

The Nexus Between International Terrorism and Organized Crime: Definitions and Scope of the Issue

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Who is RUSI?

- Royal United Services Institute, founded in 1831
- Offices in London, Brussels and Nairobi
- Centre for Financial Crime & Security Studies, founded in 2014
 - Financial Crime Policy; public-private partnership; info-sharing
 - Financial Crime 2.0; threats/opportunities of new tech; virtual currencies
 - Finance/FININT against threats: terrorism; organized crime; proliferation; IWT; human trafficking
 - Sanctions



Outline of the session

- A nexus between international terrorism and organized crime: how did we get here?
- Defining the problem: the academic debate
- Terrorist finance: criminal methods
- Utility of the nexus: context dependent
- The way forward

A nexus between international terrorism and organized crime: how did we get here?

- **Resolution 1373 (2001):** “Notes with concern the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials...”
- **FATF IX Special Recommendations (2001):** Tools to combat TF built into international standards against money laundering
- **Resolution 2195 (2014):** “...terrorists benefit from transnational organized crime, including from the trafficking of arms, persons, drugs, and artefacts and from the illicit trade in natural resources including gold and other precious metals and stones, minerals, wildlife, charcoal and oil, kidnapping for ransom extortion and bank robbery...”

How did we get here? (continued)

- **Resolution 2331 (2016)**, which encouraged FATF and FSRBs to include an analysis of financial flows associated with trafficking in persons that finances terrorism as part of its ongoing work, in close cooperation with CTED, the Analytical Support and Sanctions Monitoring Team and with UNODC
- **G20 statement (2017)** called on all countries to “shut down all alternative sources of financing of terrorism, including dismantling the possible connections between terrorism and organized crime, such as through human trafficking”, and based on this for **FATF and FSRBs** to deepen its understanding of links between HMT and TF.
- **Resolution 2462 (2019)** “...concern that terrorists can benefit from transnational organized crime as a source of financing or logistical support, *recognizing* that the nature and scope of the linkages between terrorism and transnational organized crime vary by context, and *emphasizing* the need to coordinate efforts at the local, national, regional, sub regional and international levels...”
- **General policy-maker focus:** UNSC, UNGA; CT-MORSE; CDCT; UNICRI/GCTF

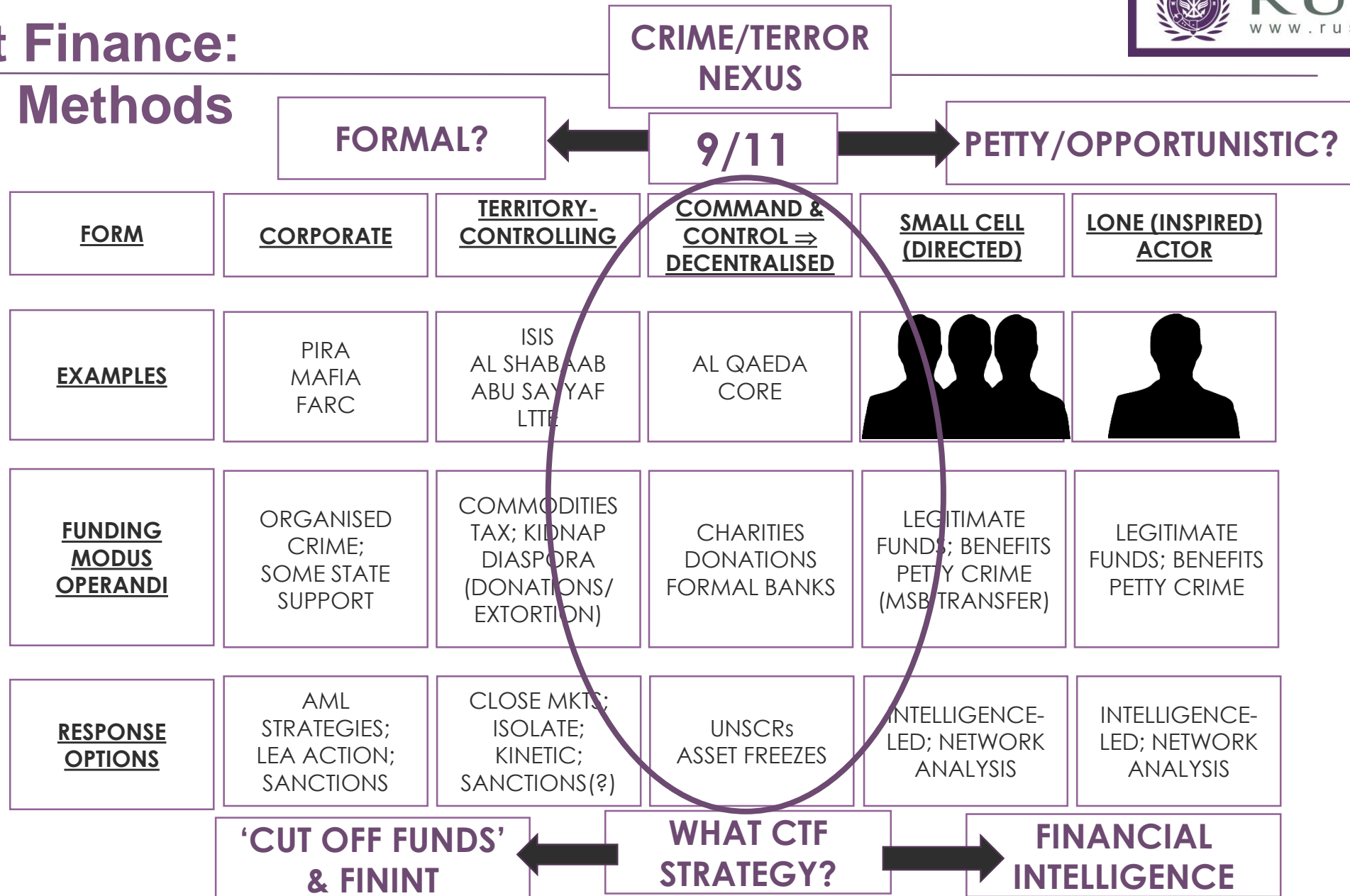
Defining the nexus: the academic debate

- **Bruce Hoffman (1998) *Inside Terrorism*:** should distinguish between terrorists and ordinary criminals, who are driven by material gain – not influence public opinion
- **Tamara Makarenko (2004) *The Crime-Terror Continuum*:** described alliances, motivations, convergence and the ‘black hole’ syndrome
- **Louise Shelley and John Picarelli (2005) *Methods and Motives*:** described a terror-crime interaction spectrum, including appropriation, nexus, symbiosis, hybrid and transformation
- **Chris Dishman (2010) *Terrorism, Crime and Transformation*:** TOs have transformed into TCOs who are more interested in profit. TOs and TCOs do not cooperate on shared interests, but utilise in-house capabilities to undertake criminal/political acts

The academic debate (continued)

- **Erik Alda and Joseph L Sala (2014) *Links Between Terrorism, Organized Crime and Crime in Sahel***: demonstration of a symbiotic relationship based upon time and space – as opposed to real convergence
- **Rajan Basra and Peter Neumann (2016) *Criminal Pasts, Terrorist Futures***: a convergence of social networks, with recruits drawn from the same pools. Highlight the radicalisation process, role of prisons, skills and experiences and petty criminality
- **Thomas Ren (2018) *Viewing Organised Crime and Terrorist Organisations through Financial Threats***: when viewed through a financial lens, there is no meaningful difference in distinguishing between the groups, as so many have gone through convergence and transformation
- **Phil Williams (2018) *Overhyping the Relationship***: based upon confirmation bias analysts looking for a relationship will invariably find one. For criminal organizations, terrorists are more of a complication than an opportunity

Terrorist Finance: Criminal Methods



Relevance of the nexus: context dependent

- The **use of criminal tactics by terrorists**: allows for disruption of terrorists' modus operandi so long as threats are contextualized
- In the context of TF, **financial intelligence can shed light on criminal activities** and offer intervention opportunities
- Identification of opportunities to **disrupt both terrorist and criminal operations**
- Useful when considering **dis-organised and petty crime**: this must be reflected in strategies as it illuminates how terrorist acquire skills and how criminals radicalize

Continued...

- Disrupting operations via strategic prosecutions that target both, to ensure that **criminals perceive the costs of dealing with terrorists outweigh the benefits**
- **Concept of a nexus arguably less useful when dealing with territory controlling terrorist groups** – e.g. in the case of ISIL, the group exploited its population and the resources under its control. Whilst this was ‘criminal’, identifying this as a nexus provided little disruption opportunity (other than kinetic!)
- Occasions where **nexus acts as a distraction to the real problem**, for example, IWT and terrorism in East Africa, or the purported use of virtual currencies by terrorist actors.
- How do jurisdictions weigh risks versus realities?

The way forward

- Recognition that interactions between criminals and terrorists are **multi-faceted, and context/region-dependent**, and responses must reflect this
- **Expand the definition to consider low-level/petty crime** and how this influences terrorist behaviour
- Frame discussions of the nexus via its **use a disruption tool** where it is most relevant
- Make use of existing tools such as the **‘Hague Good Practices’ (2018)** which outlined legal considerations, research and info-sharing, local engagement and capacity and law enforcement
- Where appropriate **crime and terrorism law enforcement agencies** should **collaborate** to tackle specific, shared threats
- Make use of **financial intelligence** to target the enablers of both crime and terrorism

Thank you!

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