

# ThirdSector

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## Resources

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### Keep it Legal: Terrorist abuse of charities

By Shivaji Shiva. Third Sector. 30 January 2008

**A cry of "terrorist!" greeted me from a passing van on a recent trip to Carlisle.**

The driver seems to have made a simple equation: brown skin + kurta top (a long cotton top popular in Asia) = terrorist. A similarly unnerving form of ethnic profiling is used by the intelligence services. Many charities, particularly Muslim organisations and those serving black and minority communities, will be wondering how sophisticated the Charity Commission's efforts to identify terrorist abuse will be.

The commission was given an extra £1m by the Treasury last summer to prevent terrorism in the sector, but the draft counter-terrorism strategy on which it is currently consulting provides some reassurance. It starts with the commission's informed belief that "actual instances of terrorist involvement and abuse of charities are extremely few in number", acknowledges the complexity of the task and emphasises the need for all charity trustees to safeguard their charities from terrorist abuse.

The risk of terrorist abuse or commission scrutiny is a further incentive for charity trustees to pursue good governance. To quote the draft strategy: "Charities which implement good general risk-management policies and procedures will be better safeguarded against a range of potential misuses."

Best practice should include sound financial procedures and risk assessments of donations, particularly those with unusual conditions, such as a request that a large donation be returned but the charity may retain the interest paid.

Trustees would also be advised to follow 'know-your-donor' procedures and explore the source of the funds as well as bolstering procedures to assess beneficiaries, particularly overseas. Monitoring charitable activities would also keep any undesirable activities at bay.

Boards should also run eligibility checks on each trustee to ensure they have not been named as a 'designated person' under the Terrorism (United Nations Measures) Order 2006 or the Al-Qaida and Taliban (United Nations Measures) Order 2006. The check is available on the Treasury's website.

Charities should also train their staff in all procedures and relevant documentation, starting with the Charity Commission's guidance on working internationally and legislation such as the Terrorism Act 2000.

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