

Nusatenggara Association, Inc.

Counter-terrorism, Anti-Money Laundering and Criminal Misuse Policy

v2.0 July 2018

Preamble

The mission of the Nusatenggara Association, Inc (NTA) is to alleviate the worst poverty in the province of Nusa Tenggara Timur, Indonesia. The NTA sponsors economic and social development activities selected by our sponsored communities, ranging from building water tanks and wells, through providing farming equipment and training to local farmers, to supplying books for schools and training local teachers. We employ and provide training to over twenty Indonesian staff in West Timor and Flores. In the past decades, Indonesia has suffered severe terrorist attacks and faced major terrorism challenges. Despite the steady weakening of major jihadi groups, the potential for low-tech, low-casualty terrorist violence in Indonesia remains high.¹

The Australian Government has identified that not-for-profit organisations, such as NTA, are at risk of being misused by individuals or other organisations to finance or support terrorist activity. There are a number of ways that this can occur, including fraudulent collection of monies and infiltration by terrorists.

Purpose and Guiding Principles of this Counter-terrorism Anti-Money Laundering and Criminal Misuse Policy

This policy encompasses Counter-terrorism, Anti-Money Laundering and Criminal Misuse

NTA considers any form of terrorism or terrorism financing unacceptable and will make all reasonable efforts to ensure that funds are not being directed to terrorist activities. This includes providing funds to a listed individual or organisation, or an organisation which is suspected as being a terrorist organisation (or having links with a terrorist organisation), even if it does not appear as a listed individual or organisation.

Scope of this Policy

This policy applies to NTA staff (Indonesia and Australia-based), NTA Board members, volunteers and consultants retained by NTA, and partner organisations of the NTA and their staff.

Definitions

The following terms are used throughout this policy:

- (a) **'Listed individuals or organisations'**: any individual or organisation which appears on either of the following lists:
- **'The Consolidated List'**, which is a list of all persons and entities subject to targeted financial sanctions under United Nations Security Council decisions and maintained by the Department of Foreign Affairs and Trade pursuant to the *Charter of the United Nations (Dealing with Assets) Regulations 2008*. This list is available at http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html ; and
 - The 'List of Terrorist Organisations', which is compiled by the Attorney-General's Department and lists organisations which have been proscribed by the Australian

¹ International Crisis Group, 'The Ongoing Extremist Threat in Indonesia', 15 June 2011.

Government as terrorist organisations under the Criminal Code because they advocate the doing of a terrorist act (regardless of whether or not a terrorist attack occurs), or because they are directly or indirectly engaged in preparing, planning, assisting in or fostering the doing of a terrorist act (regardless of whether or not a terrorist attack occurs). This list is available at

<http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument>

It is an offence under Australian law to use or deal with an asset owned or controlled by, or to make an asset available to, a person or entity included on one of these lists.

- (b) **'Third party'**: an individual or organisation other than a beneficiary to which an organisation provides funding or support to, or receives funding or support from, to carry out its usual functions, including fundraising and delivery aid. Third parties in NTA's case include partner organisations YPMF, YPMPS, NTA Indonesia, and contractors and any other service providers commissioned by NTA.
- (c) **'Money Laundering'**: is defined broadly in Division 400 of the Criminal Code Act 1995 (Criminal Code) to include more than just concealing the proceeds or instruments of crime. The Criminal Code makes it an offence to deal with the proceeds of crime or an instrument of crime.
- (d) **'Deal with'**: is defined as a person receiving, possessing, concealing or disposing of money or other property. When an innocent third party receives money that is the proceeds of crime (such as a NFP organisation) carrying on its normal business) and the person has no knowledge of that fact, receipt of the money does not constitute an offence under the Criminal Code.
- (e) **'Criminal Misuse'**: Money laundering activity as well as the commission of underlying predicate crimes.

Risk Management – Counter-Terrorism, Anti-Money Laundering and Criminal Misuse

Not-for-profit organisations face a higher risk of being misused by terrorist organisations if they conduct or contribute to aid programs or projects overseas, or work with, or provide funding to, other not-for-profit organisations that conduct programs or projects overseas.

To mitigate this risk, NTA will employ the following strategies:

- All Australian NTA Board members must undergo a police check and provide evidence that they have undergone this check.
- All participants in NTA field visits, including NTA-associated volunteers and consultants, are required to have a current Working with Vulnerable People general registration card. This requires undergoing a National Police History Check. Volunteers are required to provide evidence of current registration.
- The NTA Board's Operations Sub-Committee must check on an annual basis that third parties (whether organisations or individuals) with which NTA has regular contact are not listed individuals or organisations and report their results to the NTA Board.
- The NTA must conduct a check of listed individuals and organisations before retaining any new partner organisation or service provider.
- NTA must conduct regular follow-up checks to make sure that assistance is delivered as intended.
- A clause must be included in agreements with partner organisations that, as a precondition of receiving NTA funding, they will not provide funding or make assets available to a terrorist organisation.
- Partner organisations must replicate these counter-terrorism associated obligations when sub-contracting any delivery partner

- NTA partner organisations YPMF, YPMPS and NTA-Kupang must ensure that they are satisfied that any assistance provided to the beneficiary will not be misdirected for the purpose of terrorism financing. This includes staying apprised of whether terrorist organisations are operating in the area.
- If a third party is an individual, NTA will collect the following information, where available:
 - Name (including any aliases used), date of birth and contact details (e.g. phone numbers, postal address, email and URL addresses)
 - Nationality and country of residence
 - The name and contact details of organisations which they operate
 - Details of other projects/operations/initiatives/commitments, either being undertaken or already conducted by the third party – including information on the beneficiaries of these actions, and
 - Any other reasonably available information that assures NTA of the third party's identity and integrity.
- If the third party is an organisation, NTA will collect the following information, where available:
 - The name and available contact details (e.g. phone numbers, postal address, email and URL addresses)
 - The jurisdiction in which the organisation is incorporated or formed
 - Any other names that the organisation operates under
 - A statement of the principal purpose of the third party
 - Corporate documents, such as:
 - I. copies of incorporating or other governing instruments,
 - II. information on the individuals who formed and operate the organisation, and
 - III. information relating to the beneficiary's operating history.
 - Details of other projects/operations/initiatives/commitments, either being undertaken or already conducted by the third party – including information on the beneficiaries of these actions, and
 - Any reasonably available information that assures NTA of the third party's identity and integrity.
- The NTA will keep funds in bank accounts and use only formal financial channels to transfer funding

Further risk management mechanisms and strategies to mitigate the risks to the NTA arising from the threats from Counter-terrorism, Anti-Money Laundering and Criminal Misuse include:

- Finance procedures and financial controls
- Human Resources Policy
- Partner Due Diligence checklists
- Partner MOUs which extend the financial wrongdoing requirements to partners
- Partnership policies
- Whistleblower Policy
- Complaints and Complaints Handling Policy
- Monitoring, Evaluation and Learning Policy (proof of delivery of project deliverables and funds spent where they should be)

Reporting processes

NTA will immediately report any suspicious activity to the Australian Federal Police. NTA partner organisations YPMF, YPMPS and NTA Indonesia will immediately report any suspicious activities to the appropriate local authorities as well as informing the NTA CEO.

Any staff member, Board member, volunteer or member of NTA and partner organisations in Indonesia who has a suspicion must immediately advise the CEO or a Board member, so that the matter may be promptly and fully investigated.

Alternatively, reporting can be made utilising the mechanisms outlined in the NTA Whistleblower Policy and the NTA Complaints and Complaints Handling Policy.

Processes to be followed for any wrongdoing by Staff or Volunteers

Where an employee or volunteer (both in Australia and Indonesia) engages in misconduct or alleged misconduct the processes outlined in Section 13 Misconduct of NTA's HR Policy will be followed.

Educating on the NTA Counter-terrorism, Anti-Money Laundering and Criminal Misuse Policy

NTA staff (Indonesia and Australia-based), NTA Board members, and staff of partner organisations of the NTA will all be provided with a copy of the NTA Counter-terrorism Policy on commencing their association with NTA and on updating of this document.

The NTA Counter-terrorism Policy will be made available on the NTA website.

Reviewing this policy

This policy will be reviewed annually to assess its effectiveness, appropriateness and accuracy.

Version control

Version	Date	Approved by Board	Details
1.0	12 May 2014	2014	Counter-Terrorism Policy issued.
2.0	31 July 2018	31 July 2018	To meet ACFID Code of Conduct Compliance requirements, Policy updated and expanded to include: <ul style="list-style-type: none">• Anti-money laundering• Criminal Misuse.