

# 6

## Terrorist and Criminal Dynamics: A Look Beyond the Horizon

*Christopher Dishman*

---

Criminal and terrorist labels provided a useful baseline for understanding nonstate actors for much of the 20<sup>th</sup> century. The Italian Mafia, left-wing European terrorist groups, and Colombia- and Mexico-based criminal enterprises, among others, usually fell cleanly into two categories: those motivated by greed and those motivated by grievances. To be sure, a spectrum of political and criminal activity existed within these two categories, particularly in the 1980s and 1990s, when some criminals participated in politics, served as local or regional patriarchs, or declared war against the state, using terrorism as a tactic, while others utilized criminal profits to replace revenues lost from state sponsorship or the unexpected absence of donations from abroad. In spite of this heterogeneity, analysts could usually discern a group's goals and motives and assess their impact on international security.

Analysts could do so because criminals and terrorists in the 20<sup>th</sup> century were typically organized hierarchically. Organizational constructs are an important and defining characteristic for understanding nonstate actors. A hierarchical organization provides more clarity to a group's intentions than a purely networked organization; such organizations retain a relatively clear mission and goal which autocratic leaders achieve by setting rules and boundaries for their business operations. A network, in contrast, can assume many forms and pursue multiple and seemingly competing or even conflicting goals. Polymotivated organizations present a challenge to analysts, who seek to understand the short-, medium-, and long-term threats posed by such organizations.

Traditional organized crime and terrorism paradigms, replete with hierarchical organizations, vertical illicit industries, and autocratic leaders, are giving way to a murkier and more complex environment. Successful counterterrorism and counter-transnational criminal organizations (TCO) efforts have dismantled hierarchies and compelled many TCOs and terrorist groups to disperse into networks. Lower and mid-level criminal and terrorist actors, once working for a single employer, now seek their own opportunities in regional or international networks. Ungoverned by hierarchical rules, today's networked actors are increasingly polymotivated and pursue a spectrum of criminal and terrorist activities.

Technological advances allow this potent combination of capabilities, skills, and products to thrive without the traditional "glue" of the underworld: face-to-face meetings, trusted introductions, autocratic leaders, and geographic centralization. The

new environment is shaped by the erosion of state power, the staggering growth of shadow economies, lower entry barriers to criminal markets, and historic advances in communications technology and financial instruments. The “Deep Web” epitomizes this future: a real-time, virtual bazaar where illicit actors locate new partners, customers, and sellers, and conduct lightning-fast global transactions.

Modeling a criminal-terrorist dystopia produces alarming prospects without deviating significantly from global trend lines. In the future, terrorists and criminals will have easier access to funds due to lower entry barriers in global illicit markets and increasing engagement in the world’s lawful economy. Terrorists and criminals will exchange goods and services at an unprecedented rate utilizing internet secrecy and covert messaging communications. Through internet communications, terrorists will be able to acquire weapons, explosive precursors, fraudulent documents, and other necessary instruments more quickly than in the past. Criminals, acting as buyers and sellers in this virtual environment, will see staggering revenues as the internet grows the black market in the coming decades. Geography will matter less in the coming years as criminals and terrorists utilize advances in communications technology to build transnational relationships. Alliances of criminals and terrorists, dispersed across the globe, may target weak or collapsing states so they can profit from the state’s decline and the emerging war economy. Networks will also obscure the objectives of nefarious actors who become increasingly polymotivated, and in turn, more difficult to label a “terrorist” or “criminal.”

This chapter will assess the relationships between terrorists and criminals, and present a dystopian view of future collaboration. It will assess the impact of the shift from hierarchical to networked organizations and address the implications of fragmenting illicit industries. Advances in communication technology, namely the Deep Web, will enable “hyper-collaboration” between anonymous nefarious actors, and challenge law enforcement’s ability to identify people and activities. The chapter concludes that these trends will pose major challenges for law enforcement. Polymotivated networks will pair more “buyers and sellers” within illegal and informal markets who identify new global opportunities in weak states, conflict zones, and ungoverned areas. Fractured illicit industries will offer new opportunities to criminal entrepreneurs previously shut out from vertically organized markets. Polymotivated networks will utilize new communications technology to connect like-minded individuals that seek to profit economically or politically from subverting global rules and norms.

## **Hierarchy as Dominant Organizational Construct**

Hierarchies remained the dominant organizational construct for criminal and terrorist enterprises for most of the 20<sup>th</sup> century. A hierarchy:

uses authority (legitimate power) to create and coordinate vertical and horizontal division of labor. Under hierarchy, knowledge is treated as a scarce resource and is therefore concentrated, along with the corresponding decision rights, in specialized functional units and at higher levels of the organization.<sup>1</sup>

Hierarchies allowed kingpins to retain profits at the “CEO” level and ensure that the leader maintained tight control of the organization. These kingpins organized their businesses into various branches including financial, operations, legal, security, and counterintelligence, among other areas of responsibility. Some terrorist groups also utilized hierarchical elements to manage military operations, finance, media, and propaganda activities. Al-Qaeda core, for example, consisted of four committees that ran various aspects of the organization. Osama bin Laden implemented standard Islamic business practices when al-Qaeda relocated to Sudan and Afghanistan.

Insurgent groups also utilize hierarchies because they require a “command and control” structure to regulate territory and govern. Guerrilla leaders issue rules and directives that they expect to be followed, and a hierarchy enables them to enforce these directives. Insurgents also undertake governmental functions to include education, health care, and law, which are initiatives best implemented through a hierarchy. Guerrillas who control commodity production, like diamonds and oil, rely on a hierarchy to regulate production and transportation of the product. An internal security apparatus ensures that rank-and-file members and paid laborers do not steal from their organization. The Islamic State in Iraq and the Levant (ISIL), for example, retains a cabinet which manages the group’s finances and oil production, in addition to other duties such as media, security, prisoners, and recruitment.<sup>2</sup>

Most importantly for understanding terrorist and criminal collaboration, hierarchies provide a mechanism for leaders to control their members and eliminate those who contravene or undermine the group’s mission. Kingpins and terrorist leaders decide the organization’s rules and operational boundaries. If a maverick TCO associate conducts independent criminal business, for example, the organization’s internal security apparatus will find and punish the offender.<sup>3</sup> A hierarchy, of course, can contain multiple, quasi-independent groups that pursue interests that undermine the organization. Typically, however, the autocratic leader would steer the organization back to its original mission by eliminating the source of the problem.

Until recently, most TCO leaders have avoided conducting business with terrorists.<sup>4</sup> Criminals, seeking a stable, status quo environment, avoided partnerships with organizations seeking to overthrow or undermine the state. Most TCOs, embedded in weak states, invest and profit from a state’s corrupt machinery and they do not want to disrupt that profitable dynamic. A TCO kingpin’s lifestyle, replete with ranches, family, cars, zoo animals, and other materialistic goods, reflects his interest in preserving the status quo. A terrorist or insurgent group, in contrast, is normally disinterested in materialistic comfort and is instead driven by the desire for political change.

Throughout the 20<sup>th</sup> century, some hierarchically structured criminal and terrorist groups collaborated on a one-time or ad hoc basis. Criminals utilized terrorist groups for explosives and weapons training, assassination, and other services, while terrorists utilized the fraud and smuggling services of criminal groups. Some longer-term business partnerships existed for services and equipment, such as between left-wing terrorist groups in Europe

and the Italian Mafia during the 1980s, but these long-term associations were unique in the global landscape. Strong leaders, through a centralized organization, could steer their organizations away from relationships they believed were detrimental to their goals.

### **Terrorists Turn to Organized Crime for Funding**

When funding for terrorist organizations and insurgents dried up at the end of the Cold War, many violent extremist groups turned to organized and petty crime to raise revenue. State-sponsored funding, combined with a global crackdown on terrorist financing, forced terrorists and insurgents to seek alternate sources of revenue to continue operations. Insurgents, for example, with thousands of soldiers, required money to buy weapons, food, and pay salaries, while smaller terrorist organizations required funding to purchase fraudulent documents, pay smugglers, buy weapons, and conduct other organizational activities. Contemporary terrorists and insurgents exploit the local economy to raise funds for their activities. These groups will initially seek quick, ad hoc methods of acquiring funds but they will eventually locate more stable sources of income.<sup>5</sup> Urban-based terrorists rely on kidnapping, bank robberies, or schemes that abuse tax or other legal loopholes. Insurgents located in conflict zones exploit a war economy by selling weapons, arms, and security services. Rural terrorists or insurgents will extort commodity producers or overtake production of the commodity themselves. These commodities can include drug production and distribution; gold, gem, and diamond mining; oil production; and illegal logging, among others.

Drug trafficking is a particularly lucrative income source because it is often the most profitable industry in rural or areas lacking a robust state presence. The Taliban, for example, have generated millions of dollars through their participation in the white heroin trade. Taliban factions tax farmers, drug convoys, and opium lab operators and they receive steady payments from drug trafficking organizations that operate in their area of control.<sup>6</sup> Taliban leaders also maintain large opium stockpiles that serve as the equivalent of a bank account that can be drawn upon when needed.<sup>7</sup> In areas of Afghanistan where poppy production is absent, the Taliban extort gem and mining operators, conduct illegal logging operations, and shake down mobile phone businesses.<sup>8</sup>

For other terrorist groups, trade in legitimate commodities has funded their illicit activities. Terrorist groups in Africa and South America rely heavily on commodity production for generating revenue. Natural resources like gold, timber, hard rock minerals, diamonds (especially diamonds that can be retrieved through alluvial mining), gems, and illicit crops, provide a stable income stream for insurgents. Commodity production, with large extraction machinery and in-ground resources, is an attractive insurgent target because commodity managers cannot easily move their operations. Insurgents extort commodity producers, tax the product's pathways to export, or overtake production of the commodity themselves.<sup>9</sup>

In a war zone or a collapsed state, criminal and terrorist groups generate revenue by conducting business in the shadow economy which emerges during the conflict. Often a

shadow economy is the only productive market in a war-torn country; thus, criminals and terrorists, as well as some licit businessmen, will turn to the shadow economy to raise funds. Many of these war-zone criminal groups, as noted by Louise Shelley, invest their profits overseas instead of into the state's economy.<sup>10</sup> Since violence against the state will not harm their investments, they are less hesitant about attacking the state and damaging its legal economy than traditional organized crime groups. Unlike traditional organized crime groups, these criminals may even ally with a local terrorist group to destabilize the state and perpetuate the war economy from which they profit.<sup>11</sup> These relationships threaten to create cycles of perpetual violence in modern conflict zones.

Modern-day terrorists diversify their funding sources to avoid dependence on a single source of income. They understand that relying on a single funding stream like state sponsorship or charities can leave their organization financially stranded if that pipeline is closed by authorities. Hezbollah, for example, reportedly receives funding from a broad range of activities, including conflict diamonds, donations from Lebanese Shia businessmen in Africa, cocaine smuggling in West Africa, credit card schemes, and cigarette smuggling in America.<sup>12</sup> Osama bin Laden received revenue from conflict diamonds, drug trafficking, investments in Sudan's state infrastructure, and state charities and benefactors.<sup>13</sup> A diversified investment portfolio provides a relatively stable funding source, since alternate revenue streams can compensate for the unpredicted loss of support from a single source.

Endangered wildlife is an example of portfolio diversification for terrorist groups, with the global illegal wildlife trade estimated to generate between \$7 and \$23 billion annually.<sup>14</sup> Some insurgent groups organize hunting parties to kill elephants for their ivory tusks or they task independent poaching teams to acquire wildlife.<sup>15</sup> Wildlife parts are easy to conceal and transport and the guerrillas do not require sophisticated machinery to extract the resource.<sup>16</sup> These military-style hunting parties are often equipped with night vision goggles, heat-seeking telescopes, GPS satellite receivers, helicopters, and RPGs.<sup>17</sup> Joseph Kony, the messianic leader of the Lord's Resistance Army (LRA), tasked his rebels with acquiring ivory to sell for weapons.<sup>18</sup> Al-Shabaab leaders have also ordered soldiers into Kenya to fetch the horns.<sup>19</sup>

Organized criminal groups have also diversified their income streams to ensure constant revenue. Mexico-based drug trafficking organizations, for example, have evolved into "poly-criminal" groups that generate revenue from human smuggling and trafficking, kidnapping, extortion, and the illegal extraction and sale of oil.<sup>20</sup> Some Mexico-based drug cartels raise funds from illegal red snapper fishing in the Gulf of Mexico and through the sale of exotic fish bladders to Asia, each of which can fetch between \$7,000 and \$14,000 on the black market.<sup>21</sup>

### **Hierarchical Terrorist Groups Transform Motivations**

Many terrorist groups that raised money through organized crime kept the financial activity "in-house" rather than outsourcing the operation to an external criminal party.<sup>22</sup> When

state-sponsored funding dwindled after the Cold War, terrorists and insurgents looked for new sources of funding and many found crime to be a lucrative source of income. These groups already maintained a sophisticated, hierarchical structure which they now utilized to profit from illicit activity. By controlling the criminal activity within their organization, these groups retained relatively tight security over their transactions and maximized profits. Over time, these violent groups invested significant resources and expertise into raising money, and unprecedented profits resulted from their efforts.

The influx of new cash into these organizations produced unintended consequences for terrorist leaders. Some members, relishing the new cash flow, became more interested in profits than politics. This dynamic is especially prominent within groups that recruit new members with bonuses and pay salaries to their soldiers. Money, rather than ideology, becomes the glue that holds these “transformed” organizations together. These groups may maintain a political or ideological veneer, but their underlying goal is to raise money for personal gain, rather than to advance the political mission.<sup>23</sup> As Paul Collier concludes, the presence of a commodity often leads to civil war as various groups vie for the resource. A violent extremist group may retain a superficial grievance like Kony’s LRA, but ultimately the outlaw group is driven by greed and survival more than politics. According to Collier’s research, ideologically based terrorist groups will transform from “grievance” to “greed” rebellions once they become dependent on a commodity for survival.<sup>24</sup>

The Revolutionary Armed Forces of Colombia (FARC) is perhaps the best example of such a group. The loss of its key ideological leaders, combined with increasing drug revenues, prompted many bloc leaders to choose profit over politics.<sup>25</sup> The FARC originally maintained a steady stream of income by extorting local businesses, kidnapping foreign workers, and taxing ranchers, but soon they seized upon Colombia’s most profitable rural industry—cocaine. They shifted their criminal operations “upstream” to obtain maximum profits from the industry; at one point even meeting with Mexico-based drug traffickers to sell Cocaine HydroChloride.<sup>26</sup> The influx of cash created a handful of criminal bloc leaders, interested in lining their coffers with illicit funds, and transformed much of the organization into a criminal enterprise.

The activities of a transformed terrorist group can undermine its effectiveness as a terrorist organization. Like a TCO, these transformed entities are less inclined to pursue the violent overthrow of the state because they are increasingly interested in preserving the status quo. Criminal pursuits can also hurt the group’s ability to attract popular support, as they are viewed more as a criminal band than a violent political organization seeking reform.<sup>27</sup>

Many factors can induce a terrorist or insurgent entity to transform into a criminal organization. If key political leaders are removed, their successors may choose to focus the organization’s effort on profit over ideology. Abu Sayyaf in the Philippines, for example, transitioned to a criminal group with the death of its ideological leader, Abdurak Janjalani. Bandit leaders filled his void and steered Abu Sayyaf toward kidnapping-for-ransom operations and away from political objectives.<sup>28</sup> One could also argue that some

Taliban leaders are more interested in money than politics. In February 2009, the Pakistani government allowed the Taliban Movement of Pakistan (TTP) to occupy portions of the North-West Frontier area, where militants deforested rare hardwoods at an unprecedented rate, opened marble factories, restarted emerald mines, and ransacked the territory.<sup>29</sup> During the cease-fire, TTP's actions showed that their primary goal was to generate revenue rather than to establish an Islamic state.

Some terrorist groups also transform into criminal bands because they have been defeated by the state or because the conflict ended through negotiation or stalemate.<sup>30</sup> A civil war often leaves a ruined economy in its wake, which offers few economic prospects for former guerrilla fighters. Demobilized insurgents often resort to criminality to generate income, but they may do so under the veneer of a political banner.<sup>31</sup> Paramilitary groups in Colombia, for example, turned to drug trafficking when their anticommunist mission subsided; thus, we can expect members of the FARC to shift seamlessly to criminality after the group's demise. Central American anticommunist groups underwent a similar change and devolved into bandits and gangs seeking profits and power through crime.

### **A Hybrid Criminal-Terrorist Organization**

Some terrorist groups did not transform completely into criminal groups, but instead changed into polymotivated entities pursuing both political and financial ends.<sup>32</sup> These hybrid organizations pursue seemingly divergent goals under the same insurgent banner.<sup>33</sup> A hybrid organization can be a precursor to a transformed terrorist group, as an increasing number of members and leaders seek profit over politics. A hybrid's leaders acknowledge the new reality and allow members to undertake criminal activities for personal gain, with the understanding that a portion of the profits will be funneled to the organization's leaders. The leader of a hybrid organization might also have a criminal background, but decide to become involved in politics, such as Dawood Ibrahim, leader of the so-called "D-Company." Hybrid organizations like D-Company will regularly shift resources from criminality to politics, and vice versa, depending on the environment and leadership priorities at any given time.

Hybrid organizations thrive in conflict zones. They raise money for their operations through the shadow economy and local criminals join the group to seek profits and security from the military wing of the organization. War legitimizes a hybrid's criminal actions since it requires income to continue the war.<sup>34</sup> It may seize commodity assets, sell weapons, or engage in other gray economy activities. Simultaneously, the hybrid will try to establish an autonomous zone, displace the state, or keep the country in perpetual conflict. Since economic control is intimately related to political power, a terrorist group that manages commodity production is one step closer to achieving its political aims.<sup>35</sup>

### **The Emergence of Networks**

During the latter part of the 20<sup>th</sup> century, terrorist groups that mutated into hybrid organizations or transformed into criminal groups were sometimes propelled to such a

change because of the arrest or death of a formidable ideological leader. Successful law enforcement and military operations have captured or killed many high-profile terrorist and criminal leaders in the last three decades. These autocratic managers maintained an iron grip on their organizations through a command and control structure where deputies controlled security, finances, and operations, among other functions. Pablo Escobar, the Orejuela Brothers, Benjamin Arellano Felix, and Amado Carrillo Fuentes, exemplified this type of “narco-leader.” Terrorist leaders with similar cache included Osama bin Laden, Abdurajak Janjalani (the founder of Abu Sayyaf), Manuel Marulanda (one of the original leaders of the FARC), among others.

Successful government efforts to kill or arrest these individuals led to unintended consequences. In some cases, a less effective manager replaced the original, capable leader, and gradually lost control of the organization to internal fighting and external pressures. In such a scenario, the fractured hierarchy allowed lower and mid-level leaders to pursue alternate objectives under the umbrella of the organization.<sup>36</sup> As hierarchies disintegrated, networks and independent operators filled the void. Some groups retained the trappings of a hierarchy, but the leadership lost control of its members’ activities. The organization’s name might be used for branding purposes, but no structured organization existed after the hierarchy collapsed. In such an environment, the traditional organized crime concept of “closing ranks,” where mafia dons temporarily refuse new members while they inventory the group’s membership, became a distant and impossible directive. Networked criminals, both within and outside of the old structure, became virtual entrepreneurs, self-motivated and unbounded by hierarchical rules.

One result of decentralization was that terrorist leaders required their followers to locate their own sources of funding. Al-Qaeda, for example, could not serve as a “central bank” for Salafist terrorists around the world. Locally generated revenue could be used for area operations or conveyed to the organization’s leadership. The Taliban, for example, began raising money through criminality, instead of receiving funds from overseas donations.<sup>37</sup> In a similar vein, devolved criminal organizations mutated into loose associations of self-sufficient criminal entrepreneurs, some of whom utilized a TCO brand name for marketing advantage, but otherwise retained little association with the disassembled group.<sup>38</sup> Los Zetas, for example, devolved after a 2012 split between Zeta leadership, and the fracturing spawned multiple Zeta franchises that claimed the Zeta brand name while committing a range of nontraditional Mexico-TCO activities like arson, extortion, random kidnapping, and petty theft.<sup>39</sup>

### **Vertically Integrated Industries (VII) Fragment**

Equally important as the entrance of new actors into the black market is the fragmentation of vertically integrated industries (VIIs). Western Hemisphere drug markets, in particular, have fractured into segments and spawned independent “micro-economies.” VIIs are markets that are regulated by a single TCO that controls the production, transport, and sale of a global product. The TCO utilizes its own employees to execute the movement of

the drug through the supply chain. When a VII fractures, new gangs, organizations, and niche operators emerge to manage newly independent segments of the industry. These opportunists will maximize profits by purchasing and reselling the product to customers in the next segment of the market. They assume more risk by retaining ownership in case the product is seized or stolen, but they also generate higher profits than if they worked on salary for a TCO.

A segmented industry is an economic form of revenue sharing since more criminals split the profits from the industry's overall revenue. Criminal entrepreneurs thrive in this new economic environment. They no longer need to ascend a mafia's hierarchical ladder to be successful. They can develop narrow specialties and connections that allow them to gain influence over one aspect of the overall market. As a result, more criminals and terrorists—no longer shut out of industries controlled by one organization—will have access to new funding sources to support violent operations or accrue personal income.

The Western Hemisphere cocaine market, for example, fractured after the removal of Pablo Escobar and the Orejuela Brothers. The cartels' hierarchical structure and ruthless leadership helped preserve a vertical "farm-to-market" industry.<sup>40</sup> The cartels' dismantlement, combined with other factors, began to segment this VII. Mexico-based drug trafficking organizations exploited the fracture and paid for cocaine outright from Colombian suppliers. As a result, the cocaine industry segmented into pieces; more actors, organizations, and networks were required to maintain the cocaine pipeline to the United States.

The Western Hemisphere white heroin industry underwent a similar change. In Colombia, a small number of groups specialized in refining morphine base into heroin and exporting the drug to distributors in the United States. One report estimated that 28 of these organizations controlled the export of heroin to the United States.<sup>41</sup> Now, Mexican TCOs also produce white heroin from poppies grown in Mexico. This new dynamic has fractured a once vertical industry and allowed additional actors to profit from the growing white heroin trade to the United States. In today's fractured heroin market, more farmers are required to produce poppies, and independent gangs oversee morphine base production in Mexico.<sup>42</sup>

In each case, the breakdown of the VII allowed new actors to profit from an industry that had been previously closed off to them. The barriers to entering the heroin or cocaine markets have been lowered to allow more entrepreneurs, gangs, and networks to benefit from industry-wide revenue. Mexico-based TCOs, independent operators, gangs, and other groups acquired industry profits (and risk) from Colombian syndicates that had previously retained most of the industry's revenue for themselves. Thus, the size of the industry "pie" is still the same, but it is now cut into more slices with the income generated more broadly distributed.

Research on networked organizations suggests that they are poised to succeed in a global, segmented economy. Network nodes maintain a specific function and purpose which allows them to flourish in the "micro-economies" created by a segmented market.

Transporters, money launderers, and weapons dealers, among others, bring functional expertise to a network designed for a larger, economic purpose. Initially, one would think that a segmented market would be less efficient than a VII since responsibility in a network is diffused across multiple entities. In segmented markets however, networks ensure efficiency because the organizational construct fosters rapid coordination and communication between nodes. Specialists maintain transaction-based relationships which pass shared knowledge quickly through the network.<sup>43</sup> Information that is synthesized in networks often produces new knowledge which allows the nodes to succeed in difficult circumstances.<sup>44</sup>

In the illicit marketplace, the risk of law enforcement disruption or theft by another organization forces networks to be adaptive in order to survive. They also organize themselves into the forms necessary to maximize efficiency for a required function or specialty.<sup>45</sup> Phil Williams describes the advantages of criminal networks:

Networks can vary in size, shape, membership, cohesion, and purpose. They can be large or small, local or global, cohesive or diffuse, centrally directed or highly decentralized, purposeful or directionless. A network can be narrowly focused on one goal or broadly oriented toward many goals, and its membership can be exclusive or encompassing. Networks are at once pervasive and intangible, everywhere and nowhere. More prosaically, they facilitate flows of information, knowledge, and communication as well as more tangible commodities. They operate in licit as well as illicit sectors of the economy and society. This enormous variability makes the network concept an elusive one; at a practical level, it also makes networks difficult to combat.<sup>46</sup>

The operations of Ghanaian smuggler, Mohammed Kamel Ibrahim, provide some insight into network efficiency. Ibrahim spearheaded a complex human smuggling pipeline that brought East Africans to the United States through Mexico. By any account, this was a complex global operation, spanning multiple continents, and involving numerous actors. Ibrahim's smuggling routes crossed through Ethiopia, Eritrea, Sudan, Kenya, South Africa, United Arab Emirates, Cuba, Brazil, Bolivia, Panama, Nicaragua, Honduras, Guatemala, and Mexico. In his court indictment, Ibrahim also stated that he could smuggle people through Europe to America (instead of Mexico) if that route was desired by the customer.<sup>47</sup> Ibrahim utilized a vast network that included recruiters in Africa, smugglers in South and Central America, a corrupt embassy employee in Belize, as well as transporters, guides, and money collectors in Mexico. He did not control or meet most of the individuals in his network; the organization itself executed the functions necessary to smuggle East Africans to Mexico (and the United States), and Ibrahim monitored or managed its activities as necessary.

Networks like Ibrahim's facilitate the movement of goods or services from the underdeveloped to developed countries.<sup>48</sup> Commodity chain nodes, for example, retain specialized roles that enable diamonds, gems, and other materials to be smuggled out of Africa to worldwide markets. Douglas Farah describes three roles that enable commodities

to move from their source to market: fixers, super fixers, and shadow facilitators. Local fixers involve elites who understand and maintain the necessary relationships in their environment, but possess little awareness outside their area of operations. Super fixers assist the local elite move the product to a broader global market, while shadow facilitators enable these nodes to succeed by smuggling contraband, laundering money, and obtaining fraudulent documents, among other activities.<sup>49</sup>

Networks which incorporate specialized roles like the ones described by Farah, are poised to exploit the breathtaking growth of the black market. The profits from some illicit industries already rival that of major global businesses. In 2006, Mexico's marijuana industry generated \$2.9 billion more in revenue than Google that year, and Mexico's methamphetamine industry's revenue roughly equaled Google's 2006 revenue. Mexico's drug trafficking industry also possessed net margins that towered over the country's licit industry. The marijuana industry in Mexico retained a net margin of 42 percent, which exceeded the home improvement industry at 7 percent and even the application software at 21 percent.<sup>50</sup> Other illicit global industries like the stolen art and antiquities trade, wildlife poaching and smuggling, and human trafficking, also generate staggering revenues.

### **A Dystopian Future of Criminal-Terrorist Convergence**

The growth of the illicit economy, coupled with the rise of segmented markets and networks, has significant implications for terrorist and criminal collaboration. Globalization will continue to provide the tools necessary for criminals to succeed in the underworld, while also challenging law enforcement's ability to disrupt illicit markets. In a dystopian future, revenue from the black market and the informal sector will begin to outpace the licit economy and will become the economic bedrock for most of the world's weak states.<sup>51</sup> Opportunists and entrepreneurs, with few legal pathways to economic success, will thrive in this environment by developing new and innovative methods to complete timely and secure global transactions.<sup>52</sup> Sometimes referred to as "deviant globalization," this economic and political force will create new opportunities for criminals, terrorists, and the range of actors in between.<sup>53</sup>

In a dystopian future, these opportunities will be more evenly shared than before. Segmented markets will create a global criminal middle class that disperses criminal profits evenly throughout the industry. Lower barriers to entry will allow more terrorists and criminals to generate income from this "democratized" shadow economy and will encourage entrepreneurs to choose opportunities in the informal or black market over the licit sector. Thus, while the black market grows its earning potential, those profits will be shared with more actors than ever before.

In this profitable environment, terrorists and criminals, operating independently without autocratic rules, will be increasingly polymotivated like Ibrahim, to seek profit through criminality and also engage in violent extremist politics. They will maintain diverse relationships that change based on their operational needs.<sup>54</sup> Organizational affiliation and "hierarchy-to-hierarchy" alliances will devolve into individual, ad hoc activities.<sup>55</sup> In this

regard, the dystopian future is largely devoid of criminal and terrorist labels. Networks will form around specialized services with little regard for organizational affiliation. Terrorists, criminals, government officials, and licit businessmen, among others, will rotate through networks as needed to execute transactions and functions. Globally networked terrorists, for example, with access to dozens of licit and illicit contacts, could easily shift their interests to pursue multiple and seemingly divergent goals. “Nodal motivation” will be thus obscured and networks will be increasingly difficult to label as “terrorist” or “criminal.” Intelligence analysts may be surprised to find that a “terrorist network” contains varied membership including corrupt officials from multiple states, criminals, and nongovernmental organization personnel, among others.

Continued advances in communication technology will enable this dynamic to flourish. Collaboration will be increasingly conducted in the virtual world, which allows criminals and terrorists to execute anonymous and secure transactions. Today’s encryption is already difficult for authorities to penetrate. In remarks given in 2014, Federal Bureau of Investigation (FBI) Director James Comey noted that:

Unfortunately, the law hasn’t kept pace with technology, and this disconnect has created a significant public safety problem. We call it “Going Dark,” and what it means is this: Those charged with protecting our people aren’t always able to access the evidence we need to prosecute crime and prevent terrorism even with lawful authority. We have the legal authority to intercept and access communications and information pursuant to court order, but we often lack the technical ability to do so.<sup>56</sup>

Covert messaging applications like Kik, Wickr, WhatsApp, and dozens of other similar programs challenge law enforcement’s ability to gather intelligence necessary to disrupt illicit plots. In one example, authorities could not decipher 109 messages sent by one of the ISIL-inspired terrorists who attempted an attack in Garland, Texas.<sup>57</sup> Other “off-network” programs utilize Wi-Fi networks to communicate and include in-game chats through common gaming platforms or through tablets or other devices. In June 2015, Belgian authorities detained two groups of violent Chechen extremists who had been communicating with each other through WhatsApp, for example.<sup>58</sup>

Advances in communication technology have other implications for terrorist and criminal collaboration. The internet allows criminals and terrorists to locate buyers and sellers in rural areas, conflict zones, slums, and other areas which contain markets that are traditionally difficult to penetrate. Criminals and terrorists use software like The Onion Router (TOR), which enables anonymous communication while they troll the “Deep Web”—the unindexed internet—to advertise illicit services and products and identify potential buyers. Customers search the same forums to locate goods and services that can advance their terrorist or criminal ventures. The Deep Web, and its more secretive counterpart, the “Dark Web,” allow sellers to advertise their products and services anonymously and for their customers to purchase securely those services or goods. In 2013, for example, the FBI dismantled “Silk Road,” an online marketplace for marijuana, methamphetamine, ecstasy,

and fake driver's licenses, among other items. In another example, an illegal weapons dealer in Germany converted nonlethal weapons into firearms and sold them online. Other weapons dealers purchased parts online to repair old assault rifles and sell them illegally to terrorists and other buyers.<sup>59</sup> In forums like "Silk Road," criminals and terrorists do not meet in person and are probably unaware of their counterpart's affiliation. The dystopian result of such interactions is the equivalent of multiple one-time arrangements that occur at an unprecedented breadth and pace. "Hyper-collaboration" shrinks the connectivity time between suppliers and customers from months to minutes.

Contemporary terrorist groups already recognize and exploit the power of the internet for their operations. Many violent extremist groups have established cyber departments responsible for propaganda, hacking, and cyber-attacks, among other activities. This capability allows terrorists in infrastructure-starved environments the opportunity to engage in the global economy. They can seek new sources of revenues, identify customers for an illicit product, or locate required services. Terrorists can also recruit criminals to join their organization through social media forums. These "criminals-turned-terrorists" bring their underworld connections and expertise to the group.

Criminal and terrorist collaboration serves as a force multiple for both groups. For a terrorist, interacting with criminals in a networked world is no longer a "zero-sum game." Terrorists will increasingly operate transnationally and will not be exclusively focused on their local areas of operations. They may sell weapons or explosive expertise to a distant criminal syndicate with little fear of repercussion. The supplier and consumer are connected virtually, not geographically, and the terrorist is shielded from prosecution through a computer, as well as layers of national and international laws. Similarly, criminal groups will increasingly collaborate with terrorists outside their area of operations by developing new contacts through the internet.

The efficiency of global networks will place more lethality in the hands of terrorists in the future. Viktor Bout, the Russian weapons magnate, epitomized a global logistical genius when he moved items ranging from weapons to chickens to conflict zones around the world.<sup>60</sup> Bout, however, was an essential node in his operations (a spoke-and-wheel network), and his removal dismantled his organization's operations. Most networks, in contrast, will ensure redundancy and efficiency in the face of a disturbance. If a network fails to deliver on a terrorist's order, the organization will be replaced by another set of nodes that is capable of executing the task.

The dystopian criminal-terrorist future, however, will not completely reside in cyberspace. Criminals will continue to establish themselves in areas where they can avoid or co-opt law enforcement. Conflict, postconflict, and underdeveloped countries provide hospitable areas where criminals can establish zones of autonomy to conduct their operations.<sup>61</sup> Criminal relocation is the human form of "habitat selection," during which plants and animals locate a preferred habitat and develop specialized functions to maximize performance.<sup>62</sup> Ungoverned spaces and conflict zones will serve as incubators for deepening terrorist-criminal collaboration. Slums, free trade zones, and border regions will foster terrorist and organized crime links, while megacities will continue to nurture

collaboration between groups who seek political change, security, and profit.<sup>63</sup> Some of these locations will serve as geographic hubs for segmented illicit markets and will allow for quick in-person meetings to exchange goods and services.

Criminals and terrorists may find common cause in destabilizing a weak state in order to jumpstart or promote a war economy. Upstart criminal organizations may be recruited by terrorists to assist in attacking a state with the promise that the criminal group will profit from the emerging shadow economy. States that contain raw materials and resources could be the targets of a hybrid criminal-terrorist group that seeks to divide up the spoils once the conflict begins. These groups may even overtake the state and maintain a front of statehood while continuing their criminal or terrorist activities.<sup>64</sup>

One can also envision criminal and terrorist groups finding common cause in attacking a first-world country's financial system. A criminal group could hack into a major financial system to steal or extort money from a company, while the terrorist group conducts its own physical or cyber-attack against the country's economy. The attack would result in profit for the criminal group and a destabilized economy and headlines for the terrorist. A hybrid organization would be able to plan such an attack internally, which would facilitate operational planning and enhance security.

## Conclusion

Many of the dystopian themes presented in this chapter could be reasonably considered likely scenarios for the future. Very few of the themes in this essay are "science fiction." Many of the dynamics discussed already exist in Latin America and Africa. A less dystopian view would hope for better outcomes of current global trend lines: the strengthening of the state; the growth of the licit economy in developing countries; the continued reluctance of criminals and terrorists to collaborate; and the presence of clear, identifiable organizational structures for nonstate actors.

All of these scenarios, however, seem unlikely, especially in a dystopian scenario. Polymotivated individuals and networks will complicate law enforcement's ability to identify and discern a network's wide spectrum of activity. These networks will thrive in the criminal-terrorist chasm found in most global law enforcement agencies that maintain separate structures and laws for criminals and terrorists. New, independent criminal entrepreneurs, profiting in a fragmented illicit market, will grow the informal and illegal economies and become critical actors in ungoverned spaces and conflict zones. Unburdened by a hierarchy and autocratic boss, these empowered autonomous agents will utilize the internet and virtual financial instruments to bridge new connections with terrorists, criminals, and businessmen who operate on the fringes of the licit economy. In a dystopian future, polymotivated networks will harness the skills, capabilities, and resources of a vast array of individuals who are determined to undermine and co-opt global rules and norms for their own benefit. As a result, states will face unprecedented challenges to maintaining and developing instruments of power in the face of a nimble and resourceful competitor.

## Notes

- <sup>1</sup> Paul Adler, "Market, Hierarchy, and Trust: The Knowledge Economy and the Future of Capitalism," *Organizational Science* 12 (2001): 216.
- <sup>2</sup> Gregor Aisch, Joe Burgess, C. J. Chivers, Alicia Parlapiano, Sergio Peçanha, Archie Tse, Derek Watkins, and Karen Yourish, "How ISIS Works," *The New York Times*, September 16, 2014, available at <[http://www.nytimes.com/interactive/2014/09/16/world/middleeast/how-isis-works.html?\\_r=0](http://www.nytimes.com/interactive/2014/09/16/world/middleeast/how-isis-works.html?_r=0)>; Ben Hubbard and Eric Schmitt, "Military Skill and Terrorist Technique Fuel Success of ISIS," *The New York Times*, August 27, 2014, available at <<http://www.nytimes.com/2014/08/28/world/middleeast/army-know-how-seen-as-factor-in-isis-successes.html>>.
- <sup>4</sup> Chris Dishman, "The Leaderless Nexus: When Crime and Terror Converge," *Studies in Conflict and Terrorism* 28, (2005): 237–252.
- <sup>5</sup> Kimberly Thachuk, "Transnational Threats: Falling Through the Cracks?" *Low Intensity Conflict and Law Enforcement* 10, no. 1 (2001): 51.
- <sup>6</sup> R. T. Naylor, *Wages of Crime: Black Markets, Illegal Finance, and the Underworld Economy* (Cornell, NY: Cornell University Press, 2005), 63.
- <sup>7</sup> Gretchen Peters, *Seeds of Terror: How Heroin Is Bankrolling the Taliban and al Qaeda* (New York, NY: Thomas Dunne Books, 2009), 13.
- <sup>8</sup> *Ibid.*, 114.
- <sup>9</sup> *Ibid.*, 13, 132-34, 138-39.
- <sup>10</sup> Michael Ross, "The Natural Resource Curse: How Wealth Can Make You Poor," in *Natural Resources and Violent Conflict* (Washington, DC: World Bank, 2003), 17-43.
- <sup>11</sup> Louise Shelley, *Dirty Entanglements: Corruption, Crime, and Terrorism* (Cambridge: Cambridge University Press, 2014): 104, 111.
- <sup>12</sup> *Ibid.*, 104, 111.
- <sup>14</sup> Matthew Levitt, *The Global Footprint of Lebanon's Party of God* (Washington, DC: Georgetown University Press, April 2015), 248, 257, 261-62, 317, 320.
- <sup>15</sup> Douglas Farah and Richard Shultz, "Al Qaeda's Growing Sanctuary," *Washington Post*, July 14, 2004, available at <<http://www.washingtonpost.com/wp-dyn/articles/A48221-2004Jul13.html>>; Douglas Farah, "Digging Up Congo's Dirty Gems," *Washington Post*, December 30, 2001, available at <<https://www.washingtonpost.com/archive/politics/2001/12/30/digging-up-congos-dirty-gems/1cfa01f6-e23f-46d0-94f4-64d95c971517/>>.
- <sup>16</sup> United Nations Environment Programme, "The Environmental Crime Crisis," 2014, available at <[http://pfb-cbfp.org/news\\_en/items/Environmental-Crime-en.html](http://pfb-cbfp.org/news_en/items/Environmental-Crime-en.html)>.
- <sup>17</sup> *Ibid.*, 273.
- <sup>18</sup> Leo Douglas and Kelvin Alie, "High-Value Natural Resources: Linking Wildlife Conservation to International Conflict, Insecurity, and Development concerns," *Biological Conservation* 171 (2014): 273.
- <sup>19</sup> *Ibid.*, 273.
- <sup>20</sup> Jeffrey Gettleman, "Elephants Dying in Epic Frenzy as Ivory Fuels Wars and Profits," *The New York Times*, September 3, 2012, available at <<http://www.nytimes.com/2012/09/04/world/africa/africas-elephants-are-being-slaughtered-in-poaching-frenzy.html>>; Kasper Agger and Jonathan Hutson, "Kony's Ivory: How Elephant Poaching in Congo Helps Support the Lord's Resistance Army," *Enough Project*, June 2013, available at <<http://www.enoughproject.org/files/KonysIvory.pdf>>.
- Ibid.*
- <sup>21</sup> CBS News and Associated Press, "Feds Bust Mexico-U.S. Oil Smuggling Scheme," *CBS News*, August 10, 2009, available at <<http://www.cbsnews.com/news/feds-bust-mexico-us-oil-smuggling-scheme/>>.
- <sup>22</sup> Shannon Tompkins, "Gulf poachers Threaten to Deplete Fisheries," *Houston Chronicle*, June 8, 2013, available at <<http://www.houstonchronicle.com/sports/outdoors/article/Gulf-poachers-threaten-to-deplete-fisheries-4589290.php>>; "Fish Bladder, Coveted In Asia, Is The New 'It' Among Mexican Cartels," *Fox News Latino*, August 7, 2014, available at <<http://latino.foxnews.com/latino/news/2014/08/07/mexican-traffickers-move-into-asia-pricey-fish-bladder-market/>>. Industry is valued conservatively at \$11.6 million, according to *FishWatch: U.S. Seafood Facts*, accessed at <[http://www.fishwatch.gov/seafood\\_profiles/species/snapper/species\\_pages/red\\_snapper.htm](http://www.fishwatch.gov/seafood_profiles/species/snapper/species_pages/red_snapper.htm)>.
- <sup>24</sup> Chris Dishman, "Terrorism, Crime, and Transformation," *Studies in Conflict & Terrorism* 24, no. 1 (2001), available at <<http://www.tandfonline.com/doi/pdf/10.1080/10576100118878>>.
- <sup>25</sup> *Ibid.*
- <sup>26</sup> Ian Bannon and Paul Collier, "Natural Resources and Conflict, What Can We Do," *Natural Resources and Violent Conflict* (Washington, DC: World Bank, 2003), 1-17; Paul Collier, *Greed and Grievance*, Policy Research Paper 2355 (Washington, DC: World Bank, 2000). Makarenko outlines how ideological war can be hijacked by criminal interests; see Tamara Makarenko, "Crime-Terror Continuum: Tracing the Interplay between

Transnational Organized Crime and Terrorism,” *Global Crime* 6, no. 1 (2004): 129-145, available at <<http://www.iraac.com/wp-content/uploads/2013/01/makarenko-global-crime-5399.pdf>>.

<sup>27</sup> Dishman, “Terrorism, Crime, and Transformation.”

<sup>28</sup> “Colombians Held In Drug Raid,” *Orlando Sentinel*, August 14, 2002, available at <[http://articles.orlandosentinel.com/2002-08-14/news/0208140080\\_1\\_mexico-city-colombia-felix-drug](http://articles.orlandosentinel.com/2002-08-14/news/0208140080_1_mexico-city-colombia-felix-drug)>.

<sup>29</sup> Audrey Cronin, *How Terrorism Ends: Understanding the Decline and Demise of Terrorist Campaigns* (Princeton, NJ: Princeton University Press, 2011), 146.

<sup>30</sup> McKenzie O’Brien, “Fluctuations Between Crime and Terror: the Case of Abu Sayyaf’s Kidnapping Activities,” *Terrorism and Political Violence* 24, no. 2 (2012): 328-29.

<sup>31</sup> Peters, *Seeds of Terror*.

Audrey Cronin, *How Terrorism Ends: Understanding the Decline and Demise of Terrorist Campaigns* (Princeton: Princeton University Press, August 2011): 146.

<sup>32</sup> Naylor, *Wages of Crime*, 82. Naylor points out that when guerrilla groups a criminality converge it is usually during the failing part of an insurgency.

<sup>33</sup> Chris Dishman, “The Leaderless Nexus: When Crime and Terror Converge,” *Studies in Conflict and Terrorism* 28, no. 3 (2005): 247-248.

<sup>34</sup> Some analysts refer to this dynamic as “convergence,” see Makarenko, “Crime-Terror Continuum.”

<sup>35</sup> *Ibid.*, 141.

<sup>36</sup> *Ibid.*

<sup>37</sup> Dishman, “The Leaderless Nexus.”

<sup>38</sup> Quote from Lorenzo Vidino in Peters, *Seeds of Terror*, 23.

<sup>39</sup> Dishman, “The Leaderless Nexus,” 237-252.

<sup>40</sup> Will Grant, “Mexico’s Zetas drug gang split raises bloodshed fears,” *BBC News Mexico City*, September 11, 2012, available at <<http://www.bbc.com/news/world-latin-america-19543286>>.

<sup>41</sup> The general business model was for the cartel to purchase cocaine base from a rural independent operator at markets where it is consolidated. They would then refine the base into cocaine HcL with their own organization or using contractors, and hired their own transporters to smuggle the drug to the United States to their own distributors, who sold wholesale amounts of the drug and sent the profits back to the cartel.

<sup>42</sup> “The Way Heroin Networks Move Heroin,” *El Tiempo*, May 21, 2012.

<sup>43</sup> Kyra Gurney, “Mexico Poppy Production Feeds Growing [U.S.] Heroin Demand,” *InSight Crime: Organized Crime in the Americas*, February 11, 2015, available at <<http://www.insightcrime.org/news-analysis/mexico-poppy-production-feeds-growing-us-heroin-demand>>; Mark Stevenson, “Mexican opium farmers expand plots to supply [U.S.] heroin boom,” *Associated Press*, February 2, 2015, available at <<https://www.yahoo.com/news/mexican-opium-farmers-expand-plots-supply-us-heroin-145711238.html?ref=gs>>.

<sup>44</sup> Linda deLeon, “Embracing Anarchy: Network Organizations and Interorganizational Networks,” *Administrative Theory & Praxis* 16, no. 2 (1994): 234-253.

<sup>45</sup> Joel Podolny and Karen Page, “Network Forms of Organization,” *Annual Review of Sociology* 24 (1998): 57-76.

<sup>46</sup> Shelley, *Dirty Entanglements*, 99.

<sup>47</sup> Phil Williams, “The Nature of Drug Trafficking Networks,” *Current History* 97, no. 618 (1998): 154-59.

<sup>48</sup> “Foreign National Pleads Guilty to Conspiracy and Alien Smuggling Charges,” *USDOJ Press Release*, September 22, 2008, available at <<http://www.justice.gov/opa/pr/foreign-national-pleads-guilty-human-smuggling-charges>>.

<sup>49</sup> Shelley, *Dirty Entanglements*, 134.

<sup>50</sup> Douglas Farah, “Fixers, Super Fixers, and Shadow Facilitators: How Networks Connect,” in *Convergence: Illicit Networks and National Security in the Age of Globalization* (Washington, DC: National Defense University Press, 2013), 75-97.

<sup>51</sup> Calculations conducted by the author in 2007, utilizing open-source data and basic accounting methods. Calculations included the total revenue and net margins for annual wholesale sales in the United States, and the model outlined specific business models for each of the four major drugs sold by Mexican drug trafficking organizations.

<sup>52</sup> Phil Williams, *From the New Middle Ages to A New Dark Age: The Decline of the State and U.S. Strategy* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2008), 31.

<sup>53</sup> This point is raised in Nils Gilman, Jesse Goldhammer, and Steven Weber, “Deviant Globalization,” in *Convergence: Illicit Networks and National Security in the Age of Globalization* (Washington, DC: National Defense University Press, 2013), 3-15.

<sup>54</sup> *Ibid.*, 5. See also Gilman, “The Twin Insurgency: Plutocrats and Criminals Challenge the Westphalian State,” in this book.

<sup>55</sup> This point is raised in John T. Picarelli, “Osama bin Corleone? Vito the Jackal? Framing Threat Convergence Through an Examination of Transnational Organized Crime and International Terrorism,” *Terrorism and Political Violence* 24, no. 2 (2012): 180-198.

<sup>56</sup> Ibid., 184-185.

<sup>57</sup> FBI Director James B. Comey, remarks at the Brookings Institution, October 2014, available at <<https://www.fbi.gov/news/speeches/going-dark-are-technology-privacy-and-public-safety-on-a-collision-course>>.

<sup>58</sup> Pierre Thomas, "Feds Challenged by Encrypted Devices of San Bernardino Attackers," *ABC News*, December 9, 2015, available at <<http://abcnews.go.com/US/feds-challenged-encrypted-devices-san-bernardino-attackers/story?id=35680875>>.

<sup>59</sup> Nick Veasey, "Belgium arrests in anti-terror raids targeting Chechens," *BBC Europe*, June 8, 2015, available at <<http://www.bbc.com/news/world-europe-33046258>>.

<sup>60</sup> "How Europe's Terrorists Get Their Guns," *Time Magazine*, December 7, 2015, available at <<http://time.com/how-europes-terrorists-get-their-guns/>>.

<sup>61</sup> Douglas Farah and Stephen Braun, "The Merchant of Death," *Foreign Policy*, no. 157 (2006): 52-61.

<sup>62</sup> Duncan Deville, "The Illicit Supply Chain," in *Convergence: Illicit Networks and National Security in the Age of Globalization* (Washington, DC: National Defense University Press, 2013), 63-75.

<sup>63</sup> David D. Ackerly, "Community Assembly, Niche Conservatism, and Adaptive Evolution in Changing Environments," *International Journal of Plant Sciences* 164, no. S3 (2003): 165-184.

<sup>64</sup> Ibid., 19-23; Picarelli, "Osama bin Corleone? Vito the Jackal?"

<sup>65</sup> Williams, *From the New Middle Ages to A New Dark Age*, 31.