# Jihadists' Use of Virtual Currency 2
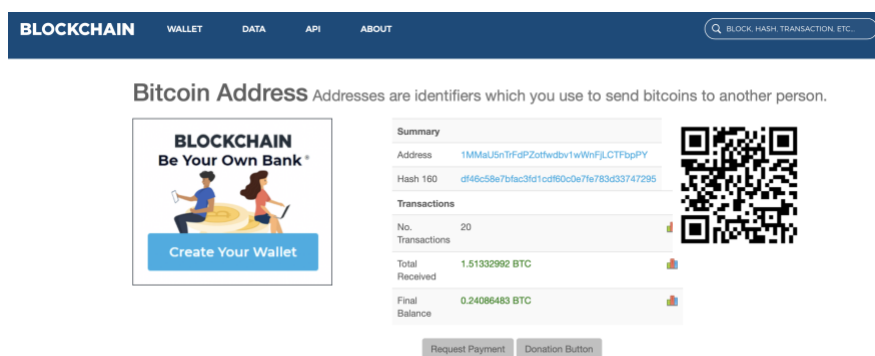
Nadine Liv

# Jihadists' Use of Virtual Currency

In January 2018, the ICT published a document reviewing the use of virtual currency by jihadists. A year later, we re-examined the developments that took place in this arena in the test cases described in the 2018 document, and we documented additional cases that occurred in 2018 and the beginning of 2019. These cases are described below:

## Jahezona

The Jahezona campaign is an ongoing fundraising campaign that began in 2015 and continues today. According to Yaya Fenusi, a former CIA analyst, the campaign is organized by an Internet propaganda unit called the Ibn Taymiyya Media Center (ITMC), which is located is the Gaza Strip and serves as the media wing of the Mujahideen Shura Council in the Environs of Jerusalem (MSC), a collection of Salafi-jihadist groups in Gaza; the campaign is the first public documentation of the use of Bitcoin by terrorists (August 24, 2018).[1] In the original report that we published in January 2018, we revealed the Bitcoin address of the Jahezona Group, which received a total of 1.43083094 Bitcoin, from which 15 transactions were made as of January 18, 2018. A recent examination conducted on March 25, 2019 revealed a total of 1.51332992 Bitcoin alongside a total of 20 transactions made at this Bitcoin address, meaning that five more transactions were made in the past year. This year, too, the transfers were only worth tens of dollars.



*The Bitcoin wallet of Jahezona on the Blockchain site*

## Al-Sadaqa

Al-Sadaqa is an Internet-based organization that promotes donations through Bitcoin for the mujahideen in Syria. The organization is active on Twitter, Telegram, and apparently also on a

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[1] https://www.thecipherbrief.com/column/private-sector/the-new-frontier-in-terror-fundraising-bitcoin

dedicated site on the "onion" extension (see below on page 8). At first, it posted banners on Twitter and Telegram encouraging donations. Later, a channel was established on Telegram called SadaqaCoin with the logo that appeared on the banners. The Telegram channel directs traffic to a dedicated site with the .ion extension. It is worth noting two issues on this subject:

1. The original address of the Bitcoin wallet that appears the organization's first publications ending in Nwpf. As of March 25, 2019, the total receipts in this wallet amounted to 0.08945595, with a total of eight transactions.



*From left to right: a screenshot from the Bitcoin wallet on the Blockchain site; one of the organization's publications (showing the Bitcoin address)*

2. Although most of the transfers were only worth tens or hundreds of dollars, one Bitcoin wallet from which a transaction was made to the wallet of Al-Sadaqa stood out; the one ending in 85oC. This wallet received 471,855.72418031 Bitcoin in 802,940 transactions. An independent investigation conducted by Benjamin Strick shows that this Bitcoin wallet was marked with a fraud alert on the Internet and associated with criminal elements in connection with the abduction of a child in South Africa in May 2018.[2]



*The bitcoin wallet ending in oC5 on the Blockchain site*

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[2] https://medium.com/@benjamindbrown/tracing-syrian-cell-kidnappers-scammers-finances-through-blockchain-e9c52fb6127d
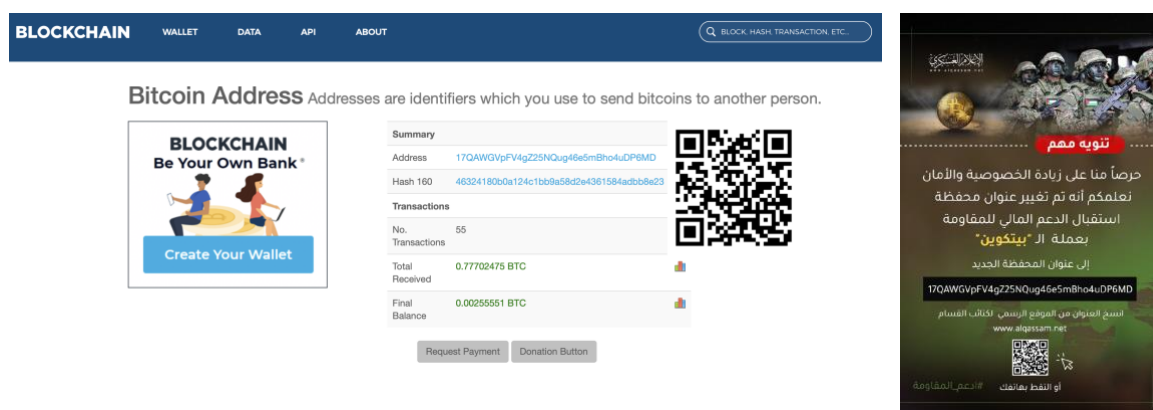
# Hamas

A large-scale campaign was identified on Hamas's Telegram channel in March calling for fundraising for Hamas through Bitcoin following the cut in foreign aid (January 30, 2019). In the framework of the campaign, many banners were distributed encouraging donations. In addition to general publications about the launch of the campaign, various banners referred to different Bitcoin wallets:



*Banners calling for donations to Hamas. Source: Telegram*

1. The Bitcoin address ending in P6MD. An examination of the Blockchain site indicates that 55 receipts, in the amount of 0.77702475 Bitcoin (approximately $3,095.5), were transferred to this wallet between February 2, 2019 and March 24, 2019. Most of the transfers were in small amounts of single, tens or hundreds of dollars only.



*From left to right: a Bitcoin wallet belonging to Hamas on the Blockchain site; the banner with the Bitcoin address (source: Telegram)*

2. The bitcoin address ending in Nj3y: An examination of the Blockchain site indicates that 49 receipts in the amount of 0.51799027 bitcoin (approximately $2,481.92) were transferred to this wallet between January 31, 2019 and February 10, 2019. Here too, most of the transfers were in small amounts of single, tens or hundreds of dollars.
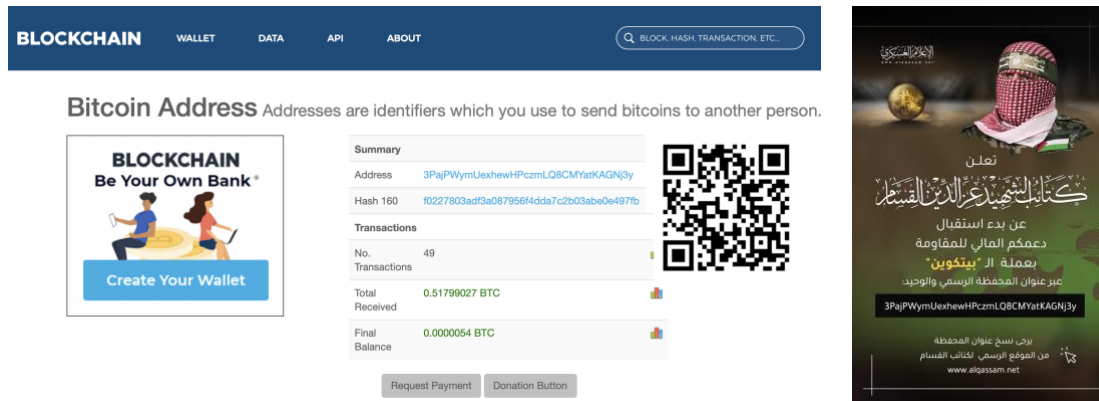


*From left to right: a Bitcoin wallet belonging to Hamas on the Blockchain site; the banner with the Bitcoin address (source: Telegram)*

3. In addition, a video was posted on the website of the Izz ad-Din al-Qassam Brigades regarding the process of making Bitcoin donations, and a dedicated webpage was even established at https://fund.alqassam.net containing an *algorithm that produces an individual Bitcoin for each donor* to safeguard the security and privacy of donors. This is not the first time that terrorist elements have used such an algorithm. In January 2018, the Akhbar al-Muslimin website, which publishes news for the Islamic State, activated a similar algorithm (see details below).[3]



*From left to right: a screenshot of the generation of an individual address for the donor (Source: Hamas); a banner encouraging bitcoin donations*

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[3] See 'Jihadists' Use of Virtual Currency', ICT (January 2018). Available at: http://www.ict.org.il/images/שימוש%20במטבעות%20וירטואלי%20דיגיטליים%20האדים.pdf

# The Islamic State

The Akhbar al-Muslimin website, which publishes news for the Islamic State, is continuing the online fundraising campaign that it began in late 2017. The site occasionally operates on the visible Web and on the Darknet. As can be seen in the attached pictures, the site was last updated on April 1, 2019. The news items posted on the site are accompanied by a link encouraging Bitcoin donations to the site; clicking on the link leads the web user to a page dated December 7, 2017 and each click on the link produces a new Bitcoin wallet for the intended donor. The uniqueness of this algorithm was discussed back in 2018 in a report titled, "Jihadists' Use of Virtual Currency". *It is worth noting that the Akhbar al-Muslimin website continues to use the same mechanism as in 2017, and now Hamas has also set up a similar dedicated page that produces a wallet for each donor.*
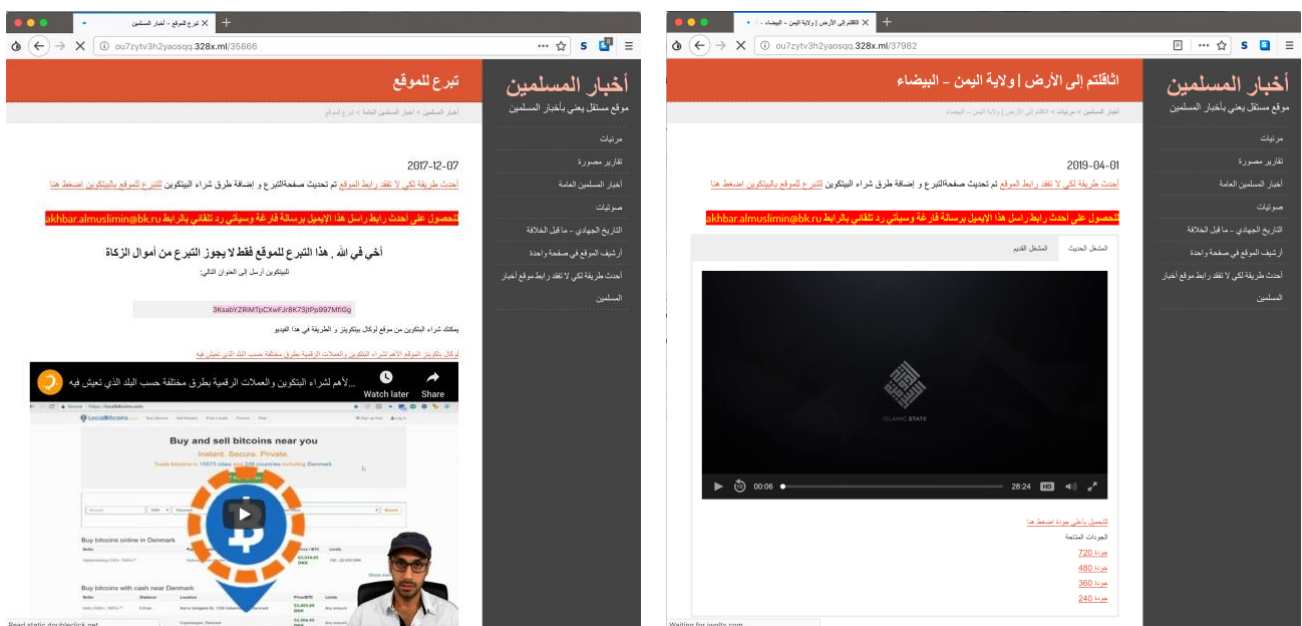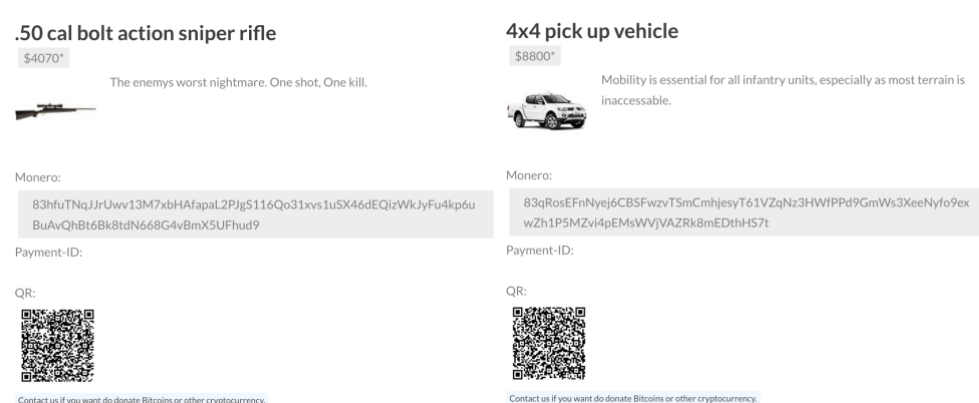


*From left to right: the donation page set up in 2017, Source: Akhbar al-Muslimin website; a recent news page that includes a link to donate via bitcoin*

## Sadaqa Coins

The Sadaqa Coins Telegram channel directs to a crowdfunding site on the darknet for the purpose of giving charity for mujahideen (sadaqabmnor4ufnj.onion) via Bitcoin or Monero digital currency. This site is translated into five languages: English, Arabic, German, Swedish and Turkish. Along with quotes from the Quran, the site suggests that visitors donate charity to an existing project or to set up a new financing project. Among the projects suggested on the site are: 1. Project SadaqaCoins, which refers to the operation of the site (published August 12, 2018). The administrators indicate that the site is funded from their own pockets and they seek financial assistance. 2. Project We Hunt (published August 13, 2018). The project is aimed at acquiring

equipment and resources for experienced snipers for training and battle. The project was allocated a target of $18,590 of which $0 was donated. In the framework of the project, it is possible to donate to a specific purchase, such as a jeep or rifle (see picture). 3. Project Eid-al-Adha (published August 28, 2018). 4. Project Forgotten Sisters (published September 13, 2018). The project is aimed at freeing women imprisoned by the Assad regime. 4. Project Junud Ash Sham: Jihad (published January 2, 2019).



**.50 cal bolt action sniper rifle**
$4070*

The enemys worst nightmare. One shot, One kill.

Monero:

83hfuTNqJJrUwv13M7xbHAfapaL2PJgS116Qo31xvs1uSX46dEQizWkJyFu4kp6uBuAvQhBt6Bk8tdN668G4vBmX5UFhud9

Payment-ID:

QR:

Contact us if you want do donate Bitcoins or other cryptocurrency.

**4x4 pick up vehicle**
$8800*

Mobility is essential for all infantry units, especially as most terrain is inaccessible.

Monero:

83qRosEFnNyej6CBSFwzvTSmCmhjesyT61VZqNz3HWfPPd9GmWs3XeeNyfo9exwZh1P5MZvi4pEMsWVjVAZRk8mEDthHS7t

Payment-ID:

QR:

Contact us if you want do donate Bitcoins or other cryptocurrency.

*A screenshot from Project We Hunt. Source: SadaqaCoins website*

The design of the site is clean and does not resemble the jihadist style that is usually used in such publications. The Bitcoin wallet displayed on the site is ends in JJTc and an examination of the wallet on the Blockchain website indicates that it is empty; this is not the same wallet that was published by the organization on Twitter and Telegram at the beginning of the campaign. Considering the suggestion to establish independent financing projects and the unusual design of the site, it is possible that this is a fraud. However, it is important to note that the BitcoinWho'sWho website has not raised a fraud alert at the time of this writing.
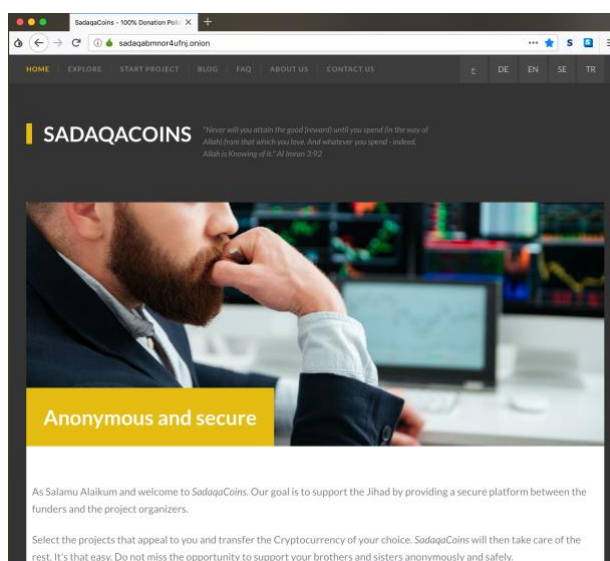


*A screenshot from the SadaqaCoins website on the darknet*

# Summary

The use of virtual currency remains anecdotal. However, an increase in this trend is evident as demonstrated by the continuation of funding campaigns that began in 2017/8 and moved into 2019, such as Jahezona, Al-Sadaqa and the Islamic State (Akhbar al-Muslimin), as well as the launch of new funding sites, such as Sadaqa Coins and Hamas.

*A new phenomenon that needs to be addressed in depth is the use of algorithms that produce a dedicated Bitcoin wallet per donor*, as documented above in the cases of Akhbar al-Muslimin and Hamas. This situation disrupts the transparency involved in using Distributed Ledger Technologies and makes it difficult to manage financial investigations. Two characteristics that make virtual currencies attractive for terrorists are their conversion to fiat money and the anonymity that using them provides. One of the main risks involved in the use of virtual currency is the possibility of their conversion to fiat money and as a result, interfacing with a financial system based on fiat money. This can be done through an exchange, which may be a person or entity involved in the business of trading in virtual currency in exchange for a real currency, funds, or another form of virtual currency, as well as precious metals in return for commission. Money changers usually receive a wide range of payments including cash, transfers, credit cards and virtual currencies, and they can only be a third party.[4] *Since these exchanges constitute the point of interface between the virtual currency and the financial system of the fiat currency, it is worth examining their actions and formulating an international mechanism to regulate them.*

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[4] Iwa Salami (2018) Terrorism Financing with Virtual Currencies: Can Regulatory Technology Solutions Combat This?, Studies in Conflict & Terrorism, 41:12, 968-989, DOI: 10.1080/1057610X.2017.1365464