

Culture, Corruption, Crime, and Conflict

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PUBP 764: Transnational Crime and Corruption

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Abbreviations

ASG	Abu Sayyaf Group
AQIM	al-Qaeda in the Maghreb
CAR	Conflict Analysis and Resolution
CRS	Congressional Research Service
DEA	Drug Enforcement Administration
DOJ	U.S. Department of Justice
DTO	Drug Trafficking Organization
FARC	Revolutionary Armed Forces of Colombia
FTO	Foreign Terrorist Organization
HQN	Haqqani Network
IMU	Islamic Movement of Uzbekistan
IRA	Irish Republican Army
JTTF	Joint Terrorism Task Force
MICE	Money, Ideology, Crime/Corruption, Ego
OCO	Overseas Contingency Operations
PKK	Kurdistan Workers' Party
SDGT	Specially Designated Global Terrorist
SIGAR	Special Inspector General for Afghanistan Reconstruction
TOC	Transnational Organized Crime
TTP	Tactics, Techniques, and Procedures
UNODC	United Nations Office on Drugs and Crime

Introduction

There are two chosen traumas within scholarly literature that have set the parameters for intellectual thought about social phenomena for years: the end of the Cold War and the September 11, 2001 terrorist attacks against the United States. Much of the current literature within the social sciences pinpoints one, if not both, of these two events as the drivers of present-day global dynamics. In particular, scholars have argued that the end of the Cold War and the September 11, 2001 terrorist attacks have in their own right reshaped global dynamics and, especially in the latter case, provided momentum to non-state actors. Specifically, it has been suggested that transnational criminal organizations, terrorist groups, and rebel movements have benefitted from globalization as much, if not more than, state actors and multinational corporations. Coupled with the increased accessibility of information technology it has become commonplace to argue that networks and alliances between non-state actors represent a new and emerging threat to state sovereignty as we know it.

This paper agrees with the conclusion that malicious non-state actors are an emerging threat that challenges the status quo of the international system and recognizes the usefulness of thinking about the world in post-Cold War and post-September 11th terms. However, the arguments and analyses presented here try to move beyond those two events, acknowledging that they are defining moments in world history but that current global dynamics are not necessarily defined by them. In other words, the assumption here is that some of the social trends and patterns shaping the world today have a life of their own. It has become too easy and too

widely accepted to simply attribute social processes – especially those related to conflict – to the post-Cold War or post-September 11th paradigms. The social sciences often deal with issues that are difficult to fully capture or analyze since they are often influenced by a variety of factors, but to tether the entire global populace to the end of the Cold War or the September 11, 2001 terrorist attacks is intellectually shortsighted and prohibitive.

It is simultaneously useful to acknowledge separate intellectual nodes existing within the social sciences that when brought together have the potential to fill our collective knowledge gaps and, perhaps, identify ways in which policymakers and civil society leaders can combat traditional and emerging threats and contribute to a more prosperous global society. In particular, the fields of political science, international relations, public policy, and conflict analysis and resolution – at times confused for and indistinguishable from one another – are at the crux of 21st century political, economic, social, and legal policymaking.

More specifically, important subparts of these fields like culture, corruption, crime, and conflict present unique challenges (and opportunities) to scholars and policymakers alike. The argument here is that while each of these issues can be examined individually they are inevitably linked. Culture influences the likelihood of corrupt behavior, the prevalence of corrupt behavior helps determine levels of criminal activity, and the severity of criminal activity can determine the probability of violent armed conflict. Here, the hope is to not merely observe the complexity of these issues but to dive into them. In that sense, the purpose of this paper is to focus on the confluence of these various issues. To do so in tangible terms this

paper will acknowledge and explore the relationship between transnational organized crime and terrorist organizations. A larger analysis would also include rebel/insurgent groups in order to understand how these three types of violent non-state actors (and violence is a common characteristic shared by all these groups) operate individually and collectively to influence the trajectory of direct, structural, and cultural violence. Why focus on conflict-prone areas as opposed to more developed and peaceful regions struggling with the negative forces of violent and illicit non-state actors? Because it is within these unstable environments where state and non-state actors fiercely compete to fill the power vacuum.

Culture and Corruption

In his paper about *hawala*, the informal value transfer system popular in much of the Middle East and Asia, Abdulrahman Duaij correctly notes that, “vital aspects of our integrating cultures have not been put into perspective when studying criminal activity.”¹ Failure to acknowledge or recognize the difference between low-level and high-level corruption, for example, can easily distort one’s conclusions about the severity and role of corrupt behavior within a specific cultural construct. What may be considered unethical and corrupt within one cultural context may be perceived as acceptable and efficient within a second cultural context. It is therefore important to recognize that cultural values and traditions play a role in levels of corruption, indirectly influencing the likelihood of criminality and conflict.

¹ Duaij, Abdulrahman. “Hawala: The Main Facilitator for Middle Eastern Organized Crime Groups.” PUBP 710, Professor Louise Shelley, (2009) p. 2.

Hawala is a particularly interesting example too. As Edwina A. Thompson notes in her in-depth analysis of *hawala*, ““Prevalent mainly in fragile, and more specifically Islamic, regions of the world (like Afghanistan, Pakistan, and Somalia), the *hawala* networks’ continued provision of services in unstable contexts ensures not only the delivery of material aid to displaced and vulnerable persons who have few alternative means of survival, but also serves as a mechanism by which traffickers in illegal goods, terrorists, and corrupt politicians can move and launder their money under the radar of state regulation.”²

Similarly, there are a variety of religious and ethnic traditions that underscore culture, especially in the countries experiencing violent armed conflict over the last few decades. These religious, ethnic, and cultural traditions undoubtedly contribute to local, national, and regional norms. For example, the economic role of Islam, experienced most directly through its marriage, inheritance, and partnership rules, had a serious impact on the pace of institutional development and economic modernization in much of the Middle East.³ In a sense, this was deterministic in that it defined the space within which informal networks filled the void created by what many perceive to be the laggard pace of development and modernization within Islamic economic institutions.

As Timur Kuran notes in his thorough recount of economic development in the Middle East over the course of centuries, “from the seventh century onward,

² Thompson, Edwina A. Trust Is the Coin of the Realm: Lessons from the Money Men in Afghanistan. (Karachi: Oxford UP, 2011) 2.

³ Kuran, Timur. The Long Divergence: How Islamic Law Held Back the Middle East. (Princeton: Princeton UP, 2011).

religion constituted an overarching marker of identity and social status.”⁴

Institutionally, the presence of “Islamic banks” and the absence of the “corporation” during the development of the modern economy impacted cultural norms in Islamic societies. While no direct link is readily available which quantifiably demonstrates the relationship between the structure of formal Islamic economic institutions and the development of informal networks like *hawala* (or other informal economic networks utilized by malicious non-state actors) one can certainly hypothesize about such a relationship. A larger analysis, looking at the primary drivers of corrupt behavior, could possibly examine to what extent, if any, the structure and pace of development within formal economic institutions contributes to level of corruption, both perceived and real.

Before we get too far ahead of ourselves though, it is also important to note, as Kuran does, that when trying to identify a place to start, analysts must avoid, “the fallacy of absolute priority” which suggests that any causal sequence must have a specified starting point.⁵ In other words, there is a “which came first, the chicken or the egg” element in many social paradigms which may or may not be the best way to analyze such complex challenges. Remembering this fallacy (and hopefully avoiding it) will be particularly useful when examining what is often referred to as the “crime-terror nexus.” The temptation is to argue that crime leads to terrorism or terrorism always contains an element of crime, but as we will see, it is not necessarily a clear-cut relationship (for example, the perceived threat of future terrorist activity can be as influential as the real threat of current terrorist activity).

⁴ Kuran, p. 25.

⁵ Kuran, p. 15.

Corruption and Crime

Corruption, it is important to note, is not necessarily the same as criminal behavior, yet some scholars incorrectly consider them to be one in the same. The National Bureau of Economic Research defines corruption as, “the breaking of a rule by a bureaucrat (or an elected official) for private gain.”⁶ In other words, “the *rules* define what is corrupt.”⁷ This includes formal rules (i.e. regulations and laws) and informal rules (i.e. social norms and values). Here, it is argued that a distinction needs to be made between high-level corruption and low-level corruption. High-level corruption is defined as corruption that is exercised by people in positions of power, including but not exclusively, government officials. Low-level corruption, by way of contrast, is defined here as actions that take place within the general population and incentivize an individual or individuals to engage in unfair practices. This includes, but is not limited to, things such as paying a bribe to cross a checkpoint or obtain a business license.

The impact of high-level corruption was seen as recently as December 2012, when HSBC – one of the world’s largest banks – reached a settlement with the U.S. Department of Justice (DOJ), agreeing to pay \$1.9 billion in fines after it was revealed that the bank not only facilitated the money laundering efforts of Drug Trafficking Organizations (DTOs) in Mexico, but actively showed these DTOs how to avoid detection.⁸ As reported in *The Washington Post*, “these investigations have

⁶ Banerjee, Abhijit et al. “Corruption.” Working Paper 17968, National Bureau of Economic Research, April 2012, p. 6.

⁷ Banerjee, p. 7.

⁸ Finn, Peter and Sari Horowitz. “Justice Department Outlines HSBC Transactions with Drug Traffickers.” *The Washington Post*. N.p., 11 Dec. 2012. Web. 11 Dec. 2012.

revealed that weaknesses in the financial system lay not with the so-called *hawala* brokers of Karachi but the bespoke bankers of London, Amsterdam and Geneva, and their American affiliates.”⁹ Again, this leads one to question the extent to which formal or informal economic institutions and networks create the conditions for corrupt behavior. The assumption among many scholars is that if it is informal and off-the-books it is inherently bad, yet many examples, too many to list here, suggest that formal economic institutions are as corrupt, if not more corrupt, than their informal counterparts.

Furthermore, it is often difficult to identify where formal economic activity ends and informal economic activity begins (let alone illicit economic activity). For example, the Special Inspector General for Afghanistan Reconstruction (SIGAR) recently released a report entitled, “Anti-Corruption Measures: Persistent Problems Exist in Monitoring Bulk Cash Flows at Kabul International Airport.”¹⁰ The report details systemic failures and future challenges posed by, “the lack of cooperation from Afghan officials to fully implement the bulk cash flow plan” to track and monitor large amounts of cash leaving the country through Kabul International Airport.¹¹ Interestingly, the U.S. Embassy in Kabul notes that a recent change in Afghan policy makes it illegal to carry over \$20,000 in cash out of the country but that there is no requirement to report any amount less than \$20,000. This, the

⁹ Finn and Horowitz, p. 1.

¹⁰ Special Inspector General for Afghanistan Reconstruction, “Anti-Corruption Measures: Persistent Problems Exist in Monitoring Bulk Cash Flows at Kabul International Airport.” SIGAR SP-13-1, December 11, 2012.

¹¹ SIGAR, p. 2.

embassy says, has, “increased out-bound electronic fund transfers by ‘hawalas’ using banks that bypass the limit.”¹²

These two examples, HSBC and the SIGAR Report, show that both formal banks and informal *hawala* transfers are both a source and means of corruption. These examples also correlate with the concept of “structural violence” within the field of conflict analysis and resolution (CAR). The term, first used by Johan Galtung in 1969, refers to social structures that harm people by preventing them from meeting their basic human needs.¹³ This is why it is so difficult to combat corruption, because corruption is not simply a collection of individual actions leading to personal gain but rather an institutionalized mindset that allows those in a position of power to cheat and steal in order to gain an advantage over their peers. It is a matter of changing collective behavior (i.e. a cultural mindset that permit such behavior) and not individual actions.

Crime and Conflict

According to the scholarly literature, the 1980s spawned “narcoterrorism” and the 1990s gave birth to a more robust “crime-terror nexus.” If that is the case, then the 21st century is so far reconfiguring these enterprises so that they survive and thrive in unstable and conflict-prone environments. Violent armed conflicts create favorable atmospherics for criminal and terrorist enterprises. In turn, these criminal enterprises often promote the continuation of conflict leading to a cycle of violence that is difficult to penetrate and bring to an end. Perhaps this is one reason

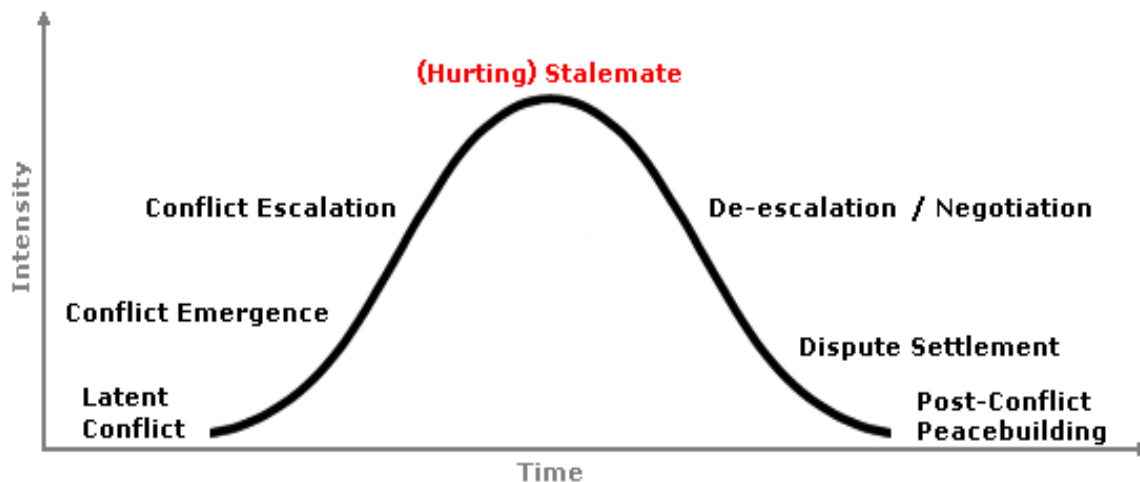
¹² *Ibid.*

¹³ Galtung, Johan. "Violence, Peace, and Peace Research." *Journal of Peace Research* 6.3 (1969): 167-91.

than nearly 60% of civil wars between 1946 and 2004 have ended and recurred at least once.¹⁴ There is often a web of political and economic benefits stemming from the continuation of conflict. Ending the conflict is thus perceived to be a threat to political power and/or the economic strength of criminal and terrorist enterprises.

The Conflict Escalation/De-Escalation Model (Figure 1) below shows the various stages of a conflict lifespan (granted there is no such thing as a “typical” conflict). The existence of transnational criminal networks and terrorist organizations not only impacts the likelihood of conflict escalation but, it is argued here, that the methods adopted by each group are likely to change as they adapt to their new surroundings. In particular, cooperation between criminal and terrorist enterprises is more likely if/when a conflict is in stalemate as opposed to when a conflict is emerging or in the post-conflict peacebuilding stage – a point at which competition and group survival may trump cooperation.

FIGURE 1: Conflict Escalation/De-Escalation Model



¹⁴ Hewitt, J. Joseph., Jonathan Wilkenfeld, Ted Robert Gurr, and Birger Heldt. *Peace and Conflict 2012*. [College Park, Md.]: Center for International Development and Conflict Management, University of Maryland, 2012, p. 22.

Moving Beyond the Crime-Terror “Nexus”

There is a school of thought that exists, both in academia and government, that argues against a connection between transnational organized crime and terrorism, saying no substantive relationship exists. For the purposes of this paper, and because numerous government documents and strategy papers have been drafted to address these connections, it is assumed that there is a proven – even expanding – relationship between transnational criminal organizations and terrorist groups.

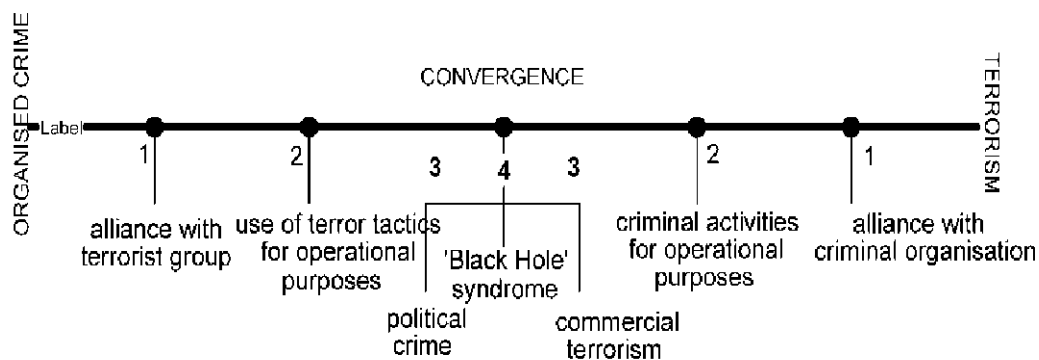
In fact, a 2010 Congressional Research Service (CRS) report on the relationship between international terrorism and transnational crime identifies *at least* ten types of possible interactions between these two groups: 1) full convergence/fusion of crime and terrorist organizations; 2) terrorist organizations with in-house criminal structures; 3) decentralized terrorist cells with in-house criminal capabilities; 4) coalitions between terrorist groups and criminal organizations; 5) criminal entrepreneurs as terrorist specialists, liaisons, facilitators, and gatekeepers; 6) terrorist organizations with criminal sympathizers; 7) terrorist organizations with peripheral connections to criminal groups; 8) terrorist cells with major criminal involvement; 9) ambiguous or unclear involvement between terrorist and criminal groups; and 10) criminal groups that use violence for political purposes.¹⁵ It is clear that the opportunity exists for these two groups to work together to achieve their objectives. That said, it is important to clarify that there is no template, no one model, that describes the relationship

¹⁵ Rollins, John et al, p. 13-30.

between criminal organizations and terrorist groups, making the challenge to define and combat them that much more cumbersome and nuanced for analysts and policymakers.

In defining what she refers to as the “crime-terror continuum” (Figure 2), Tamara Makarenko puts forward a robust analytical framework highlighting the alliances, operational motivations, and convergence of organized crime and terrorism.¹⁶ The continuum shows how organized crime and terrorism, at opposite ends of a spectrum, can quickly create alliances with one another and alter their tactics to achieve both economic and political goals. Specifically, Makarenko’s “convergence thesis” and “black hole syndrome” provide useful insights into understanding the complex dynamics of traditional and emerging threats and move us from somewhat vague (and at times contradictory) talk of a crime-terror “nexus” to a meaningful discussion of actual crime-terror dynamics and trends.

FIGURE 2: Crime-Terror Continuum



¹⁶ Makarenko, Tamara. “The Crime-Terror Continuum: Tracing the Interplay between Transnational Organized Crime and Terrorism.” *Global Crime*. Vol. 6, No. 1 (2004) p. 129–145.

Makarenko's "convergence thesis" is, "the idea that criminal and terrorist organizations could converge into a single entity that initially displays characteristics of both groups simultaneously; but has the potential to transform itself into an entity situated at the opposite end of the continuum from which it began."¹⁷ In this sense, the idea is more like a "transformation thesis" since the two ends of the continuum not only converge but have the potential to essentially switch places.

Identified as the greatest threat along the "crime-terror continuum," the "black hole syndrome" is essentially what occurs when the "convergence thesis" stalls.¹⁸ In other words, criminal organizations and terrorist groups begin to behave like one another but do not fully transition from one side of the continuum to the other, thereby operating within a "black hole" of criminality and terror – not quite a criminal organization and not quite a terrorist organization. Interestingly, Makarenko states that the one characteristic criminal and terrorist organizations always have in common, no matter where they find themselves along the continuum, is some element of criminality (other scholars would argue that violence is also a common characteristic of both criminal organizations and terrorist groups).¹⁹

Where the crime-terror convergence threat is perhaps most pernicious is within violent armed conflicts, specifically civil and/or regional wars. It is within this environment – where there are weak states deeply vulnerable to high-level

¹⁷ Makarenko, p. 135.

¹⁸ Makarenko, p. 138.

¹⁹ Makarenko, p. 141.

corruption and violent non-state actors – that the “black hole syndrome” coupled with the “hurting stalemate” along the (de)escalation model creates a serious internal and external threat.

A Thorn by Any Other Name

Louise I. Shelley and John T. Picarelli continue this conversation, arguing that international organized crime groups and terrorist organizations, “don’t differ in substance, they differ in motive.”²⁰ Whereas criminal organizations are primarily concerned with achieving their economic objectives, terrorist organizations are primarily concerned with achieving their political objectives. Yet their divergent interests do not equate to a difference in tactics, in fact, quite the opposite.

Shelley and Picarelli note that criminal and terrorist organizations use many of the same methods when developing and activating their networks, often relying on various levels of secrecy, specialization, violence, and blending of legitimate and illegitimate activities.²¹ This line of thinking is particularly useful when added to the ideas put forward by Makarenko. What it suggests is that when a criminal organization transforms into a terrorist organization, its motives have changed from economic to political. The same is true in reverse; when terrorist organizations transform into criminal organizations, they are motivated more by economics than politics. In the latter example, terrorist organizations may continue to publicly use politically oriented rhetoric to drum up support while privately maintaining an organizational interest in economic gains.

²⁰ Shelley, Louise I. and John T. Picarelli. “Methods Not Motives: Implications of the Convergence of International Organized Crime and Terrorism.” *Police Practice and Research*, Vol. 3, No. 4 (2002) p. 305-318.

²¹ Shelley and Picarelli, p. 306-308.

Put another way, Makarenko's "convergence thesis," which suggests criminal and terrorist organizations can trade places along the "crime-terror continuum," identifies shifting motives. Makarenko's examples of terrorist organizations that have transformed into primarily, although not exclusively, criminal organizations include Abu Sayyaf Group (ASG) in the Philippines, the Islamic Movement of Uzbekistan (IMU), and the Revolutionary Armed Forces (FARC) in Colombia (it is worth noting that ASG, IMU, and FARC are still designated as FTOs by the U.S. Department of State and are also believed to have ties to various DTOs).²²

By contrast, Makarenko's "black box syndrome" does not identify shifting motives, but rather identifies a change in tactics. Again, we see that the "black box syndrome" is essentially a failed attempt to transform from one type of organization to the other. Whether getting stuck in the "black box syndrome" is deliberate or not is surely open to debate and obviously depends on the context of the situation. However, the distinction between shifting motives and shifting tactics is an important one for analysts and policymakers as they work to better understand the complex relationships and incentive structures that drive traditional and emerging transnational threats.

Picarelli builds on his earlier contributions to the "methods not motives" debate through his analytical framework modeled after James Rosenau's postinternationalist paradigm.²³ Countering scholarly doubters who question the breadth and depth of the crime-terror relationship at the individual, organizational,

²² Makarenko, p. 137.

²³ Picarelli, John T. "The Turbulent Nexus of Transnational Organized Crime and Terrorism: A Theory of Malevolent International Relations." *Global Crime*, Vol. 7, No. 1 (2006).

and international levels, Picarelli advances what he refers to as “sovereign-bound” and “sovereign-free” dynamics of criminal and terrorist organizations.²⁴ In essence, Picarelli argues that control, authority, and legitimacy determine the relational ties through which the goals and behaviors of criminal and terrorist organizations should be analyzed.²⁵ It is a useful contribution that breaks through the realism versus liberalism homeostasis of international relations, but it also leaves much to be explained. The key takeaway is that the traditional realism/liberalism paradigm does not adequately account for the complexity of the relationship between transnational organized crime and terrorism.

A more straightforward, albeit dubious, analysis comes by way of Steven Hutchinson and Pat O’Malley in their discussion about the links between terrorism and criminality.²⁶ Hutchinson and O’Malley suggest that a decline in state-sponsorship of terrorism in a post-Cold War/post-September 11th era may be pressuring terrorist organizations to align themselves more closely with organized crime networks.²⁷ Hutchinson and O’Malley identify three types of relationships between transnational organized criminals and terrorist organizations. First, there is the “temporary” relationship, which is the most likely type of relationship to form, in that it is a one-time agreement in order to make a quick profit or carry out a quick attack.²⁸ Second, there is the “parasitic” relationship, which is the most enduring of

²⁴ Picarelli, p. 10.

²⁵ Picarelli, p. 12.

²⁶ Hutchinson, Steven and Pat O’Malley. “A Crime-Terror Nexus? Thinking on Some of the Links between Terrorism and Criminality.” *Studies in Conflict and Terrorism*, Vol. 30, No. 12 (2007) p. 1095-1107.

²⁷ Hutchinson and O’Malley, p. 1095.

²⁸ Hutchinson and O’Malley, p. 1104.

the three, where terrorist organizations essentially latch onto successful criminal enterprises.²⁹ Third, there is the “symbiotic” relationship, which is the least likely and in fact, Hutchinson and O’Malley argue that there is no available example of this type of relationship.³⁰

Importantly, Hutchinson and O’Malley suggest, “where there is evidence of cooperation between terrorists and organized crime groups, it generally occurs in contexts where terrorists are ‘forced’ to ally with organized crime...and that these relationships are temporary and/or parasitical rather than symbiotic.”³¹ In other words, Hutchinson and O’Malley argue that terrorist groups and criminal organizations are just as likely to compete as they are to cooperate. While Hutchinson and O’Malley seem to agree with the “methods not motives” line of thinking on the surface, they do disagree with its conclusion, stating that, “an alliance between organized crime and terrorism – out of which some writers have constructed a futuristic hybrid crime-terror nightmare – is highly unlikely.”³²

Narcoterrorism: Old News or New Threat?

On December 22, 2008 the U.S. Department of Justice (DOJ) issued a press release entitled, “Member of Afghan Taliban Sentenced to Life in Prison in Nation’s First Conviction on Narco-terror Charges.”³³ The case against Khan Mohammed, who was dubbed a, “violent jihadist and narcotics trafficker” by the DOJ, was the first time the United States had achieved a narcoterrorism conviction since a 2006

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ Hutchinson and O’Malley, p. 1096.

³² Hutchinson and O’Malley, p. 1103.

³³ U.S. Department of Justice (DOJ), “Member of Afghan Taliban Sentenced to Life in Prison in Nation’s First Conviction on Narco-terror Charges,” press release, December 22, 2008.

federal narcoterrorism law came into effect.³⁴ The way in which the case was brought to federal court highlights the degree to which cooperation is necessary among defense, intelligence, and law enforcement officials. The conviction, which comes nearly 25 years after Peruvian President Belaunde Terry first used the term “narcoterrorism” to describe the violence perpetrated by drug traffickers against law enforcement officials in Peru, also serves as a precedent for future narcoterrorism prosecutions in the United States.³⁵

According to the Drug Enforcement Administration (DEA), which led the investigation against Khan Mohammed, “the number of designated foreign terrorist organizations (FTOs) involved in the global drug trade has jumped from 14 groups in 2003 to 18 in 2008.”³⁶ Today, there seems to be an emerging relationship between the old school drug traffickers of Latin America (such as the Revolutionary Armed Forces of Colombia (FARC) in Colombia) and current/former rebel groups in West Africa (including al-Qaeda in the Maghreb (AQIM)).³⁷

One of the main flaws with some arguments put forward on this subject is the implicit assumption that transnational organized crime and terrorism can be compartmentalized, leading to the false conclusion that specialists do not also operate as generalists. When discussing how the FARC, IRA, and PKK have utilized “narcoterrorism” to survive and thrive, John Holmberg highlights the ingenuity of

³⁴ *Ibid.*

³⁵ Thachuk, Kimberly. Transnational Threats: Smuggling and Trafficking in Arms, Drugs, and Human Life. (London: Praeger Security, 2007) 26.

³⁶ Rollins, John et al. “International Terrorism and Transnational Crime: Security Threats, U.S. Policy, and Considerations for Congress.” Congressional Research Service, R41004, January 5, 2010, p. 15.

³⁷ Rollins et al, p. 2.

these groups as well as their willingness and ability to engage in a variety of illicit economic activities.³⁸ Holmberg explains that DTOs are increasingly transforming themselves into multi-faceted criminal organizations.³⁹ This is exactly why analyzing the crime-terror “nexus” and the pattern of “narcoterrorism” can be a misleading and partial explanation of the phenomena. In fact, although it is not analyzed here, it would be interesting to see a study whether transnational criminal networks and terrorist organizations are still taking advantage of the drug trade as much as they did in the past, or if they have turned to alternative sources of funding like kidnapping for ransom, human trafficking, and/or commercial fraud.

Combating the Threats

The “Unclassified Statement for the Record on the Worldwide Threat Assessment of the US Intelligence Community for the Senate Select Committee on Intelligence” identifies four of the most serious threats facing the United States at home and abroad: 1) nuclear proliferation; 2) kidnapping for ransom; 3) human smuggling; and 4) illicit finance.⁴⁰ All of these certainly involve some level of organized crime or are tactics employed by terrorist organizations as they move from right to left along the “crime-terror continuum.”

U.S. government officials working to address these issues have identified seven disciplines involved in shaping the response to these new and emerging threats. They are: 1) counterterrorism; 2) counter-transnational organized crime;

³⁸ Holmberg, John. “Narcoterrorism.” PUBP 710, (2009).

³⁹ Holmberg, p. 16.

⁴⁰ Clapper, James. R. “Unclassified Statement for the Record on the Worldwide Threat Assessment of the US Intelligence Community for the Senate Select Committee on Intelligence.” January 31, 2012.

3) counternarcotics; 4) counterproliferation; 5) counterinsurgency; 6) counter-improvised explosive devices; and 7) counter-threat finance. Within the U.S. government, there appear to be two schools of thought. The first argues that current bureaucratic stove-piping is a hindrance to effective threat mitigation. The second argues that keeping these efforts separate provides a necessary system of checks and balances.

It is important to remember that organizational evolution and variation in both the U.S. government and transnational organized criminal networks, to some degree, determines the way in which we operate. Bureaucratic-networks within the U.S. government are being used to combat new and emerging threats posed by non-state actors. Is this the best approach? Some say yes, some say no. While it certainly creates a problem of bureaucratic red-tape it also maintains an internal system of checks and balances – encouraging cooperation as opposed to squandering it. The key themes to takeaway from this emerging field of study and apply toward large research and analyses are: 1) the challenges and opportunities posed by hard versus soft power; 2) opportunity costs for pursuing certain priorities at the expense of others; 3) understanding the people, processes, and systems that drive anti-crime and counterterrorism initiatives; 4) maintaining a sense of authority, accountability, and responsibility within federal agencies; and 5) making policy based on measures of performance versus measures of effectiveness.

Questions to consider moving forward are whether the crime-terror “nexus” thrives in the short-term versus the long-term, whether the relationship between transnational organized criminals and terrorist groups (and rebels) is the same or

different during violent armed conflicts, and whether bureaucratic stove-piping is more or less effective than some other institutional framework aimed at combating the new and emerging threats facing the world in the 21st century. By tackling these issues and attempting to answer these questions policymakers and analysts will both be better positioned to develop a more robust understanding of problems that operate independently of any one historic event and have the potential to determine future trends impacting the way we think about social paradigms.

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