When life follows art

FIU professor uses trade stats to detect terrorism

BY JOHN T. FAHLER

In the movie "The Sum of All Fears," an atomic bomb is smuggled into the United States in a vending machine.

At Florida International University in Miami, Dr. John Zdanowicz took that idea and developed research to detect abnormal weights in U.S. international trade.

His system looks at anomalies in weight and at cargo that is either under or overweight. The weight of shipments in containers, for example, is consistently the same over time with little or no variances, he said.

"When I saw the movie, I thought about the weight," said Zdanowicz, a professor of finance at FIU's College of Business Administration. "Less or more weight would be a signal this might be a tool of terrorism."

Zdanowicz, an expert on money laundering, said collecting import duties was "how this country was initially financed."

Imports could also be his undoing, he said, because there are ways an enterprising terrorist could circumvent his theory.

"Once you develop a detection system, someone will find a way to get around it— it's another game of cat and mouse," he said. "The most important thing is you should be able to add weight, but can't take weight away."

Government to spend millions

Variables such as freight, insurance and special charges are included in his formula, which he plans to market to foreign governments, he said. The U.S. government, which just announced it will spend millions of dollars to enhance security at ports, is not interested at this time.

Zdanowicz recently spoke about abnormal prices in international trade and suspicious import weights at the newsletter Money Laundering Alert's 8th Annual International Money Laundering Conference in Miami Beach.

The raw data he uses is sold by the U.S. Department of Commerce and is stored in the library at FIU. Monthly export and import data, which is stored on 24 compact discs, is now being converted to DVD, he said.

"The data has been here for 20 years," he said. "No one has been able to harness it, so it has some value."

The data he analyzes is the same data the government releases every month to calculate the balance of trade, he said.

"I am taking that same information and digging into it," he said.

Dr. John Zdanowicz and Professor Donald Chambers of Lafayette College focused their attention on the U.S. State Department's list of 25 Al Qaeda watch countries.

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Professor, Florida International University

They cannot identify the individuals or businesses involved in these transactions, because that information is deleted from the U.S. trade database, Zdanowicz said.

2001 transactions studied

After the weight characteristics of every U.S. import transaction from 2001 were studied, Chambers and Zdanowicz developed a computer analysis that allows the determination of normal weight characteristics for all products that reached U.S. soil.

Said Zdanowicz: "The greatest value of this analytical technique is that it could be coupled with real-time import data to determine which items should be inspected by Homeland Security agents."

While his work has been received with lukewarm enthusiasm by certain government agencies, the U.S. Congress has awarded a $2 million appropriation for him to continue money laundering research, according to an article published by Money Laundering Alert in January.

Publisher Charles Intriglio said Zdanowicz' work is recognized and valued around the world and contains some "chilling examples" of terrorist activities.

Although Zdanowicz said there was little interest in his software, Intriglio said there is.

"There's a lot of lethargy in the government in Washington," Intriglio said, adding that any resistance to Zdanowicz' "filter" is mired in professional jealousy because others can't figure it out.

"He's helping them do their job," Intriglio said. "They can't crack [Zdanowicz's] code."

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