

Inside the Financial Networks of Terror: Synthesis of the US-Türkiye Joint Sanctions Action

Executive Summary

On May 2, 2023, the United States and Türkiye executed a coordinated sanctions action against key financial facilitators of Syria-based armed groups. This operation targeted Omar Alsheak (associated with Hay'at Tahrir al-Sham) and Kubilay Sari (facilitator for Katibat al-Tawhid wal-Jihad). The action underscores a strategic shift in counter-terrorist financing (CTF) from targeting high-profile militant leaders to dismantling the underlying financial infrastructure—intermediaries, donor networks, and procurement channels—that sustains operations. The primary takeaway for financial institutions is that modern terrorist financing (TF) often resides within seemingly ordinary financial activity, such as low-value personal transfers, charitable donations, and the purchase of commercially available dual-use equipment. Effective detection requires moving beyond static list matching toward integrated network analysis and contextual risk assessments.

I. Strategic Context: The US-Türkiye Joint Strategy

The May 2023 action represents a critical model for cross-border cooperation in disrupting illicit finance. By coordinating domestic asset freezes in Türkiye with U.S. Department of the Treasury (OFAC) designations, the two nations closed enforcement gaps that facilitators often exploit.

- **Operational Significance:** A U.S. designation blocks property within U.S. jurisdiction and affects dollar-cleared payments, while Turkish domestic freezes directly impact the accounts and assets in the jurisdictions where these facilitators reside and operate.
- **Infrastructure Targeting:** Following a similar joint operation in January 2023 against Islamic State financing, this action reinforces a focus on the "financial architecture" rather than just recognized leaders.
- **Preventing Asset Flight:** Simultaneous implementation reduces the window for facilitators to move funds before the measures take effect.

II. Case Studies in Financial Facilitation

The designations of Alsheak and Sari illustrate two distinct but equally vital roles within terrorist financial networks.

Omar Alsheak (Abu Ahmed Zakour)

Alsheak represents the "institutional" facilitator, bridging military, political, and financial structures.

- **Affiliation:** Hay'at Tahrir al-Sham (HTS) and its predecessor, al-Nusrah Front.
- **Roles:** Member of the Shura council, emir of Aleppo forces, and supervisor of the group's overseas economic portfolio.
- **Functions:** Oversight of external relations and fundraising, demonstrating how senior operatives manage the movement of resources from supporters to operational units.

Kubilay Sari

Sari represents the "operational conduit" who interfaces directly with the formal banking system.

- **Affiliation:** Istanbul-based facilitator for Katibat al-Tawhid wal-Jihad.
- **Methodology:** Used bank accounts in Türkiye to receive funds from donors on behalf of group fundraisers.
- **Procurement:** These funds were reportedly used to purchase firearms, mortars, motorcycles, and night-vision technology for operations in Syria.
- **Trusted Status:** Sari was identified by HTS members as a trusted contact for moving funds across borders.

III. Mechanisms of Network Exploitation

Terrorist financing networks do not rely on ideology alone; they exploit legitimate financial corridors to maintain functionality. | Mechanism | Description | TF Risk Factor || ----- | ----- | -----
|| **Personal Accounts** | Use of individual bank accounts to collect and move funds. | Activity can resemble family support or small-scale trade. || **Donor Networks** | Crowdsourced or community-based fundraising. | High volumes of low-value transactions can obscure the total value moved. || **Dual-Use Procurement** | Purchase of commercially available equipment (e.g., motorcycles, communications). | Transactions are often legal and only suspicious in the context of the end-user. || **Hybrid Channels** | Combining formal banking with informal value-transfer systems. | Obscures the complete transaction chain from any single institution. |

IV. Legal and Regulatory Frameworks

The 2023 actions were governed by specific legal authorities that carry significant implications for global financial institutions.

- **Executive Order 13224:** The U.S. authority used to designate Alsheak for acting on behalf of al-Nusrah Front.
- **50 Percent Rule:** Any entity owned 50% or more by these blocked persons is also considered blocked, regardless of whether the entity is named on a sanctions list.
- **Secondary Sanctions:** Foreign financial institutions risk losing access to U.S. correspondent accounts if they knowingly facilitate significant transactions for these Specially Designated Global Terrorists (SDGTs).

The Dynamic Nature of Sanctions

Sanctions regimes are subject to change based on evolving political and security landscapes.

The document notes significant changes following the 2023 action:

- **Termination of Syria Sanctions:** The broad U.S. Syria sanctions program was terminated in 2025.
- **Revocation of Group Designations:** The U.S. and UN revoked or removed designations for HTS/al-Nusrah Front in late 2025 and early 2026.
- **Persistence of Listings:** Despite these changes, other groups like Katibat al-Tawhid wal-Jihad remained listed under the UN ISIL and al-Qa'ida regime.

V. Strategic Recommendations for Financial Institutions

To maintain a resilient control stack, financial crime leaders must move beyond geographic risk rules and adopt an intelligence-led approach.

1. Enhanced Screening and Alias Management

Controls must account for the complexity of individual identities.

- **Multilingual Support:** Implement screening for non-Latin scripts and transliteration variants.
- **Alias Tracking:** Use "kunya" (noms de guerre) and multiple name variations (e.g., Alsheak vs. Abu Ahmed Zakour).
- **Continuous Screening:** Screening must occur throughout the customer lifecycle, not just at onboarding.

2. Contextual Transaction Monitoring

Institutions must analyze the role a transaction plays within a wider network.

- **Low-Value Risk:** Recognizing that small amounts can carry significant risk if they are part of a larger donor-facilitator chain.
- **Procurement Analysis:** Assessing if equipment purchases are consistent with the customer's known occupation and profile.
- **Source of Funds:** Performing deep-dive reviews on accounts receiving frequent third-party payments followed by rapid withdrawals.

3. Network Analytics

Facilitator networks often remain invisible when viewed through individual transactions.

- **Shared Indicators:** Monitor for shared addresses, telephone numbers, devices, and beneficiaries across seemingly unrelated accounts.
- **Retrospective Reviews:** Following a new designation, institutions should conduct look-back investigations to identify historical exposure and linked counterparties.

4. Disciplined Escalation

Maintain rapid procedures for asset freezing and reporting. Where exposure is identified, information should flow quickly between sanctions, AML, fraud, and cyber investigation teams to ensure a unified response.