

# Terrorist-Criminal Pipelines and Criminalized States

## Emerging Alliances

BY DOUGLAS FARAH

**O**n July 1, 2010, the U.S. Attorney for the Southern District of New York unsealed an indictment that outlined the rapid expansion of operations of transnational criminal organizations and their growing, often short-term strategic alliances with terrorist groups. These little-understood transcontinental alliances pose new security threats to the United States, as well as much of Latin America, West Africa, and Europe.

The indictment showed drug-trafficking organizations (DTOs) in Colombia and Venezuela—including the *Fuerzas Armadas Revolucionarias de Colombia* (FARC), a designated terrorist organization by the United States and European Union—had agreed to move several multiton loads of cocaine through Liberia en route to Europe.

The head of Liberian security forces, who is also the son of the president, negotiated the transshipment deals with a Colombian, a Russian, and three West Africans. According to the indictment, two of the loads (one of 4,000 kilos and one of 1,500 kilos) were to be flown to Monrovia from Venezuela and Panama, respectively. A third load of 500 kilos was to arrive aboard a Venezuelan ship. In exchange for transshipment rights, the drug traffickers agreed to pay in both cash and product.

What the drug traffickers did not know was that the head of the security forces with whom they were dealing was acting as an informant for the U.S. Drug Enforcement Administration (DEA) and had recorded all conversations, leaving the clearest body of evidence to date of the growing ties between established designated Latin American terrorist organizations/drug cartels and emerging West African criminal syndicates that move cocaine northward to lucrative and growing markets in Europe and the former Soviet Union.<sup>1</sup> The West African criminal syndicates, in turn, are often

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allied and cooperate in illicit smuggling operations with operatives of al Qaeda in the Islamic Maghreb (AQIM), a radical Islamist group that has declared its allegiance to Osama bin Laden and al Qaeda.

In recent years, the group has relied primarily on kidnappings for ransom to finance its activities and is estimated by U.S. and European officials to have an annual budget of about \$10 million.

An ongoing relationship with the FARC and other DTOs from Latin America to protect cocaine shipments into Europe would exponentially increase the AQIM revenue stream, and with it, operational capacity. Other cases show that AQIM would transport cocaine to Spain for the price of \$2,000 a kilo. Had the proposed arrangement been in place for the 1,500-kilo load passing through Liberia, the terrorist group would have reaped \$3 million in one operation. Had it been the 4,000-kilo load, the profit of \$8 million would have almost equaled the current annual budget.

AQIM's stated goal is to overthrow the Algerian state and, on a broader level, to follow al Qaeda's strategy of attacking the West, particularly Europe. The ability to significantly increase its operating budget would facilitate recruiting, purchasing of weapons, and the ability to carry larger and more sophisticated attacks across a broader theater. It would also empower AQIM to share resources with al Qaeda and other radical Islamist groups in Africa and elsewhere, increasing the operational capacity to attack the United States and other targets.

The central aspect that binds these disparate organizations and networks, which in aggregate make up the bulk of nonstate armed actors, is the informal (meaning outside legitimate state control and competence) "pipeline" or series of overlapping pipelines that these operations need to move products, money,

weapons, personnel, and goods. These pipelines are perhaps best understood as a series of recombinant chains whose links can merge and separate as necessary to meet the best interests of the networks involved. *Nonstate armed actors* in this article are defined as:

- ❖ terrorist groups motivated by religion, politics, or ethnic forces
- ❖ transnational criminal organizations, both structured and disaggregated
- ❖ militias that control "black hole" or "stateless" sectors of one or more national territories
- ❖ insurgencies, which have more well-defined and specific political aims within a particular national territory, but may operate from outside of that national territory.

Each of these groups has different operational characteristics that must be understood in order to comprehend the challenges that they pose.<sup>2</sup> It is also important to note that these distinctions are far blurrier in practice, with few groups falling neatly into one category or even two. Insurgencies in Colombia and Peru are also designated terrorist groups by the United States and other governments, and they participate in parts of the transnational criminal structure. These emerging hybrid structures change quickly, and the pace of change has accelerated in the era of instantaneous communication, the Internet, and the criminalization of religious and political groups.

What links terrorist and criminal organizations together are the shadow facilitators who understand how to exploit the seams in the international legal and economic structure, and who work with both terrorist and criminal organizations. These groups use the same

pipelines and the same illicit structures, and exploit the same state weaknesses. Of the 43 Foreign Terrorist Organizations listed by the Department of State, the DEA states that 19 have clearly established ties to DTOs, and many more are suspected of having such ties.<sup>3</sup>

While the groups that overlap in different pipeline structures are not necessarily allies, and in fact occasionally are enemies, they often make alliances of convenience that are short-lived and shifting. Even violent drug cartels, which regularly take part in bloody turf battles, frequently engage in truces and alliances, although most end when they are no longer mutually beneficial or the balance of power shifts among them.

An example of the changing balance of power is that of *Los Zetas*, a group of special operations soldiers in Mexico who became hit men for the Gulf Cartel before branching out and becoming a separate organization, often now in direct conflict with their former bosses of the Gulf organization.

Another case that illustrates the breadth of the emerging alliances among criminal and terrorist groups is Operation *Titan*, executed by Colombian and U.S. officials in 2008 and still ongoing. Colombian and U.S. officials, after a 2-year investigation, dismantled a DTO that stretched from Colombia to Panama, Mexico, the United States, Europe, and the Middle East. Most of the drugs originated with the FARC in Colombia, and some of the proceeds were traced through a Lebanese expatriate network to fund Hizballah, a radical Shi'ite Muslim terrorist organization that enjoys the state sponsorship of Iran and Syria.<sup>4</sup>

Colombian and U.S. officials allege that one of the key money launderers in the structure, Chekry Harb (also known as “Taliban”), acted as the central go-between among Latin American

DTOs and Middle Eastern radical groups, primarily Hizballah. Among the groups participating in Harb's operation in Colombia were members of the Northern Valley Cartel, right-wing paramilitary groups, and Marxist FARC.

This mixture of enemies and competitors working through a common facilitator or in loose alliance for mutual benefit is a pattern that is becoming common—and one that significantly complicates the ability of law enforcement and intelligence operatives to combat, as multiple recent transcontinental cases demonstrate.

In late 2010, the DEA used confidential informants in Mali to pose as FARC representatives seeking to move cocaine through the Sahel region. Three men claiming to belong to AQIM said the radical Islamists would protect the cocaine shipments, leading to the first indictment ever of al Qaeda affiliates on narco-terrorism charges.<sup>5</sup> Those claiming to be AQIM associates were willing to transport hundreds of kilos of cocaine across the Sahara Desert to Spain for the price of \$2,000 per kilo.<sup>6</sup> That case came just 4 months after Malian military found a Boeing 727 abandoned in the desert after unloading an estimated 20 tons of cocaine, clear evidence that large shipments are possible. The flight originated in Venezuela.<sup>7</sup>

In another indication of cross-pollination among criminal organizations, in late 2010, Ecuadorian counterdrug officials announced the dismantling of a particularly violent gang of cocaine traffickers, led by Nigerians who were operating in a neighborhood near the international airport in the capital of Quito. According to Ecuadorian officials, the gang, in addition to controlling the sale of cocaine in one of Quito's main districts, was recruiting “mules” or drug carriers to carry several kilos at a time to their allied network based in Amsterdam to distribute throughout Europe.

The Nigerian presence was detected because they brought a new level of violence to the drug game in Quito, such as beheading competitors. They were allegedly acquiring the drugs from Colombian DTOs.<sup>8</sup>

**nonstate actors exercise a significant degree of control over the regions, and that control may occasionally be contested by state forces**

Because of the clandestine nature of the criminal and terrorist activities, designed to be as opaque as possible, we must start from the assumption that whatever is known of specific operations along the criminal-terrorist pipeline represents merely a snapshot of events, not a definitive record, and it is often out of date by the time it is understood.

Both the actors and territory (or portion of the pipelines they control) are constantly in flux, meaning that tracking them in a meaningful way is difficult at best. As shown by the inter- and intra-cartel warfare in Mexico, smaller subgroups can either overthrow the existing order inside their own structures or break off and form entirely new structures. At that time, they can break existing alliances and enter new ones, depending on the advantages of a specific time, place, and operation.

### The Criminalized State

The cases above show the connectivity among these disparate groups operating along different geographic parts of the overall criminal-terrorist pipeline. Rather than operating in isolation, these groups have complicated but significant interactions with each other based primarily on the ability of each actor or set of

actors to provide a critical service to another, while profiting mutually from the transactions. Many of the groups operate in what have traditionally been called “ungoverned” or “stateless” regions. However, in many of these cases, the groups worked directly with the government or have become the de facto governing force in the areas they occupy.

This is an important shift from the traditional ways of looking at stateless areas, but offers a prism that provides a useful way of understanding alternatively governed (non-state) regions and the interconnected threat that they pose to the United States.

There are traditional categories for measuring state performance developed by Robert Rotberg and others in the wake of state failures at the end of the Cold War. The general premise is that “[n]ation-states fail because they are convulsed by internal violence and can no longer deliver positive political goods to their inhabitants.”<sup>9</sup> These traditional categories of states are:

- ❖ strong, or able to control its territory and offer quality political goods to its people
- ❖ weak, or filled with social tensions, and the state with a limited monopoly on the use of force
- ❖ failed, or in a state of conflict, with a predatory ruler and no state monopoly on the use of force
- ❖ collapsed, or no functioning state institutions, and a vacuum of authority.<sup>10</sup>

This conceptualization, while useful, is limited. Of more use is viewing those alternatively governed spaces as existing “where territorial state control has been voluntarily or involuntarily ceded in whole or part to actors other than the relevant legally recognized sovereign authorities.”<sup>11</sup>

It is important to note that the “ungoverned” regions under discussion, as implied in the definition above, while out of the direct control of a state government, are not truly “ungoverned spaces.” In fact, nonstate actors exercise a significant degree of control over the regions, and that control may occasionally be contested by state forces. The underlying concepts of positive and negative sovereignty developed by Robert H. Jackson are helpful in this discussion because they give a useful lens to examine the role of the state in specific parts of its national territory.<sup>12</sup>

These regions, in fact, are governed by nonstate actors who have, through force or popular support (or a mixture of both), been able to impose their decisions and norms, creating alternate power structures that directly challenge the state, often in the absence of the state. The Federation of American Scientists refers to these groups as “para-state actors.”<sup>13</sup> Regardless of the terminology, the absence of a state presence or a deeply corrupted state presence should not be construed as a lack of a functioning government.

This definition allows for a critical distinction, still relatively undeveloped in current literature, between nations where the state has little or no power in certain areas and may be fighting to assert that control, and nations where the state in fact has a virtual monopoly on power and the use of force, but turns the state into a functioning criminal enterprise for the benefit of a small elite.

The latter is similar to the “captured state” concept developed by Phil Williams,<sup>14</sup> but differs in important ways. Captured states are taken hostage by criminal organizations, often through intimidation and threats, giving the criminal enterprise access to some parts of the state apparatus. A criminal state, however, counts on the integration of the state’s

leadership into the criminal enterprise and the use of state facilities (for example, aircraft registries, facilitation of passports and diplomatic status on members of the criminal enterprise, accounts in the central bank, and End User Certificates to acquire weapons).

A further variation of the criminal state occurs when a functioning state essentially turns over or franchises out part of its territory to nonstate groups to carry out their own agenda with the blessing and protection of the central government or a regional power. Both state and nonstate actors share in the profits from the criminal activity.

Both of these models, but particularly the model of states franchising out their territory to nonstate actors, are growing in Latin America through the sponsorship of the “Bolivarian Revolution” (led by Hugo Chávez of Venezuela, including Evo Morales of Bolivia, Rafael Correa of Ecuador, and Daniel Ortega of Nicaragua) of nonstate armed groups. The principal criminal activity providing the revenues is cocaine trafficking, and the most important (but not sole) recipient of state sponsorship is the FARC.

**alternatively governed spaces generally overlap into several states because of the specific advantages offered by border regions**

The traditional four-tier categorization of states suffers from another significant omission. The model presupposes that “stateless regions” are largely confined within the borders of a single state. This is, in reality, hardly ever the case. Alternatively governed spaces generally overlap into several states because



of the specific advantages offered by border regions. The definition of a geographic “black hole” is useful in conceptualizing the use of border regions and the downward spirals they can generate in multiple states without causing the collapse of any of them: “A black hole is a geographic entity where, due to the absent or ineffective exercise of state governance, criminal and terrorist elements can deploy activities in support of, or otherwise directly relating to criminal or terrorist acts, including the act itself.”<sup>15</sup>

For example, Latin America is almost absent from leading indexes of failed states. This is in large part because the indexes are state-centric and not designed to look at regions that spill over across several borders but do not cause any one state to collapse. For example, only Colombia (ranked 41) and Bolivia (ranked 51) are among the top 60 countries in the “Failed States Index 2009,” published by *Foreign Policy* and the Fund for Peace.<sup>16</sup> Yet the governability of certain areas in the border regions of Mexico, Guatemala, and Belize; the Rio San Miguel border region between Ecuador and Colombia; the Guajira Peninsula on the Venezuela-Colombia border; most of the border regions of Central America; and many other regions clearly qualify as black holes. This proliferation of black holes in border regions can be explained because of the advantages offered by border regions.

As Rem Korteweg and David Ehrhardt state, terrorists (and the same thing is true for transnational criminal organizations):

*seek out the soft spots, the weak seams of the Westphalian nation-state and the international order that it has created. Sometimes the territory’s boundaries coincide with the entire territory of a state, as with Somalia, but mostly this is not the case. Traditional weak spots, like border areas, are more likely.*



*Terrorist [and criminal] organizations operate on the fringes of this Westphalian system, in the grey areas of territoriality.<sup>17</sup>*

A 2001 Naval War College study insightfully described some of the reasons for the occurrence of cross-border black holes in terms of “commercial” and “political” insurgencies. These are applicable to organized criminal groups as well and have grown in importance since then:

*The border zones offer obvious advantages for political and economic insurgencies. Political insurgents prefer to set up in adjacent territories that are poorly integrated, while the commercial insurgents favor active border areas, preferring to blend in amid business and government activity and corruption. The border offers a safe place to the political insurgent and easier access to communications, weapons, provisions, transport, and banks.*

*For the commercial insurgency, the frontier creates a fluid, trade-friendly environment. Border controls are perfunctory in “free trade” areas, and there is a great demand for goods that are linked to smuggling, document fraud, illegal immigration, and money laundering.*

*For the political insurgency, terrain and topography often favor the narco-guerrilla. Jungles permit him to hide massive bases and training camps, and also laboratories, plantations, and clandestine runways. The Amazon region, huge and impenetrable, is a clear example of the shelter that the jungle areas give. On all of Colombia’s borders—with Panama, Ecuador, Brazil, and Venezuela—jungles cloak illegal activity.<sup>18</sup>*

In parts of Guatemala and along much of the U.S.-Mexico border, these groups have directly and successfully challenged the state’s sovereignty and established governing mechanisms of their own, relying on violence, corruption, and largesse to maintain control. As the “Joint Operating Environment 2008” from the Joint Chiefs of Staff stated:

*A serious impediment to growth in Latin America remains the power of criminal gangs and drug cartels to corrupt, distort, and damage the region’s potential. The fact that criminal organizations and cartels are capable of building dozens of disposable submarines in the jungle and then using them to smuggle cocaine, indicates the enormous economic scale of this activity. This poses a real threat to the national security interests of the Western Hemisphere. In particular, the growing assault by the drug cartels and their thugs on the Mexican government over the past several years reminds one that an unstable Mexico could represent a homeland security problem of immense proportions to the United States.<sup>19</sup>*

Control of broad swaths of land—increasingly including urban territory—by these non-state groups facilitates the movements of illegal products both northward and southward through the transcontinental pipeline, often through routes that appear to make little economic or logistical sense.

While the Venezuela–West Africa–Europe cocaine route seems circuitous when looking at a map, there are in fact economic and logistical rationales for the shift in drug trafficking patterns. West Africa offered significant comparative advantages; transiting illegal products

through the region has been, until recently, virtually risk-free. Many countries in the region are still recovering from the horrendous violence of the resource wars that ravaged the region in the 1990s through the early years of this century.

**West Africa offers the advantage of having longstanding smuggling networks or illicit pipelines to move products to the world market**

The fragile governments, immersed in corruption and with few functioning law enforcement or judicial structures, are simply no match for the massive influx of drugs and the accompanying financial resources and violence. Guinea-Bissau, the former Portuguese colony, has been dubbed Africa’s first “narco-state,” and the consequences have been devastating. Dueling drug gangs have assassinated the president, army chief of staff, and other senior officials while plunging the nation into chaos.<sup>20</sup>

In addition to state weakness, West Africa offers the advantage of having longstanding smuggling networks or illicit pipelines to move products to the world market, be they conflict diamonds, illegal immigrants, massive numbers of weapons, or conflict timber. Those controlling these already established smuggling pipelines have found it relatively easy and profitable to absorb another lucrative product, such as cocaine, that requires little additional effort to move. In addition, there is a long history in West Africa of rival groups, or at least groups with no common agenda except for the desire for economic gain, to make deals when such contacts are viewed as mutually beneficial.

To illustrate how criminal and terrorist networks operate for mutual benefit in a criminalized state, we turn to two related cases that shed

light on the relationship among different actors in such an environment.

### **Taylor in Liberia**

At the height of his power from 1998–2002, Charles Taylor allowed transnational organized crime groups from Russia, South Africa, Israel, and Ukraine to operate simultaneously in a territory the size of Maryland. At the same time, the terrorist groups Hizballah and al Qaeda were economically operational in Liberia, raising money for their parent organizations through associations with criminal groups. Most of the criminal activity revolved around the trade in diamonds (extracted from neighboring Sierra Leone) and in Liberian timber. In 2000, al Qaeda operatives entered the diamond trade, using Hizballah-linked diamond smuggling networks to move the stones and handle the proceeds. The relationship lasted until just before September 11, 2001.

This was possible largely because the Taylor government pioneered, to a level of sophistication, the model for the criminalized state in which the government is an active partner in the criminal enterprise. The president, directly engaged in negotiations with the criminal groups, authorized specific lines of effort for those actors, provided protection and immunity through the state, directly profited from the enterprises, and commingled those funds with other state revenue streams, erasing the distinctions among the state, criminal enterprise, and person of the president.

A key to the model was government control of points of interest to criminal organizations and others operating outside the international legal system for which they were willing to share profits. These included, among others, the ports of entry and exit, ensuring that those whom Taylor wanted to protect could



enter and leave unimpeded; the passport registry, giving access to issuing passports, diplomatic passports, and nonexistent government titles and the accompanying immunity, to those authorized to do business; control of law enforcement and the military inside the country to ensure that the volatile internal situation did not affect the protected business operations; and access to resources that could be profitably exploited without fear of violence or unauthorized extortion.

When he became president, Taylor, building on the extensive relationships that he forged during his years in the bush, developed ties to organized criminal groups and terrorist organizations that allowed him to procure hundreds of tons of weapons from a broad range of groups and individuals. He also enriched himself. According to a 2005 study of Taylor's finances, he generated about \$105 million a year in extra-budgetary revenue to which he had direct access, some of which was moved through accounts opened in his name in New York banks and European financial institutions.

Taylor was, in effect, not president of a country but was controlling what Robert Cooper has called the “pre-modern state,” meaning territory where:

*chaos is the norm and war is a way of life. Insofar as there is a government, it operates in a way similar to an organized crime syndicate. The pre-modern state may be too weak even to secure its home territory, let alone pose a threat internationally, but it can provide a base for non-state actors who may represent a danger in the post-modern world . . . notably drug, crime and terrorist syndicates.<sup>21</sup>*

The same Hizballah operatives who aided al Qaeda's diamond buying venture in Liberia were able to acquire significant amounts of

sophisticated weapons for Taylor and his allies through a series of transactions with Russian arms dealers based in Guatemala and operating in Nicaragua and Panama. The primary facilitator of the deals was a retired Israeli officer living in Panama, who had a personal relationship with the Hizballah operative seeking the weapons. Both had worked for Mobutu Sese Seku, the long-ruling head of Zaire (now the Democratic Republic of the Congo). The Israeli provided the dictator with security while the Lebanese operative moved his diamonds to the black market.

**from the mid-1990s until his arrest in Thailand in 2008, Bout armed groups in Africa, Afghanistan, Colombia, and elsewhere**

The ability of Hizballah financial handlers to deal with a retired Israeli officer who has access to weapons while their respective organizations were waging war against each other in their respective homelands demonstrates just how flexible the pipelines can become.

In addition to this arms flow, Taylor used his illicit proceeds to buy a significant amount of weapons from the former Soviet republics. These weapons were procured and transported by Viktor Bout, a Russian arms dealer dubbed the “Merchant of Death” by European officials.

### **Bout and the New World Order**

Viktor Bout, a former Soviet military intelligence official, became one of the world's premier gray market weapons merchants, able to arm multiple sides of several conflicts in Africa, as well as both the Taliban and Northern Alliance in Afghanistan. But of particular

interest here is his relationship with Taylor and how he made that connection, and the different, interlocking networks that made that relationship possible.

Bout made his mark by building an unrivaled air fleet that could deliver not only huge amounts of weapons but also sophisticated weapons systems and combat helicopters to armed groups. From the mid-1990s until his arrest in Thailand in 2008, Bout armed groups in Africa, Afghanistan, Colombia, and elsewhere.<sup>22</sup>

Bout's relationship to Taylor and the West African conflicts in Liberia and Sierra Leone sheds light on how these networks operate and connect with criminal states, and the symbiotic relationships that develop.

Sanjivan Ruprah, a Kenyan citizen of Indian descent who emerged as a key influence broker in several of Africa's conflicts, introduced Bout into Taylor's inner circle, a move that fundamentally altered the supply of weapons to both Liberia and the Revolutionary United Front in Sierra Leone, Taylor's vicious proxy army that controlled important diamond fields. One of the favors Ruprah and Taylor offered Bout was the chance to register several dozen of his rogue aircraft in Liberia.

Ruprah had taken advantage of operating in a criminal state and used his access to Taylor to be named the Liberian government's Global Civil Aviation Agent Worldwide in order to further Bout's goals. This position gave Ruprah access to an aircraft and possible control of it. "I was asked by an associate of Viktor's to get involved in the Aviation registry of Liberia as both Viktor and him wanted to restructure the same and they felt there could be financial gain from the same," he has stated.<sup>23</sup>

Bout was seeking to use the Liberian registry to hide his aircraft because the registry, in reality run from Kent, England, allowed aircraft

owners to obtain online an internationally valid Air Worthiness Certificate without having the aircraft inspected and without disclosing the names of the owners.<sup>24</sup>

Through his access to aircraft whose ownership he could hide through a shell game of shifting registries, and weapons in the arsenals of the former Soviet bloc, Bout was able to acquire and transport a much desired commodity—weapons—to service clients across Africa, Afghanistan, Colombia, and elsewhere. The weapons—including tens of thousands of AK-47 assault rifles, rocket-propelled grenades, tens of millions of rounds of ammunition, antiaircraft guns, landmines, and possibly surface-to-air missiles—were often exchanged directly for another commodity, primarily diamonds, but also columbite-tantalite (Coltan) and other minerals.

Bout mastered the art of leveraging the advantages offered by criminal states, registering his aircraft in Liberia and Equatorial Guinea, purchasing End User Certificates from Togo and other nations, and buying protection across the continent. For entrée into the circles of warlords, presidents, and insurgent leaders, Bout relied on a group of political fixers such as Ruprah.

The exchange of commodities such as diamonds for weapons moved illicitly in support of nonstate actors was largely not punishable because, while the activities violated United Nations sanctions, they were not specifically illegal in any particular jurisdiction. This vast legal loophole remains intact.<sup>25</sup>

### Changing Landscapes

While the commodity for weapons trade was lucrative to the participants and costly in terms of human life and the financing of criminal and terrorist organizations, recent

developments in the criminal-terrorist nexus have radically altered the historic equation of power and influence of nonstate actors and criminal states. The driving force in this reshaping of the landscape is the overlap of the drug trade, which increases by orders of magnitude the economic resources available to criminal operatives and their allies.

The numbers are striking. The “blood diamond” trade at the peak of the regional wars in West and Central Africa was valued at about \$200 million a year, and was usually significantly below that. Timber added a few tens of millions more, but it is probable that the total amount of the illicit products extracted and sold or bartered on the international market was less than \$300 million during peak years, and normally was substantially less. Yet it was enough to sustain wars for more than a decade and destroy the fabric of society of an entire region.

In contrast, the United Nations Office on Drugs and Crime (UNODC) conservatively estimates that 40 to 50 tons of cocaine, with an estimated value of \$1.8 billion, passed through West Africa in 2007, and the amount is growing.<sup>26</sup> U.S. Africa Command and other intelligence services estimate the amount of cocaine transiting West Africa is at least five times the UNODC estimate.<sup>27</sup> But even using the most conservative estimate, the magnitude of the problem for the region is easy to see. Using UNODC figures, the only legal export from the region that would surpass the value of cocaine is cocoa exports from Côte d’Ivoire. If the higher numbers are used, cocaine would dwarf the legal exports of the region combined, and be worth more than the gross domestic product of several of the region’s nations.<sup>28</sup>

These emerging networks, vastly more lucrative with the introduction of cocaine, undermine the stability of entire regions of

great strategic interest to the United States. The threat is posed by the illicit movement of goods (drugs, money, weapons, stolen cars) and people (illegal aliens, gang members, drug cartel enforcers) and the billions of dollars that these illicit activities generate in an area where states have few resources and little legal or law enforcement capacity.

As Antonio Maria Costa, the UNODC head, wrote, this epidemic of drugs and drug money flooding Guinea-Bissau, Guinea, Sierra Leone, and elsewhere has become a security issue: “Drug money is perverting the weak economies of the region. . . . The influence that this buys is rotting fragile states; traffickers are buying favors and protection from candidates in elections.”<sup>29</sup>

Given this history, the broader dangers of the emerging overlap between criminal and terrorist groups that previously did not work together are clear. Rather than working in a business that could yield a few million dollars, for these groups the potential gains are now significantly more.

The new revenue streams are also a lifeline to Latin American nonstate actors that merge the criminal and the terrorist. The two principal beneficiaries are the FARC, now estimated as the world’s largest producer of cocaine, and the Sinaloa Cartel in Mexico, with the world’s largest distribution network. Both pose a significant threat to regional stability in the Western Hemisphere and are direct threats to the United States.

U.S. and regional African officials state that members of both groups have been identified on the ground in West Africa and that the money used to purchase the product for onward shipment to Europe is remitted primarily to these two groups, often through offshore jurisdictions via European financial institutions.



Wikipedia

Enormous revenue potential from cocaine trade means alliances between criminals and terrorists are likely to grow

This means that even as the U.S. cocaine market remains stable or shrinks modestly, these nonstate actors will continue to enjoy expanding financial bases as the European, African, and Asian markets expand. For the first time in the history of the drug war, the U.S. market may not be the defining market in the cocaine trade, although much of the proceeds of the cocaine trade will continue to flow to organizations wreaking havoc in the Western Hemisphere.<sup>30</sup>

### The FARC, Venezuela, and Iran

While the transnational trafficking and financial operations of the Sinaloa Cartel are important, FARC alliances and actions offer an important look at the use of nonstate criminal/terrorist armed groups by a criminalized state. The well-documented links of Venezuela’s Bolivarian Revolution, led by President Chávez, to both Iran and the FARC, as well as the criminalization of the Venezuelan state under Chávez point to the evolution of the model described above in which a criminalized state franchises out part of its criminal enterprises to nonstate actors.

More worrisome from the U.S. perspective is the growing evidence of Chávez’s direct support for Hizballah, along with his ties to the FARC. These indicators include the June 18, 2008, U.S. Treasury Department’s Office of Foreign Assets Control (OFAC) designations of two Venezuelan citizens, including a senior diplomat, as Hizballah supporters. Several businesses were also sanctioned. Allegations included coordinating possible terrorist attacks and building Hizballah-sponsored community centers in Venezuela.<sup>31</sup>

OFAC has also designated numerous senior Venezuelan officials, including the heads of two national intelligence services, for direct support of the FARC in the acquisition of weapons and drug trafficking.<sup>32</sup>

The Chávez model of allying with state sponsors of terrorism such as Iran while sponsoring violent nonstate terrorist organizations involved in criminal activities and terrorism strongly resembles the template pioneered by Hizballah. In fact, the military doctrine of the Bolivarian Revolution explicitly embraces the radical Islamist model of asymmetrical, or fourth generation, warfare and its reliance on suicide bombings and different types of terrorism, including the use of nuclear weapons. This is occurring at a time when Hizballah's presence in Latin America is growing and becoming more identifiable.<sup>33</sup>

The main book Chávez has adopted as his military doctrine is *Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare* by the Spanish politician and ideologue Jorge Verstrynge.<sup>34</sup> Although Verstrynge is not a Muslim and his book was not written directly in relation to the Venezuelan experience, it lauds radical Islam (as well as past terrorists such as Ilich Ramírez Sánchez, better known as “Carlos the Jackal”)<sup>35</sup> for helping to expand the parameters of what irregular warfare should encompass, including the use of biological and nuclear weapons, along with the correlated civilian casualties among the enemy. Chávez has openly admitted his admiration for Sánchez, who is serving a life sentence in France for murder and terrorist acts.<sup>36</sup>

Central to Verstrynge's idealized view of terrorists is the belief in the sacredness of the fighters to sacrifice their lives in pursuit of their goals. Before writing extensively on how

to make chemical weapons and listing helpful places to find information on the manufacture of rudimentary nuclear bombs that “someone with a high school education could make,” Verstrynge writes:

*We already know it is incorrect to limit asymmetrical warfare to guerrilla warfare, although it is important. However, it is not a mistake to also use things that are classified as terrorism and use them in asymmetrical warfare. And we have super terrorism, divided into chemical terrorism, bioterrorism (which uses biological and bacteriological methods), and nuclear terrorism, which means “the type of terrorism [that] uses the threat of nuclear attack to achieve its goals.”<sup>37</sup>*

In a December 12, 2008, interview with Venezuelan state television, Verstrynge lauded Osama bin Laden and al Qaeda for creating a new type of warfare that is “de-territorialized, de-stateized and de-nationalized,” a war where suicide bombers act as “atomic bombs for the poor.”<sup>38</sup> Chávez liked the book so much that he had a special pocket-sized edition printed and distributed to the officer corps with express orders that it be read cover to cover.

**Chávez maintains his revolutionary credentials in the radical axis comprised of leftist populists and Islamic fundamentalists, primarily Iran**

While there is only anecdotal evidence to date of the merging of the Bolivarian Revolution's criminal-terrorist pipeline and the criminal-terrorist pipeline of radical Islamist groups (Hizballah in particular) supported by



the Iranian regime, the possibility opens a series of new security challenges for the United States and its allies in Latin America.

What is clear is that Iran has greatly increased its diplomatic, economic, and intelligence presence in Latin America, an area where it has virtually no trade, no historic or cultural ties, and no obvious strategic interests. The sole points of convergence of the radical and reactionary theocratic Iranian government and the self-proclaimed socialist and progressive Bolivarian Revolution are an overt and often stated hatred for the United States and a shared view of the authoritarian state that tolerates little dissent and encroaches on all aspects of a citizen's life.

**transnational criminal organizations and terrorist networks have proven themselves resilient and highly adaptable**

Such a relationship between nonstate and state actors provides numerous benefits to both. In Latin America, for example, the FARC gains access to Venezuelan territory without fear of reprisals, to Venezuelan identification documents, and, perhaps most importantly, to routes for exporting cocaine to Europe and the United States while using the same routes to import quantities of sophisticated weapons and communications equipment. In return, the Chávez government can keep up military pressure on its most vocal opponent in the region, the Colombian government—a staunch U.S. ally whose government has been the recipient of significant amounts of military and humanitarian aid from the United States.

In addition, Chávez maintains his revolutionary credentials in the radical axis comprised of leftist populists and Islamic fundamentalists, primarily Iran. Perhaps equally important, his government is able to profit from the transit of cocaine and weapons through the national territory at a time when oil revenues are low and the budget is under significant stress.

### Conclusion

The trend toward the merging of terrorist and criminal groups to mutually exploit new markets is unlikely to diminish. Both will continue to need the same facilitators, and both can leverage the relationship with the other to mutual benefit. This gives these groups an asymmetrical advantage over state actors, which are inherently more bureaucratic and less adaptable than nonstate actors.

Given the fragile or nonexistent judicial and law enforcement institutions in West Africa, the state tolerance or sponsorship of the drug trade by Venezuela and quiescent African states, and the enormous revenue stream that cocaine represents, it is likely such loose alliances will continue to grow. The human cost in West Africa, as recent past spasms of violence have shown, will be extraordinarily high, as will the impact on what little governance capability currently exists.

Europe and the United States will face a growing threat from the region, particularly from radical Islamist groups—those affiliated with al Qaeda and those, such as Hizballah, allied with Iran. Yet given the current budget constraints and economic situation, it is highly unlikely that additional resources from either continent will be allocated to the threat.

There are few options for putting the genie back in the bottle. Transnational criminal organizations and terrorist networks



have proven themselves resilient and highly adaptable, while governments remain far less so. Governments have also consistently underestimated the capacity of these disparate and non-hierarchical organizations.

Human intelligence, perhaps the most difficult type to acquire, is vital to understanding the threat, how the different groups work together, and what their vulnerabilities are. A major vulnerability is the dependence of the Latin American drug traffickers on local African networks. To make the necessary alliances, cartel operatives are forced to function in unfamiliar terrain and in languages and cultures they do not know or understand. This creates significant opportunities for penetration of the operations, as the Liberian case shows.

Another element that is essential is the creation of functioning institutions in the most affected states that can both investigate and judicially prosecute transnational criminal organizations. The most efficient way to do this is through the creation of vetted police and military units and judicial corps that are specially trained and who can be protected from reprisals.

The almost universal mantra of judicial and police reform is valid, but it can only be realistically done in small groups that can then be expanded as time and resources permit. Most efforts are diluted to the point of uselessness by attempting to do everything at once. The Colombian experience in fighting drug trafficking organizations and the FARC is illustrative of this. After years of futility, the police, military, and judiciary were able to form small vetted units that have grown over time and, just as importantly, were able to work together.

Vetted units that are able to collect intelligence and operate in a relatively controlled environment, which can be monitored for corruption, are also vital and far more achievable than macro-level police reform. These are small steps, but ones that have a chance of actually working in a sustainable way. They do not require the tens of millions of dollars and large-scale human resource commitments that broader efforts do. And they can be easily expanded as resources permit.

But human intelligence and institution-building, operating in a vacuum, will have limited impact unless there is the will and ability to match the transnationalization of enforcement to the transnationalization of crime and terror. These groups thrive in the seams of the global system, while the global response has been a state-centric approach that matches the 20<sup>th</sup> century, not this one.

Without this type of human intelligence able to operate in relative safety through vetted units, the criminal and terrorist pipelines will continue not only to grow but also to develop the capacity to recombine more quickly and in ever more dangerous ways. **PRISM**

### Notes

<sup>1</sup> Benjamin Weiser and William K. Rashbaum, “Liberian Officials Worked with U.S. Agency to Block Drug Traffic,” *The New York Times*, June 2, 2010.

<sup>2</sup> These typologies were developed and discussed more completely, including the national security implications of their growth, in Richard H. Shultz, Douglas Farah, and Itamara V. Lochard, *Armed Groups: A Tier-One Security Priority*, Occasional Paper 57 (U.S. Air Force Academy, CO: U.S. Air Force Institute for National Security Studies, September 2004).

<sup>3</sup> Drug Enforcement Agency Chief of Operations Michael Braun, speech to the Washington Institute for Near East Policy, July 18, 2008, available at <[www.washingtoninstitute.org/templateC07.php?CID=411](http://www.washingtoninstitute.org/templateC07.php?CID=411)>.

<sup>4</sup> While much of Operation *Titan* remains classified, there has been significant open source reporting in part because the Colombian government announced the most important arrests. See Chris Kraul and Sebastian Rotella, “Colombian Cocaine Ring Linked to Hezbollah,” *The Los Angeles Times*, October 22, 2008; and “*Por Lavar Activos de Narcos y Paramilitares, Capturados Integrantes de Organización Internacional*,” *Fiscalía General de la Republica* (Colombia), October 21, 2008.

<sup>5</sup> “Manhattan U.S. Attorney Charges Three al Qaeda Associates with Conspiring to Transport Cocaine through Africa for the FARC,” PR Newswire, December 18, 2009.

<sup>6</sup> Philip Sherwell, “Cocaine, Kidnapping and the al-Qaeda Cash Squeeze,” *Sunday Telegraph*, March 7, 2010.

<sup>7</sup> Jamie Doward, “Drug Seizures in West Africa Prompt Fears of Terrorist Links,” *The Observer*, November 29, 2009.

<sup>8</sup> “Quito y Buenos Aires, Ciudades preferidas para narcos nigerianos,” *El Universo* (Guayaquil, Ecuador), January 3, 2011.

<sup>9</sup> See, for example, Robert I. Rotberg, “Failed States, Collapsed States, Weak States: Causes and Indicators,” *Failure and State Weakness in a Time of Terror* (Washington, DC: The Brookings Institution, January 2003).

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

<sup>11</sup> Anne L. Clunan et al., *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty* (Stanford: Stanford University Press, 2010), 3.

<sup>12</sup> Robert H. Jackson, *Quasi-states: Sovereignty, International Relations and the Third World* (New York: Cambridge University Press, 1990).

<sup>13</sup> The Federation of American Scientists lists 385 para-state actors across the globe; list available at <[www.fas.org/irp/world/para/index.html](http://www.fas.org/irp/world/para/index.html)>.

<sup>14</sup> See Bill Lahnen and Matt Lewis, “Summary of Proceedings: Organized Crime and the Corruption of State Institutions,” The Inn and Conference Center, University of Maryland, College Park, MD, November 18, 2002, available at <[www.cissm.umd.edu/papers/files/organizedcrime.pdf](http://www.cissm.umd.edu/papers/files/organizedcrime.pdf)>.

<sup>15</sup> Rem Korteweg and David Ehrhardt, “Terrorist Black Holes: A Study into Terrorist Sanctuaries and Governmental Weakness,” Clingendael Centre for Strategic Studies, The Hague, November 2005, 26.

<sup>16</sup> See “The Failed States Index,” *Foreign Policy* (July–August 2009), 80–93.

<sup>17</sup> Korteweg and Ehrhardt, 22.

<sup>18</sup> Julio A. Cirino et al., “Latin America’s Lawless Areas and Failed States,” in *Latin American Security Challenges*, Newport Papers 21, ed. Paul D. Taylor (Newport, RI: Naval War College, 2001). *Commercial insurgencias* are defined as engaging in “for-profit organized crime without a predominant political agenda,” leaving unclear how that differs from groups defined as organized criminal organizations.

<sup>19</sup> U.S. Joint Forces Command, “Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force,” November 25, 2008, 34.

<sup>20</sup> Author interviews with U.S. law enforcement officials. See also James Traub, “Africa’s Drug Problem,” *New York Times Magazine*, April 9, 2010.

<sup>21</sup> Robert Cooper, “Reordering the World: Post-Modern States,” The Foreign Policy Centre, April 2002, 18.

<sup>22</sup> For details of Bout’s global operations, see Douglas Farah and Stephen Braun, *Merchant of Death: Money, Guns, Planes and the Man Who Makes War Possible* (Hoboken, NJ: John Wiley and Sons, 2007). In November 2010, Bout was extradited to the United States to stand trial for allegedly planning to sell weapons to a

designated terrorist organization. See Chris McGreal, “Viktor Bout, Suspected Russian Arms Dealer, Extradited to New York,” *The Guardian*, November 16, 2010.

<sup>23</sup> Ruprah, email to author for *Merchant of Death*, 159.

<sup>24</sup> Farah and Braun, 159; and United Nations Security Council S/2000/1225 paras., 142–143.

<sup>25</sup> Farah and Braun.

<sup>26</sup> Antonio L. Mazzitelli, regional representative, United Nations Office on Drugs and Crime (UNODC), Regional Office for West and Central Africa, presentation at the Woodrow Wilson International Center for Scholars, May 28, 2009.

<sup>27</sup> Peter D. Burgess, Counter Narcotics Project Officer, U.S. Africa Command, presentation at the Woodrow Wilson International Center for Scholars, May 28, 2009.

<sup>28</sup> Extrapolated by the author from UNODC and U.S. Africa Command data.

<sup>29</sup> Antonio Maria Costa, “Cocaine Finds Africa,” *The Washington Post*, July 29, 2008, A17.

<sup>30</sup> Author interviews with U.S. and African counternarcotics officials, December 2010 and January 2011.

<sup>31</sup> One of those designated, Ghazi Nasr al Din, served as the charge d’affaires of the Venezuelan embassy in Damascus, and then served in the Venezuelan embassy in London. According to the OFAC statement in late January 2006, al Din facilitated the travel of two Hizballah representatives of the Lebanese parliament to solicit donations and announce the opening of a Hizballah-sponsored community center and office in Venezuela. The second individual, Fawzi Kan’an, is described as a Venezuela-based Hizballah supporter and a “significant provider of financial support to Hizballah.” He met with senior Hizballah officials in Lebanon to discuss operational issues, including possible kidnappings and terrorist attacks.

<sup>32</sup> Among those designated were Hugo Armando Carvajal, director of Venezuela’s Military Intelligence Directorate, for his “assistance to the FARC, (including) protecting drug shipments from seizure”; Henry de Jesus Rangel Silva, director of Venezuela’s Directorate of Intelligence and Prevention Services, for “materially assisting the narcotics activities of the FARC”; and Ramón Emilio Rodríguez Chacín, at the time Venezuela’s minister of interior and justice, described as “the Venezuelan government’s main weapons contact for the FARC.”

<sup>33</sup> In addition to Operation *Titan*, there have been numerous incidents of operatives directly linked to Hizballah being identified or arrested in Venezuela, Colombia, Guatemala, Aruba, and elsewhere in Latin America.

<sup>34</sup> Verstrynghe, born in Morocco to Belgian and Spanish parents, began his political career on the far right of the Spanish political spectrum as a disciple of Manuel Fraga, and held several senior party posts with the Alianza Popular. By his own admission, he then migrated to the Socialist Party, but never rose through the ranks. He is widely associated with radical antiglobalization views and anti-U.S. rhetoric, repeatedly stating that the United States is creating a new global empire and must be defeated. Although he has no military training or experience, he has written extensively on asymmetrical warfare.

<sup>35</sup> It is worth noting that Chávez wrote to Ramírez Sánchez in 1999 expressing his admiration for the terrorist, signing off, “with profound faith in the cause and in the mission—now and forever.” The letter set off an international furor. See “Troops Get Provocative Book,” *Miami Herald*, November 11, 2005.

<sup>36</sup> Ian James, “Chavez Praises Carlos the Jackal,” Associated Press, November 21, 2009, available at <[www.independent.co.uk/news/world/americas/chavez-praises-carlos-the-jackal-1825135.html](http://www.independent.co.uk/news/world/americas/chavez-praises-carlos-the-jackal-1825135.html)>.

<sup>37</sup> Jorge Verstrynge, *La guerra periférica y el Islam revolucionario: Orígenes, reglas y ética de la guerra asimétrica* [*Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare*] (Barcelona: El Viejo Topo, 2005), 56–57.

<sup>38</sup> Mariáno César Bartolomé, “Las Guerras Asimétricas y de Cuarta Generación Dentro Del Pensamiento Venezolano en Materia de Seguridad y Defensa [Asymmetrical and Fourth Generation Warfare in Venezuelan Security and Defense Thinking],” *Military Review* (January–February 2008), 51–62.