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## **Charities and Terrorism: The Charity Commission Response**

**By Debra Morris**

It is difficult to imagine an issue that could undermine public faith in charity more than the suspicion of terrorist links. Any kind of terrorist connection is obviously completely unacceptable.<sup>[1]</sup> Following September 11, the media spotlight has increasingly concentrated on the regulatory aspect of the Charity Commission's work with these fears in mind.<sup>[2]</sup> The Charity Commission has responded promptly and appropriately. In December 2001, Charity Commission Director of Operations, Simon Gillespie said:<sup>[3]</sup>

'Following September's tragic events in America there has been much speculation as to how terrorist groups raise funds. There have been very few allegations made against charities in England and Wales. Where such allegations have been made the Commission has taken immediate action to investigate concerns, freezing assets where necessary.'

### Charity Commission Policy

On 13 March 2002, the Charity Commission published its policy on charities and their alleged links to terrorism.<sup>[4]</sup> It was announced that on September 11 2002, the Charity Commission already had inquiries open into the activities of five charities and their potential links to terrorism, and were evaluating concerns into two others. Since then, it has evaluated concerns about a further ten charities, and opened formal inquiries into five of them. Two of those charities have been closed down and another one has had its assets frozen.

It was noted that, despite speculation in the media that charities in England and Wales have links to terror groups, ongoing work at the Charity Commission suggests that these connections are extremely rare. The Commission noted that at the heart of this debate are three basic assumptions, which have important implications for the way that it deals with charities where suspicions of links to terrorism arise. They are:

1. The Charity Commission would not register an organisation that had support of terrorism - explicitly or implicitly - as an object;
2. Use of an existing charity's assets for support of terrorist activity is not a proper use of those assets; and,
3. Links - or alleged links - between a charity and terrorism corrode public confidence in the integrity of charity.

The Commission has always worked to these principles and before 11 September it did not seem necessary to articulate them. Since then, of course, the world has changed, and it was felt that it was time to re-state the key principles when looking at charities with potential links to terrorism. These were stated as follows:

- 'Any links between charities and terrorist activity are totally unacceptable. "Links" in this case might include fundraising or provision of facilities, but also include formal or informal connections to organisations "proscribed" under the Terrorism Act 2000, and any subsequent secondary legislation;

- The Charity Commission will deal with any allegation of links between a charity and terrorist activity as an immediate priority;
- Where allegations are made we will liaise closely with intelligence, security and law enforcement agencies to facilitate a thorough investigation;
- Active collaboration between charities and terrorist organisations is a police matter that may lead to serious criminal charges. Where allegations are made to the Commission or suspicions arise as a result of the Commission's work (e.g. monitoring or casework), the Commission will inform the relevant law enforcement agencies immediately and co-operate fully with the criminal investigation;
- Where a charity's activities may give, or appear to give, support or succour to terrorist activity, the Commission expects the charity's trustees to take immediate steps to disassociate the charity from the activity;
- We expect trustees to be vigilant to ensure that a charity's premises, assets, volunteers or other goods cannot be used for activities that may, or appear to, support or condone terrorist activities. Examples include the use of a charity's premises for fundraising or meetings;
- Charities should take all necessary steps to ensure their activities could not be misinterpreted. The Commission expects trustees or charities to ensure their activities are open and transparent. We hold trustees accountable for ensuring that procedures are put in place to ensure that terrorist organisations cannot take advantage of a charity's status, reputation, facilities or assets; and,
- We expect any person connected with a charity to bring evidence of a charity's possible links with terrorism to our attention immediately.'

### The Policy in Action

On 10 December 2001, the Charity Commission completed its formal inquiry into the International Islamic Relief Organisation, formally a registered charity.<sup>[5]</sup> The inquiry,<sup>[6]</sup> which was opened in September 2001, followed media reports that the charity may be linked to terrorist groups. Following an urgent evaluation of the issues involved, an inquiry was opened to look into these allegations. A full inquiry was conducted and the Commission made use of its investigatory powers to obtain copies of all financial records and documentation.<sup>[7]</sup> The Commission staff established that:

- The charity appeared to have links with a larger organisation of the same name based in Saudi Arabia in that one of the trustees appears to be the Director General of that organisation;
- The charity had no income or expenditure other than accountant's fees since 1997, and had not carried out any activity since this time. Prior to that date, its activities appeared to have been minimal;
- The charity had no assets or funds in the UK;
- The charity had no UK offices; and,
- The trustees were all resident outside of the UK.

Upon closing the inquiry, the Charity Commission was satisfied that the charity was not operating. It has therefore been removed from the central register of charities.<sup>[8]</sup>

On 9 January 2002, the US Treasury placed The Revival of Islamic Heritage Society (RIHS) on a list of designated terrorist organisations.<sup>[9]</sup> As a temporary and protective measure, the Charity Commission froze the assets of a registered charity of a similar name whilst an investigation was carried out to determine what links, if any, it has with this named organisation.<sup>[10]</sup> The charity, established in 1992, states on its website<sup>[11]</sup> that it exists 'to improve the condition of the Muslim community and develop an awareness and understanding of Islam amongst the non-Muslim communities, by concentrating on youth and education'. Charity Commission Director of Operations, Simon Gillespie, said:<sup>[12]</sup>

'It is not clear whether the charity registered in England has any connection to the organisation listed by the US Treasury. But it is normal practice to freeze a charity's assets as a precautionary measure. We have no evidence that Islamic charities are especially vulnerable to abuse in regards to terrorism or any other wrongdoing and we fully support the work of all bona fide religious charities. We expect all charities to properly account for their activities.'

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The good news is that, in both absolute and relative terms, the numbers of charities potentially involved with terrorist activity are small. Neither the Charity Commission, nor other regulatory and enforcement organisations have evidence to suggest that the 185,000 registered charities in England and Wales are widely subject to terrorist infiltration. The Charity Commission will obviously continue to be vigilant against risks of this kind whether registering, monitoring or investigating charities.<sup>[13]</sup>

Unfortunately, Commission efforts are hampered by the fact that the vast majority of so-called 'aid organisations' that do provide a front for Islamic terrorists, and who have latched on to the conflicts in Bosnia, Kosovo and Chechnya as fronts for their charitable appeals, were never registered with the Charity Commission. The public seldom ask for proof that charities are registered before they put their money in collecting tins. In this area, as in so many others, the vigilance of members of the public, the media and charity staff and volunteers ought to be an important safeguard against abuse.

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<sup>[1]</sup> See the views of Chief Charity Commissioner John Stoker in, 'Weeding out the infiltrators' *The Guardian*, 28 February, 2002.

- <sup>[2]</sup> See, for example, 'Bin Laden funded by bogus charities' *The Times*, 25 September 2001.
- <sup>[3]</sup> Charity Commission Press Release, PR 63/ 01, 10 December 2001.
- <sup>[4]</sup> Charity Commission Press Release, PR 22/02, 13 March 2002.
- <sup>[5]</sup> The full inquiry report can be found at the Charity Commission website, <http://www.charity-commission.gov.uk/> within the investigation section.
- <sup>[6]</sup> Under Charities Act 1993, s.8.
- <sup>[7]</sup> Senior Commission staff served an order under Charities Act 1993 s.9(1)(a) and (b)(i) on the charity's accountants, to view and obtain copies of all the records and documents belonging to the charity. Bank statements relating to all of the charity's bank accounts were also obtained by serving an order on the charity's bankers.
- <sup>[8]</sup> Charities Act 1993, s.3(4) provides that the Charity Commission is required to remove any institution from the register if the charity ceases to exist, or the organisation no longer appears to the Commission to be a charity, or the charity does not operate.
- <sup>[9]</sup> The list of designated terrorist organisations has been published on the United States Treasury website <http://www.ustreas.gov>
- <sup>[10]</sup> The registered charity that is subject to inquiry is The Society of the Revival of Islamic Heritage (Registration no.1014888).
- <sup>[11]</sup> <http://www.srih.org.uk/>
- <sup>[12]</sup> Charity Commission Press Release, PR 2/02, 9 January 2002.
- <sup>[13]</sup> See the views of Chief Charity Commissioner John Stoker in, 'Weeding out the infiltrators' *The Guardian*, 28 February, 2002.