases like these — and we have developed a number of them — are time consuming, difficult to investigate and to prosecute, and they require specialized training and technology. But we are committed to investing the time and money to be at the forefront of technological expertise.

Looking forward, we must also be prepared to detect, repel and prosecute other types of cyber-attacks such as those on our financial institutions. It may well be that the next terrorist attack will come not in the form of bombs or guns, but rather as a cyber-attack that is waged Manhattan’s financial institutions or against our power grid.

And make no mistake, the internet — which provides anonymous and secure modes of communication — has become the new tool of terrorists. For example, online digital currencies allow the movement of funds that are used to support terrorist activities and groups, while hiding the identities of the funding sources. And the free flow of information in this internet age gives anyone access to the technology of terror — plans for bombs, support from hate groups, detailed infrastructure plans — all readily available on the web. We must be ready to counter this threat; and increasingly, we in New York law enforcement are ready.

And so, while our cybercrime initiative, standing alone, strengthens our ability to fight crime and makes this city safer, it is only a part of a comprehensive counter-terrorism and counter-proliferation strategy that I have put in place to make sure we are doing everything we can in our office to support our primary law enforcement partners and to help to keep our city as safe as possible from terrorists.

First, we have developed our own network of contacts and sources around the country and around the world that provide information and resources critical to the identification of possible threats and areas of investigation.

One of my earliest acts as DA was to hire a counter-terrorism specialist, Mike Tiffany. He has been a key figure for the past decade in the efforts of our City and our Country to keep us safe from terrorism. Mike was for three decades a New York City Police Officer, rising to the level of Commanding Officer of the Bronx Narcotics Division. After September 11, the NYPD quickly promoted Chief Tiffany to Commanding Officer of the NYPD Intelligence Division, where he was one of the key architects of the NYPD's efforts to confront this international threat. He was so successful in his new role that he was selected by the Office of the Director of National Intelligence in Washington as a member of the Senior National Intelligence Service and as an Assistant Deputy Director responsible for homeland security planning and procedures.

And now Mike is working with us. With Mike's assistance, we are developing an integrated approach to work with the NYPD, the FBI, foreign intelligence services and the Joint Terrorism Task Force on terrorism issues, defending against this danger requires us to be proactive and to look beyond New York's borders to identify the threats.

Another anti-crime initiative that I believe will reap dividends in fighting terrorism is our new Crimes Strategies Unit, which I believe is unique in a state prosecutor's office in the United States. Our office handles over 100,000 cases a year – more than all the criminal cases filed by the entire U.S. Department of Justice. But the information we acquire in those cases has, until now, never been centrally collected or organized. It is only through serendipity that we learned that the defendant in your shoplifting case is the suspect in my homicide. Now, our new Crime Strategies Unit is finding innovative ways to make this information available throughout our office when and where it is needed. Rather than store information on 10,000 legal pads in the offices of five hundred attorneys, we are plotting data on maps, analyzing crime patterns, and sending real-time alerts to prosecutors when suspects enter the criminal justice system. This, I believe, will not only help us to prosecute crime, but will enable us to anticipate crime patterns and prevent crimes before they occur. These same tools will, I am convinced, give us information and tools to help detect terrorist threats, and to react more quickly when leads develop.

One of the new developments in counter-terrorism is the realization that the biggest threats may no longer come from abroad, but now arise at home. What happens when the would-be terrorist is a local citizen, who not only does not belong to a group but even knows to avoid any groups, and generally does nothing to draw attention to himself until he commits a violent act of terrorism? This is the adversary we must fight today, and it is

an adversary that will increasingly require the involvement of local law enforcement to detect.

Recent history demonstrates the rise of the local radical jihadist. The attempted bombing in Times Square over the summer, the plans by 14 citizens from Minnesota to join Somali terror groups, and the terrorist plot to bomb local synagogues in the Bronx, are all examples of homegrown radicals rejecting mainstream society in favor of fundamentalist jihad and violence. Given recent events in the U.S., including in New York, there is little doubt that we all – all of us in law enforcement – have a role and responsibility to address this dangerous and confounding problem right here at home.

We must also recognize that our enemies are aware of this threat and are doing everything they can to foster it. An English-language online magazine published by Al Qaeda called “Inspire” provides instructions on bomb making along with fundamentalist teachings. The online magazine instructs would-be terrorists to keep a low profile and then strike when they can.

I have looked at the most recent online copy of this magazine, released just this month. I was stunned at its sophistication and quality. This is not a third or fourth generation photocopy of polemics from radicals on the other side of the world. It is slick and well-messaged. It uses colloquial English and targets a reasonably well-educated audience. It has glossy photos, computer-enhanced imagery, and an almost-Madison Avenue advertising campaign feel. Anyone can access this material, and in the internet age, it is near impossible to stop it or track who is reading it.

One method for detecting home grown jihadists is through the development of community-based sources. Our neighbors, colleagues, friends and associates; people from all backgrounds and religions who work hard, pay their taxes, and raise their kids alongside us; they may be our best resource to detect and prevent home grown jihad.

But any detective who has walked the streets of New York will tell you that we only get that cooperation of people in the community when we have first earned their confidence, respect, and trust. In everything we do, we must strengthen the legitimacy of our law enforcement institutions. For my part, I have begun a Conviction Integrity Program within my Office, to ensure that, insofar as humanly possible, the process is fair and the results of our prosecutions are just.

Moreover, we must assure those we protect that we make our decisions free of bias, prejudice, or stereotype. In the context of the fight against terrorism, therefore, an essential step is to embrace practices of tolerance and inclusion alongside members of all communities who share in our vision. Our Muslim neighbors, for example, need protection from radical extremists every bit as much as the rest of society, and they are willing to be full partners in the struggle against terrorism. Some who are immigrants may fear legal consequences from approaching federal agencies. They may be more likely to turn instead to their local beat cop. They may also be more likely to respond when an Assistant DA or a community affairs representative speaks in their community,

or when they recognize a cop who coaches their child in a Police Athletic League Event. In these ways we will have access to the small tidbits of information which must be collected, analyzed, and screened for potential threats. Make no mistake, it is an enormous and time consuming job. But we are committed to it.

My Office also has an important role to play in preventing the more familiar kind of terrorist acts – those from abroad -- and for this reason: Terrorist organizations require funding. There are many methods for funding terrorism, but one important method is through traditional crimes: narcotics trafficking, dealing in pirated trademark goods, even fraud and identity theft. Sometimes, we cannot prosecute a supporter of terrorism for terror finance or material support, but we can prosecute them for a traditional criminal offense. This is an important weapon.

In many ways, the Manhattan DA's Office is uniquely positioned to take on issues of global terror finance and weapons proliferation. Manhattan remains a global center of international trade, commerce, and finance. We have broad access to financial data and intelligence, and we have long taken responsibility for policing these global transactions. Our international connections and contacts ensure that we have a steady stream of information and intelligence about corrupt foreign banks and black market financial systems – and it is precisely these kinds of illegal institutions that are often the financiers of terrorism.

There is an old saying in frauds prosecutions: “follow the dollar.” Cases that seem mind-bogglingly complex begin to yield their secrets when we painstakingly follow the flow of money that ultimately will take us to the culpable parties, and so it is as we try to uncover far-flung and hidden terrorist networks. The same principle applies – we follow the dollar. We must look at how criminals and terrorists move their money and at the global international mechanisms for moving money. Criminals need to hide their money, as do international terrorist organizations. In the past, we have examined underground financial systems and found connections to all manner of crime, including terrorism.

For example, in one investigation we tracked tens of millions of dollars of suspicious funds flowing to accounts in Pakistan, Lebanon, Jordan, Dubai, Saudi Arabia and elsewhere in the Middle East. Much of this money was difficult to trace. But, we obtained authorization to share some of the evidence with authorities from the Israeli Defense Forces. They were able to trace a small portion of the funds that originated in the jungles of Paraguay to accounts used to pay “shaheed” – that is, to pay the families of suicide bombers in Ramallah. They used this evidence, in part, as the basis to shut down a branch of the Arab Bank in Ramallah. This is not a case where we could bring criminal charges against anyone, but this work helped identify likely terrorist financing networks, and it is the type of work we continue through this day.

Our work in this area has continued and expanded. A few months ago, we announced a settlement with Barclay's Bank in the U.K. for its mishandling of wire transfer transactions and records on behalf of countries subject to U.S. sanctions, including Iran, Libya and Sudan. This was the third such settlement; the office had previously reached

similar settlements with Lloyds TSB and Credit Suisse. And without going into detail, I can assure you that the prosecutors at the Manhattan DA's Office, along with our counterparts at the Department of Justice, have more such cases to come in the months ahead.

The headlines on these cases are the monetary settlements. All told, between the three banks, they have forfeited almost \$1.2 billion, with half of that amount returning to the City and State of New York. That is close to \$600 million in penalty payments coming in to the coffers of the city and state. But the real impact of these cases goes well beyond the monies we recover.

These cases, alone, have done more to put teeth into global sanctions than a mountain of political posturing. These settlements force the international banking community to understand that violating sanctions will carry a very real, and heavy, price. At least one major bank recently self-reported its misconduct in handling Iranian wire payments in an effort to seek more lenient treatment. When we attend and speak at international banking and anti-money laundering conferences, it is clear that the leaders of the world's largest banks are listening: they have looked at these cases and they have changed their practices.

We believe further proof of the impact of these kinds of cases was the recent announcement by the Iranian Central Bank that it was pulling all funds out of Europe. If we are going to have sanctions and rely on them to make Iran behave, then the sanctions must be enforced. And we will continue to keep the pressure on Iran, and on regimes around the world such as Sudan, Syria, and Myanmar, by forcing foreign banks to adhere to US sanctions for their dollar denominated transactions. Equally heartening, we have worked with authorities in other countries to help them bring their own actions to enforce sanctions. These cases reflect a major change in international enforcement of global and domestic sanctions, and we will continue to be an active force in this area in the years to come.

In traditional law enforcement, we have learned that disrupting the flow of money is often as effective, or even more effective in deterring crime than are arrests and convictions. If I arrest a drug wholesaler, another drug wholesaler may be waiting to take his place. But if I can destroy the pipeline through which the organization launders its illegal profits, the organization may never recover. And so it is in fighting terrorism: the fight against money-laundering and illegal off-shore banking is likely to be a central tool in keeping our nation safe, and in this work, my Office has long been a national leader.

Obviously, the leadership role in fighting terrorism will always rest with our partners in the federal government. But I hope I have demonstrated that I personally believe that our Office has a critical role to play in the fight against terrorism, and that, with the right tools, we will be able to play that role effectively, working in partnership with others.

One reason that I am so honored to serve as Manhattan District Attorney is that my predecessors, and the colleagues with whom I serve, have, for generations, guaranteed the

safety of the public while steadfastly protecting the civil rights of all our people under the Constitution. We in local law enforcement have no special anti-terrorism courts, we have no warrantless wiretaps; every moment of interrogation of every defendant is subject to review by a neutral judge in open court. These are the conditions under which we have traditionally worked, and, these are the conditions in which, over the last fifteen years, we have effected the most dramatic reduction in serious crime in our nation's history. And so I can give you my assurance that, with regard to the crucial balance between the power of the state and the rights of the individual, the principles laid down by those who wrote our Constitution are just as effective in the fight against terrorism as they have been in the fight against violence, organized crime, and public corruption.

Thank you.