

THE MONEY FLOW - Somalis funnel millions to E. Africa // Minnesota immigrants have supported relatives left behind, but U.S. agencies are investigating whether some money fueled clan wars.

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Somali refugees in Minnesota have sent at least \$75 million to East Africa, using banks to make large wire transfers that have drawn the attention of federal investigators, according to people familiar with the inquiry.

Most of the money - sent by individuals in chunks of \$100 to \$600 a month - is humanitarian aid for people caught in the violence of a country ruled by warring clans, according to interviews with Somalis in the Twin Cities area. But some also say that an organized collection system exists in Minnesota to pressure Somalis into contributing small sums for guns and clan-based militias back home.

An average of \$2 million a month now leaves Minnesota for Middle Eastern banks to be distributed in Somalia and in refugee camps in neighboring African countries, Somalis and sources familiar with the investigation said. They say the wire transfers have been as high as nearly \$4 million a month.

Some Somalis point to a Muslim culture of giving and say they feel obligated to help family and friends left behind. To raise the money, many work multiple jobs and live in cramped apartments.

The money flow began at least four years ago, sources said, in amounts small enough not to attract immediate attention. Minneapolis police began investigating early last year, but decided to let federal authorities handle it.

The investigation by the FBI, the Immigration and Naturalization Service (INS) and the Internal Revenue Service (IRS) centers on how the money is collected, where it goes and who donates. The investigation is said to be in an early stage.

U.S. authorities are concerned that some of the money may have been used for military purposes in the war-ravaged country.

Contributions in support of a terrorist organization are illegal if the donor knowingly gives money for a subversive purpose, said Mark Cangemi, head of INS investigations in Minnesota, Iowa and the Dakotas. But that can be difficult to prove, he said.

The INS acknowledged an inquiry but declined to discuss specifics. The FBI and the IRS declined to comment. The investigation into how the money is collected and where it goes hasn't led to charges.

Most of the money is transferred abroad through banks. Two Twin Cities banks have acknowledged discussions with federal authorities about the money pipeline.

Bank accounts of several Somali money-transfer businesses have been used to hold money raised in Minnesota. Frequent, large transfers have been made, nearly emptying the bank accounts, according to the money-transfer firms.

Somalia recently established its first government since the 1991 overthrow of dictator Muhammad Siad Barre. War and famine in the 1990s left its people poor and homeless. Hundreds of thousands of Somalis still live in refugee camps.

"Imagine a people with no central government. It is chaos," said Mohamed Ali Nor, owner of Dahab-shil Inc., a Somali money-transfer business in Minneapolis. "Imagine no schools, no employment, no jobs. And if you try to farm, your stuff is dying or taken and looted. People are starving, so you help your mom, your dad. You should help the family."

But Abdi Samatar, an author of two books and many articles on Somali culture, said not all of the money is humanitarian aid. "Some people are sending money to warlords," he said. "That's a human rights violation of major proportions, and it's a criminal act, in my opinion."

Collections in Minnesota for warlords in Somalia have fueled "the very violence that has brought them here in the first place seeking refuge," said Samatar, who grew up in Somalia and is a geography professor at the University of Minnesota.

"It's absolute madness," he said.

He and other Somalis say pressure to give money to warlords has lessened in recent months. Somalian President Abdiqasim Salad Hassan, who took office in August, hopes to restore security after a decade of anarchy. But as recently as September, a clash of heavily armed Somali militias left 20 dead and 18 wounded.

The collectors

Among Somalis in Minnesota, the people who raise money for clans and militias are known simply as the collectors.

Minneapolis shop owner Ardo Diriye said she was one of them from 1996 to 1998. She collected money from people in her clan about once every three months for needy Somalis elsewhere in the United States, for the hungry and sick back home, and occasionally for clans needing arms. Her highest monthly total was \$700, she said.

Money collections typically happen after clan warfare increases, causing the need for food, medicine, clothing and arms, Somalis say. Several said collectors were more active during the first six years of the civil war, which began in 1991.

"I collected \$50 per family. I used to assign myself [to collect]. I like to help people," Diriye said, sometimes speaking through an interpreter.

Sometimes other people would attack the clan and the members would need guns for self-defense, she said. Clans without weapons are vulnerable to attacks, Diriye said.

She said she gave the money she raised to leaders of a now-defunct Somali relief organization. She said she doesn't know whether the money reached its destination.

Pressure to give

Amal Yusuf, chief executive of the Somali Women's Association, which helps the women become assimilated in the United States, said Somalis who decline to contribute are ostracized and harassed. Yusuf said that happened to a staff member when she stopped contributing to military collections after her brothers were killed in clan warfare.

"When you go shopping, a group of men [money collectors] will say loudly, 'Look at her! Look at her! Look at her!'" Yusuf said. Employees of the Somali Women's Association said men have entered the office to heckle women who didn't give money.

Money was sometimes raised to provide food and medicine for soldiers, Yusuf said. She stopped contributing, she said, when she couldn't get a receipt that told her specifically where the money was going, assuring her it

wouldn't support fighting.

"When I say no, some people get mad at me. They wouldn't talk to me," Yusuf said. "But many of them were supporting the war effort. . . . Some people said when I turned them down that they considered me not to be in my clan anymore. And that if I need their help that I would not get their help because when there was a need for my tribe, I was not there for them. So I just say, `OK, I am on my own.' "

Yusuf, who left Somalia in 1990 for India and moved to the United States in 1995, has long supported her extended family in India and in refugee camps in Africa. Like many Somalis, she sends the money directly, with no help from a collector. "About 75 percent of your income is sent back," said Yusuf, who lost 45 pounds her first year here while working two jobs.

Omar Jamal, a Minneapolis college student who left Somalia for Europe in 1988 and came to the United States in 1997, said many of the Somalis here worry they will be social outcasts if they don't conform to the rules established by elders.

Jamal said collectors have approached him at least 50 times since he immigrated to Memphis in 1997 and then resettled in Minneapolis. He said the collectors usually are men who are elders in their clans.

Sometimes, he said, money is raised for clans' non-military needs such as food, clothing and shelter. The elders also collect clothes and shoes, saying they are for young militiamen, he said.

Other times, he said, the Somali immigrants are told contributions are for war - guns, ammunition, gas for the tanks and food for the soldiers.

"They will say, `We are collecting money to buy ammunition and defend our people,' " Jamal said. "They will tell you that."

Jamal said he won't contribute to the militias. He receives financial aid to study molecular biology at the University of Minnesota and gets money from his mother in London. He earns some money by tutoring, yet feels obligated to give for humanitarian reasons, in part because of his Muslim upbringing, he said.

"I share with you whatever I have," he said. "It's collective existence, no individuality."

Welfare recipients give

Even Somalis on welfare are asked to contribute \$10 to \$20 for clan support, Jamal and others said.

"It's very hard to turn somebody down who is collecting money for people who are starving," Jamal said.

Mohamed Omar Muse of Owatonna travels by bus to Minneapolis to wire money to his mother and four relatives in Somalia and Kenya. But he strongly opposes sending any money for clan support. "I don't like it," he said through an interpreter. "When they collect the money, then they buy guns and someone will die."

Hassan Aden Shaba, a Somali journalist living in Minneapolis, said clan warfare has prompted extortion attempts by kidnapers in Somalia. He says rivals kidnapped his brother last year and then called him in Minneapolis, demanding \$20,000 or they would kill his brother. Shaba said that he refused and that his brother was released, unharmed.

"People here get calls like that all the time from [a rival] tribe saying send money in five hours and if they don't send money their people will be killed," Shaba said.

Growing presence

Somalis have had a growing presence in the Twin Cities since the mid-1990s as thousands left Africa and came to Minnesota.

The number of Somalis in Minnesota, most of whom live in Hennepin County, isn't known. Estimates range from 10,000 to 50,000, with most estimates falling on the high side.

The flow of money from Minnesota Somalis to Africa appears considerably more organized than similar financial assistance efforts by other immigrant groups.

Giving \$2 million a month is a "sizable" feat for a small population of immigrants, said Dawn Calabria, spokeswoman for the United Nations High Commissioner for Refugees in Washington, D.C.

"I think the Somalis are doing this at a greater level than perhaps some other groups," she said. "The Somali sense of family is extremely strong. This is a country with no safety nets."

Charles Midby, INS investigations supervisor in Minnesota, said the flow of money to East Africa might explain why hard-working Somalis here struggle financially.

"We see Somali nationals working one or two jobs, maybe three . . . but nobody's status in life seems to be improving," he said. "It raises the question, if somebody has quite a bit of money going through their hands, or coming to them, and their standard of living isn't improving, where is it going? What's happening to it?"

Investigation begins

While the flow of money has been under the watch of law enforcement authorities, it hasn't appeared to have been a top priority.

Minneapolis police Lt. Dana Smyser said police investigated the money transfers in early 1999. They were concerned about large sums of money flowing through the accounts of one Minneapolis bank, he said.

Deposits and withdrawals for one account exceeded \$560,000 in March 1999, Smyser said. He said the department identified more than a dozen accounts with this level of activity.

The owners of Somali money-transfer businesses said bankers questioned them about their accounts and in some cases accounts were closed against the wishes of the businesses. After several months of investigation, Minneapolis police learned that federal authorities also were looking at the deposits and overseas wires, Smyser said.

"We were talking to the INS, postal inspectors, IRS, Customs and the FBI. They said [they] have a large investigation related to this," Smyser said. "The bulk was much larger than we could deal with on the local level. Ours was forwarded into the larger thing that was going on."

FBI and IRS agents have looked at the money flow, while the INS is focused at least partly on Somalis who entered the United States using aliases. The fact that many Somalis entered the United States under false names complicates any investigation, Cangemi said.

"I can confirm there are issues for INS regarding document fraud, identity fraud," he said. "But I'm really not free now to talk about the specifics of any ongoing investigation. I can confirm there are inquiries that we're conducting on a routine basis, and it is a concern. It is a concern not only in Minneapolis-St. Paul, but I would say it's a global issue."

The transfers

Somalis who wish to send money abroad to relatives usually go to one of at least eight Somali money-transfer operations in Minnesota.

They arrive with cash, checks and money orders, and give the recipient's name and location to the transfer agent.

The transfer firms don't wire money from their offices. Instead, they deposit the collected money in Minnesota banks, which are instructed to wire it overseas, usually to bank accounts in United Arab Emirates, according to owners of the Somali money-transfer firms. Some transfers have gone to banks in the Far East, including Hong Kong and Singapore, the money-transfer owners said.

Operators of the money-transfer firms said that they won't accept money for warlords, but that they have no control over what is done with money sent to another recipient.

Abdullahi Farah runs Somali Global Service Inc., one of the Minneapolis money-transfer services. He said he wires money through banks several times a week.

He said the money is sent to Dubai, United Arab Emirates, and is disbursed to its intended recipients, usually relatives of the sender.

The money-transfer services in Minneapolis opened in the mid-1990s. Two of the early operations were Amal Express Inc. and Dahab-shil, according to Minnesota Secretary of State records. Most of the other money-transfer firms were incorporated in 1998 or later.

Banks questioned

Federal agents have contacted Minnesota's largest bank, Wells Fargo & Co., about the money flow. The bank said it is aware of the federal investigation and is cooperating with authorities.

U.S. Bancorp also said it has had discussions with federal officials. Executives of TCF Financial Corp. said they regularly investigate suspicious banking activities and have found no questionable wiring practices. But they said that some money wires destined for illegal purposes could move through a bank undetected.

Bob Pasley, assistant director of the enforcement and compliance division for the federal Office of the Comptroller of the Currency, said an excess of overseas wires should raise questions inside banks.

"But if I am a banker, I am not going to catch every case," he said.

Several money-transfer owners said they are concerned that banks have closed some of their accounts. If the transfer services can't use banks to wire money, Somalis in Africa who depend on the cash could be hurt, they say.

Abdulquadir Osman, owner of the money-transfer firm Kaah Express, said one bank closed his account a few

months ago. Osman said his attorney assured him that Kaah's transactions are legal. He has since signed with another bank but fears that federal investigations may lead other bankers to close Somali accounts.

Tapping the photo of a starving Somali boy, Osman said, "This guy is the one who will [suffer] if the banks close our bank accounts."

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- Staff writer Neal St. Anthony and researcher Sandy Date contributed to this article.

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The money flow

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1. Somalis in Minnesota bring money, usually amounts of \$100 to \$600, to money-transfer businesses.
2. The firms, run by Somalis, pool the money and have banks wire it abroad.
3. The money is delivered to recipients in East Africa.

Caption: MAP;PHOTO

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