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CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS **C**



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**Europe's Crime-Terror Nexus:
Links between terrorist and
organised crime groups
in the European Union**

STUDY



DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT C: CITIZENS' RIGHTS AND
CONSTITUTIONAL AFFAIRS

CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

Europe's Crime-Terror Nexus: Links between terrorist and organised crime groups in the European Union

STUDY

Abstract

The study presents a qualitative analysis of the linkages between Organised Crime (OC) and terrorism with specific reference to the European Union. A conceptual basis of the links between OC and terrorism is outlined, and systematically used to identify how these two phenomena come together in the European theatre. The study also considers developments regarding the relationship between OC and terrorism in regions outside the E.U., that have a direct impact on how the nexus is evolving in E.U. member-states. It reveals that certain linkages between OC and terrorism exist in the E.U. Trends suggest that these linkages will continue to develop. The study concludes by assessing the impact of OC-terrorism linkages on the E.U., and providing recommendations on how to address it. It points out that the effective fight against OC and terrorism depends on an integrated approach that involves all stakeholders at both national and E.U. levels.

This document was requested by the European Parliament's Committee on Civil Liberties, Justice and Home Affairs.

AUTHOR

West Sands Advisory LLP
Project lead: Dr. Tamara Makarenko

RESPONSIBLE ADMINISTRATOR

Mr. Andreas Hartmann
Policy Department C, Citizens' Rights and Constitutional Affairs
European Parliament
B-1047 Brussels
Email: andreas.hartmann@europol.europa.eu

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ABOUT THE EDITOR

To contact the Policy Department or to subscribe to its monthly newsletter please write to:
poldep-citizens@europarl.europa.eu

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LIST OF ABBREVIATIONS

AfPak	Afghanistan and Pakistan
ALF	Animal Liberation Front
AQ	Al-Qaeda
AQIM	Al-Qaeda in the Islamic Maghreb
BH	Bosnia Herzegovina
CoE	Council of Europe
CRS	Congressional Research Service
ELF	Environmental Liberation Front
E.U.	European Union
ETA	Euzkadi ta Askatasuna
DHKP-C	Devrimci Halk Kurtulus Partisi/ Cephesi
FARC	Fuerzas Armada Revolucionaries de Colombia
FLNC	Fronte di Liberazione Naziunale di a Corsica
FYROM	Former Yugoslav Republic of Macedonia
GIA	Groupe Islamique Armé
GICM	Moroccan Islamic Combatant Group
GSPC	Groupe Salafiste pour le Combat
INLA	Irish National Liberation Army
IRA	Irish Republican Army
K&R	Kidnap and Ransom
KLA	Kosovo Liberation Army
KYC	Know Your Client

LTTE	Liberation Tigers of Tamil Eelam
LVG	Loyalist Volunteer Force
MEK	Mujahideen-e-Khalq
N17	Epanastaiki Organosi 17 Noemvri
NIPR	Nuclei di Iniziativa Proletaria Rivoluzionaria
OC	Organised Crime
OCG	Organised Crime Group
OCTA	Organised Crime Threat Assessment
PIRA	Provisional Irish Republican Army
PKK	Partiya Karkaren Kurdistan
RUF	Revolutionary United Front
SCDEA	Scottish Crime and Drug Enforcement Agency
SHAC	Stop Huntington Animal Cruelty
SIT	Single-issue Terrorism
TE-SAT	Terrorism Situation and Trend Report
TNP	Turkish National Police
U.K.	United Kingdom
UCPMB	Liberation Army of Presevo, Medcedja, and Bujanovac
UDA	Ulster Defence Association
UVF	Ulster Volunteer Force
RAF	Red Army Faction

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EXECUTIVE SUMMARY

Background

The 2011 European Parliament report on organised crime in the European Union, Europol's EU Terrorism and Trend Report (TE-SAT 2012) and the Organised Crime Threat Assessment (OCTA) highlight that organised crime (OC) and terrorist groups, and the threats they pose, are diverse in nature. Furthermore, these reports acknowledge these phenomena as complex, and more often than not, multinational.

These reports also specifically refer to linkages between organised crime and terrorism, but the nature or extent of these ties is not addressed. Despite drawing conclusions such as: "connections between terrorist, violent extremist and organised crime networks may become more blurred... In some cases the individuals who are engaged in terrorism or violent extremism are also involved in organised crime activities" (TE-SAT) and more specific conclusions such as there are "possible links between cocaine trafficking and terrorist activity" and there is a possibility that "channels for illegal immigration will be used increasingly by those seeking to engage in terrorist activity in the E.U." (OCTA), these assessments do not identify definitive trends regarding links between organised crime and terrorism.

This analytical shortfall provokes two possible inferences. The first is that the links between these two phenomena is relatively insignificant, and thus undeserving of any greater evaluation. Second, due to the compartmentalised nature of anti-crime and counter-terrorism strategies by nation-states, linkages have been overlooked or unreported. Based on on-going assessments of observed and perceived linkages between OC and terrorism over the last decade, the later inference appears to be the more accurate.

There is ample global evidence that ties between OC and terrorism - referred to in this briefing as the crime-terror nexus - exist. Annex D outlines the jurisdictions in which such ties have been historically present. What is apparent from this table, however, is that linkages between OC and terrorism predominantly operate and thrive in areas of instability. To argue that the nexus operates on a variety of levels in countries such as Afghanistan, Colombia, Liberia, Pakistan, and Sierra Leone is not the greatest revelation. The same can be concluded in jurisdictions (once) located along Europe's periphery, where instability in regions such as the Balkans and the Caucasus has witnessed a blurring between criminal and terrorist operations.

Given the relative political stability that dominates throughout the European Union (E.U.), a suggestion that a nexus operates within E.U. member states has provoked a degree of academic scepticism. This scepticism generally promotes the argument that it would run against the interests of established organised crime groups (OCGs) to cooperate with terrorist entities because the core motivation of terrorism is to disrupt and significantly alter the very environment in which European-based OCGs know how to operate. Furthermore, any linkages between OC and terrorism would significantly increase the vulnerability of OCGs to the authorities.

Although the premise behind this scepticism is logical, evidence that has come to the fore over the last decade indicates that the E.U. is no longer unaffected by linkages between OC and terrorism. In fact, both OCG and terrorist groups have learned to adapt their operations to limit their vulnerability to the detection of law enforcement and security services, whilst benefiting from a variety of organisational and operational linkages.

Although open source case studies are hard to pinpoint, a number of indicative examples have been ascertained from field research and discussions with the security services and law enforcement of various countries – both within the E.U. and on Europe's periphery.

Asking whether a crime-terror nexus operates in the E.U. is an important question. However, after establishing that a nexus does exist, a potentially more significant question is what form these linkages take, and how various crime-terror 'configurations' impact the security and stability of E.U. member states.

Aim

The aim of the present study is to provide a concise qualitative analysis of the linkages between OC and terrorist groups with specific reference to the E.U. Conclusions drawn aim to provide clarity to the debate over whether a nexus operates within the borders of Europe, and what the associated risks of these operations and related developments are.

Ultimately, this briefing note is designed to provide recommendations and policy-relevant advice to decision-makers formulating E.U. strategies for combating OC and terrorism. To facilitate this aim, this study is divided into five main sections:

- Theoretical basis of the links between OC and terrorism;
- Indicative European case studies of the links between OC and terrorism;
- Assessment of the threat trajectory;
- The impact of a nexus on the E.U.'s legal economy, public administration and financial system; and,
- Recommendations to the Committee on Civil Liberties, Justice and Home Affairs.

Methodology

A combination of qualitative and quantitative methods was used to compile this briefing note.

The baseline assessments were made possible by drawing on a proprietary data set compiled and maintained by the briefing author. This data incorporates information on linkages between OC and terrorism worldwide, which were compiled from open sources and field research conducted by the author and associates in Europe, Africa, the former Soviet Union, South America, and South Asia.

More current data was obtained through unstructured discussions with law enforcement and security service personnel with recent direct analytical or operational involvement in OC and terrorism cases. Sources in the private sector with responsibility for monitoring money laundering and terrorist financing trends were also approached to share their experiences and insight.

Findings were analysed by a working group of experts, including individuals who have specific experience conducting assessments on the linkages between OC and terrorism, and individuals with specific experience and knowledge pertaining to OC and terrorist trends in the E.U.

Note on Definitions

For the sake of clarity, OC and terrorism have been ascribed the following working definitions.

Organised Crime

The definition of organised crime that emerged from the Expert Group on Organised Crime of the Council of Europe (1997) was used as the baseline definition for this study.

To be considered an organised criminal group, a group must fulfil four mandatory criteria, and at least two of seven optional criteria. The mandatory criteria are that an OCG must (a) consist of a collaboration of at least three people (b) that are gathered for a prolonged or indefinite period of time; (c) be suspected or convicted of committing serious criminal offences; and, (d) have as their objective the pursuit of profit and/or power.

Optional criteria include: a specific division of labour; using some form of internal discipline and control; exerting influence on the public and private sectors; using commercial or business-like structures; engaging in money-laundering; and operating on an international level.

Terrorism

The following list of characteristics is deemed essential for differentiating terrorism from other forms of criminality or political violence. Thus these five points are used as a working definition:

- Terrorism is the conduct of premeditated violent acts or the threat of violence that is perpetrated by members of an organised group.
- Terrorism is designed to create fear in an adversary or specific segment of society; fear is therefore the intended result of terrorism, not a by-product. Terrorism is a tool of intimidation and coercion.
- Terrorism is used to achieve a predetermined political objective, normally an attempt to influence political behaviour.
- Because terrorism is political in nature, it is often discretionary. As a result, terrorists will often choose their targets carefully to maximise symbolic and operational effect.
- Although the ultimate goal of terrorism may be to destroy the group's opposition, terrorism is primarily concerned with breaking the will of its 'enemy' and forcing it to submit to the group's demands.

KEY FINDINGS

- The contemporary international security environment creates opportunities for linkages between OC and terrorism to develop. Although many such linkages predominantly originate and exist in unstable environments outside of the E.U., they impact security developments in the E.U. and have thus contributed to creating European vulnerabilities to the nexus.
- Most publicly available analytical work on the nexus is dated and focused on historic case studies, many of which do not focus on developments relevant to the E.U.
- Existing models of the nexus take a holistic international view that is not directly relevant to how linkages between OC and terrorism emerge in the E.U. As such, the nexus is portrayed as a sophisticated phenomenon that operates on 3 levels – one operational, one conceptual and one evolutionary.

- Although operational linkages are of primary relevance to the E.U., there is evidence of conceptual linkages which ultimately result in certain groups falling below the radar of both anti-crime and counter-terrorism agencies.
- If the nexus is not understood in a methodical and region-specific manner, there may be a danger of conflating OC and terrorism into a single issue, or lumping OC and terrorism activities and connections together. However, by considering the peculiarities of the nexus as it has specifically developed within the E.U., it is possible to isolate two sets of linkages between OC and terrorism: linkages between entities, and activities. Understanding this subtlety has an impact on anti-crime and counter-terrorism strategies.
- The linkages between OC and militant Islamist cells are a growing concern for E.U. member-states. Their operational capacity varies depending on whether these relationships exist within E.U. borders, in particular states on the periphery, or outside the E.U. These types of relationships pose a threat to member-states in terms of potential terrorist attacks on E.U. territory, or the growth and sustainability of criminality within communities.
- Within the E.U. there is ample evidence of what many intelligence and law enforcement officials have referred to as a marriage of convenience between OC and terrorist groups.
- The OC - terrorism alliances that exist in the Balkans and its geographic location on the periphery of the E.U. create the impetus for drugs and human smuggling.
- The greatest threat emanating from the presence of Caucasian OC in Europe emerges from the fact that these groups are known to have few limitations on whom they cooperate with, or the types of activities they are prepared to engage in.
- Militant Islamist groups are utilising criminal networks throughout Europe and its periphery for logistical support. Al-Qaeda in the Islamic Maghreb (AQIM) participates in the heroin trade through West Africa en route to Europe by means of providing security, which may affect E.U. members in terms of criminal activity, and potential terrorist attacks.
- As a transit country between Turkey and the Balkans, Greece is becoming increasingly important for OC and presents potential opportunities for a convergence between criminal and terrorist activities.
- Although there is no hard evidence of a convergence between Single Issue Terrorism (SIT) groups and OCGs, an assessment of the recent evolution of SIT groups indicates that these groups have both a certain level of flexibility to their operations, a tendency to cooperate with a wide range of groups, and a complexity in their organisational structure following the pattern of independent militant Islamist cell financing.
- Although ethno-nationalist groups have predominantly ceased their operations and do not pose an immediate terrorist threat, several continue their involvement in OC.
- Militant Islamist terrorists are also increasingly securing ways to become directly involved in criminality as a source of financing and logistical support. These cells/groups are driven by the need for self-finance, and a requirement to organise operations independently.
- North African or Pakistani terrorist cells indigenous to the E.U. are increasingly engaged in criminal activity to fund terrorist operations while externally based

terrorist cells, such as AQIM, pose a two-fold threat: targeting European citizens in its kidnap-for-ransom operations and using Europe for their drug trafficking operations.

- Despite historical evidence of criminal-terrorist hybrids operating in Europe, the relatively stable political and socio-economic environment that persists in E.U. member-states is largely responsible for the fact that these types of groups do not currently exist.
- On the other hand, there are cases in which terrorist–criminal hybrids retain their ideological agenda for public support despite shifting their operational focus to OC.
- It is notable to highlight that there have been no E.U.-based case studies of militant Islamist groups/cells evolving into hybrid entities.
- There is no contemporary evidence that suggests an OCG or terrorist group is currently exhibiting a transformation from terrorist activity to OC, or vice versa.

RECOMMENDATIONS

- As a starting point, it is imperative to determine how the crime-terror nexus exists / develops within specific E.U. member-states.
- Few individuals have expertise regarding the nexus and how it can be operationalized. This inherently limits acknowledgement of the nexus as an emerging issue that demands unique solutions. It is therefore essential that analysts in both anti-crime and counter-terrorism agencies are trained in how to identify existing and emerging linkages between OC and terrorism.
- A joint-task force should be established at both national and E.U. level, as well as within the E.U., which can exert leverage over the convergence of crime and terrorist groups by continuously monitoring new developments and trends, and sharing these with member-states. The European Parliament should ensure that at E.U. level, Europol would be tasked to carry out the relevant monitoring.
- As any targeted work on the connection between OC and terrorism is hindered by political and diplomatic considerations, it is essential for the E.U. to take the lead in establishing a unified approach towards external states regarding the crime-terror nexus. The European Parliament should ask the European Council and the European Commission to launch the necessary initiatives.
- Given the continuous challenges that European enlargement poses on border control, it is essential to develop increased co-operation amongst all the national border control agencies. Particular priority must be given to what are considered as porous areas within the security structure. As a senior European Government Minister noted, "The enlargement process will lead to new challenges as far as organised crime is concerned. With some of the radical Islamic groups in southern Caucasus - such as the Islamic Movement of Uzbekistan (IMU) - having a social support base in Eastern Europe, it will be necessary to coordinate more closely on the European and international level." Therefore, the European Parliament should ensure that FRONTEX is tasked to coordinate the appropriate initiatives.
- Although the majority of actions taken by member states has concentrated solely on terrorist financing, it is essential for law enforcement agencies to widen their parameters of investigation in order to detect other links beyond the obvious criminal connections. At the moment, most E.U. member-states suffer from a

fragmented view of OC and terrorism. For example, one senior German intelligence official stated that: "This does not mean that the German authorities are blind if these groups use criminal means on German territory, such as extortion, scams to enforce protection, or money laundering. However, these actions are then defined not as part of a terrorism agenda but as ordinary crimes. It all comes down to the classification of a particular group." However, as the Merah case study highlights (Annex A), the problem with this attitude is that both anti-crime and counter-terrorist officers overlook a petty criminal who holds the key to a terrorist cell or plot.

- The tendency of current anti-crime and counter-terrorism efforts solely to concentrate on Islamist groups also limits the spectrum in which the crime-terror nexus is perceived. Member states need to allow for structural changes within their security communities that will re-focus their strategies and allow them to understand how ethno-nationalist groups and SIT groups engage, or could engage, with the nexus.
- Given the nature of the nexus and the fact that the nexus impacts the E.U. both as it develops within member-states and as it develops in peripheral regions, any strategy to address linkages between OC and terrorism must incorporate the whole range of law enforcement, including security services, military and diplomatic efforts. Significantly more buy-in and cooperation from the private sector will also be essential. It is paramount to understand that any effective fight against OC and terrorism depends on an integrated approach involving all stakeholders at a national and E.U. level.
- Despite gaps in intelligence and research regarding the prevalence and future trends of OC and terrorism linkages, denying or ignoring linkages that clearly exist threatens the efficacy of counter-terrorism and anti-crime activities / policies.
- Intelligence sharing between E.U. member-state agencies is a key component in combating the linkages between OC and terrorism. At an operational level member-states must ensure that anti-crime and counter-terrorism units engage one another in order to identify and monitor linkages between OC and terrorism.
- It is paramount to understand that the effective fight against OC and terrorism depends on an integrated approach involving all stakeholders on a national and E.U. level.
- The private sector, particularly the financial industry, plays a crucial role in combating OC and terrorist financing by identifying and reporting cases of fraud, money laundering, and other suspicious transactions. The financial sector must work more closely with government agencies to identify gaps in current regulations and implement innovative techniques to address these issues.

1 THEORETICAL FRAMEWORK

KEY FINDINGS

- The contemporary international security environment creates opportunities for linkages between OC and terrorism to develop. Although many such linkages predominantly originate and exist in unstable environments outside of the E.U., they impact security developments in the E.U. and have thus contributed to creating European vulnerabilities to the nexus.
- Most publicly available analytical work on the nexus is dated and focused on historic case studies, many of which do not focus on developments relevant to the E.U.
- Existing models of the nexus take a holistic international view that is not directly relevant to how linkages between OC and terrorism emerge in the E.U. As such, the nexus is portrayed as a sophisticated phenomenon that operates on 3 levels – one operational, one conceptual and one evolutionary.
- Although operational linkages are of primary relevance to the E.U., there is evidence of conceptual linkages which ultimately result in certain groups falling below the radar of both anti-crime and counter-terrorism agencies.
- If the nexus is not understood in a methodical and region-specific manner, there may be a danger of conflating OC and terrorism into a single issue, or lumping OC and terrorism activities and connections together. However, by considering the peculiarities of the nexus as it has specifically developed within the E.U., it is possible to isolate two sets of linkages between OC and terrorism: linkages between entities, and activities. Understanding this subtlety has an impact on anti-crime and counter-terrorism strategies.

1.1 The Current OC/Terrorism Threat Environment

Current security concerns in the E.U. are fundamentally shaped by the following dynamics:

- The continued blurring between public/private and legal/illegal is creating an environment in which the operations of illicit networks are becoming increasingly difficult to identify and monitor. This has enabled OC and terrorist groups to engage in financing that either remains opaque, or sufficiently 'licit' so as not to attract suspicion.
- Most E.U. member-states treat militant Islamist terrorism as the greatest threat to security. This is reinforced by evidence that associated terrorist cells / networks operate in most European countries. Although independent terrorist cells have been responsible for most plots uncovered this past decade, the most serious terrorist plots were organised by cells that maintained operational connections to larger networks based outside the E.U.
- According to OCTA, "The Balkan axis, comprising the Western Balkans and South East Europe, will assume an even more prominent role in the trafficking of illicit commodities to E.U. markets." This infers that OCGs from the Balkans continue to play an important role in the operation and expansion of illicit markets within the E.U. Furthermore, this feeds into concerns highlighted by TE-SAT, that "various religiously-inspired elements have attempted to establish connections with Eastern

European OCGs involved in the trafficking of human beings and the production of forged documents.”

- New immigration patterns are creating additional links between diaspora communities and ‘home jurisdictions’ that facilitate the introduction of new illicit networks and new opportunities for linkages between OC and terrorism to emerge. Political and security developments in North Africa and South Asia are, for example, contributing to shifting immigration patterns, with E.U. member-states such as Greece becoming increasingly attractive to criminal and extremist entities.
- Coalition successes in the Afghanistan-Pakistan (AfPak) arena, as well as in Iraq, have made these areas less hospitable training environments for potential terrorist recruits originating from E.U. member states. This has several implications. First, ‘home grown’ groups are increasingly self-sufficient, and do not necessarily have previous operational experience. Second, new training grounds are emerging (i.e. northern Mali, Somalia, Yemen). As with the AfPak arena, northern Mali is an area that combines criminal trafficking with a terrorist presence. The implications for Europe are notable – with European ex-patriots targeted in kidnap for ransom operations, and European recruits (e.g. from France and the United Kingdom (U.K.)) traveling to the region for operational training.
- Terrorism should be viewed as a complex, multi-layered brick wall – every associated activity has several criminal components such as false document procurement (incorporating counterfeiters, networks, access to primary materials, etc.), weapons and explosives (procurement, concealment, transfers), training, and travel (border crossing, smuggling in a third country, etc.). These activities have become increasingly regulated / controlled by states, thus pushing terrorist groups towards engagement with OC – as long as the parameters of the relationship are strictly defined. Research has highlighted that most operational requirements of terrorist groups have benefited from a connection to OC; so long as there is money to pay for OC services, connections could be established at every level.
- As a result of evolving security dynamics in the countries and regions along the E.U. periphery, there is evidence of a generational crossover between European-based criminal and terrorist operatives. For example, there are indications that this is occurring both in the Balkan and Pakistani diaspora communities – with third generation youth finding justification to engage in militant Islamist ideology and criminal behaviour simultaneously.

What is evident in the current international security environment, and how this environment is reflected within the E.U., is that OC and terrorist groups have consistently shown an ability to match tactics to operational needs. This has ensured that, despite anti-crime and counter-terror efforts, both OC and terrorism continue to capitalise on new opportunities and present a continuously evolving challenge to national security and law enforcement agencies.

1.2 Identifying Linkages between OC & Terrorism: A Primer

In the immediate post-Cold War era, long-standing perceptions regarding OC and terrorism were being challenged. More specifically, a small body of literature began to contest the ‘silo’ approach to security threats, arguing that the boundaries between issues were increasingly blurred. This was predominantly evidenced in studies conducted within the context of what became known as the ‘greed-grievance’ debate, pertaining specifically to motivations of non-state actors in armed conflict.

Conflict in territories including Angola, the Balkans, Chechnya, Colombia, Liberia, and Sierra Leone revealed how the decline of the state, combined with the rise of globalisation and networked structures, drove violent entities with political agendas (e.g. terrorist and paramilitary groups) to pursue wider economic programmes and networks (e.g. via criminal activities). Thus in addition to pursuing sustained campaigns of violence, entities such as the Revolutionary United Front (RUF) and Kosovo Liberation Army (KLA) were discovered to operate relatively sophisticated trafficking networks that moved a variety of illicit and illegal commodities.

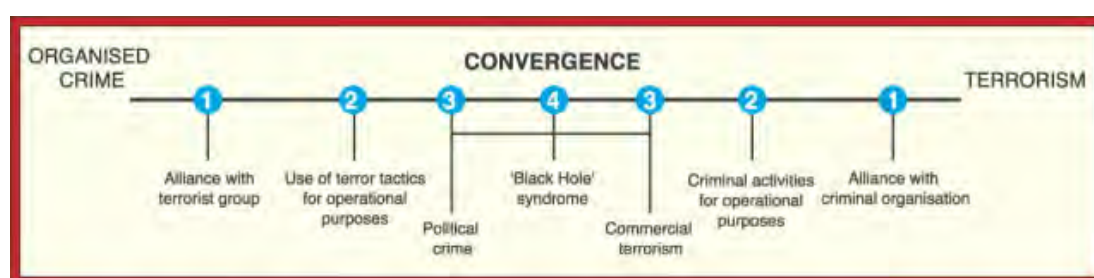
Following 9/11, there were signs that the connections between OC and terrorism were becoming more intricate. This was in part due to enhanced national counter-terrorism efforts; greater concentration on the operations of terrorist groups led to the realisation by law enforcement and security services of many countries that ties between OC and terrorist groups did exist. These linkages usually led to the outsourcing of specific operational requirements, for example, terrorist groups engaging an OCG to provide fraudulent documentation or access to an established human trafficking route.

The nexus, however, remains a relatively ill-understood and ill-defined phenomenon that is approached from very specific perspectives instead of from the required holistic viewpoint. There is no doubt that the nexus is inherently focused on the angle that terrorist groups engage in criminal activities as a source of financing. However, the nexus is about more than terrorist financing, it encompasses access to specialised skill-sets and operational tactics that could help an illicit group (be it criminal or terrorist) to reach their political or financial objectives more efficiently and effectively.

1.2.1 Modelling the Nexus

In the years immediately following 9/11, research conducted primarily in unstable geographic pockets of regions in Central Asia, South America, South and Southeast Asia revealed that linkages between OC and terrorism had evolved far more significantly than previously envisioned. With hundreds of cases reviewed worldwide, a basic linear model categorising different forms of the crime-terror nexus was first published in 2003 in *Jane's Intelligence Review* (Figure 1).

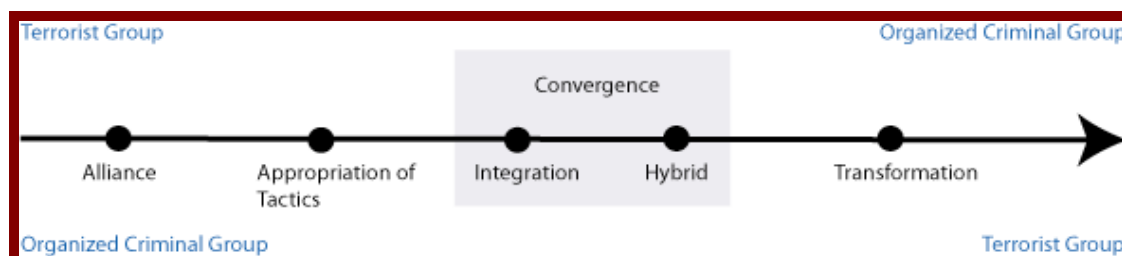
Figure 1: The Original Crime-Terror Nexus Model



In this original model of the nexus, four primary linkages between OC and terrorism were identified. The first linkage was the straightforward alliance between an OC and terrorist group, wherein two distinct groups would cooperate for mutual operational benefit (e.g. a terrorist group would pay on OCG for counterfeit documentation). Second was the appropriation of the tactics of the other; thus OC would use terror tactics to further their aims, and terrorist groups would engage in criminal activities predominantly as a means of financing. The third linkage accounted for motivational transformations within a group. This would either be a terrorist group evolving to the point where their operations were primarily focused on profit maximisation (e.g. Fuerzas Armadas Revolucionarias de Colombia (FARC)), or a criminal group evolving a political agenda that would dominate its financial interests (e.g. Dawood Ibrahim Company (D-Company)).

This basic model of the nexus was redeveloped by Makarenko in 2009 to highlight a more sophisticated phenomenon that was seen to operate along a series of planes: one operational, one organisational and one evolutionary (Figure 2). This model sought to account for all the variations of linkages between OC and terrorism as they have emerged and evolved in a number of different regions / operational environments throughout the world.

Figure 2: Refined Nexus Model



Operationally, the nexus is understood in relation to entities, and can take one of two forms. First is the adoption of the tactics of the 'other' (e.g. a criminal network using terror tactics). For example, criminal groups in Italy, the Balkans and the Caucasus have adopted terrorist tactics; and terrorist groups throughout the world have learned to integrate criminal capabilities into their logistical and support structures. Second is the functional merging of a criminal and terrorist group. This merger can materialize as an ad hoc alliance, or it can involve the integration of one group into the other.

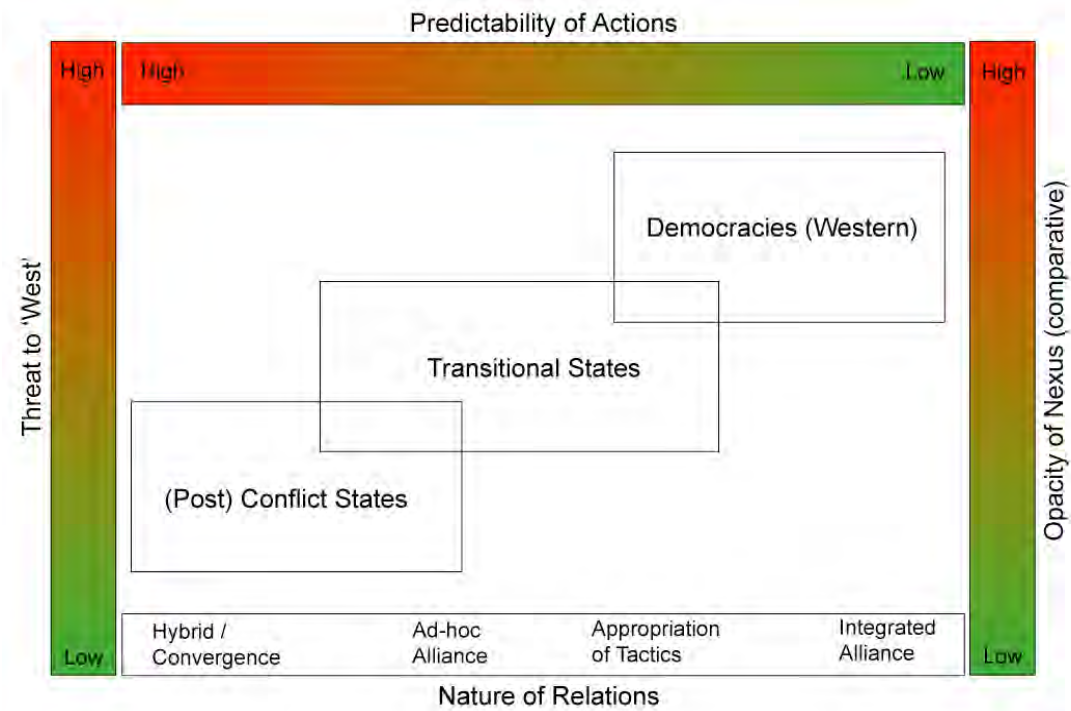
Conceptually, crime and terrorism are treated as clearly defined actions. As such, a nexus occurs when both activities occupy the same space and time. In this context of 'convergence', a hybrid entity emerges and simultaneously displays ideological and economic motivations by perpetrating acts of politically motivated terrorism *and* engaging in OC for profit maximisation. The group can clearly be defined as criminal or terrorist, and as such, has the greatest potential of being overlooked by both anti-crime and counter-terrorism agencies. Cases discussed in Section 9 highlight this vulnerability in the context of the E.U.

Evolutionally, the nexus refers to the transformation of the tactics *and* motivations of one entity into another. For example, a terrorist group may evolve into a criminal network or vice-versa. Although this is the most difficult type of linkage between OC and terrorism to identify, the ongoing monitoring of group dynamics - particularly operations, leadership changes, and altered recruitment base - provide a solid grounding from which conclusions about the driving motivations of a specific group can be drawn.

1.2.2 Regional Idiosyncrasies

The depth of the relationship between OC and terrorism is often dependent on the nature of the geographic region in which any specific nexus operates. Figure 3 (Makarenko, 2007) illustrates the geographic characteristics associated with linkages between OC and terrorism.

Figure 3: Geographic Proclivities of the Nexus



The nexus in Western democracies is largely isolated to the operational plane - focused on terrorist groups engaging in crime as a source of funding. Here, the nexus is comparatively opaque, with generally unpredictable repercussions, which can thus be seen as presenting a high security threat. As noted in Section 8, cases of E.U.-based criminal groups appropriating terrorist tactics are limited. This is, for the most part, due to the relative economic and political stability enjoyed by E.U. member-states. International cases of OCGs using terror tactics to progress their aims (Annex D) are most commonly found in states experiencing political transformation, instability or limited political control – producing an environment in which OCGs understand the utility of using terror tactics to further their economic control by entrenching their political influence.

In transitional states, the nexus includes the operational and conceptual plane, with evidence of convergent motivations dominating groups operating in regions such as the Balkans. Historically, poor border security, weak law enforcement, corrupt public officials and established smuggling networks have facilitated the emergence of hybrid groups that simultaneously sought political aims and profit maximisation. This was epitomised by the Albanian mafia and the KLA through the mid-1990s, each benefiting from an interchangeable membership and recruitment base.

Finally, the nexus is at its most interactive and developed in (post) conflict territory, combining each plane of interaction. Places such as Afghanistan, Sierra Leone, Pakistan, Thailand, northern Mali, Somalia, where government control is fragmented and extremely weak – if existent at all – foster the nefarious collaboration between OC and terrorism. Given the predominant environment where conflict and political instability dominate, neither OC nor terrorist groups have an innate loyalty to the state. As such, risk calculations made to cross the criminal-terrorist divide are based more on fulfilling immediate benefits rather than assessing long-term repercussions.

Although the nexus in transitional and (post) conflict states appears not to have a direct impact on the security of Western Democracies, such as the E.U., trends and case studies have proven the contrary. For example, how the nexus operates in the transitional states of

Central Eastern Europe, including the Balkans, are of relevance to the E.U. vis-à-vis shared borders and ease of access into E.U. member-states. As noted in Section 7.3.2, security developments in the Balkan tri-border area of Albania-Kosovo-Macedonia [identified in Annex F] are directly tied to operational developments of militant Islamist cells in the U.K.

Furthermore, as described in Sections 7.3.4, and 8.3.3, the rise of northern Mali as a training hub for AQIM has two E.U.-specific consequences. First, there are indications that French and British recruits are being trained in this area – most probably to conduct operations back on their ‘home’ territory. Second, expanded terrorist operations in this area have merged with specific OC capabilities (i.e. Kidnap & Ransom (K&R) and contraband smuggling). K&R operations directly impact E.U. member states when European citizens are kidnapped, and when a specific member state agrees to pay a ransom for the release of the victim. This payment directly feeds the treasury of AQIM.

Thus in assessing the linkages between OC and terrorism that impact the E.U., there are two predominant regional trends. First, direct linkages that emerge and operate within E.U. member-states; and second, indirect threats that emerge from linkages that primarily exist outside the E.U., but impact the threat trajectory of the nexus within the E.U.

1.2.3 The Nexus in Europe – A Model Based on Terrorist Typologies?

Research and analysis conducted throughout the course of this project has identified that linkages between OC and terrorism in the E.U. are potentially best modelled by terrorist typologies (Figure 4). The linkages that exist between certain terrorist groups and OC are based on historical and current case studies, and are highlighted in Section 7 to 10.

Generally, however, findings point to some key differences in terms of how militant Islamist groups, ethno-nationalist groups, and single-issue terrorist groups engage with the nexus. Linkages between ethno-nationalist groups and OC are the most varied, often developing away from alliances to encompass appropriation of tactics, and the creation of hybrid entities. Militant Islamist groups, on the other hand, very seldom (within the E.U. theatre) exhibit organisational or motivational linkages. In fact, common trends suggest that militant Islamist groups engage in alliances with OCGs, and in some cases directly participate in criminal activities, but are not commonly known to evolve into a hybrid group or lose their *a priori* motivation.

On the opposite end of the spectrum of OC-terrorism linkages are OCGs. Although OCGs obviously engage in ad hoc relations with terrorist groups, there are limited cases of E.U.-based OCGs appropriating and using terror tactics to further their primary goal of profit-maximisation and/or maintaining a monopoly over a certain section of the market.

The European theatre naturally presents different variations of the nexus that do not necessarily follow the trends established in the stereotypical environments - dominated by political instability, periods of sustained conflict, embedded insurgents, and criminal activity that simultaneously fuels and feeds cycles of violence - of countries like Afghanistan and Colombia. Relative political stability and social cohesion mean that the operating environment in most E.U. member-states is rather more complex than that which exists in transitional and (post) conflict states. However, this reality has not hindered the emergence of linkages between OC and terrorism; on the contrary, it has resulted in the careful development of operational and organisational linkages that are used to increase the effectiveness of both types of activities and organisations within the European context.

Figure 4: The E.U. Nexus by Terrorist Typology



2 CASE STUDY: ALLIANCES

KEY FINDINGS

- The linkages between OC and militant Islamist cells are a growing concern for E.U. member-states. Their operational capacity varies depending on whether these relationships exist within E.U. borders, in particular states on the periphery, or outside the E.U. These types of relationships pose a threat to member-states in terms of potential terrorist attacks on E.U. territory, or the growth and sustainability of criminality within communities.
- Within the E.U. there is ample evidence of what many intelligence and law enforcement officials have referred to as a *marriage of convenience* between OC and terrorist groups.
- The OC - terrorism alliances that exist in the Balkans and its geographic location on the periphery of the E.U. create the impetus for drugs and human smuggling.
- The greatest threat emanating from the presence of Caucasian OC in Europe emerges from the fact that these groups are known to have few limitations on whom they cooperate with, or the types of activities they are prepared to engage in.
- Militant Islamist groups are utilising criminal networks throughout Europe and its periphery for logistical support. AQIM participates in the heroin trade through West Africa en route to Europe by means of providing security, which may affect E.U. members in terms of criminal activity, and potential terrorist attacks.
- As a transit country between Turkey and the Balkans, Greece is becoming increasingly important for OC and presents potential opportunities for a convergence between criminal and terrorist activities.

- Although there is no hard evidence of a convergence between SIT groups and OCGs, the evolution of SIT groups indicates that these groups have both a certain level of flexibility to their operations, a tendency to cooperate with a wide range of groups, and a complexity in their organisational structure following the example of independent militant Islamist cell financing.

2.1 Defining Characteristics

Alliances are the most common type of linkage between OC and terrorism in the E.U. The nature of alliances varies, and includes one-off, short-term and long-term relationships. Alliances fulfil a number of requirements, such as:

- Access to specialised knowledge (e.g. money laundering),
- Access to specialised services (e.g. counterfeiting),
- Operational support (e.g. access to human smuggling networks), and
- Financial support (e.g. collusion in bringing illicit products to market, such as narcotics).

The argument that OC and terrorism make 'strange bedfellows' is erroneous in the current environment. Although terrorism does not fundamentally seek to change the prevailing way of life, it has been established that many OCGs have little restraint in engaging in certain types of cooperation / support. Furthermore, it appears as though terrorist groups do not engage in crime for the sake of disruption. This is primarily out of fear (although not necessarily a cognisant decision as such) that any perceived competition could pit terrorist groups against OCGs who control illicit markets and want to maintain the degree of stability and market predictability that they are accustomed to.

Importantly, there is ample evidence to conclude that in an environment defined by the need for self-financing, terrorist cells / networks have accepted the overall operational benefits of either engaging with OCGs, or establishing direct involvement in criminal activities (Section 8). Although the cost of a terrorist attack is not necessarily high in itself, all the surrounding logistical and support requirements increase costs at least four-fold. For example, the UN has reported that the cost of the 2004 Madrid attack was circa €8,000. However, incorporating logistical and other support requirements would place the cost of the Madrid attack at an estimated €40,000 to €50,000. Access to weapons, discreet travel, other attack components – including equipment no longer readily accessible on the licit market – all fall into the remit and skill sets of OC. Alliances are thus a feasible and necessary arrangement.

2.2 Background

Alliances between OC and terrorist groups in Europe can be traced back at least to the 1990's. Many of these cases, as highlighted in Table 1, involved ethno-nationalist terrorist groups (incorporating both left and right wing). The post 9/11 environment, however, saw alliances expand to specifically include relations between OC and militant Islamist networks and cells. In most cases, alliances between OC and terrorism operated along strict parameters, and could be identified when assessing most operational requirements of terrorist groups. In many cases, OC was the only obvious way through which access to specialist services and established illicit networks could be secured.

Table 1: Nexus Alliances in Europe, 2000-2010

Group	European Operations	Ties to OC or Terrorism
Abkhazia Rebels	Georgia	Chechen criminal groups Cross-border trade
Abkhazia Separatists	Georgia	Smuggling (cigarettes, petroleum, mandarins, hazelnuts) Trafficking in narcotics
Al Qaeda	Albania, Austria, Belgium, Bosnia, France, FRY, Germany, Ireland, Italy, Netherlands, Switzerland, Turkey, UK	Commodity smuggling (diamonds), depended on criminal groups for the provision of arms; affiliated and independent cells commonly engage in petty crime and credit card fraud Drug trade Likely connections to Balkan-based criminal groups, Camorra, Ndrangheta
Al Qaeda in the Islamic Maghreb	Ghana, Mali, Morocco, Algeria, Spain, Algeria	Drug trafficking, K&R Katibat al-Mulathamine FARC
Al-Shabaab	Somalia, Yemen, UK, Denmark, Norway, Sweden	Drug smuggling
Camorra	Italy, Luxembourg, US, UK, Montenegro	Drug Trafficking, extortion, arms trafficking Al-Qaeda Albanian Criminal Groups
Corsican organised crime	Italy, France	Gambling, money laundering, drugs trafficking, racketeering, bank robberies Alleged ties to terrorist cells in Italy
DHKP-C	Turkey	Armed robbery and extortion
Dissident Republican Groups	United Kingdom, Ireland, Colombia	Criminal activities, arms and drug trafficking, extortion, racketeering, bomb-making for hire, robbery, cigarette smuggling Ties to organised crime in Balkans Arms for drugs with FARC Ties to Irish mob in U.S.
N17	Greece	Bank robberies; 'Sardanapalos' faction involved in smuggling drugs, arms, people
ETA	Spain, France, Italy, Balkans, Colombia	Bank robbery, K&R, extortion Ties to Italian mafia (drugs for weapons) Arms trafficking with OC in Balkans (arms trafficking) Arms for cocaine with FARC IRA
FLNC	France	Bank robbery, extortion, counterfeiting, embezzlement
FARC	Colombia, Spain, Italy, Balkans	Extortion, kidnapping, revolutionary taxes, drug trade, arms trade
GIA	Algeria, Belgium, France, Germany, Italy, Spain, Sudan, Switzerland	Ties to Chechen groups Al-Qaeda, and Al-Qaeda in the Islamic Maghreb Islamic Salvation Front Takfir wa Hijra Unified Unit of Jihad
Iraultza	Spain	Criminal activities
INLA	Ireland, United Kingdom	Criminal activities
IMU/IJU	Afghanistan, Germany, Iran, Kazakhstan, Pakistan, Tajikistan, Uzbekistan,	Drug trafficking Opium trade in Central Asia Al-Qaeda Islamic Jihad Group Taliban
UCPMB	Serbia and Montenegro	Drug trafficking
LVF	United Kingdom	Criminal activities including drug trafficking
GICM	Afghanistan, Belgium, Denmark, Egypt, France,	Forgery, gun running, drug trafficking, credit card fraud

	Morocco, Spain, Turkey, United Kingdom	
MEK	France, Iran, Iraq, US	Oil smuggling Peykar
National Liberation Army	FYROM	Smuggling (arms, cigarettes, people, narcotics), narcotics production laboratories
'Ndrangheta	Italy, Luxembourg, US, UK	Drug Trafficking, extortion, arms trafficking Al-Qaeda Albanian Criminal Groups ETA FARC IRA Colombian paramilitary groups Bulgarian OC (drug trafficking)
NIPR	Italy	Ties to organised crime
PKK	Turkey	Extortion, robbery, arms smuggling; human and drug trafficking
Sacra Corona Unita	Italy, Luxembourg, US, UK, Montenegro	Drug Trafficking, extortion, arms trafficking
White Legions and Forest Brothers	Georgia	Racketeering and contraband smuggling

Monitoring relationships between OC and terrorism is a difficult task given the current organisation of most national anti-crime and counter-terrorism agencies (i.e. generally working independently of one another with limited intelligence sharing and operational collaboration). This bureaucratic reality is unfortunately common throughout most E.U. member-states; greater collaboration has not evolved despite the record of alliances that have been forged between OC and terrorism over the decades. Indicative of these alliances are the following examples:

- During the 1980s there were functional relationships between Camorra families in Italy and the Italian Red Brigades, and between the Sicilian Mafia / Neapolitan Camorra and Fascist terrorist groups.
- 1990s relationship between the IRA and the 'Ndrangheta, where the 'Ndrangheta acted as a go between and 'guarantor' for the passage of arms from Lebanon to Belfast.
- One of the most recognisable alliances was the relationship that developed between the Albanian mafia and the KLA during the Kosovo conflict. These two groups successfully established a heroin smuggling operation, the profits of which simultaneously fed into the criminal and political aims of each entity at the time. For more details on how the Albanian mafia and KLA exhibit several nexus tendencies, refer to Annex B.
- In the early 2000s the Camorra are believed to have provided Euzkadi ta Askatasuna (ETA) with services and goods, including arms and false documents.
- In 2002 the Italian authorities noted that criminal and terrorist cells were engaged in a relationship where Italian OCGs smuggle arms to Palestinian and North African-based terrorist groups, who reciprocated by supporting Italian narcotics smuggling networks.
- In 2002 allegations regarding cooperation between the 'Ndrangheta and militant Islamist cells based in Italy emerged.
- In 2004, Italian authorities noted a concern regarding Neapolitan mafia converts establishing arms-for-drugs networks on behalf of Italian based terrorist cells.

- The Camorra was known to have provided false documents to the Madrid cell in 2004.

Historical alliances between OC and terrorism in the E.U. were unlikely to have been based on profit-maximisation or a desire to secure an unstable operating environment. Many of the connections that are documented reveal a more complex equation, combining factors such as loyalties to a specific ethnic or religious community, or the emergence of sympathetic feelings – ultimately reflected in cases involving converts.

2.3 Current Situation: Illustrative Case Studies

According to a range of law enforcement and security service sources throughout Europe, the most pressing concern faced by E.U. member-states is the threat that is specifically tied to linkages between OC and militant Islamist cells. Although there remain remnants of ethno-nationalist and single-issue terrorist groups operating within the E.U. theatre, these groups appear to have predominantly integrated criminal capabilities within their operational structure. In addition, it is apparent that militant Islamist cells operating independently of any central support structure engage directly in petty crime, and are not commonly seen to engage directly with OCGs. Integrated criminal structures, even in the less sophisticated cases of independent cells directly engaging in petty crime, are covered in Section 8. Relevant to this section are the more centralised Islamist terrorist networks with cell structures in E.U. member-states who are known to engage with OCGs.

There are two types of alliances that impact E.U. member states. First, alliances that are established within E.U. borders have a direct security impact, both in terms of contributing to the potential operationalization of a terrorist attack, and in terms of contributing to the growth of criminality within communities. Second, alliances established outside the E.U. / on the periphery of Europe, also have the potential to exacerbate the internal threat posed to member-states.

2.3.1 Internal E.U. Dynamics

Within the E.U. there is ample evidence of what many intelligence and law enforcement officials have referred to as a *marriage of convenience* between OC and terrorist groups. This functional alliance is predominantly based on the straightforward exchange of goods and services. In a large number of cases reviewed in this briefing, in exchange for services such as the supply of false documentation, terrorist cells/groups support the narcotics and arms trafficking networks of the OCG. Evidence of this exchange has been most obvious in Italy and Spain.

Illustrative cases are as follows:

- In 2012 it was discovered that the Irish Republican Army (IRA) was laundering money on behalf of the 'Ndrangheta in Northern Ireland. The 'Ndrangheta, at the time, were known to have been seeking facilitators/enablers who could launder their money through relatively sophisticated channels.
- Italian militant Islamist cells are believed to use connections to Balkan OCGs to transport arms and explosives via the Italian port of Gioia Tuarro in Calabria. This port is specifically used to tranship most of Europe's cocaine consumption.
- Numerous militant Islamists operating in the E.U. have had personal relationships to criminal networks. Profiles of some militant Islamists whose backgrounds are illustrative of an emerging trend within Europe are included in Annex A.

What these profiles highlight is that individual militant Islamists with a dual criminal/terrorist profile can be extremely difficult to identify. Yet, these types of individuals exist and operate throughout the E.U.

2.3.2 The Balkan Theatre

Europol's most recent EU Terrorism and Trend Report (TE-SAT 2012), the Organised Crime Threat Assessment (OCTA), and the 2012 Annual Risk Analysis of the Western Balkans published by FRONTEX, all highlight concerns regarding the Balkan security environment and its impact on E.U. security. Read together, it is evident that there are a number of issues related to the creation of OC-terrorism alliances, which emerge from the Balkans. Annex F illustrates where OC and terrorist actors have been known to overlap geographically. Several sources from the intelligence community have noted that the region has recently been used as a hub by British militant Islamists (e.g. Pakistani Wahhabists from Birmingham) to engage in what was referred to as 'serious criminal smuggling operations'.

Operationally, several spots in the Balkans act as major transshipment points of illicit trafficking networks. This is facilitated by high flows of regional road traffic, which enables movements of illicit consignments to be transported undetected. Tied into this are increased irregular migration flows. This is especially the case along the Greek-Turkish border, the Serbian border with Former Yugoslav Republic of Macedonia (FYROM), and the Serbian border with Romania. According to the 2012 FRONTEX Balkan risk analysis, there are a growing number of Afghan and Pakistani nationals involved in border crossings in the region. Although this may not, in itself, directly create greater insecurity, there is evidence that militant Islamists use these routes. The key vulnerability here is that, once militants are able to enter the Schengen area from either Croatia or Serbia, they are open to the rest of the E.U. Albania has, for example, specifically voiced concerns that terrorists are using the Western Balkan route – via established criminal smuggling networks - to enter the E.U. Further discussions with law enforcement sources have indicated that militants using the Balkan route primarily come from the AfPak arena, and more recently, from Syria.

In addition to the geographic attraction of the Balkans to OC and terrorist groups – thus creating natural synergies for cooperation - the region raises another concern in relation to the crime-terror nexus. This relates to a current trend – more specifically witnessed in Germany, Austria and Switzerland - of 3rd generation Balkan diaspora youth becoming involved in radical Islamism. Given that the previous generation were involved in criminality, law enforcement officers in some European states have expressed their concerns over the potential for natural ties to develop between family/community members with both criminal connections and those who have adopted a militant Islamist agenda. Although there is no hard evidence that this trend is being operationalized as described above, the concern is that the elements exist for a similar relationship to emerge between Balkan criminal and terrorist elements as emerged between Lebanese OCGs and Hezbollah in the 1980s. This is a potential development that needs to be closely watched.

2.3.3 Caucasian OC as a Terrorist Facilitator

Due to a number of factors, OCGs from the Caucasus expanded and migrated their operations into Europe in the mid-1990s. In this migration were groups specifically from Georgia, Armenia and the Russian North Caucasus (especially Chechnya). Over the years they have mainly established operations in Belgium, Spain, France, Germany, and Austria and to a lesser extent, the U.K. and Finland. Activities generally include anything from money laundering, drug smuggling, hired killings, down to organised robberies.

Given the recent political history of the Caucasus, and the rise of regional terrorist groups in these territories over the years, indigenous OCGs and militants have a common past, including cooperation. Intelligence and law enforcement sources in France and Georgia have noted that several OC members in France were in fact found to be former Chechen militants and were believed to have maintained connections to Chechen terrorists.

The greatest threat emanating from the presence of Caucasian OC in Europe arises because these groups are known to have few qualms about whom they cooperate with, or the types of activities they are prepared to engage in. For example, there have been several documented cases of OCGs attempting to sell a variety of military weapons, including high-grade weapons materials. One of the latest incidents that received media attention was the arrest of Artur Solomonyan in the U.S. in 2005 as a result of an FBI 'sting'. Solomonyan was sentenced to 22 years for plotting to smuggle shoulder-fired surface-to-air missiles, rocket-propelled grenades and other weapons. Solomonyan also boasted that he could acquire enough enriched uranium to bomb the New York subways.

Flexibility, the capacity to access and transport illegal goods, the capacity to use violence and corruption, and functional links with other OCGs, make Caucasian OCGs ideal candidates for delivering services to terrorist groups. Although there is no hard proof to back this suggestion, there is some evidence that raises suspicion.

- Ricin discovered in a foiled terrorist plot in the U.K. in 2003 was produced in Georgia.
- Various European law enforcement officers have stated that Caucasian criminals and terrorists have established extensive links in European prisons. An officer in Belgium, for example, noted that in 2005/6 Georgian criminals were recruited by militants to provide forged documentation.
- In May 2011, a group of militant Islamists were arrested in the Czech Republic for involvement in arms smuggling, counterfeiting legal documents, and planning terrorist attacks.
- In August 2011 a group of Chechens and a Turkish accomplice were arrested for planning a terrorist attack in Spain. Sources have speculated that the Chechens were also connected to Chechen OC.
- There are documented cases coming from the former Soviet Union of militants engaging OCGs to move people via human smuggling routes that they operate.

2.3.4 AQIM & Other Militant Islamist European Operations

In 2006, the Groupe Salafiste pour le Combat (GSPC) formally joined al-Qaeda (AQ), changing its name the following year to Al-Qaeda in the Islamic Maghreb (AQIM). AQIM (Sahel) units generally comprise individuals from Algeria, Burkino-Faso, Libya, Mali, Morocco, Niger, Nigeria, Senegal and Tunisia. Although most cadres remain Algerian, Arabs from Mali appear to be playing an increasingly significant role. The main areas of operation remain in Africa, specifically Mali, Mauritania and Niger; however, it has extensive connections to Libya, Morocco and Tunisia.

To date, no known Europeans have been recruited directly into AQIM, but individuals within the organisation have connections / have travelled to France and the U.K., and have established operations in other European states. As of 2011, the Intelligence Service of the Spanish Civil Guard considered AQIM to be the most serious threat to Spain.

Although not part of the E.U., Switzerland was the base of one Algerian AQIM operation that drew together OC and a terrorist cell. According to law enforcement sources, a small unit of militant Islamists organised a ring of approximately 30 petty thieves who were

charged with stealing money, computers and mobile telephones. The average 'daily steal' brought in an estimated €5,000.

Other notable developments regarding the relationship between OC and militant Islamist groups that have an impact on E.U. security include the following:

- AIM has been involved in providing route security (in exchange for monetary payment) for OCGs smuggling illicit commodities from Nigeria to Morocco, and presumably onwards into the E.U.
- A number of security sources have commented on the emergence of connections between al-Shabaab and OCGs engaged in the illicit trafficking of qat. This is especially an issue amongst the E.U.-based Somali diaspora.
- In general, the drug trade originating in the Sahel involves a number of OC and terrorist groups moving shipments to the European borders. Although it is known that Latin American groups, Hezbollah, AQIM and various regional national liberation forces are involved, the identity of associated OCGs remain unnamed.
- There is an established 'trade' in Western kidnap victims in unstable geographies. In places like AfPak and Iraq, OCGs are paid by terrorist groups to kidnap Westerners. According to a report published by the U.S. Congressional Research Service, entitled 'International Terrorism and Transnational Crime: Security Threats, U.S. Policy and Considerations for Congress', the governments of France, Germany and Italy paid an estimated \$45 million for the release of their foreign nationals. The exact distribution of this money between OC and terrorist groups is unknown.
- The UN has identified West Africa as a hub where Latin American drug traffickers are collaborating with AQIM to smuggle cocaine to Europe. Details of these operations are elusive, but there is reason to believe that OCGs, including the Corsican mafia, facilitate the movement of the cocaine into Europe. Although it is unlikely that AQIM is directly involved in drug trafficking, it is believed that they provide intermediary services (i.e. protection).
- European security officials have also confirmed that smuggling routes between North Africa and the E.U. are vital to militant Islamists. The unanswered question is how they are moved into Europe once illicit commodities reach the European borders. It is speculated that this is done through the help of OCGs entrenched in southern Europe.
- Since 2005, investigations in Belgium and France have consistently revealed ties between terrorist cells and OCGs. Specific connections, for example, have been made between militant Islamists and Albanian OC and the 'Ndrangheta.
- Italian authorities have identified connections between certain terrorist cells operating in Italy and OCGs with operations (i.e. arms and drugs trafficking) in Italy, Spain, Switzerland and Montenegro.

2.3.5 Single-Issue Terrorism

According to a Canadian Security Intelligence Services report on single-issue terrorism published in 1998, single-issue terrorism (SIT) is defined as 'extremist militancy of groups or individuals protesting grievance or wrong that are usually attributed to government action or inaction'. Prominent issues covered under this typology are: animal rights, radical environmentalism, anti-globalisation, anarchism, and anti-abortion. The most common groups include the Animal Liberation Front (ALF), Environmental Liberation Front (ELF) and Stop Huntington Animal Cruelty (SHAC).

By 2009, SIT embraced many leftist terrorist groups, including the Red Brigades and the French arm of Devrimci Halk Kurtulus Partisi-Cephesi (DHKP-C) (both of which had linkages to OC). The *a priori* motivation of SIT groups is to radically force a social re-think of how these issues are dealt with, and to attain radical change, SIT groups have resorted to extremist militancy – thus creating a terrorist threat.

While there is no question that violent actions of SIT groups harm society, terrorism analysts have questioned whether the damage they inflict — primarily financial and structural — should be considered terrorism. This is one of the main reasons why SIT groups have been on the periphery of terrorism typology. However, others (including E.U. institutions) argue that SIT groups use terrorism as a rational calculated strategy of deliberate or intentional use of violence - even though loss of life may not be the result. Overall, the small-scale nature of SIT activities has led many law enforcement agencies worldwide to consider them as a small threat to collective security, with most incidents being unreported and simply treated as isolated events.

SIT groups use more aggressive tactics including arson, property destruction and malicious communication. Anti-abortion group attacks against individuals have been noticeable and have included kidnappings, assaults and attempted murder. Operationally, SIT groups are domestically focused, but can have an international scope. They are primarily structured in autonomous cells with strong links between country representatives. They are highly dependent on electronic communications and widely user social networks to organise and facilitate their operations, recruit new members, and establish and maintain links with other extremist/terrorist groups.

The membership of most SIT groups combine well-educated professionals who are aware of these issues and want to implement radical change along with more disadvantaged youth coming from deprived backgrounds and with basic (if any) education. Both sides fulfil a role within the operations of the SIT group – educated professionals become the organisers and the leaders, with others representing the physical force behind the protests.

2.3.6 Current status in Europe

There has been a merger of left- and right-wing extremist SIT groups in Europe. What may, at first glance, appear unlikely alliances, are becoming the norm. This coincides with a resurgence of activism throughout Europe – since 2009 there has been a slow but steady rise in pan-European incidents, targeting commercial interests and representatives. SIT groups have been particularly active in the U.K., Austria, Belgium, France, Spain, Italy, Ireland and, most recently, in Greece.

Notably a recent alliance appears to be developing between SIT and right-wing extremism. The driving force behind this has been the prevailing economic situation, and associated grievances about social inequality – all tied in with the anti-globalisation agenda. Right-wing groups have allegedly provided radical environmentalist group's access to paramilitary training in E.U. member-states (a phenomenon that has already been taking place in the U.S.).

According to sources, although SIT groups have previously been known to engage in impulsive / ad-hoc actions, they are now increasingly viewed as being well organised and taking greater care in preparing operations. The 'leaderless resistance' is being replaced by a more complex operational structure.

Although there is no hard evidence of a convergence between SIT groups and OCGs, the current evolutionary trajectory of SIT groups indicates that they have both a degree of flexibility to their operations, and a habit of cooperating with a wide range of other actors. Recent allegations have connected Italian anarchist groups to OCGs, and there are rumours

that the Revolutionary Struggle and Conspiracy Cells of Fire (Greece) purchased weapons from Albanian OCGs.

Thus as each SIT is becoming more organised and complex, and with the convergence of so many different types of members – including petty criminals - the use of criminal activities for the funding of various activities is likely to increase. This would follow the evolutionary path noted for independent militant Islamist cell financing.

2.4 Greece – a new staging ground?

Greece is considered a dark analytical hole that requires greater attention in terms of how OC and terrorism are currently evolving. Over the past several years, Greece has been seen to be a jurisdiction tied to numerous illicit networks operating throughout the E.U. For example, one law enforcement source described a case involving two Belgian terrorist networks; arrests were made in Italy, but the suspects were traveling from Greece. This case in particular involved the smuggling of several people from Afghanistan and Pakistan. Other similar cases were uncovered, suggesting that Greece is in fact becoming the 'new Spain' (i.e. a smuggling crossroads for criminals and militants).

Open sources have also alluded to these developments occurring in Greece. For example, there are indications that Pakistani groups are becoming established in Greece and are involved in smuggling immigrants. A related concern is that militant Islamist groups from South Asia are using this criminal route. Although Greece is not known to host a significant Islamic community, it is interesting to learn that a rising number of unofficial mosques are being erected in the country, and the use of *hawala* is being raised as a money laundering issue.

Furthermore, there is reason to believe that the Pakistani and Syrian diaspora communities have spearheaded a forged travel document industry in Greece. In February 2011, for example, a police raid uncovered 500 fake travel documents, and several 'stolen' official stamps – illustrating an associated concern regarding the level of public corruption in the country. Combined with continuing political and social instability in North Africa and the Middle East there is an intensifying demand for (illegal) migration to Europe. As a result, the trade in fraudulent documentation is also on the rise. It can be concluded that, in Greece, OC and terrorism have found common cause through human trafficking operations.

It is equally important to note that Greece is, according to various open sources, experiencing a steep increase in OC. This is clearly exacerbated by the on-going economic situation, and public concerns regarding the austerity measures that Greece must take. In fact, experts on OC in Greece – such as Panos Kostakos - decisively note in articles and interviews that Greece has one of the largest black markets in Europe, the highest corruption levels, and a strong political culture based on patron-client relations. Combined with its geographic proximity to countries that export terrorism, illegal migration, social unrest and a growing alienated Muslim community, Greece is highly susceptible to an emerging convergence between OC and terrorism – even if at present only short-lived marriages of convenience that supply forged documentation, weapons, and/or access to various smuggling routes. Furthermore, access to illicit communities in France, Italy and the U.K. have the potential to turn Greece into a staging ground for both criminal and terrorist activities.

3 CASE STUDY: APPROPRIATION / INTEGRATION

KEY FINDINGS

- Although ethno-nationalist groups have predominantly ceased their operations and do not pose an immediate terrorist threat, several continue their involvement in OC.
- Militant Islamist terrorists are also increasingly securing ways to become directly involved in criminality as a source of financing and logistical support. These cells/groups are driven by the need for self-finance, and a requirement to organise operations independently.
- North African and Pakistani terrorist cells indigenous to the E.U. are increasingly engaged in criminal activity to fund terrorist operations. Externally based terrorist cells, such as AQIM, pose a two-fold threat: targeting European citizens in its kidnap-for-ransom operations and using Europe for their drug trafficking operations.

3.1 Defining Characteristics

The appropriation or integration of tactics is the second key linkage that exists between OC and terrorism. Appropriation refers to a criminal or terrorist group acquiring or developing in-house capabilities – i.e. a criminal group learning how to conduct terrorist operations to progress its own agenda, and terrorist groups learning how to directly conduct criminal activities to finance or support their operations. Integration, on the other hand, occurs when an OCG or terrorist group integrates with a group of terrorists or criminals, respectively, as a way of acquiring that tactic.

In this type of nexus, terrorist groups appropriate or integrate criminal operations; and OCGs appropriate terror tactics as part of their operational strategy. Most cases of appropriation are found within the context of terrorism, especially within the E.U. theatre of operations. This is primarily because most terrorist cells and groups have been forced to self-finance their operations, and crime has thus become an integral operational component. Usually, appropriation does not have a significant impact on group motivation.

Appropriation and/or integration are theoretically a development from alliances. Logically, this is because securing in-house capabilities increases operational and organisational security. This eliminates the inherent problems associated with alliances, namely differences over priorities and strategies, distrust, danger of defections and betrayal, and the threat that alliances could create competitors.

3.2 Background

As noted above, the vast majority of E.U. cases of appropriation or integration deal with terrorist groups directly engaging in OC activities as a source of financing. Historical examples are plenty, with the following groups known to have engaged in OC activities: Provisional Irish Republican Army (PIRA), Ulster Defence Association (UDA), Ulster Volunteer Force (UVF), ETA, KLA, Partiya Karkaren Kurdistan (PKK), Red Army Faction (RAF), AQIM. The appropriation of OC tactics into terrorist groups has a two-fold logic: first, profits are used for operational financing; and, second, familiarity with criminal activities provides logistical support (e.g. transporting militants through smuggling networks).

Terrorist groups have been involved in a wide-range of criminal activities; however, there are notable differences in the types of crime different types of terrorist groups have been willing – at least historically – to be directly involved in. For the most part, ethno-

nationalist (including both left and right wing) groups have imposed the least stringent parameters. As such, they have been involved in everything from petty crimes to kidnappings, and drugs and human trafficking. Militant Islamist groups, on the other hand, appear to have limited their criminal engagement to petty crime. There are many reasons for this, some ideological, but some practical in that independent cells would naturally find it difficult to engage in larger scale illicit networks for fear that it could increase their vulnerability to detection.

There is, however, a difference between militant Islamist cells seeking financing for a one-off operation; and those seeking financing for longer term logistical support. Furthermore, there is a marked difference between militant Islamist cells engaged in crime in the E.U., and those who are able to leverage less stable environments and gain greater financial benefit from more sophisticated OC activities.

3.3 Current Situation: Illustrative Case Studies

Weakening ties with the 'central command' of terrorist groups has been the driving force behind European-based cell engagement in criminality. The need for self-finance, combined with the requirement to organise operations independently, has led some cells to move away from alliances and directly appropriate or integrate criminal capabilities.

Terrorist use of crime has evolved since the 1980s in terms of methods and motives. Table 2 highlights key developments in this evolution, and identifies some of the most prominent case studies in the European theatre of operations.

Table 2: Terrorist use of Crime

	1980's	1990's	From 2001
Motives	Material and logistical support	Replacement of state sponsorship – financial necessity	Recruit criminal expertise Profit maximisation
Methods	Extortion, petty crime	Add: smuggling, trade in counterfeit goods, illegal trade of commodities	Add: money laundering
Case Studies	Not noted in Europe	Al Qaeda, IRA offshoots, ETA Chechen groups	Predominantly militant Islamist groups

3.3.1 Terrorist Use of OC: Ethno-Nationalist Groups

In the current environment there are few operationally active ethno-nationalist terrorist groups operating in the E.U. Two groups, however, provide indicative case studies of how ethno-nationalist groups use OC – i.e. ETA (indigenous to the E.U.), and the Liberation Tigers of Tamil Eelam (LTTE) (with origins external to the E.U. but with European operations).

Although ETA declared a new ceasefire in 2010, and announced a 'definitive cessation' of armed activity in 2011, it has not handed over its arms, nor has it definitively stopped engaging in OC activities. Responsible for killing hundreds and injuring thousands since it began its campaign for an independent Basque country, the group has embraced extortion, robbery and to some degree, arms trafficking, in order to meet its estimated annual €2 million budgetary needs (Spanish police figures).

The greatest current threat associated with ETA is that elements of the group have shifted their focus towards OC activities – similar to what developed with IRA factions in the 2000s (Section 10).

As with ETA, the terrorist threat posed by the LTTE in Europe and elsewhere has been limited by the defeat of the LTTE by the Sri Lankan Military in 2009 (notably, the group was re-listed as a terrorist organisation in July 2011). Although the group is severely limited in the types of operations it can conduct in Sri Lanka, it has left a significant legacy in terms of how a terrorist group can develop a sophisticated criminal arm. Since its inception in the 1970s, the LTTE established the following types of criminal operations: arms and people smuggling, extortion, money laundering, counterfeit documents, drug trafficking, and various types of fraud. These activities, however, were not limited to South Asia, but were facilitated through access to the Tamil diaspora community throughout the world, including Europe.

In fact, the case of the LTTE provides a solid example of how diaspora communities in the E.U. can be vulnerable to terrorist groups originating on unstable 'home' soil. The use of intimidation was a key method through which the LTTE ran extortion rackets and other criminal networks with the support of the diaspora – i.e. they knew that the European diaspora would not report their activities for fear of retribution against family members still living in Sri Lanka. Clearly a similar predicament could occur in other diaspora communities which could become vulnerable to the activities of terrorist organisations in their countries of origin. In fact, there are indications that this has been the case within the Somali communities, and the Pakistani, Albanian, Algerian and Kurdish diasporas in the E.U.

3.3.2 Terrorist Use of OC: E.U.-based Militant Islamist Groups

There are several concerns related to militant Islamist groups who either have indigenous operations in Europe, or whose operations abroad have an impact on E.U. member-states - either through a diaspora community or through the trafficking networks they operate.

Within the E.U., very few militant Islamist cells have direct links to the AQ or AQ- affiliated (e.g. AQIM) core. As a result, they are not in a position to benefit from any central funding mechanism and are forced to find their own sources of financing. According to various law enforcement and security sources throughout the E.U., the following appears to be a common cell profile:

- Predominantly composed of North African or Pakistani radicals / militants with no clear societal ties.
- These militants are now primarily 3rd generation who have had no experience of terrorist training camps or operational experience in the main theatres (i.e. AfPak).
- The lack of experience gained abroad, combined with the 3rd generation profile, means that militant Islamist cells in Europe have few qualms justifying their engagement in crime with their ideological aims.
- Increasingly they rely on criminal financing conducted, for example, by core groups in AfPak and the Sahel. Thus direct engagement in K&R, extortion and various forms of illicit smuggling by groups abroad - such as AQIM, Quetta Shura Taliban, and the Haqqani network – provides legitimacy for 'inspired' independent cells based in the E.U. to engage in criminal activities themselves. Crime has thus become 'theologically' justifiable so long as it is used for financing or operational needs.

There are several examples of E.U.-based cells engaging in criminal activities as a source of funding for specific terrorist attacks. Some key cases/trends are noted below.

- Jamal Ahmidan, a key figure responsible for the 2004 Madrid bombings, sold drugs to pay for operational and logistical cell support. A known drug dealer and trafficker, Ahmidan was radicalised in prison. Furthermore, Spanish investigators concluded that several drug traffickers were in fact radicalised and integrated into the cell

responsible for the attack. Open sources reported that the police found €52,000 and €1.5 million worth of narcotics in the flats of one of the accused.

- In 2004, Spanish authorities arrested ten Pakistanis in Barcelona who were in possession of false documents and heroin. It was discovered that they were part of a radical Islamist support network, with evidence confirming that they sent money to the accused mastermind of the Madrid train bombings, and to Ahmed Khalfan Ghailani, linked to the 1998 U.S. embassy bombings in Kenya and Tanzania.
- In 2005, French authorities dismantled an illicit network that consisted of a group of militants and common criminals operating within the same structure. The driver behind this integration was not believed to be profit, but based more on a complex mix of factors including loyalty to a specific ethnic or religious community, and/or the emergence of sympathetic feelings.
- Open sources have reported that Tehrik-i-Taliban Pakistan have been involved in exporting heroin to a number of global destinations, including Europe. The group was responsible for a failed vehicle bomb attack in Time Square, New York in 2010.
- Ahmet Manarbasi, the leader of Deutsche Taliban, was – according to various open sources - a drug dealer from Lower Saxony. In fact, it is believed that a number of militants in the group had petty criminal backgrounds. It is inferred that criminal backgrounds of the jihadists facilitated the operations of Deutsche Taliban, although it has not been confirmed whether or not the group itself was engaged in criminal activities as a source of financing.
- There has been a confirmed case in northern Europe of al-Shabaab involvement in OC. European criminal operations of al-Shabaab are focused on money laundering and qat trafficking. Although the group's operations are concentrated in Somalia, it is speculated that they have connections to some Somali *hawalanders* based in the E.U. who have a reputation for money laundering. Notably al-Shabaab is currently undergoing an internal split, in part because the involvement in drug trafficking of part of the group has resulted in in-fighting.
- In the mid-2000s, European investigators identified a common trend emerging from networks of Pakistani militant Islamists. Ethnic Pakistani militants appeared to be increasingly involved in OC activities, including drug trafficking, fraud and money laundering. Several of these individuals were citizens of E.U. member-states, including the U.K. and Belgium.
- Between 2007 and 2010 there were several cases in the U.K. which including militant Islamists who had engaged in criminal activity. One was Tariq Al-Daour who helped fund website development for al-Qaeda in Iraq through fraudulent transactions. Police found 37,000 credit card details on his computer, and identified more than €2.5 million worth of fraudulent transactions.
- Italian law enforcement sources have expressed a concern that first generation Italian Algerians may simultaneously become involved in OC and terrorism based on their profiles and the prevailing operating environment.
- See Annex A for profiles of terrorists with a joint criminal / militant Islamist background.

3.3.3 Terrorist Use of OC: Externally-based Militant Islamist Groups

As noted in Section 7.3.3, AQIM (Sahel) has engaged in alliances with OCGs. However, the majority of its criminal capabilities have been appropriated or integrated into its structure. A survey of various cases suggests that AQIM has engaged in various types of criminal

activity, from moving money between Europe and the Sahel, to establishing smuggling pipelines for illegal immigration and narcotics. In 2009, for example, three individuals associated with AQIM were arrested in Ghana after allegedly agreeing to transport cocaine through Africa to Europe. Thirty-four individuals were arrested in Morocco in 2010 in connection with an international trafficking network smuggling cocaine and marijuana originating from South America, to Africa and on to Europe.

The theatre in which AQIM (Sahel) primarily operates, i.e. northern Mali, is relevant to understanding why the group appears to have no real inhibitions with direct engagement in OC activities. Historically northern Mali has been under the control of nomadic *Tuareg* tribes, who have long been involved in illicit smuggling and trafficking. The emergence of militant Islamist groups in Mali and Niger successfully built on the cultural proclivities of the area, adapting to the predominant mentality of the *Tuareg* people. In this context, this meant adopting criminality as an acceptable way of life.

AQIM is thus known not only to operate several illicit smuggling operations, but also to control networks that operate across the region. Kidnap for ransom and armoured car robbery appear to be common, in addition to other types of smuggling.

Significantly, Mokhtar Belmokhtar – a key AQIM personality – was known as '*Mr. Marlboro*' for his involvement in OC (e.g. for his involvement in smuggling operations). Investigations conducted by European sources have confirmed that Belmokhtar is also associated to *Tuareg* OCGs involved in the narcotics trade.

The threat that AQIM operations pose to the E.U. is two-fold:

- First, AQIM has specifically targeted European citizens in its K&R operations. This is important not only because E.U. citizens are potential victims, but also because E.U. member-states have paid ransoms for their release, thus directly feeding into the financial coffers of the group. According to open sources, between 2003 and 2011, 78 Europeans were kidnapped by AQIM. Ransoms paid have been estimated at €60,000 per victim, with some suggestions that ransoms as high as €3.5 million were paid.
- Second, there is an indirect threat posed vis-à-vis AQIM's drug trafficking operations – predominantly aimed at transporting shipments to Europe.

3.3.4 Criminal use of Terror Tactics

As noted in the introduction to this section, OC appropriation of terror tactics is a limited phenomenon in the E.U. This is largely due to the organised structure of the E.U. member-states and the relative political stability that exists throughout the region. As with OC in most developed states throughout the world, it is in the interest of OCGs not to directly challenge the political structure. On the contrary, the relationship between OC and the political realm is often most efficiently dealt with through corrupt relations.

Table 3 below provides a summary of how OC has directly employed terrorism over the past three decades; and how the use of terror tactics has evolved over that period. What is apparent is that the criminal use of terror tactics is most readily employed in unstable environments as a way of acquiring territorial control in order to secure a criminal environment. The only states in which OCGs have regularly used terror tactics since 2010 are Mexico (Mara Salvatrucha) and Brazil (prison gangs).

Table 3: Criminal use of Terror Tactics

	1980's	1990's	+ 2001
Motives	Eliminate competition Disrupt anti-crime efforts	Eviscerate legal / political power Challenge political elite	Territorial control
Targets	Government personnel	State symbols Citizens / public symbols	Indiscriminate
Methods	Assassinations, targeted bombings	Indiscriminate violence	Insurgent-like operations
Case Studies	Italian mafia	Italian mafia Balkan mafia Chechen mafia	Not notably present in Europe

The only recorded contemporary case of an OCG using terror tactics to secure their operational environment in the E.U. is that of the Italian mafia. In the 1990s the mafia used terror tactics to disrupt the successful anti-mafia drive, which was initiated to reduce the influence and control that the mafia held over political, institutional and economic powers in the state. As a result of these concerted judicial-led efforts, the mafia responded with violence aimed to intimidate public opinion, perpetrating attacks that included initiating a series of car bombs near historic sites in Florence and Rome in 1993.

In May 2012, a bomb exploded outside a school in Brindisi, Italy – named after the wife of Giovanni Falcone, the anti-Mafia prosecutor who was killed by a Cosa Nostra bomb in 1992. This 2012 attack killed one student and injured five. At the time, the Sacra Corona Unita was noted as one of the possible perpetrators of the attack. Although a 68-year old man claimed responsibility two months later, stating that he acted alone, Italy's anti-mafia chief publicly stated that the investigation was being organised by the anti-mafia division – with speculation that the attack was in fact either linked to OC and/or extreme left-wing terrorists.

4 CASE STUDY: HYBRIDS

KEY FINDINGS

- Despite historical evidence of criminal-terrorist hybrids operating in Europe, the relatively stable political and socio-economic environment that persists in E.U. member-states indicates that these types of groups do not currently exist.
- On the other hand, there are cases in which terrorist-criminal hybrids continue to maintain their ideological agenda for public support despite shifting their operational focus to OC.
- There have been no E.U.-based case studies of militant Islamist groups/cells evolving into hybrid entities.

4.1 Defining Characteristics & Background

Alliances and the appropriation of tactics are types of linkages between OC and terrorism that are relatively straightforward to identify because they do not require analytical judgements to be made on intangible characteristics such as group motivation and strategic priorities. It is more difficult to draw decisive conclusions about hybrid entities – i.e. where criminal and political motivations have converged within one group. Hybrid groups either begin as OCGs that appropriate terror tactics and simultaneously seek to secure political aims, or they begin as terrorist groups that appropriate criminal capabilities to the point that they begin to use their political (ideological) rhetoric as a façade for perpetrating OC. Table 4 provides examples of hybrid groups relevant to the E.U. that were, at one point or another, simultaneously driven by the quest for profit and political change/power.

Table 4: Hybrid Entities

Entity	Timeframe	Description
Criminal: Russian mafia	1990's	Sought political and economic control, especially in the Russian Far East
Albanian mafia	1990's	Sought political control – interchangeable membership with the Kosovo Liberation Army
Terrorist: IRA offshoots	1990's	Rhetorical political stance, focus on criminal activities

The evolution of a criminal or terrorist group into a hybrid entity depends on several factors, including: change in leadership structure, shift in membership base (often due to new recruitment techniques), loss of centralised control due to the rise of independent factions or internal fractures, and either no leadership or competition for leadership at the ground level.

There are several case studies of hybrid entities developing in the European theatre of operations. As with the section on appropriation and integration, however, there are few cases of criminal-terrorist hybrids, but several cases of terrorist-criminal hybrids. This would be for the same reasons noted in the previous section - i.e. that the relatively stable socio-economic and political environment enjoyed by most E.U. member-states has given little reason for OCGs to adopt a terrorist *modus operandi* in conjunction with their criminal dealings.

4.2 Indicative Case Studies

4.2.1 Criminal-terrorist Hybrids

The few cases where OC has engaged the political realm - beyond 'corruption and collusion' to secure political control via direct involvement in the political processes and institutions of a state and/or to establish and maintain control over lucrative economic sectors of a state via the use of terror tactics - have been limited to either Italy or to states on the E.U.'s periphery.

In the early twentieth century the Italian mafia took military control through the use of violence over territory in western Sicily, creating a system of power in direct confrontation with the state. Not only did the mafia undermine state sovereignty by taking military and judicial control over the area, but it also affected the ability of the state to provide for its citizens (i.e. collect taxes, administer the law). Since this period, there has been no case of an OCG simultaneously seeking a political agenda through the use of sustained violence.

The 1990s introduced a second case study that had an indirect impact on the E.U. This specifically relates to the evolution of the Albanian mafia, which sought to build an alternative/parallel government at a time of wider regional instability. The Albanian mafia was inextricably tied to the KLA, and worked towards both a criminal and political agenda. Details are provided in a separate case study attached as Annex B.

There are no indications of criminal-terrorist hybrids existing / operating in the E.U. at the present time, nor are there any trends to suggest that any specific E.U. based OCG is developing / integrating terrorist tendencies to the point that would classify them as a hybrid.

4.2.2 Terrorist-criminal Hybrids

Terrorist-criminal hybrids, on the other hand, maintain an ideological stance whilst refocusing their efforts on criminal enterprise. There are two main reasons driving terrorist groups that are no longer driven by a clear political/ideological agenda to continue engaging in terrorism, even as a façade. First is to keep the government and law enforcement agencies focused on political agendas; in some situations the inference is that political/religious dynamics become too sensitive to initiate criminal investigations. Second, these groups continue to engage in terrorism as a way of asserting themselves amongst rival criminal groups. Importantly, by continuing to portray a political component to the public, these groups maintain access to their support network.

There are two illustrative historical case studies of terrorist-criminal hybrids operating within Europe: Northern Ireland Loyalist paramilitaries (UDA, UVF), and the KLA.

Loyalist paramilitaries sought to maintain a sense of political instability because they were unwilling to relinquish their criminal interests, or to endanger an operational environment that had proven to be conducive to their criminal *modus operandi*. Loyalist terrorist groups engaged in criminal activities as a source of revenue from the 1970s. Over the decades, OC became an operational focus – this was particularly evident during ceasefire years. The Organised Crime Task Force of the U.K. government in its annual threat assessments has highlighted concerns that financing has become an end in itself.

The status of the KLA vis-à-vis its relationship to OC and terrorism is provided in Annex B of this study.

5 CASE STUDY: TRANSFORMATIONS

KEY FINDINGS

- There is no contemporary evidence that suggests an OCG or terrorist group is currently exhibiting a transformation from terrorist activity or OC to the opposite end of the spectrum.

5.1 Defining Characteristics

Transformations occur when the ultimate aim and motivation of an OCG or terrorist entity drastically changes. For example, the group no longer retains the defining *raison d'être* that made them either political/ideological or criminal in the first place. In essence, it completely changes its nature.

The transformation from a terrorist group to a criminal entity is often accompanied by some key changes in the group's dynamics and composition. These include:

- Change in rationalisation from perpetrating violence to maximising profits;
- Lower intensity associated with political demands, and a lowering of the groups public profile;
- Growing concern with avoiding harm to victims;
- Reduction of attacks against 'innocent' civilian targets, unless those targets are associated with profit making (e.g. piracy);
- Political statements leading to an end of terrorist attacks, followed by an increase in criminality; and,
- An altered recruitment strategy.

Transformation from a criminal entity into a terrorist group is less common. As with the transformation of a terrorist group, the transformation of a criminal entity is also accompanied by some key changes in the group's dynamics and composition. These include:

- The political rationalisation for criminal activities;
- Donations made to political causes;
- Systematic association between members and militants – reflected in an evolving change in group composition and recruitment strategy;
- Bartering illicit commodities for weapons instead of selling them for profit; and,
- The adoption of political rhetoric as part of a growing public profile.

5.2 Illustrative Case Studies

Two examples of transformations are noted in Table 5, but these are tenuous examples with limited evidence to substantiate any definitive conclusions about their motivations. Furthermore, there are no contemporary indications suggesting that any European OCG is embarking on a transformational process. The British Independent Monitoring Commission has recently (2011) inferred that PIRA has increased its efforts and moved deeper into OC. One case that feeds into this conclusion was made public in 2009. It involved the freezing of the assets of Sean Gerard Hughes (commander of PIRA), and asserted that the frozen assets were obtained from laundering the proceeds of mortgage fraud, tax evasion and benefit fraud.

Analysis of ethno-nationalist groups who have used OC as a source of financing and have shown a reluctance to cease terrorist rhetoric even after peace agreements and ceasefires have been reached are potential candidates for the 'transformation' category of the nexus. ETA and the PKK, for example, could be viewed as terrorist groups using the façade of political motivations to hide criminal activity.

There are no convincing arguments that can be made of profit maximisation replacing the radical Islamist ideology of militant Islamist groups. Thus within the European context, it is evident that the other end of the transformation spectrum (terrorism into OC) is rare. For cells/groups that fall within the al-Qaeda structure, motivation is still central – it does matter. Unlike ethno-nationalist terrorist groups that have, on occasion, embraced OC in lieu of their original political motivations, the militant Islamist profile continues to reflect a clear belief system.

Table 5: Transformations

Entity	Description
17 November	Decreased political demands, replaced by growing involvement in smuggling operations, extortion and fraud
Irish National Liberation Army	Focused on criminal activities, ties to Irish mafia in U.S.; no evidence to indicate involvement in operational planning of terrorist events (acted as OC faction of IRA)

6 IMPACT ON THE E.U. & RECOMMENDATIONS

KEY FINDINGS

- Despite gaps in intelligence and research regarding the prevalence and future trends of OC and terrorism linkages, denying or ignoring linkages that clearly exist threatens the efficacy of counter-terrorism and anti-crime activities / policies.
- Intelligence sharing between E.U. member-state agencies is a key component in combating the linkages between OC and terrorism. At an operational level member-states must ensure that anti-crime and counter-terrorism units engage one another in order to identify and monitor linkages between OC and terrorism.
- It is paramount to understand that the effective fight against OC and terrorism depends on an integrated approach involving all stakeholders on a national and E.U. level.
- The private sector, particularly the financial industry, plays a crucial role in combating OC and terrorist financing by identifying and reporting cases of fraud, money laundering, and other suspicious transactions. The financial sector must work more closely with government agencies to identify gaps in current regulations and implement innovative techniques to address these issues.

6.1 Evolving 'Nexus' Capabilities

Although caution must accompany any assessment focused on identifying points of interaction between OC and terrorism, it would be naïve – in the face of solid cases – to conclude that it is neither in the interest of OC and terrorist groups to cooperate, nor is it in the interest of OC and terrorist groups to appropriate/integrate the tactics of the other into their own operations if it enables them to meet certain requirements.

There is, without doubt, a large gap in both intelligence and research regarding the prevalence, threat and future trends associated with the linkages between OC and terrorism. This has led some analysts to conclude that there is an absence of 'proof' regarding linkages between OC and terrorism. Unfortunately, part of the reason why we are faced with gaps in our knowledge regarding the linkages between OC and terrorism is because, at an operational level (i.e. anti-crime and counter-terrorism), few E.U. member-states have found a way that ensures a natural 'joining-up' between agencies that deal with OC and terrorism. Intelligence sharing is one component of this, but equally relevant is the ability and desire of these agencies to cooperate on an operational level to identify and monitor existing and potential linkages between the worlds of OC and terrorism.

From the analysis and case studies introduced in this report, there is very little doubt that linkages between OC and terrorism do exist in the E.U., and that linkages that have emerged outside of the E.U. impact Europe's internal security. How these linkages will evolve over coming years remains an important question. The greatest concern, in fact expressed in a report published by the U.S. Library of Congress in 2010, is that expanded links could increase our vulnerability to terrorist attacks by groups with enhanced criminal capabilities and thus financial resources. Increased terrorist interest in directly conducting OC activities has expanded the criminal environment present in each E.U. member-state – thus exacerbating the many threats already presented by OC, and regularly catalogued in annual state threat assessments.

6.2 Impact on the Legal Economy & Financial Systems

E.U. legal economies and the financial sectors have relatively basic compliance programmes in place – in most cases, the stringency with which financial institutions screen clients or conduct integrity due diligence investigations on partners and investments is highly dependent on the institutional culture prevalent within a specific company.

Furthermore, private sector intelligence providers who are often tasked to conduct Know Your Client (KYC) or reputational checks do not have the background or experience required. They are unlikely to identify indicators that could highlight potential overlaps between OC and terrorism, whether that be in the context of licit or illicit activities. Thus although in theory one-way of combating the linkages between OC and terrorism is to follow money trails, in reality it takes considerable resources to trace money flows. This is further complicated by the number and jurisdictions of linked numbered accounts, money changers, entities that cross OC and terrorist networks, and the use of informal value transfer systems that are involved in these chains.

Although government bodies may regulate legal economies and the financial system, interests from the private sector predominantly control them. As a result, the financial sector is simultaneously a major source of intelligence, but also the front-line of vulnerability. This is seen both in terms of large scale OC-perpetrated money-laundering cases, and smaller scale frauds conducted by terrorist cells throughout the E.U.

It is accepted as common knowledge that OCGs launder millions of dollars through the banking industry. Clearly efforts are made to try and detect such activity, yet these groups are still able to use the banking system to fund their operations and launder money. The efficacy of the financial sector's regulations both on fraudulent activity and money laundering is thus questionable. Clearly a large range of criminal activity either goes undetected, or is treated as an acceptable / expected write-off.

Research has also revealed a number of instances where terrorist cells with only marginal ties to larger organisations were able to successfully plan, fund and execute a terrorist attack. As noted in this briefing, self-financing and petty crimes – including insurance and credit card fraud – are occurring at a level that does not necessarily raise the suspicion of large banks. If this trend continues toward smaller-scale, individual E.U.-based cells funding their operations through fraud, it would appear that more aggressive action would need to be taken to address smaller incidents of fraud that are often over-looked by larger banks.

Of equal importance is the impact the nexus has on a global scale. OC-terrorist access to the international financial system can be gained through conflict and post-conflict zones, which have weaker systems of governance in place. Notably, this access is often facilitated by corruption and kleptocracies; providing OC and terrorist groups with a veil of legitimacy through the international financial system, and access to legitimate investment opportunities – at times bringing illicit capital together with capital provided through legitimate investment banks. This is a phenomenon that has been witnessed in the Balkans, in the Caucasus, and in other emerging markets that attract European-based investments.

Policy questions on the impact the nexus has on the E.U.'s legal economies and financial system raises additional concerns regarding foreign policy. How the E.U. deals with issues - such as border security policies, corruption and collusion of public officials that facilitate the integration of OCGs and terrorist interests into the legal economy, migration patterns impacted by instability in North Africa and Afghanistan, and instability in countries that have ties to E.U. member-states - will contribute to how the nexus continues to develop in coming years.

There is no doubt that illicit financing, regardless of its origin, undermines national economies and financial systems. This is clear from figures regarding the estimated profits OCGs make from smuggling and trafficking networks, and the amount of money believed to be laundered through the Western financial system. Significant gaps remain despite efforts to regulate the financial system. How these gaps are filled requires more creative thinking and strategies than have been applied to date.

6.3 Impact on Public Administration

The case studies provided in this report highlight the deep and diversity of linkages between OC and terrorism. OCGs and terrorist organisations enjoy the benefits of manoeuvrability – e.g. such as creating new alliances, shifting trafficking routes, or adopting specific capabilities internally. This adaptability is a natural by-product of each group's goals and motives, and its ability to respond flexibly to their operating environment. In the context of the E.U., linkages between OC and terrorism are primarily based around fulfilling operational requirements, such as access to smuggling routes or counterfeit documentation. Although both OC and terrorism have clearly recognized and benefited from the added value of linkages which benefit their own cause, the government agencies tasked with countering OC and terrorism in each E.U. member-state are still responding – for the most part – from isolated positions.

Considering the development of the nexus since 9/11, and clear evidence of expanding linkages between OC and terrorism, it could be argued that the lack of cross-agency communication and cooperation may have contributed to the flourishing relationship between OC and terrorism. This dangerously erodes trust in the ability of governments to provide economic and social security for their citizens. For example, the nexus:

- Increases exposure to crime and violence,
- Contributes to a rise in illegal trade which further undermines economic performance and legitimate business revenue, and
- Feeds into perceptions of community insecurity when cases of illegal trafficking in women/children/drugs/arms are exposed.

While the structure of law enforcement agencies and security services within each E.U. member states remain fragmented, and there is clear division between anti-crime and counter-terrorism efforts, it will be almost impossible to monitor the actual impact of any current and future activities of OCGs and terrorist groups within Europe.

In addition, the limitations that the current legal system is facing within each E.U. member state, as well as at a European level, regarding the nexus has allowed for the evolution and continuing growth of a strong bilateral relationship between OC and terrorist groups. It is therefore imperative that more focused consideration should be given to the development of a legal basis that will increase the ability of the relevant agencies to act.

The E.U finds itself at a critical stage where the symbiotic relationship that is developing between OC and terrorism is gradually overpowering the formal structures of the legal and security system. As some experts have commented during the course of this project, it is the reluctance of government agencies to accept the linkages between OC and terrorism that has weakened the development and enforcement of any viable plan of action to deter criminal and terrorist activities.

6.4 Recommendations

- As a starting point, it is imperative to determine how the crime-terror nexus exists / develops within specific E.U. member-states.

- Few individuals have expertise regarding the nexus and how it can be operationalized. This inherently limits acknowledgement of the nexus as an emerging issue that demands unique solutions. It is therefore essential that analysts in both anti-crime and counter-terrorism agencies are trained in how to identify existing and emerging linkages between OC and terrorism.
- A joint-task force should be established at both national and E.U. level, as well as within the E.U., which can exert leverage over the convergence of crime and terrorist groups by continuously monitoring new developments and trends, and sharing these with member-states. The European Parliament should ensure that at E.U. level, Europol would be tasked to carry out the relevant monitoring.
- As any targeted work on the connection between OC and terrorism is hindered by political and diplomatic considerations, it is essential for the E.U. to take the lead in establishing a unified approach towards external states regarding the crime-terror nexus. The European Parliament should ask the European Council and the European Commission to launch the necessary initiatives.
- Given the continuous challenges that European enlargement poses on border control, it is essential to develop increased co-operation amongst all the national border control agencies. Particular priority must be given to what are considered as porous areas within the security structure. As a senior European Government Minister noted, "The enlargement process will lead to new challenges as far as organised crime is concerned. With some of the radical Islamic groups in southern Caucasus - such as the Islamic Movement of Uzbekistan (IMU) - having a social support base in Eastern Europe, it will be necessary to coordinate more closely on the European and international level." Therefore, the European Parliament should ensure that FRONTEX is tasked to coordinate the appropriate initiatives.
- Although the majority of actions taken by member states has concentrated solely on terrorist financing, it is essential for law enforcement agencies to widen their parameters of investigation in order to detect other links beyond the obvious criminal connections. At the moment, most E.U. member-states suffer from a fragmented view of OC and terrorism. For example, one senior German intelligence official stated that: "This does not mean that the German authorities are blind if these groups use criminal means on German territory, such as extortion, scams to enforce protection, or money laundering. However, these actions are then defined not as part of a terrorism agenda but as ordinary crimes. It all comes down to the classification of a particular group." However, as the Merah case study highlights (Annex A), the problem with this attitude is that both anti-crime and counter-terrorist officers overlook a petty criminal who holds the key to a terrorist cell or plot.
- The tendency of current anti-crime and counter-terrorism efforts solely to concentrate on Islamist groups also limits the spectrum in which the crime-terror nexus is perceived. Member states need to allow for structural changes within their security communities that will re-focus their strategies and allow them to understand how ethno-nationalist groups and SIT groups engage, or could engage, with the nexus.
- Given the nature of the nexus and the fact that the nexus impacts the E.U. both as it develops within member-states and as it develops in peripheral regions, any strategy to address linkages between OC and terrorism must incorporate the whole range of law enforcement, including security services, military and diplomatic efforts. Significantly more buy-in and cooperation from the private sector will also be essential. It is paramount to understand that any effective fight against OC and terrorism depends on an integrated approach involving all stakeholders at a national and E.U. level.

- Despite gaps in intelligence and research regarding the prevalence and future trends of OC and terrorism linkages, denying or ignoring linkages that clearly exist threatens the efficacy of counter-terrorism and anti-crime activities / policies.
- Intelligence sharing between E.U. member-state agencies is a key component in combating the linkages between OC and terrorism. At an operational level member-states must ensure that anti-crime and counter-terrorism units engage one another in order to identify and monitor linkages between OC and terrorism.
- It is paramount to understand that the effective fight against OC and terrorism depends on an integrated approach involving all stakeholders on a national and E.U. level.
- The private sector, particularly the financial industry, plays a crucial role in combating OC and terrorist financing by identifying and reporting cases of fraud, money laundering, and other suspicious transactions. The financial sector must work more closely with government agencies to identify gaps in current regulations and implement innovative techniques to address these issues.

ANNEX A: MILITANT ISLAMIST NEXUS PROFILES

Mohamed Merah

Mohamed Merah killed three soldiers and four members of the public in March 2012 before being shot dead by police in Toulouse, France. Initially described as a 'lone wolf', it subsequently became apparent that Merah was part of a larger network.

Documents and research have revealed that Merah lived on both sides of the nexus coin – he was a petty thief turned militant and *shaheed*. Born the son of an absent Algerian father, Merah lived in a typical French suburb – in France this equates to an immense shantytown suburb built in the 1960s for people returning from the 'lost Empire' (i.e. countries like Algeria).

Merah made himself known as a local gang member whose membership included individuals with radical Islamist interests. His older brother Abdelkader played a major role in Merah's criminal and militant path. Abdelkader first joined the ranks of a local gang before establishing a close relationship to several radical Islamists, including Olivier Correl and Sabri Essid. Sabri, like Merah, also had the past of a common criminal.

Although Merah had become radicalized by 2007, he did not cut himself off from the criminal gang that he was part of – in fact, he maintained his involvement in OC activities. It is his engagement in crime that eventually resulted in his incarceration. Whilst in prison, it is believed that Merah turned his radical Islamist interests towards full-scale militancy. From thereon he sought to join forces with al-Qaeda.

According to law enforcement and intelligence sources, Merah made €40,000 by acting as a drug courier between Spain and France. Other sources have noted that Merah also participated in robberies in the Toulouse area, but this is speculative.

Merah began to travel to key operational theatres as a way to force potential meetings with militant Islamists. He entered Iraq and Afghanistan; but it was not until September 2011 whilst in the AfPak tribal border area that he finally secured contact. After spending a couple of months there, he returned to France and began planning his personal operation. Thus although he benefited from the input of a network, Merah chose to engage in an operation that would see him act as a 'lone wolf'.

On his return to France, Merah re-connected with associates in both OC and militant Islamist circles. He apparently used these connections to locate weapons that would be used in his attack; and, once all his supplies were acquired, Merah shut down all communications with both his OC and militant Islamist associates, including his brother.

Merah was always part of two worlds – one criminal and one terrorist. He had access to all the weaponry he needed through his criminal connections and knew how to prepare himself (i.e. security measures) because of his criminal background. Most importantly, he did not raise the attention of the French police because they had assessed that he had too peculiar of a profile to be a real danger. What the case of Merah, however, highlights is that an individual militant Islamist with a dual criminal/terrorist profile is extremely difficult to identify. Yet, individuals like Merah exist and operate throughout the E.U.

Rifa'i Bassam

Bassam was the leader of an organised group of approximately 30 petty thieves who worked to finance the Algerian Salafi Group for Preaching and Combat in Switzerland

between 2005 and 2008. His profile is interesting because it parallels that of Merah and other militant Islamists known to various European authorities.

Algerian by birth, Bassam spent time in prison before joining forces with militant Islamists. Although noted as intelligent, he did not have a solid education, but simultaneously belonged to criminal and militant Islamist circles.

The group he organised in Zürich was able to operate throughout the country. He and his two closest lieutenants were 'true believers', but the remainder of the OCG was not extraordinarily religious. Despite this reality, Bassam's influence meant that the majority of the profits from the group's activities were transferred to GSPC in Algeria – through his relationship to the lead financier of the Second Region.

Garsallaoui Network

The Garsallaoui network spanned Belgium, France, Italy and Switzerland, and had connections to core al-Qaeda operating in Pakistan's tribal region. Human smuggling played an important role in the network's ability to travel between Pakistan and Europe.

This network used criminal connections – notably to Turkish OCGs – to travel throughout Europe, the Middle East and into Pakistan. However, it is also believed that the Garsallaoui network later used their acquired knowledge of these routes to smuggle illegal immigrants into Europe as a way of securing financing for their operations.

Of note is that Swiss and Italian authorities had uncovered connections between Garsallaoui and Mohammed Akremi Gharsellaoui, the head of an OCG that was engaged in illegal immigration, but also recruited radical Islamists. Akremi was based in Lombardy, but his network was spread across France, Switzerland and Tunisia. This group was suspected of having extensive links to drug trafficking and human smuggling of North African immigrants.

ANNEX B: CASE STUDY – ALBANIAN OC

Noted in the PKK study (Annex C), the Balkan route is one of the more prominent avenues for drug trafficking into Europe. Evidence has shown that Turkish criminal groups affiliated with the PKK do have access to this region. However, the primary networks for trafficking and other illegal activity in the Balkans rest upon criminal organisations native to these countries. Throughout the 1990s, criminal networks thrived in the shadow economy under the destabilising effects of the Yugoslav wars. The end of the wars did not halt criminal activity; rather the past decade has seen an expansion in OC, often with tacit approval by top government officials. Today, for example, some estimates show that the shadow economy is at least 20% of GDP in Albania, though other estimates argue it is higher.¹

Of these groups, the Albania mafia has, over the years, expanded their presence and influence both in the region and internationally. The 2007 World Drug Report issued by the United Nations Office on Drugs and Crimes noted for example, alliances between South American drug traffickers and the Albanian mafia.² Albanian criminal networks are also said to have links with the Italian 'Ndrangheta, Camorra, and Stidda, as well as British, Dutch, Irish, Kurdish, Mexican, Nigerian, Polish, Russian, and Serbian criminal syndicates. These relationships should be of concern to European authorities; not only in terms of the complex criminal networks that exist within Europe and the outlying regions, but also the various connections that these groups have established with terrorist organisations operating in the same areas.³

Furthermore, Albanian criminal networks have maintained strong clan-like relations with diaspora communities, which have allowed the group to tap these resources to increase their criminal presence. According to the World Customs Organisation, Albanians made up 32% of all arrests for heroin trafficking in Italy between 2000 and 2008.⁴ The *Daily Record* reported this year that Scottish authorities identified at least 25 foreign gangs operating in Scotland. Of those reported, Albanian groups posed the greatest threat as an "ultraviolent" organisation. Former Scottish Crime and Drug Enforcement Agency (SCDEA) official Graeme Pearson, now a Labour MSP, said: "The Albanians are a challenge because they have a military background and their criminal elements have a very violent history."⁵ Albanian networks are also visible in Greece, Switzerland and many other E.U. countries. In Hungary, the Albanian mafia is estimated to control 80% of the heroin market.⁶

According to Europol's 2011 OCTA, the so called 'Balkan axis' will take on an increasingly prominent role in trafficking illicit commodities to the E.U. market, especially following the accession of Bulgaria and Romania to the Schengen zone. This may also become the

¹ Agnes Lovasz, "Albania Plans to Sell Eurobonds Again Next Year to Build Roads, Repay Debt," *Bloomberg* 12 November 2010. Accessed 20 September 2012. <http://www.bloomberg.com/news/2010-11-11/albania-plans-to-sell-eurobonds-again-next-year-to-build-roads-repay-debt.html>.

² Ioannis Michaletos, "Balkan Based Organised Crime Activities Gaining Ground," *World Security Network* 8 September 2010. Accessed 20 September 2012. http://www.worldsecuritynetwork.com/showArticle3.cfm?article_id=18398.

³ Terrorist organisations include PKK, FARC, KLA, Eta, IRA and al Qaeda.

⁴ Tom Burghardt, "Kosovo: Europe's Mafia State. Hub of the EU-NATO Drug Trail," *Global Research* 22 December 2010. Accessed 20 September 2012. <http://www.globalresearch.ca/kosovo-europe-s-mafia-state-hub-of-the-eu-nato-drug-trail/>

⁵ Peter Laing, "Foreign Mobs Muscle in on Vice and Drugs; 'Ultra-Violent' Albania Mafia Hit Scotland," *Daily Record* 16 January 2012.

⁶ Ioannis Michaletos, "Trends in Balkan Organised Crime Activities," *World Press* 1 April 2011. Accessed 20 September 2012. <http://www.worldpress.org/Europe/3722.cfm>.

preferred route for illegal immigration, replacing the current Turkey-Greece passage.⁷ The report goes on to note:

Albanian speaking organised crime is truly poly-drug and poly-criminal. Within the E.U., Albanian-speaking groups are active in the fields of cocaine, heroin, synthetic drug and cannabis trafficking. The financial resources of these groups have enabled them to interact with criminal organisations in source areas for illicit drugs, as well as to proactively identify new criminal opportunities. Some of their proceeds are reportedly destined for support organisations for the former Kosovo Liberation Army.⁸

The connection to the KLA should be noted as this represents the additional element in the crime-terror nexus. Throughout the 1990s (and similar to the study on the PKK) the KLA occupied both fields in terms of terrorist activity and OC. Scholars have noted that Albanian criminal networks in Europe financed the KLA militia throughout the Kosovo conflict.⁹ However since the end of the war and the formal disbandment of the KLA, former members of the organisation - both in public office and private business - have taken the structure used to sustain the group and continue to use their organisation and networks for illicit and illegal activity. One expert analyst on security issues noted that the Pristina government has always been "subject to the power of the Mafiosi who were the largest donors of the KLA rebels and want to keep the region in their own sphere of influence."¹⁰ This symbiotic relationship has allowed the group to make a clear transition from terrorist organisation to OC.

A 2010 report by the Council of Europe (CoE) and on the on-going investigation into alleged organ trafficking by the KLA during the 1990s has named a number of prominent Kosovar individuals tied to criminal activity. In the CoE report, Prime Minister Hashim Thaci was identified as the 'big fish' in OC and has 'key players' in Kosovo's mafia-like structures.¹¹ The report also included, for example, Xhavit Haliti - in a leaked NATO report published by the *Guardian* in 2011, Haliti was described as having strong ties with the Albanian mafia and Kosovo's secret service who is "highly involved in prostitution, weapons and drugs smuggling".¹²

Another noted individual, Naser Kelmendi, was recently added to The U.S. Treasury Department's list of narcotics 'kingpins'. A 2008 Interpol report said that Kelmendi headed one of the best-organised criminal organisations in the region, which has been involved in drugs and cigarette smuggling, human trafficking, money laundering and loan sharking.¹³ According to public records, Kelmendi has historical ties to businessman Ekrem Luka and a former prime minister of the Kosovo government, Ramus Haradinaj - both former member

⁷ Europol, OCTA 2011EU Organised Crime Threat Assessment. (2011): 49. Accessed 20 September 2012. https://www.europol.europa.eu/sites/default/files/publications/octa_2011_1.pdf.

⁸ OCTA 2011EU Organised Crime Threat Assessment, 20.

⁹ According to Kaldor, the KLA used its links to Kosovars in Zurich responsible for drug trade which provided money and arms. Mary Kaldor, *New and Old Wars: Organised Violence in a Global Era*. Cambridge: Polity Press: 1999, 158. For links to articles highlighted organised crime in the KLA see <http://balkania.tripod.com/resources/terrorism/kla-drugs.html>.

¹⁰ Ioannis Michaletos, "Kosovo's Affairs and the "Narco-statehood", *Serbianna* 28 March 2008. Accessed 20 September 2012. <http://www.serbianna.com/columns/michaletos/046.shtml>.

¹¹ Committee on Legal Affairs and Human Rights, "Inhuman treatment of People and Illicit Trafficking in Human Organs in Kosovo," 12 December 2010. See also Paul Lewis, "Report Identifies Hashim Thaci as 'Big Fish' in Organised Crime," *The Guardian* 24 January 2011. Accessed 20 September 2012. <http://www.guardian.co.uk/world/2011/jan/24/hashim-thaci-kosovo-organised-crime>.

¹² See released NATO Document, "Secret Rel USA KFOR and NATO," 10 March 2004. *Global Post* 25 March 2011. Accessed 24 September 2012. http://static.nzz.ch/files/7/8/9/kosovo+++Haliti+Xhavit_1.9248789.pdf.

¹³ "Bosnian Intelligence Chief Announces Beginning of the End of Organised Crime," Text of report by Bosnia-Herzegovina Federation public TV, on 12 September. *BBC Monitoring Europe* 15 September 2012. Milos Teodorovic, "'Kingpin' Designation Points to Official Protection for Reputed Balkan Crime Boss," *RFE/RL* 22 June 2012. Accessed 20 September 2012. <http://www.rferl.org/content/us-designation-kingpin-balkan-businessman-kelmendi/24623246.html>.

of the KLA.¹⁴ Public records have yet to reveal the extent of his ties to the KLA, however, reports have shown his alleged links to government officials in Bosnia Herzegovina (BH) and Montenegro, who may have tipped Kelmendi off to a recent raid in September.¹⁵

The criminal activity and the networks that operate in Albanian OC have deep roots in the Balkans and many parts of the E.U. With these criminal syndicates in place, the question is can this network act as a venue to fund terrorist activity? If previous trends are any indication, when both organisations occupy the same territory, collaboration may well meet each other's needs. The continuing influence of OC in the region may have implications for multiple terrorist organisations. For example, a Serbian news source quoted former KLA leader, Dzezair Sakiri as planning to reactivate factions of the KLA because "only the members of the [KLA], with the experience that they have from the war of Kosovo, in Skopje and in southern Serbia, are able to resist against the Skopjan and Serbian secret services".¹⁶ Additionally, Greek security forces have been monitoring a dozen Albanian immigrants in connection to the UCC, an offshoot of the KLA, who have been involved in smuggling light weaponry across the Greek border.¹⁷ Another issue raising some concern is the spread of radical Islam in the region. Reports have shown that BH is increasingly becoming the hub for Islamist terror groups in Europe. Of these groups, the so-called "white" or "European" Al-Qaeda has been expanding its influence in the region.¹⁸ Although donations from the Middle East have been its main source of financing, it is probable that the organisation may turn to OCGs to boost its financing operations. Another unsettling trend is the spread of Islamist radicalism in Macedonia, particularly recruitment of Wahhabists, in Kosovo. This group, as noted by *Nova Makedonija*, represent the wealthy class in the region and have links to OC.¹⁹

As these developments unfold and countries like Serbia, Montenegro, and FYROM move towards greater E.U. incorporation, the ease with which OC networks can operate in Europe will only increase. As is evident in this study, the Albanian mafia play a fundamental role in OC in terms of their influence in the Balkans and through tightly knit diaspora communities across Europe. However, the potential and historical links to terrorist organisations should not be underestimated. Terrorist groups that coordinate their efforts with criminal syndicates are well aware of the routes available; the removal of these economic and security barriers are likely to increase the flow of traffic through the Balkans. Due to the challenges the E.U. faces from OC, terrorism and the nexus that exists between the two, an integrated approach should play a fundamental role in the deterrence of OC and terrorism.

¹⁴ Valerie Hopkins, "US Blacklists Balkan Businessman Naser Kelmendi," *Organised Crime and Corruption Reporting Project* 4 June 2012. Accessed 19 September 2012. <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/1539-us-blacklists-balkan-businessman-naser-kelmendi>.

¹⁵ "Bosnian Intelligence Chief Announces Beginning of the End of Organised Crime."

¹⁶ "Albanski teroristi spremaju gerilski rat," *Vesti Online* 5 May 2012. Accessed 20 September 2012. http://www.vesti-online.com/Vesti/Srbija/222614/Albanski-teroristi-spremaju-gerilski-rat_

¹⁷ "Albanian Extremist Groups Cause Reaction in Greece," *Serbianna* 2 September 2012. Accessed 20 September 2012. <http://serbianna.com/analysis/archives/1563>.

¹⁸ Vesna Peric Zimonjic, "Balkans: Fearing the 'White' al-Qaeda," *Interpress Service* 29 November 2011. Accessed 20 September 2012. <http://www.ipsnews.net/2011/11/balkans-fearing-the-Isquowhite-al-qaedarsquo/>. Ioannis Michaletos, "An Outlook of Radical Islamism in Bosnia," *World Security Network* 1 November 2010. Accessed 20 September 2012. http://www.worldsecuritynetwork.com/showArticle3.cfm?article_id=18441.

¹⁹ "Report Says Main Threat of 'Wahhabism Expansion' in Macedonia Comes from Kosovo," Excerpt from report by Macedonian newspaper *Nova Makedonija* on 27 May. *BBC Monitoring Europe* 31 May 2012.

ANNEX C: CASE STUDY - PKK

The PKK provides a notable example of a crime-terror link and simultaneously demonstrates both how this interrelationship operates in Europe, and the profound social and economic impact it has on European nations. Although most of its financing until the late 1990s came from state sponsors (primarily Syria and Iran), the PKK's criminal involvement is not a new phenomenon. Scholars noted that the PKK has had some involvement in OC as early as the 1980s.²⁰ However, losing state sponsorship by 2002, the PKK increasingly turned to OC for financial support. As a terrorist organisation, the PKK's chief targets are in Turkey; yet its' criminal operations span across the Globe.²¹ According to Europol, the PKK's criminal activities in Europe include drug and human trafficking, extortion and money laundering.²² The PKK has also been involved in cigarette and arms smuggling, counterfeit stamps and banknotes, and trafficking in blood products.²³

Drug trafficking has become the PKK's most profitable vehicle for terrorist financing with conservative estimates placing their annual income at €500 million.²⁴ According to investigations by the Turkish National Police (TNP), the PKK has been 'extensively involved' in every stage of the drug trade including extorted taxes on drug traffickers and OC syndicates, cannabis cultivation, coordinated drug trafficking along the Balkan Route, distribution in European markets, and laundered proceeds of the drug trade.²⁵ Additionally, the organisation has been known to provide drug dealers with protection from security forces in exchange for a percentage of their profits.²⁶ Cannabis, as noted by the TNP, is not only trafficked through the state, but also grown in the Kurdish regions of the country, which are used to fund their terrorist operations. In August 2010, Turkish authorities seized 65 kg of cannabis and 65 kg of explosives. Those arrested in the operation were charged with "carrying an explosive substance belonging to a terrorist organisation" and financing the PKK terror network.²⁷ In November 2011, Turkish officials seized more than 44 tonnes of marijuana estimated at 28 million TL.²⁸ More recent drug raids in Turkey revealed that the PKK has been using Colombian methods - laying mines and hand-made

²⁰ For example, see Lyubov Mincheva and Gurr, T.R., "Unholy Alliances III: Communal Militants and Criminal Networks in the Middle East, with a Case Study of the Kurdistan Workers Party (PKK)." (2008). Paper presented at the Annual Meeting of the International Studies Association, San Francisco, 28 March 2008. Mitchel Roth and Sever M., "The Kurdish Workers Party (PKK) as Criminal Syndicate: Funding Terrorism through Organised Crime, A Case Study." *Studies in Conflict and Terrorism*, 30 no.10 (2007): 901-920.

²¹ Other ties not mentioned in this case include the former Soviet Union and Cuba. According to anecdotal evidence, in the past the PKK also supplied arms to the Tamil Tigers. The Nexus among Terrorists, Narcotics Traffickers, Weapons Proliferators, and Organised Crime Networks in Western Europe. A Study Prepared by the Federal Research Division, Library of Congress under an Interagency Agreement with the United States Government. December 2002. Accessed 27 July 2012. http://www.loc.gov/rr/frd/pdf-files/WestEurope_NEXUS.pdf.

²² Immigration and Refugee Board of Canada, "Responses to Information Requests," 15 June 2012. Accessed 27 July 2012. http://www.irb-cisr.gc.ca:8080/RIR_RDI/RIR_RDI.aspx?id=454036&l=e.

²³ Michael Freeman, "The Sources of Terrorist Financing: Theory and Typology," *Studies in Conflict & Terrorism*, 34 no. 6 (2011): 468.

John T. Picarelli, "Osama bin Corleone? Vito the Jackal? Framing Threat Convergence through an Examination of Transnational Organised Crime and International Terrorism," *Terrorism and Political Violence*, 24 no. 2 (2012): 188.

²⁴ Sedat Laciner, "Drug Smuggling as Main Source of PKK Terrorism," *Turkish Weekly*, International Strategic Resource Organisation. 30 October 2008. Accessed 1 September 2012. <http://www.usak.org.tr/EN/makale.asp?id=70>.

²⁵ Turkish Report on Anti-smuggling and Organised Crime 2011. Accessed 15 September 2012. <http://www.turkishnationalpolice.gov.tr/publications.html>.

²⁶ Freeman, "The Sources of Terrorist Financing," 467.

²⁷ Turkish Report on Anti-smuggling and Organised Crime 2011. 55.

²⁸ "Turkish police seize 44 tonnes of marijuana in southeastern province, BBC Monitoring Europe 2 November 2011.

explosives on roads to produce 'liberated crime zones' - to protect drug fields.²⁹ These methods may suggest that the PKK is simply learning the 'tricks of the trade'; however, this may also reveal criminal links to drug cartels operating in South America. These links are highly likely (and have been noted in the past³⁰); drug smugglers from South America have had known links to other terrorist organisations including North African criminal and terrorist networks, ETA and the IRA. Furthermore, the PKK has historical links to operatives in Hezbollah, which run operations in Europe, Lebanon, Panama and Colombia.

Like the cannabis trade, the PKK has large criminal interests in heroin with extensive ties in trafficking from Afghanistan to the U.K. at nearly every stage. In October 2010 Turkish authorities arrested 10 individuals and seized 142 kg of heroin before the shipment could be transported to Europe. The investigation revealed that the PKK transported the narcotics from Afghanistan via Iran. The drugs were then delivered to various organisations across the Turkish border and then transported to Istanbul under the coordination of the PKK. Money was collected from a jewellery store in Yüksekova County where drivers were paid between 2,000 - 5,000 TL, and the remaining funds were given to the PKK.³¹

From within Turkey, the PKK's trafficking activities are interlinked with other Turkish OC networks, many of them ethnic Kurds. In 2009 it was reported that 138 Turkish networks controlled the heroin supply to Europe.³² Trafficking operations in Turkey rely on clan networks and family relations that have prompted one Turkish security officer to note, "the cooperation between the PKK and Kurdish criminal clans has been similar to the cooperation among Sicilian mafia families."³³ This analogy, however, should not only note the relationship within OC elements, but also how criminal activity is tied to terrorist financing and support of the PKK. Often, individuals play an overlapping role in terms of organised crime and terrorist affiliations.

Turkey acts mainly as a conduit for the transport of narcotics moving to Europe and therefore should not only be seen as an internal security threat but also, as Europol has noted "a significant impact on the internal security of the European Union."³⁴ The PKK's transit operations incorporate criminal gangs throughout the Middle East, Balkans and Europe. According to the 2011 International Narcotics Control Strategy Report published by the U.S. Department of State, Turkey is at a cross roads of three main heroin drug trafficking routes - the Balkan route, the northern (Black Sea) route and the eastern Mediterranean route.³⁵ In other words, the PKK is not a lone operator; the organisation has multiple avenues and communication links with various other criminal networks. In July 2011 a joint U.S.-Romanian narco-terrorism undercover operation "identified Kurdish PKK members that were selling heroin to support their terrorist organisation."³⁶ In February of this year, the U.S. Office of Foreign Assets Control designated three members of the PKK as

²⁹ "PKK Using 'Colombian' Method in Protecting Drug Fields," *Hurriyet Daily News* 21 July 2012. Accessed 27 July 2012.
<http://www.hurriyetdailynews.com/pkk-using-colombian-method-in-protecting-drug-fields-.aspx?pageID=238&nID=26019&NewsCatID=341>.

³⁰ Mincheva, "Unholy Alliances III," 19.

³¹ Turkish Report on Anti-smuggling and Organised Crime 2011. 54.

³² "Implications for the Justice and Home Affairs Area of the Accession of Turkey to the European Union," UK Parliament, August 2011. Accessed 1 September 2012.
<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmhaff/789/78904.htm>.

³³ Picarelli, "Osama bin Corleone?" 188. Arda Bilgen "Drug Trafficking and Countermeasures in Turkey: A General Assessment," *The European Strategist* 16/11/2011 Accessed 28 July 2012.
<http://www.europeanstrategist.eu/2011/11/drug-trafficking-and-countermeasures-in-turkey-a-general-assessment-2/>.

³⁴ "Implications for the Justice and Home Affairs Area of the Accession of Turkey to the European Union"

³⁵ Bilgen "Drug Trafficking and Countermeasures in Turkey."

³⁶ "Statement of Assistant Attorney General Lanny A. Breuer Before the Senate Judiciary Subcommittee on Crime and Terrorism," United States Department of Justice 1 November 2011. Accessed 15 September 2012.
<http://www.justice.gov/criminal/pr/testimony/2011/crm-testimony-111101.html>.

narcotics traffickers; all three have direct ties to Moldovan and Romanian-based OC.³⁷ The PKK's active role in the drug trade (approximately 75% of heroin seized in Europe has a Turkish and Kurdish connection³⁸) suggests that the terrorist group and its criminal affiliates may have links to other criminal outlets along these routes, including but not limited to, their Russia counterparts in Cyprus and the Italian mafia in the Mediterranean. Turkish criminal organisations also have links throughout the Balkans, including Albania and Bosnia Herzegovina. The eventual incorporation of these nations into the E.U. will undoubtedly create easier access for drug trafficking into Europe; however, this also provides the opportunity for a more concerted and coordinated effort to eliminate or deter their criminal efforts.

According to Turkey's E.U. Affairs Minister Egemen Bagis, the PKK runs "the largest human and illicit drug trafficking network in Europe."³⁹ It is estimated that the PKK is responsible for nearly 80 - 90% of heroin in Europe.⁴⁰ Within the E.U., the PKK has an extensive and sophisticated network to facilitate operations within the region. In 2010 French authorities arrested three suspects engaged in drug trafficking to finance the PKK cells in France. The investigation revealed that the three PKK militants were members of a large drug network operating in Turkey, Bulgaria, the Netherlands and Spain.⁴¹ In April 2011 the U.S. Treasury Department Office of Public Affairs added five PKK leaders as narcotics traffickers under the Foreign Narcotics Kingpin Designation Act. Of the five members, Remzi Kartal had extensive fundraising capabilities in Germany, Belgium and France.⁴² He had previously been arrested in Europe in 2005 and 2010 but released shortly after. Finally, the PKK and its affiliates have strong links to Germany and the U.K. According to one British official in 2006, "Turkish organised crime retains a tight control over the estimated 30 tons [of heroin] a year that feed into the U.K."⁴³

Addressing the PKK threat as solely a military issue in Turkey is likely to fail given its financial capabilities; "the organisation has shown considerable resilience over the past two decades, not least owing to its varied and sophisticated sources of financing."⁴⁴ Turkey's success is highly dependent upon attacking the source of the PKK's terrorist financing. However, in order to cut off financing a concerted effort should be taken in the field of OC and terrorism; it is simply counterproductive to view terrorism in one part of the world as disconnected from OC in another. As this case study details, the PKK operate an extensive criminal network throughout the E.U. and the outlying regions, and plays a pivotal role in financing its' terrorist capabilities. Understanding the links between these two organisations and incorporating this approach into police and military operations on an international level can equip authorities with the tools necessary to combat OC and terrorism simultaneously.

³⁷The PKK's criminal activity in Romania is nothing new. In 2005, Romanian police broke up a human smuggling ring affiliated with the PKK. See Roth, "The Kurdish Workers Party," 909. Matthew Levitt, "An Anti-Crime Strategy to Combat the PKK" *Hurriyet Daily News* February 16, 2012. Accessed 28 July 2012. <http://www.washingtoninstitute.org/policy-analysis/view/an-anti-crime-strategy-to-combat-the-pkk>. "USA deals blow to terrorist organisation PKK," *Cumhuriyet* 28 August 2012. <http://en.cumhuriyet.com/?hn=312586>.

³⁸ Bilgen "Drug Trafficking and Countermeasures in Turkey."

³⁹ "Turkey Urges Europe to Cooperate Against PKK Terrorism," *Today's Zaman* 9 November 2011. Accessed 25 July 2012. http://www.todayszaman.com/newsDetail_getNewsById.action?newsId=262168.

⁴⁰ Bilgen "Drug Trafficking and Countermeasures in Turkey." Freeman, "The Sources of Terrorist Financing," 467.

⁴¹ Turkish Report on Anti-smuggling and Organised Crime 2011. 55.

⁴² "US Designates Five PKK Leaders as Narcotics Traffickers." *Hurriyet Daily News* 21 April 2011. Accessed 28 August 2012. <http://www.hurriyetdailynews.com/default.aspx?pageid=438&n=five-pkk-leaders-designated-narcotics-traffickers-2011-04-21>.

⁴³ Ioannis Michaletos, "Turkish Organised Crime," *World Press* 12 November 2007. Accessed 27 July 2012. <http://worldpress.org/Europe/2987.cfm>.

⁴⁴ Michael Jonsson, "Kurds and Pay - Examining PKK Financing, Terrorism & Insurgency" *Jane's Intelligence* 13 March 2008. Accessed 1 September 2012. <http://articles.janes.com/articles/Janes-Intelligence-Review-2008/Kurds-and-pay--Examining-PKK-financing.html>.

ANNEX D: TERRORIST USE OF OC (INDICATIVE GLOBAL EXAMPLES)

Region	Group	Base of Operations	Criminal Activity	Current Status
Africa	Allied Democratic Forces (ADF)	Uganda	Smuggling and diamond theft	Remnants active; largely inactive since 2005
Africa	Al Qaeda in the Islamic Maghreb	Ghana, Mali, Morocco, Algeria	Drug trafficking, K&R	Active
Africa	Al Shabaab	Somalia + Yemen	Drug smuggling	Active
Africa	Forces Pour la Defense de la Democratique	Burundi	Revolutionary taxes; diamond and mineral smuggling	Active - political party
Africa	Frente de Libertacao do Enclave de Cabinda	Angola	Kidnap for ransom; extortion and smuggling	Remnants
Africa	Front for the Restoration of Unity and Democracy	Djibouti	Cross border gun smuggling and smuggling of contraband goods	Inactive
Africa	GIA	Algeria + European operations	Ties to Chechen OC	Inactive
Africa	Interhamwe	Rwanda	Various criminal activities	Active / not operational
Africa	Mouvement pour la Democratie et la Justice au Chad	Chad, Libya	Extract donations from rebel strongholds engaged in criminal activity, including cross border smuggling	Inactive
Africa	National Patriotic Front of Liberia	Cote d'Ivoire, Liberia, Libya	Diamond, timber and rubber smuggling; drug trafficking	Inactive
Africa	Rassemblement Congolais pour la Democratique-Goma	Democratic Republic of Congo	Diamond and mineral smuggling	Active
Africa	Rassemblement Congolais pour la Democratique-Nationale	Democratic Republic of Congo	Diamond, timber and gold smuggling	-
Africa	Rassemblement Congolais pour la Democratique-Movement de Liberation	Democratic Republic of Congo	Diamond, timber and gold smuggling	-
Africa	Revolutionary United Front	Liberia	Diamond smuggling	Inactive
Africa	Somali National Alliance	Somalia	Extortion, drug smuggling	Inactive – formed core of the SRRC
Africa	United Front for the Liberation and United Front for the Liberation of Liberia-Johnson	Liberia	Diamond, timber and rubber smuggling; drug trafficking	-
Africa	Moroccan Islamic Combatant Group	Afghanistan, Belgium, Denmark, Egypt, France, Morocco, Spain, Turkey, United Kingdom	Forgery, gun trafficking, drug trafficking, credit card fraud	Non-operational; could resume

Americas	Autodefensas Unidas de Colombia	Colombia	Drug trade – smuggling predominantly	Remnants
Americas	Cinchonero Movimiento Popular de Liberacion	Honduras	Kidnap and ransom; bank robbery	Inactive
Americas	Ejercito de Liberacion Nacional (National Liberation Army)	Colombia	Kidnap for ransom and extortion; revolutionary taxes; regional commanders believed to be involved in drug trade	Remnants, sought cooperation with FARC
Americas	Ejercito Popular de Liberacion (dissident faction)	Colombia	Kidnap for ransom and extortion; regional commanders involved in drug trade	Inactive; dissident faction
Americas	Frente Ricardo Franco	Colombia	Criminal activity	Inactive
Americas	Fuerzas Armada Revolucionaries de Colombia	Colombia	Extortion, kidnapping, revolutionary taxes, drug trade	Active
Americas	Ejercito Guerrillero Tupac Katari	Bolivia	Drug trafficking and other small-scale criminal activity	Inactive (1993)
Americas	Movimiento 19 de Abril	Colombia	Kidnap and ransom, extortion, drug trafficking; remnants primarily engaged in kidnapping	Inactive
Americas	Movimiento Revolucionario Tupac Amaru	Peru	Robberies, kidnap and ransom, extortion, drug trafficking	Inactive (~2001)
Americas	Sendero Luminoso	Peru	Robberies, kidnap and ransom, extortion, drug trafficking	Inactive; smuggling faction
Asia	Abu Sayyaf	Malaysia, Philippines, Thailand	Kidnap and ransom, extortion, marijuana trafficking	Active
Asia	Baluch People's Liberation Front; Baluch Students' Organisation – Awami; Popular Front for Armed Resistance	Pakistan	Drug trafficking and other minor crimes	Active
Asia	Bodo Liberation Tiger Force	Bhutan, India	Protection rackets, extortion and illegal logging	Inactive
Asia	Bougainville Revolutionary Army	Papua New Guinea	Copper and marijuana smuggling	Inactive
Asia	Ethnic Nepalese Rebels	Bhutan	Various criminal activities	
Asia	Gerakan Mujahideen Islam Pattani	Thailand	Assassins/saboteurs for hire; other criminal activity – most likely to be smuggling various goods	Active
Asia	Haqiqi Muthida Qaumi Movement	Pakistan	Criminal activities – charged with being a criminal group created by security forces	Active – political party
Asia	Haqqani Network	AfPak	Various smuggling, kidnapping, extortion	Active
Asia	Harakat ul-Jihad ul-Islami	Bangladesh	Operation stronghold is major hub for illegal gun and drug smuggling	Active
Asia	Islamic Movement of Uzbekistan (Islamic Jihad Union)	Afghanistan, Germany, Iran, Kazakhstan, Pakistan, Tajikistan, Uzbekistan,	Drug trafficking	Active
Asia	Islamic Renaissance Party	Tajikistan	Drug smuggling	
Asia	Jemaah Islamiya	Indonesia, Malaysia, Philippines, Singapore,		Active

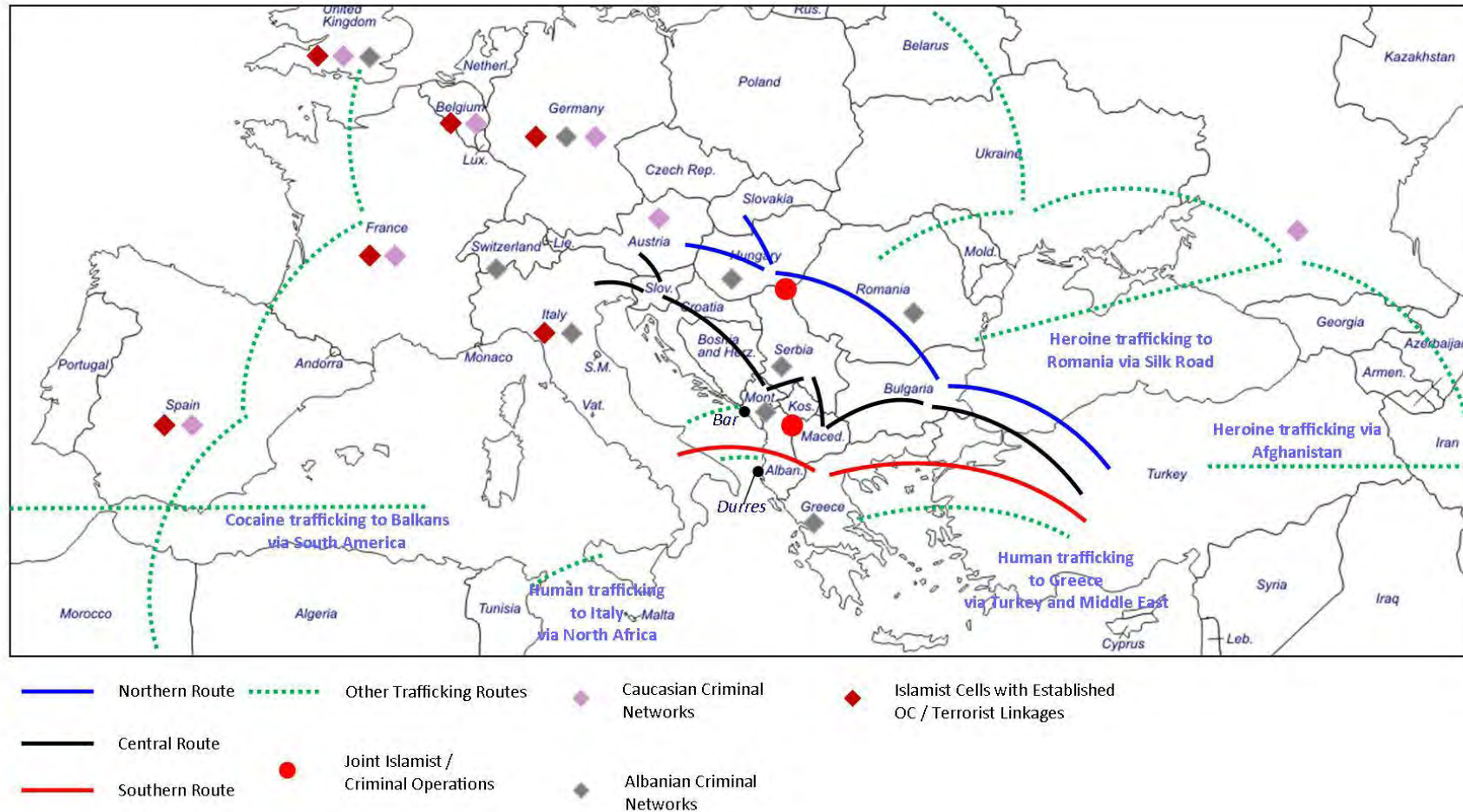
		Thailand		
Asia	Jombesh-i-Milli	Afghanistan	Revolutionary/warlord taxes; involvement in drug trade	
Asia	Kachin Independence Army and Kachin Democratic Army	Myanmar	Drug Trafficking and general smuggling	Active
Asia	Karen National Liberation Army	Myanmar	Revolutionary taxes; parent KNU believed to be involved in drug trafficking and other smuggling	Active
Asia	Liberation Tigers of Tamil Eelam	Sri Lanka	Revolutionary taxes, extortion, smuggling – including allegations of drug smuggling	Remnants active
Asia	Malaita Eagles Forces	Solomon Islands	Extortion, kidnap and ransom, robbery	Inactive
Asia	MEK	Iran	Oil smuggling	Active
Asia	Moro Islamic Liberation Front	Philippines	Revolutionary taxes, extortion, kidnap and ransom	Active – peace talks
Asia	Muthida Quami Movement	Pakistan		Active
Asia	National Socialist Council Nagaland – Isak Muivah	India	Revolutionary taxes, extortion, kidnap and ransom, bank robbery; principle funding from narcotics trade	Known activity 2011
Asia	Pattani United Liberation Organisation	Malaysia, Thailand	Extortion, smuggling (contraband, narcotics, weapons, people)	Inactive
Asia	Rohingya Solidarity Organisation	Bangladesh	Smuggling (guns, drugs)	Active
Asia	Shan State Progress Army and Shan State Restoration council	Myanmar	Extortion, drug smuggling	Active
Asia	Sikh Separatists	India	Extortion, drug smuggling	Sporadic
Asia	Sipah-e-Mohammed Pakistan	Pakistan	Extortion	
Asia	Tajik People's Front	Tajikistan	Racketeering, smuggling	2012 renamed as People's Front Without Weapons
Asia	The United Front for the Independence of Pattani or Barsatu	Thailand	Racketeering, smuggling (contraband, narcotics, weapons and people)	Limited since 2004
Asia	United Liberation Front of Assam	India	Revolutionary taxes, extortion, drug trafficking	2011 tripartite agreement signed
Asia	United Wa State Army	Myanmar	Drug production and trafficking	Sporadic
Europe	Abkhazia Rebels	Georgia	Cross-border trade	Sporadic – predominantly criminal
Europe	Abkhazia Separatists	Georgia	Smuggling (cigarettes, petroleum, mandarins, hazelnuts)	Sporadic – predominantly criminal
Europe	Devrimci Halk Kurtulus Partisi/ Cephesi	Turkey	Armed robbery and extortion	Active
Europe	Dissident Republican Groups	United Kingdom	Criminal activities, arms and drug trafficking, extortion, racketeering, bomb-making for hire, robbery, cigarette smuggling	Active
Europe	Epanastaiki Organosi 17 Noemvri (N17)	Greece	Bank robberies; 'Sardanapalos' faction involved in smuggling drugs, arms, people	Inactive
Europe	Euzkadi ta Askatasuna (ETA)	Spain	Bank robbery, kidnap and ransom, extortion, arms	Remnants active

Europe	Fronte di Liberazione Naziunale di a Corsica (FLNC)	France	trafficking Bank robbery, extortion, counterfeiting, embezzlement	Active
Europe	Iraultza	Spain	Criminal activities	Inactive
Europe	Irish National Liberation Army	Ireland, United Kingdom	Criminal activities	Decommissioned 2010
Europe	Liberation Army of Presevo, Medvedja and Bujanovac	Serbia and Montenegro	Drug trafficking	Inactive
Europe	Loyalist Volunteer Force	United Kingdom	Criminal activities including drug trafficking	Active – primarily criminal
Europe	National Liberation Army	FYROM	Smuggling (arms, cigarettes, people, narcotics), narcotics production laboratories	Disbanded in 2001
Europe	Partiya Karkaren Kurdistan	Turkey	Extortion, robbery, arms smuggling; human and drug trafficking	Active
Europe	White Legions and Forest Brothers	Georgia	Racketeering and contraband smuggling	Inactive
Global	Al-Qaeda	Albania, Austria, Belgium, Bosnia, France, FRY, Germany, Ireland, Italy, Netherlands, Switzerland, Turkey, UK	Core group believed to be involved in commodity smuggling (diamonds), and has depended on criminal groups for the provision of arms; affiliated and independent cells commonly engage in petty crime and credit card fraud	Active – evolved
Middle East	Aden-Abyen Islamic Army	Yemen	Kidnapping operations	Inactive (2002)
Middle East	Al-Gama's al-Islamiya	Afghanistan, Egypt	Protection rackets, robbery, extortion; passport fraud, counterfeiting	Operational as of 2005
Middle East	Asbat al-Ansar (Band of Helpers, Band of Partisans and League of the Followers)	Lebanon	Robbery; involvement in narcotics trade	Active
Middle East	Group Islamique Arme	Algeria, Belgium, France, Germany, Italy, Spain, Sudan, Switzerland	Revolutionary taxes, extortion rackets, drug trade, counterfeiting, stolen goods trade	Inactive
Middle East	Mujahideen-e-Khalq	France, Iran, Iraq, US	Oil smuggling	Operational as of 2005

ANNEX E: OC LINKAGES TO TERRORISM

Region	Group	Base of Operations	Terrorist Linkages	Use of Terror Tactics: Indicative Examples
Africa	West African drug trafficking networks	Algeria, Mali, Niger, Morocco	AQ and cells	
Africa	Somali Pirates	Kenya, Tanzania, Yemen, Somalia	Al Shabaab	
Americas	La Familia	Mexico		2007+ Recruits follow strict moral code; state purpose to do the "work of God" by bringing order to state of Michoacán
Americas	First Command of the Capital	Brazil	FARC	2001- Riots launched simultaneously at 24 prisons across São Paulo 2006 – riots at 18 prisons across Brazil
Americas	Comando Vermelho	Brazil, Paraguay		Indicative cases of terror tactics, including the bombing of public buildings, subways and city buses, to create panic among residents.
Americas	Mara Salvatrucha	U.S. Honduras, El Salvador, Guatemala	2004 – Rumoured to have met with AQ leader Adnan Shukrijumah in Honduras	2004 – Intercity bus gunned down, 28 killed 2008 – Members accused of targeting member of Canadian justice system
Americas	Mexican cartels	Mexico, U.S.	FARC, Hizb'allah	
Asia	Pakistani Organised Crime	Pakistan, Afghanistan, Greece, U.K.	AQ, IMU	
Asia	Afghan Drug mafia	Afghanistan, Pakistan, Tajikistan, Turkmenistan, Uzbekistan	AQ, IMU	
Asia	Thai Organised Crime	Thailand	LTTE	
Asia	Tamil diaspora gangs	U.K.	LTTE	
Asia	Indian mafia	India	LTTE	
Europe	Camorra	Italy, Lux., U.K., Montenegro	AQ / AQ-inspired cells	
Europe	Ndrangheta	Italy, Luxembourg, U.S., U.K.	AQ, ETA, FARC, IRA, Colombian paramilitary groups	
Europe	Sacra Corona Unita	Italy, Luxembourg, U.S., U.K., Montenegro		2012 – possible suspect in school bombing
Europe	Albanian Mafia	Balkans, Italy, Romania, Hungary	KLA	1990's – Sought political control; interchangeable membership with KLA
Europe	Caucasian syndicates	Caucasus, Russia	AQ and cells	
Europe	Russian OC	Russia, Ukraine, Cyprus	AQ and cells, FARC	1990's – Political and economic control, especially in Russia far east
Middle East	Lebanese Organised Crime	Lebanon, global	Hezbollah	

ANNEX F: THE NEXUS AND E.U. THREATS



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