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## **Drugs & Thugs: Funding Terrorism through Narcotics Trafficking**

### **Abstract**

To date, much of the literature on the financing of terrorism and insurgency has focused at the macro-level on groups involved in financing their organizations through involvement in the drug trade. This paper discusses some of those implications, but argues that to better understand the threat faced by the new generation of jihadists in the West, security forces and intelligence services must also look at the micro-level of how lower level trafficking, drug dealing and petty criminal activity, combined with prison radicalization and ties to the black market and illicit underworld, combine to present a new spin on a longstanding threat. To be sure, the micro-level is even more difficult to counter, given already poor community-police cooperation and relations in the marginalized communities throughout the West. Further, the threat from drug trafficking at the micro-level can be equally as nefarious, as smaller cells are given greater autonomy to finance plots, recruit new members and ultimately conduct attacks in developed democracies. The paper concludes with some policy recommendations geared toward helping host-nations build capacity in critical areas, including law enforcement and intelligence, from the local to the state to the federal level.

## Introduction

Violent-non-state actors, including terrorists and insurgents, are constantly seeking new ways to fund their organizations.<sup>1</sup> Following the end of the Cold War, superpowers withdrew their financing of proxies, making states weaker and more susceptible to attack. Similarly, terrorist and insurgent groups that previously relied on state financing were forced to either become criminals or fade away. To account for the newfound dearth of funding, non-state actors developed broad portfolios of illicit activities. At various points, al-Qaida relied heavily on funding from wealthy patrons in the Gulf and charities that served as fronts for more nefarious purposes.<sup>2</sup> In Southeast Asia, kidnapping for ransom by Abu Sayyaf Group and the Moro Islamic Liberation Front (MILF) are further evidence of the blurred lines between criminality and terrorism.<sup>3</sup> Terrorist groups will engage in nearly any activity that generates a profit and have demonstrated an ability to adapt to losses in one area by aggressively expanding into new markets. When the Islamic State in Iraq and Syria (ISIS) began to generate lower profits from the sale of black market oil, it supplemented these losses by trafficking antiquities, managing fish farms, and running car dealerships.<sup>4</sup>

Narcotics trafficking remains one of the most common and most lucrative forms of criminality on which terrorists rely in order to finance their organizations and activities. Due to high pecuniary value and the low volume to value ratio of smuggling and trafficking illicit narcotics (cocaine, ecstasy, heroin, hashish, marijuana, methamphetamine, opiates, etc.) and the chemical precursors required to manufacture some of these drugs, this criminal activity is an attractive one for terrorists or insurgents.<sup>5</sup> In addition to money, the narcotics trade in drug-producing countries has the potential to provide terrorists with recruits and sympathizers among “impoverished,

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<sup>1</sup> Clarke, Colin P., *Terrorism, Inc.: The Financing of Terrorism, Insurgency and Irregular Warfare*, (Santa Barbara, CA: Praeger Security International, 2015).

<sup>2</sup> Victor Comras, “Al Qaeda Finances and Funding to Affiliated Groups,” in *Terrorism Financing and State Responses: A Comparative Perspective* (Redwood City, CA: Stanford University Press, 2007), 122–123; Matthew Levitt, “Al-Qa’ida’s Finances: Evidence of Organizational Decline? *CTC Sentinel*, 1:5 (April 2008); and Juan Miguel del Cid Gomez, “A Financial Profile of the Terrorism of Al-Qaeda and Its Affiliates,” *Perspectives on Terrorism*, 4:4 (October 2010).

<sup>3</sup> Thomas M. Sanderson, “Transnational Terror and Organized Crime: Blurring the Lines,” *SAIS Review*, 24:1 (Winter-Spring 2004): 52.

<sup>4</sup> Stephen Kalin, “Islamic State Turns To Selling Fish, Cars To Offset Oil Losses: Report,” *Reuters*, April 28, 2016, available at: <http://www.reuters.com/article/us-mideast-crisis-islamicstate-finances-idUSKCN0XP2CV>.

<sup>5</sup> For more on the network aspect of drug trafficking, see Phil Williams, “The Nature of Drug-Trafficking Networks,” *Current History* (April 1998): 154–159.

neglected, isolated farmers” who can help cultivate drug crops while also serving as a bulwark against pro-government groups and anti-drug campaigns.<sup>6</sup>

To date, much of the literature on the financing of terrorism and insurgency has focused at the transnational-level on groups involved in financing their organizations through involvement in the drug trade.<sup>7</sup> This article discusses some of those implications, but argues that to better understand the threat faced by the new generation of jihadists in the West, security forces and intelligence services must also look at how lower-level trafficking, drug dealing, and petty criminal activity, at the local level, combined with prison radicalization and ties to the black market and illicit underworld, combine to present a new spin on a longstanding threat. To be sure, the local level is even more difficult to counter, given already poor community-police cooperation and relations in the marginalized communities throughout the West. Further, the threat from drug trafficking at the local level can be equally as nefarious, as smaller cells are given greater autonomy to finance plots, recruit new members and ultimately conduct attacks in developed democracies.

## Involvement in the Drug Trade

Involvement in the narcotics trade can bring together terrorist or insurgent groups and drug cartels.<sup>8</sup> Furthermore, the demise of the latter could present opportunities for terrorists or insurgents to fill the void, as in Colombia when FARC took over some of the territory previously controlled by the Medellin and Cali cartels in the 1990s. Other times, as with the Kurdistan Workers’ Party (PKK) and its drug trafficking activities in Europe, rather than cooperate with traditional criminal enterprises, insurgent or terrorist groups seek to drive them out of the market to supplant them themselves.<sup>9</sup> Finally, as we have seen with the relationship between drug traffickers and *Sendero*

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<sup>6</sup> Rollins, John and Liana Sun-Wyler, *Terrorism and Transnational Crime: Foreign Policy Issues for Congress*, CRS Report R41004, (Washington, D.C.: Library of Congress, 2012): 10, available at: <https://www.fas.org/sgp/crs/terror/R41004.pdf>. See also, Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, (Washington, D.C: Brookings Institution Press, 2010).

<sup>7</sup> Victor Asal et al., “When Terrorists Go Bad: Analyzing Terrorist Organizations’ Involvement in Drug Smuggling,” *International Studies Quarterly*, 59:1 (March 2015): 112-123. See also, Michael Kenney, *From Pablo to Osama: Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaptation*, (University Park, PA: Pennsylvania State University Press, 2008).

<sup>8</sup> Chris Dishman, “The Leaderless Nexus: When Crime and Terror Converge,” *Studies in Conflict & Terrorism*, 28:3 (2005): 246.

<sup>9</sup> Phil Williams, “Insurgencies and Organized Crime,” in *Drug Trafficking, Violence, and Instability*, Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, (April 2012): 32.

*Luminoso* in Peru, the dominant party in the relationship can change over time. In the 1990s, a powerful (and brutal) Sendero held sway, while more recently, especially in the Valley of the Apurimac and Ene River (VRAE), the insurgents have been keen to play a more secondary role.<sup>10</sup>

Narcotics remain both the most common and most lucrative form of organized crime used by terrorist groups, including well-known traffickers like the Kosovo Liberation Army (KLA),<sup>11</sup> Basque Homeland and Liberty or ETA in Spain, and the Islamic Movement of Uzbekistan (IMU).<sup>12</sup> Profits derived from drug trafficking have enabled groups like FARC to obtain sophisticated weapons and communications technology.<sup>13</sup> More recently, an investigation in Australia uncovered 40 separate money laundering operations in that country, one of which delivered proceeds from drug trafficking to Hezbollah.<sup>14</sup> The cultivation of illicit crops like poppy or coca is labor-intensive and provides employment to hundreds of thousands to millions of people in particular countries, including Afghanistan and Colombia, respectively.<sup>15</sup> Producer countries are often the least profitable part of the process; the lion's share of earnings is garnered by those who refine and market the drugs.<sup>16</sup>

### *Historical Examples*

The examples of insurgent and terrorist groups relying on criminal activities to fund their organizations, particularly drug trafficking, are abundant in both historical and contemporary cases. Moreover, no single typology of terrorist or insurgent group can claim the mantle of relying on narcotics to finance its activities. From the Cold War era to modern times, the examples span ethno-nationalist groups, separatists, Marxist-oriented organizations and religious groups alike, making it difficult to predict which groups may be more or less likely to rely on this method of raising funds.

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<sup>10</sup> *Ibid.*, 33.

<sup>11</sup> Dishman, "Leaderless Nexus," 43.

<sup>12</sup> Sanderson, "Blurring the Lines," 52. See also Williams, "Insurgencies and Organized Crime," 44.

<sup>13</sup> Sanderson, "Blurring the Lines," 51.

<sup>14</sup> Nick McKenzie and Richard Baker, "Terrorists Taking Cut of Millions in Drug Money," *The Sydney Morning Herald*, January 23, 2014, available at: <http://www.smh.com.au/national/terrorists-taking-cut-of-millions-in-drug-money-20140122-3196s.html>.

<sup>15</sup> Vanda Felbab-Brown, "Fighting the Nexus," in *Drug Trafficking, Violence, and Instability*, Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, (April 2012): 5.

<sup>16</sup> Louise I. Shelley and John T. Picarelli, "Methods Not Motives: Implications of the Convergence of International Organized Crime and Terrorism," *Police Practice and Research*, 3:4 (2002): 313.

Among the most prolific terrorist organizations to rely on narcotics trafficking to fund its activities was the Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka. Involvement in the drug trade first became apparent as early as 1984 when Swiss police reported that Tamils were responsible for trafficking approximately 20 percent of the heroin coming into the country.<sup>17</sup> The “Tamil connection” in Switzerland, as it came to be known, was eventually dismantled by the police, although the drug market in Sri Lanka itself expanded, with an estimated 100,000 users by the end of the 1990s.<sup>18</sup> Italian police also broke up several Tamil heroin rings throughout the 1980s. Sri Lanka’s geographic proximity to the Golden Triangle of Laos, Myanmar, and Thailand, combined with the LTTE’s advanced maritime capabilities made heroin trafficking an obvious racket for the group to pursue. The LTTE also extended operations into Pakistan, where its members linked up with notorious Indian crime boss Dawood Ibrahim and his “D-Company” gang. They used the port city of Karachi to solidify a foothold in South Asia and diversify smuggling activities to include humans, in addition to heroin.<sup>19</sup>

Other groups, such as the Provisional Irish Republican Army (PIRA), had an ambiguous relationship with the drug trade over time. In Republican neighborhoods, there was a tacit understanding that one had to pay “revolutionary” taxes to avoid drawing the ire of the Provos and there exists widespread speculation that the PIRA profited from the selling of drugs, although the group was not actively smuggling and trafficking narcotics itself.<sup>20</sup> Still, some PIRA members did “take a cut” of the profits earned by drug dealers operating on territory dominated by the group. At various points, the PIRA was also known to “ride shotgun,” or provide armed escort on international drug shipments.<sup>21</sup>

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<sup>17</sup> Weiss, Gordon, *The Cage: The Fight for Sri Lanka and the Last Days of the Tamil Tigers*, (London, England: Bodley Head, 2011), 89.

<sup>18</sup> Williams, “Insurgencies and Organized Crime,” 46.

<sup>19</sup> Phil Williams, “Terrorist Financing and Organized Crime: Nexus, Appropriation, or Transformation?” in *Countering the Financing of Terrorism*, (London, England: Routledge, 2008): 139.

<sup>20</sup> There is a fierce debate in the literature over whether or not the PIRA engaged in drug trafficking. Because a consensus has never been reached, this paper eschews further analysis of the issue. For a thoughtful and balanced analysis of the debate, see John Horgan and Max Taylor, “Playing Green Card—Financing the Provisional IRA: Part I,” *Terrorism and Political Violence*, 11:2 (Summer 1999): 2; 24–30, available at: [http://www.academia.edu/3882176/Playing\\_the\\_Green\\_Card\\_-\\_Financing\\_the\\_Provisional\\_IRA\\_Part\\_1](http://www.academia.edu/3882176/Playing_the_Green_Card_-_Financing_the_Provisional_IRA_Part_1).

<sup>21</sup> “Riding shotgun” is a term used for providing an armed escort on international drug shipments. See Horgan and Taylor, “Playing the Green Card, Part 1,” 8.

Two well-known terrorist groups in the Middle East have both been associated with involvement in the drug trade at various points: Hezbollah and Hamas. Known Hezbollah supporters and brothers, Ali Farhat and Hassan Farhat, were accused of trafficking cocaine, heroin, and marijuana, in collaboration with a Nigerian drug dealer in possession of a Canadian immigration document.<sup>22</sup> More broadly, Hezbollah has also dealt methamphetamine and in the last several years has been receptive to a burgeoning relationship with Mexican drug cartels. Hezbollah operatives have been accused of trafficking in arms, drugs, and women. Indeed, Hezbollah operatives have been tied to drug operations in Poland, Hungary, Moldova, the Balkans, and Romania.<sup>23</sup>

Hamas has taken advantage of the Muslim diaspora in South America's semi-lawless tri-border area, a region known for money laundering, drug trafficking, and a host of other illicit and unsavory activities.<sup>24</sup> In the tri-border area of Latin America, it is well-known that Hamas (perhaps emulating Hezbollah) has established partnerships with various drug trafficking organizations.<sup>25</sup> The group has also been involved with drugs in the United States, at least on the margins—a pseudoephedrine smuggling scam in the Midwest United States involved bank accounts tied to Hamas.<sup>26</sup>

As the noose was tightened around charities that funded al-Qaida after 9/11, the group attempted to diversify its revenue sources, to include garnering money earned through drug trafficking, particularly through an alliance with the IMU in Central Asia, but also in North Africa by one of its affiliates. In the latter case, al-Qaida in the Islamic Maghreb (AQIM) has been linked to Colombian cocaine traffickers in a quid pro quo relationship that brings cash to the terrorists while providing the traffickers with unfettered access (and in some cases, heavily armed escorts) across the desert region between Mauritania, Mali, and Algeria, where narcotics transit through on their way to a growing European market. In addition to money obtained through

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<sup>22</sup> Levitt, Matthew, *Hezbollah: The Global Footprint of Lebanon's Party of God*, (Washington, D.C.: Georgetown University Press, 2013), 320.

<sup>23</sup> *Ibid.*, 227.

<sup>24</sup> Sanderson, "Blurring the Lines," 53.

<sup>25</sup> Clare Ribando Seelke et al., "Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs," CRS Report R41215, (Washington, D.C.: Library of Congress, 2011): 6, available at: <https://fas.org/sgp/crs/row/RL34112.pdf>.

<sup>26</sup> Matthew Levitt, "Hezbollah: Financing Terror Through Criminal Enterprise," Testimony presented to United States Senate Committee on Homeland Security and Governmental Affairs, May 25, 2005: 10, available at: <http://www.washingtoninstitute.org/html/pdf/hezbollah-testimony-05252005.pdf>.

kidnapping for ransom (KFR), AQIM earns significant sums of money from trafficking cocaine and synthetic drugs between Spain and Algeria.<sup>27</sup>

Perhaps the most prolific terrorist organization associated with drug trafficking today is the Afghan Taliban. On narcotics, the Taliban's position has evolved considerably throughout the years and at different points the group has knowingly suppressed the cultivation of poppy in Afghanistan in order to manipulate the international market price. At one point, a Taliban ban on poppy cultivation suppressed the supply by 90 percent, thus increasing the value of the group's stocks by ten times the price.<sup>28</sup> While the Taliban flip flopped back and forth on its stance toward involvement in the illicit narcotics trade between 1994 and 2001, its position since then has been consistent for the most part.<sup>29</sup> Once the insurgency began in earnest, Taliban fighters made a series of shrewd maneuvers, including the advancement of loans to opium farmers in order to obtain their backing whilst simultaneously ensuring a future source of revenue.<sup>30</sup> Keeping in line with its renewed offensive to win "hearts and minds," the Taliban now actively promotes the growing of poppy and provides protection to farmers growing the crop.<sup>31</sup>

#### *From Local to Global and Back Again*

A study by Emilie Oftedal of the Norwegian Defence Research Establishment (FFI) looked at data on the financing of 40 jihadi cells that have plotted attacks against European targets between 1994 and 2013 and concluded that the second most common method of funding for these attacks (in 28% of cases analyzed) was illicit trade (which included drugs, cars, forged documents, and weapons).<sup>32</sup> Three-quarters of the plots cost less than

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<sup>27</sup> Gomez, "Financial Profile of Al-Qaeda," 12–13.

<sup>28</sup> Vanda Felbab-Brown, "Kicking the Opium Habit? Afghanistan's Drug Economy and Politics Since the 1980s," *Conflict, Security, and Development*, 6:2, (Summer 2006): 127–149, available at:

<http://belfercenter.ksg.harvard.edu/files/Kicking%20the%20opium%20habit%20Afghanistan%20s%20drug%20economy%20and%20politics%20since%20the%201980s.pdf>.

<sup>29</sup> One exception was when Taliban fighters destroyed fields of opium poppies in eastern Afghanistan, the first time since 2001. Emma Graham-Harrison, "Taliban Destroy Poppy Fields in Surprise Clampdown on Afghan Opium Growers," *The Guardian*, May 20, 2012, available at: <https://www.theguardian.com/world/2012/may/20/taliban-destroy-poppy-afghan-opium>.

<sup>30</sup> Peters, Gretchen, *Seeds of Terror: How Drugs, Thugs, and Crime Are Reshaping the Afghan War*, (New York, NY: St Martin's, 2009).

<sup>31</sup> Alia Brahimi, "The Taliban's Evolving Ideology," London School of Economics Global Governance Working Paper 02/2010 (July 2010): 9, available at: <http://www.lse.ac.uk/globalGovernance/publications/workingPapers/WP022010.pdf>.

<sup>32</sup> Emilie Oftedal, "The Financing of Jihadi Terrorist Cells in Europe," *Norwegian Defence Research Establishment (FFI)*, January 6, 2015: 16, available at: <http://www.ffi.no/no/Rapporter/14-02234.pdf>; The use of personal assets was the most common method of funding.



\$10,000 to plan.<sup>33</sup> The 2004 Madrid train bombings killed 191 people and injured another 1,600 in an attack financed primarily by the leader of a small, yet effective, drug trafficking network that smuggled hash from Morocco and ecstasy from Holland to Spain.<sup>34</sup> Relatively small amounts of money could just as easily be used to plot and conduct a terrorist attack in Western Europe similar to the Charlie Hebdo attacks in Paris in January 2015 or the Copenhagen attacks the following month. And while the Charlie Hebdo attack was allegedly funded with \$20,000 from AQAP, it is easy to see why some terrorists planning similar types of attacks would follow the Madrid model—small sums of money collected over time through the use of somewhat banal criminal activities like drug dealing, various types of fraud, and petty theft.<sup>35</sup> Besides the 2004 Madrid cell, proceeds from drug trafficking are also suspected of funding another plot against Madrid aimed at the National Court (2004), the Hofstad Group in Holland (2004), a Swedish cell (2010), Mohammed Merah’s rampage (2012), and an attack at a kosher supermarket in Paris (2012).<sup>36</sup>

Indeed, where the concept of a nexus between crime and terrorism might be most interesting is the emerging profile of small-time crook to terrorist, a profile which is now emerging in many of the jihadist attacks and plots recently targeting Europe. As Williams notes, “with continued politicization and radicalization of organized crime, instances of transformation from criminal or drug trafficker to terrorist and from criminal enterprise to terrorist organization will become more frequent.”<sup>37</sup> Abdelhamid Abaaoud, the leader of the Paris November 2015 attacks, Ahmed Coulibaly, a key figure in the Charlie Hebdo attacks, and numerous other terrorists were involved in various forms of criminality before becoming jihadists.<sup>38</sup> Mohamed

<sup>33</sup> Oftedal, “The Financing of Jihadi Terrorist Cells in Europe,” 3-7.

<sup>34</sup> Phil Williams, “In Cold Blood: The Madrid Bombings,” *Perspectives on Terrorism* (June 2008): 22, available at: <http://www.terrorismanalysts.com/pt/index.php/pot/article/view/50/html>. For a more in-depth analysis of the Madrid bombings, see Phil Williams, “The Madrid Train Bombings,” in *Fighting Back: What Governments Can Do About Terrorism*, (Redwood City, CA: Stanford University Press, 2011), 298-316.

<sup>35</sup> Eric Schmitt, Mark Mazzetti and Rukmini Callimachi, “Disputed Claims Over Qaeda Role in Paris Attacks,” *New York Times*, January 14, 2015, available at: <http://www.nytimes.com/2015/01/15/world/europe/al-qaeda-in-the-arabian-peninsula-charlie-hebdo.html>.

<sup>36</sup> Oftedal, “The Financing of Jihadi Terrorist Cells in Europe.”

<sup>37</sup> Phil Williams and Joshua T. Hoffman, “Drug Trafficking and Terrorism: Devil’s Brew or Caffeinated Soda,” Unpublished paper, undated.

<sup>38</sup> Simon Cottee, “Reborn Into Terrorism,” *The Atlantic*, January 25, 2016, available at: <http://www.theatlantic.com/international/archive/2016/01/isis-criminals-converts/426822/>. See also, Anthony Faiola and Souad Mekhennet, “The Islamic State Creates a New Type of Jihadist: Part Terrorist, Part Gangster,” *The Washington Post*,

Lahouaiej Bouhlel, the terrorist who killed 84 people by driving a truck through a crowd on Bastille Day in Nice, France, also had a history of petty crime.<sup>39</sup> A study by Edwin Bakker on jihadi terrorists in Europe found that about a quarter of terrorists sampled in the study had a criminal record while many had been involved in various forms of crime without having been in prison or sentenced in a different way.<sup>40</sup> A more recent study, focused strictly on ISIS, found that of 58 individuals linked to 32 ISIS-related plots in the West between July 2014 and August 2015, 22 percent had a past criminal record or were in contact with law enforcement. The most common felonies were related to drugs.<sup>41</sup> Finally, recent analysis by Sam Mullins noted that, of 47 cases of jihadist-inspired violence carried out in Western countries between January 1, 2012 and June 12, 2016, half of the attackers had a criminal past.<sup>42</sup>

### *Are Drugs Funding ISIS?*

It is well established that the Islamic State in Iraq and Syria (ISIS) is the wealthiest terror group in modern history, having built a nascent war chest of approximately \$500 million after looting bank vaults throughout northern Iraq.<sup>43</sup> One of the reasons ISIS has been so successful in financing its organization has been the group's ability to earn vast sums of income from several different revenue streams. To date, two sources of revenue in particular have provided ISIS with the lion's share of its wealth—oil and taxation/extortion. But an outstanding question remains whether ISIS does now, or may in the future, seek to diversify its activities to include drug

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December 20, 2015, available at: [https://www.washingtonpost.com/world/europe/the-islamic-state-creates-a-new-type-of-jihadist-part-terrorist-part-gangster/2015/12/20/1a3d65da-9bae-11e5-aca6-1ae3be6f06d2\\_story.html](https://www.washingtonpost.com/world/europe/the-islamic-state-creates-a-new-type-of-jihadist-part-terrorist-part-gangster/2015/12/20/1a3d65da-9bae-11e5-aca6-1ae3be6f06d2_story.html).

<sup>39</sup> Alissa J. Rubin, Lilia Blaise, Adam Nossiter, and Aurelien Breeden, "France Says Truck Attacker Was Tunisia Native With Record of Petty Crime," *New York Times*, July 15, 2016, available at: <http://www.nytimes.com/2016/07/16/world/europe/attack-nice-bastille-day.html>.

<sup>40</sup> Edwin Bakker, "Jihadi Terrorists in Europe: Their Characteristics and the Circumstances in Which They Joined the Jihad, An Exploratory Study," (Netherlands Institute of International Relations: Clingendael, December 2006): 48, available at: [http://www.clingendael.nl/sites/default/files/20061200\\_cscp\\_csp\\_bakker.pdf](http://www.clingendael.nl/sites/default/files/20061200_cscp_csp_bakker.pdf).

<sup>41</sup> Robin Simcox, "We Will Conquer Your Rome': A Study of Islamic State Terror Plots in the West," *The Henry Jackson Society, Center for the Response to Radicalisation and Terrorism (CRT)*, 2015: 3.

<sup>42</sup> Sam Mullins, "The Road to Orlando: Jihadist-Inspired Violence in the West, 2012-2016," *CTC Sentinel*, June 2016: 26-30, available at: <https://www.ctc.usma.edu/posts/the-road-to-orlando-jihadist-inspired-violence-in-the-west-2012-2016>.

<sup>43</sup> Daniel L. Glaser, Assistant Secretary for Terrorist Financing, U.S. Treasury, "Testimony of A\S for Terrorist Financing Daniel L. Glaser Before The House Committee on Foreign Affairs Subcommittee on Terrorism, Nonproliferation, and Trade, and House Committee on Armed Services Subcommittee on Emerging Threats and Capabilities," June 9, 2016.

trafficking.<sup>44</sup> While there is no current evidence indicating in-depth involvement in the smuggling or sale of narcotics<sup>45</sup>, it is important to note that many ISIS recruits, particularly those from Europe, have relied on drug trafficking as a means of generating revenue at a low level in what Magnus Ranstorp has called “micro-financing the Caliphate.”<sup>46</sup> It is not necessarily that the sale of drugs goes directly into ISIS coffers, but proceeds garnered from peddling narcotics affords jihadists in Europe the financial flexibility to travel back and forth to Syria as well as to save the money to help procure the resources necessary for planning a terrorist attack (e.g. weapons, vehicles, cell phones).

ISIS’s predecessor, Al Qaida in Iraq (AQI), was led by a criminal-cum-jihadist named Abu Musab al-Zarqawi, whose background included street gangs and prison time for sexual assault.<sup>47</sup> Indeed, ISIS seems to attract many jihadists with a similar profile, including the main link between the Paris November 2015 attacks and the Brussels March 2016 bombings, Salah Abdesalam, known by his penchant for drinking, smoking, and gambling, rather than his piety.<sup>48</sup> Abdesalam was a regular patron (and brother of the manager) of a Molenbeek bar named Café del Beguines, a place known for drug dealing and

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<sup>44</sup> Eric W. Schoon, “ISIS, Ideology, and the Illicit Drug Economy,” *Political Violence @ a Glance*, July 24, 2015, available at: <https://politicalviolenceataglance.org/2015/07/24/isis-ideology-and-the-illicit-drug-economy/>.

<sup>45</sup> It should be noted, however, that some allegations have been made. See Damien Sharkov, “Islamic State Use Drug Trade to Bankroll Their Jihad, Says Spanish Intelligence,” *Newsweek*, October 20, 2014, available at: <http://www.newsweek.com/islamic-state-use-drug-trade-bankroll-their-jihad-says-spanish-intelligence-278465>; and “High Finance: ISIS Generates Up to \$1bn Annually from Trafficking Afghan Heroin,” *RT*, March 6, 2015; Tess Owen, “The Islamic State May Have Gotten Caught Smuggling a Huge Shipment of Opiates to Libya,” *Vice News*, June 7, 2016, available at: <https://news.vice.com/article/the-islamic-state-may-have-gotten-caught-smuggling-a-huge-shipment-of-opiates-to-libya>; and Tom Porter, “Cocaine Funding ISIS: Drug Smuggling Profits Islamic State-Linked Jihadists in North Africa,” *International Business Times*, November 20, 2014, available at: <http://www.ibtimes.co.uk/cocaine-funding-isis-drug-smuggling-profits-islamic-state-linked-jihadists-north-africa-1475824>.

<sup>46</sup> Magnus Ranstorp, “Microfinancing the Caliphate: How the Islamic State is Unlocking the Assets of European Recruits,” *CTC Sentinel*, May 25, 2016, available at: <https://www.ctc.usma.edu/posts/microfinancing-the-caliphate-how-the-islamic-state-is-unlocking-the-assets-of-european-recruits>.

<sup>47</sup> Mary Anne Weaver, “The Short, Violent Life of Abu Musab al-Zarqawi,” *The Atlantic*, July/August 2006, available at: <http://www.theatlantic.com/magazine/archive/2006/07/the-short-violent-life-of-abu-musab-al-zarqawi/304983/>.

<sup>48</sup> Simon Cottee, “Europe’s Joint Smoking, Gay-Club Hopping Terrorists,” *Foreign Policy*, April 13, 2016, available at: <http://foreignpolicy.com/2016/04/13/the-joint-smoking-gay-club-hopping-terrorists-of-molenbeek-abdeslam-radicalization/>.

other illicit activity and shuttered after “compromising public security and tranquility.”<sup>49</sup>

Involvement in crime, especially drug trafficking, can lead to prison, which in some cases serves as an incubator for religious radicalization and violent extremism. As criminals become radicalized, this potentially increases involvement in the plotting and execution of terrorist attacks.<sup>50</sup> A 2012 report by the European Parliament titled “Europe’s Crime-Terror Nexus: Links Between Terrorist and Organised Crime Groups in the European Union” noted the prevalence with which jihadist attacks involved links to criminality, including drug trafficking.<sup>51</sup> In some sense, a background in the criminal underworld left behind for militant Islam can play into the appeal of what has been called “jihadi cool,” which blends “traditional notions of honor and virility, but also a strong undercurrent of oppositional, postmodern cool.”<sup>52</sup>

The modus operandi ISIS has developed for generating foreign fighters and for relying on smaller cells of attackers to both raise funds and to carry out attacks external to the main theatre of operations (e.g. in Europe instead of the Middle East) works particularly well with a local criminal funding model. This model fits into how ISIS conceives of extra-territorial contributions on a tactical level. Terrorist organizations other than ISIS may have less of an affinity for this model, especially those that place a high value on political coherence and central control, with funds being central to the management of more disparate elements.<sup>53</sup> But for ISIS, this model works extremely well for several reasons. First, ISIS has less concern than other groups about what happens outside of the Caliphate. Second, the eschatological stance of ISIS

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<sup>49</sup> Andrew Higgins et al., “In Suspects’ Brussels Neighborhood, a History of Petty Crimes and Missed Chances,” *New York Times*, November 16, 2015, available at: <http://www.nytimes.com/2015/11/17/world/europe/in-suspects-brussels-neighborhood-a-history-of-petty-crimes-and-missed-chances.html>.

<sup>50</sup> This is not to suggest that jail or prison is the only factor in the radicalization process. To be sure, this analysis is not meant to be causal, merely a narrative of how some cases unfold. A robust discussion of the causes of radicalization is beyond the scope of this article, but suffice to say it results from a combination of economic, social, political, religious and cultural factors/variables including wide-ranging grievances.

<sup>51</sup> Tamara Makarenko, “Increasingly Vulnerable,” *The Cipher Brief*, April 27, 2016 available at: <https://www.thecipherbrief.com/article/europe/increasingly-vulnerable-1089>.

<sup>52</sup> Simon Cottee, “The Challenge of Jihadi Cool,” *The Atlantic*, December 24, 2015, available at: <http://www.theatlantic.com/international/archive/2015/12/isis-jihadi-cool/421776/>. See also, Thomas Hegghammer, “The Soft Power of Militant Jihad,” *New York Times*, December 18, 2015, available at: <http://www.nytimes.com/2015/12/20/opinion/sunday/militant-jihads-softer-side.html>.

<sup>53</sup> Andrew Liepman and Colin P. Clarke, “Demystifying ISIS,” *U.S. News & World Report*, August 23, 2016.

offers a redemptive narrative for petty criminals to carry out terrorist attacks.<sup>54</sup>

All of this suggests a real challenge for law enforcement authorities and intelligence agencies. These entities are already stretched thin and hurting for resources, concentrating (rightly so) on significant threats like the return of foreign fighters from Iraq, Syria, and other jihadist hotspots throughout the globe. Where these fighters are part of an existing network with roots stretching back to neighborhoods like Molenbeek, Belgium, the Liselby district of Fredrikstad in Norway, or the *banlieues* of Paris, the threat becomes even more significant. To be sure, ISIS training camps are “the breeding grounds of tomorrow’s Brussels or Paris attacks.”<sup>55</sup>

According to a report on foreign fighters by The Soufan Group, European countries account for a significant percentage of Islamic State recruits from outside of the Middle East (see Table 1 below). Perhaps even more troubling, roughly 3700 of the 5,000 plus European Union foreign fighter contingent come from just four countries—France (1700), Germany (760), Belgium (470) and the United Kingdom (760).<sup>56</sup>

**Table 1: Estimated Number of Foreign Fighters from European Countries<sup>57</sup>**

Country	Estimated Number of Foreign Fighters
<b>Albania</b>	90
<b>Austria</b>	300
<b>Belgium</b>	470
<b>Bosnia</b>	330
<b>Denmark</b>	125
<b>Finland</b>	70
<b>France</b>	1700

<sup>54</sup> Mitch Prothero, “Why Europe Can’t Find the Jihadis in Its Midst,” *BuzzFeed News*, August 21, 2016, available at: [https://www.buzzfeed.com/mitchprothero/why-europe-cant-find-the-jihadis-in-its-midst?utm\\_term=.uuOKYLkw1#.ls4bY469K](https://www.buzzfeed.com/mitchprothero/why-europe-cant-find-the-jihadis-in-its-midst?utm_term=.uuOKYLkw1#.ls4bY469K).

<sup>55</sup> Benjamin Bahney et al., “Striking Back at the Islamic State’s Foreign Fighter Pipeline,” *The National Interest*, May 31, 2016, available at: <http://nationalinterest.org/blog/the-buzz/striking-back-the-islamic-states-foreign-fighter-pipeline-16405>.

<sup>56</sup> “Foreign Fighters: An Updated Assessment of the Flow of Foreign Fighters into Syria and Iraq,” *The Soufan Group*, December 2015: 12, available at: [http://soufangroup.com/wp-content/uploads/2015/12/TSG\\_ForeignFightersUpdate1.pdf](http://soufangroup.com/wp-content/uploads/2015/12/TSG_ForeignFightersUpdate1.pdf).

<sup>57</sup> *Ibid.*, 7-10.

<b>Germany</b>	760
<b>Ireland</b>	30
<b>Italy</b>	87
<b>Kosovo</b>	232
<b>Macedonia</b>	146
<b>Netherlands</b>	220
<b>Norway</b>	81
<b>Spain</b>	133
<b>Sweden</b>	300
<b>Switzerland</b>	57
<b>United Kingdom</b>	760

So while drugs might not be directly funding ISIS, the sale of drugs (in addition to other forms of petty crime) by the group's European recruits seems noteworthy on several levels. Besides the functional component of providing jihadists with funds, drug trafficking also puts terrorists in touch with criminals and helps expand illicit networks, many of which are critical to the facilitation of a terrorist attack.<sup>58</sup> In April 2016, the Director of National Intelligence, James R. Clapper, Jr., publicly stated that ISIS is operating clandestine terrorist cells in Britain, Germany, and Italy.<sup>59</sup> And although the director did not go into detail on how these cells were funded, it seems likely to assume that many of the individuals comprising these cells could be connected to local criminal elements, including drug traffickers. It is unclear how many individuals belonging to ISIS are in Europe, but the group has boasted that it sent "many operatives" to the Continent disguised among the hordes of refugees that has streamed in over the past several years.<sup>60</sup> To be sure, many are also homegrown.

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<sup>58</sup> Timothy Holman, "Gonna Get Myself Connected': The Role of Facilitation in Foreign Fighter Mobilizations," *Perspectives on Terrorism*, 10:2 (2016) available at: <http://www.terrorismanalysts.com/pt/index.php/pot/article/view/497/html>.

<sup>59</sup> Eric Schmitt and Alissa J. Rubin, "ISIS is Spreading in Europe, U.S. Intelligence Chief Warns," *New York Times*, April 25, 2016, available at: <http://www.nytimes.com/2016/04/26/us/politics/isis-spreading-in-europe-clapper-warns.html>.

<sup>60</sup> Anthony Faiola and Souad Mekhennet, "Tracing the Path of Four Terrorists Sent to Europe by the Islamic State," *Washington Post*, April 22, 2016, available at: [https://www.washingtonpost.com/world/national-security/how-europes-migrant-crisis-became-an-opportunity-for-isis/2016/04/21/ec8a7231-062d-4185-bb27-cc7295d35415\\_story.html](https://www.washingtonpost.com/world/national-security/how-europes-migrant-crisis-became-an-opportunity-for-isis/2016/04/21/ec8a7231-062d-4185-bb27-cc7295d35415_story.html).

## Conclusion

This endemic criminal violence that results from every step of the drug trafficking value chain erodes state institutions and is often difficult to reverse. The international community must figure out a way to deal with the spill-over violence and the human security implications, including refugee flows, addiction, disease, corruption, and general instability generated from the illicit trade in illegal narcotics. Where criminal violence should be considered acutely problematic is in cases where it merges with traditional forms of political violence like terrorism and insurgency. In these cases, criminality (and the violence that often accompanies criminality) helps fund the insurgency and groups can morph over time into criminal-insurgent hybrids. Moreover, war profiteers disguised as rebels seek to enact strategies that will serve to prolong the conflict as a means of continuing to reap the economic benefits, as in conflict zones throughout the globe, from the jungles of Colombia to the mountains of Afghanistan.

The clearest implication for international security policy is the need to become more effective at building the capacity of states to combat transnational organized crime and criminal violence. This can be accomplished through focusing security cooperation efforts in vulnerable countries on ministerial capacity, institution building, and defense reform, all of which are foundational to other forms of capacity, like border control and anti-corruption efforts.<sup>61</sup> Furthermore, ministerial capacity can be improved even when the partner nation's absorptive capacity is generally low. This is a self-reinforcing cycle since ministerial capacity building can itself improve a partner's absorptive capacity, thus enabling future capacity building in other areas. Best practices and lessons learned, gleaned from higher-level strategic analyses, should be revisited in order to determine potential synergies applicable to more parochial settings.

Low-level criminality and petty drug dealing are no longer strictly the domain of local law enforcement. This issue is now a critical counterterrorism concern. As this article has demonstrated, there are numerous links between criminality and terrorism, especially in Europe, and numerous ISIS militants have ties to the illicit underworld and black market. Further probing into what at first seem like local criminal elements may shed light on broader networks with connections to terrorist groups in the Middle East and North Africa. And while the actual "day of attack" cost is low, these cells can be

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<sup>61</sup> Walter L. Perry, *Defense Institution Building: An Assessment* (Santa Monica, CA: RAND National Defense Research Institute, 2016).

connected to a broader infrastructure and support network like ISIL's external operations branch.<sup>62</sup>

In Europe, preventing attacks like the Paris November 2015 attack and the Brussels March 2016 attack require local police forces to work closely with state and European Union officials, better integrating grass roots intelligence with profiles and backgrounds of individuals that have been identified as foreign terrorists fighters, especially those seeking to return to Europe. This will prove to be a major challenge, as many local police departments are plagued by a shortage of resources. Moreover, the decentralized nature of some city governments—Brussels has 19 separate administrative police districts that operate independently and three separate administrations for the government, NATO, and the EU—make countering crime at any level a major challenge.<sup>63</sup>

The onus is on federal and state agencies to work together with local departments to identify potential areas of concern and help provide the resources—manpower, training, material—necessary to help mitigate the threat. To give a sense of the magnitude of the challenge, consider that it takes a country like France 20 agents to monitor just one suspect for 24 hour surveillance. France currently has approximately 10,000 names on its “S-List,” which is a database of people believed to have been radicalized.<sup>64</sup>

With sufficient ministerial capacity, countries plagued by high levels of illicit trade and criminal violence will be better prepared to plan and integrate strategy and operations against the range of threats arrayed against them. States need to be better prepared to exploit potential vulnerabilities. In cases

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<sup>62</sup> Nicole Magney and Paul Cruickshank, “A View from the CT Foxhole: Adam Szubin, Acting Under Secretary for Terrorism and Financial Intelligence, U.S. Dept of Treasury,” *CTC Sentinel*, August 22, 2016, available at: <https://www.ctc.usma.edu/posts/a-view-from-the-ct-foxhole-adam-szubin-acting-under-secretary-for-terrorism-and-financial-intelligence-u-s-dept-of-treasury>. See also, Rukmini Callimachi, “How A Secretive Branch of ISIS Built a Global Network of Killers,” *New York Times*, August 3, 2016, available at: <http://www.nytimes.com/2016/08/04/world/middleeast/isis-german-recruit-interview.html>; and Eric Schmitt, “As ISIS Loses Land, It Gains Ground In Overseas Terror,” *New York Times*, July 3, 2016, available at: <http://www.nytimes.com/2016/07/04/world/middleeast/isis-terrorism.html>.

<sup>63</sup> Ian Traynor, “The Language Divide at the Heart of a Split That is Tearing Belgium Apart,” *The Guardian*, May 8, 2010, available at: <https://www.theguardian.com/world/2010/may/09/belgium-flanders-wallonia-french-dutch>.

<sup>64</sup> Rukmini Callimachi, “How Do You Stop a Future Terrorist When the Only Evidence is a Thought?” *New York Times*, June 21, 2016 available at: [http://www.nytimes.com/2016/06/22/world/europe/france-orlando-isis-terrorism-investigation.html?\\_r=0](http://www.nytimes.com/2016/06/22/world/europe/france-orlando-isis-terrorism-investigation.html?_r=0).



where terrorists or insurgents are cooperating with criminals, this opens the door for the possibility of infiltration by law enforcement and intelligence agents. Along these same lines, states should seek to develop counter-narratives that discredit the ideological appeal of terrorists and insurgents by emphasizing their linkage to common criminality.