Countering Networks of Crime and Extremism

CNA Program on Transnational Challenges
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Introduction

On July 27, 2017, CNA hosted a roundtable on "*Countering Networks of Crime and Extremism,*" at its headquarters in Arlington, Virginia. The workshop brought together CNA analysts and U.S. government practitioners to explore the national security challenges posed by transnational criminal organizations (TCOs) and violent extremist organizations (VEOs). The U.S. government has identified and approached TCOs and VEOs as significant threats for many years, but as these networks have grown and expanded over time, there is an increasing need to better understand them not only as unique entities but also as increasingly complex, interwoven networks that interact with each other. As such, participants discussed the relationships, similarities, and differences among TCOs and VEOs in and between different regions of the world; and the challenges and successes the U.S has had in tackling these issues. In addition, participants identified areas where there is good understanding and those where further study is required. The event was held under the Chatham House Rule. This document provides a broad overview of key takeaways.

TCOs and VEOs: Taking Advantage of Vulnerabilities and Seams

There are multiple similarities in how TCOs and VEOs grow, function, and survive. A clear similarity is that TCOs and VEOs both tend to thrive in weak or failing states where there are vulnerabilities they can exploit such as corruption, ineffective or absent governance, and violent conflict. A lack of state capacity to counter them, or the political will to do so, is often associated with the presence of TCOs and VEOs. While TCOs benefit from corruption, governance failures, and porous borders to move illicit goods, VEOs capitalize on the social, economic, and political consequences of perceived governance failures to recruit adherents, spread their ideology, and train fighters. Fragile states offer the space for these networks to take root and grow, while also serving as way points and pathways for illicit activities.

TCOs and VEOs also both skillfully exploit seams and flows between and among states, such as porous borders, remote and uninhabited territories, and the maritime space. For instance, al-Qaeda's branch in Northwest Africa, Al-Qaeda in the Islamic Maghreb (AQIM), has routinely kidnapped tourists and aid workers and moved them throughout the Sahel region—often taking them across borders to hold them in Mali. The weak security environment in much of the Sahel region renders cross-border collaboration and rescue difficult. Having kidnapped almost 40 Westerners between 2008 and 2012, AQIM is estimated to have raised more than $50 million in ransom.[1] TCOs and VEOs are further intertwined in this example as AQIM's kidnap-

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[1] Rukmini Callimachi, "Paying Ransoms, Europe Bankrolls Qaeda Terror," *New York Times*, July 29, 2014, https://www.nytimes.com/2014/07/30/world/africa/ransoming-citizens-europe-becomes-al-qaedas-patron.html (accessed August 29, 2017).

for-ransom is aided by criminal gangs, who often carry out the kidnapping then transfer the hostage to the VEO. The boundary between these groups is blurred further when TCOs are subject to tolls for safe passage through territory controlled by terrorist groups.

VEOs also engage in criminal activities to raise money for their political and military ends. For example, while the Islamic State has smuggled fuel and antiquities to fund its state-building efforts, AQIM has also engaged in networks of crime, including smuggling of goods, weapons, and narcotics, as well as kidnapping for profit, as mentioned above. VEOs may also employ established TCO networks for transnational smuggling.[2]

A major concern for the U.S. government is the potential of VEOs exploiting TCO networks to move extremists into the United States. According to one workshop participant, there are established TCO trafficking routes that smuggle individuals from the Middle East and South Asia toward the U.S. border. Although it may seem that this is a perfect marriage of goals and capabilities between the two types of networks, it is important to recognize that profit-driven TCOs may avoid working with VEOs given the risk that such cooperation would bring additional scrutiny by the United States, including increased U.S. efforts to counter TCOs, thereby impacting their bottom lines. However, it is possible that TCOs may unwittingly provide assistance to extremists posing as economic migrants and travelling surreptitiously through their networks.

Tackling both TCOs and VEOs requires addressing the underlying vulnerabilities that allow them to thrive, which has implications for U.S. counterterrorism and counter-narcotics efforts. Currently, leadership strikes can be used against either VEOs or cartels, and this is a tempting tool because it has an observable outcome. Workshop participants agreed, however, that such strikes rarely serve a death blow to the network because there are often personnel ready to take over. For VEOs, kinetic operations can also be counter-productive as they have the potential to drive recruitment (e.g., by causing civilian casualties). For TCOs, it is most important to focus on defeating the network, not just countering the product they smuggle or targeting key leadership. The reason is that, once a network is established, such as for the flow of narcotics from Latin America, it can then potentially be used to move any number of products including timber, minerals, humans, weapons, and illicit funds. Even if the flow of narcotics is greatly diminished, the network will remain in place as a conduit for TCOs to profit from the flow of a new product.

U.S. Approaches to Transnational Threats

Countering networks of crime and extremism requires addressing security, governance, economic, and diplomatic vulnerabilities in and among countries. As such, there is a need for an interagency, whole-of-government approach to these challenges. Effective interagency solutions often go unrealized even if there is a shared understanding of the problem across the bureaucracy—in part because the different authorities, tools, and methods each agency considers in solving transnational challenges may result in different approaches to achieving even a shared desired outcome. By either requirement or design, without an effective interagency process, individual agencies will put their limited means to multiple—and potentially

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[2] Barbie Latza Nadeau, "Italian Mob Trades Weapons for Looted Art From ISIS in Libya," *Daily Beast*, October 18, 2016, http://www.thedailybeast.com/italian-mob-trades-weapons-for-looted-art-from-isis-in-libya (accessed August 29, 2017).

competing—ends, such as two U.S. agencies training a partner nation's security forces in a way that is not coordinated.

Budget constraints and shifting government priorities also put pressure on U.S. agencies to justify their funding and operational focus by associating a diverse array of problems with specific high-priority threats. Some workshop panelists indicated that this situation can undercut an office's mission because future funding and authorities are tied to a specific challenge, such as counterterrorism, which may be only tangentially related to the office's original mission. At the same time, congressional and executive branch efforts to reorganize or centralize authorities have ripple effects on the implementation of ongoing and planned programs. In sum, there was consensus among participants that an awareness of the problem is essential but insufficient to ensure a coherent and lasting U.S. government response.

That interagency process also needs to include more than just the foreign-facing parts of the government because U.S. domestic demand for goods contributes to driving transnational criminal activities. A clear example is the widespread use of illicit narcotics in the United States. To get a sense of scale of the problem, there were more than 50,000 drug overdoses in the United States in 2015, more than 30,000 from opioids.[3] Opioid addiction has made drug overdose the leading cause of accidental death in the United States, higher than the number of American deaths from terrorism by thousands.[4] More recently, powerful and more lethal drugs, like fentanyl, in the U.S. have been traced to China, with networks moving the substance across the U.S.-Mexico border. Legal U.S. consumer goods may also be backed by illegal activity. For instance, pre-peeled shrimp, available in U.S. grocery stores, may come at the cost of slave labor, trafficked workers, or abusive conditions in the regions that generate the product.

Finally, as with any U.S. assistance program, countering both TCOs and VEOs requires that partner nations have both the capacity and the political will to act. The U.S. government can support the former but will not be successful without the latter. Given the reality of constrained budgets, U.S. agencies that work with partner nations to address transnational challenges must prioritize opportunities taking into consideration the issues that host nations want to address.

Regional Perspectives

Many parts of Latin America, the Sahel region, and South Asia suffer from the conditions that transnational crime and extremist networks exploit, in particular political grievances among minority populations, government corruption and weakness, and pockets of relative poverty and unemployment to name a few. The U.S. government prioritizes countering terrorism and narcotic-smuggling, which it views among its biggest transnational threats, in these regions.

At the same time, governments in these regions prioritize transnational challenges differently. For example, some in Latin America and South Asia are more likely to point to climate change as the most pressing concern despite threats from TCOs and VEOs in their regions. One panelist commented that the U.S.

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[3] "Overdose Death Rates," National Institute on Drug Abuse, January 2017, https://www.drugabuse.gov/related-topics/trends-statistics/overdose-death-rates (accessed August 29, 2017).
[4] "Opioid Addiction: 2016 Facts & Figures," American Society of Addiction Medicine, https://www.asam.org/docs/default-source/advocacy/opioid-addiction-disease-facts-figures.pdf (accessed August 29, 2017).

government may find partner nations unwilling to address issues of U.S. concern if they do not also receive attention for their own priorities.

By their nature, illicit flows are not confined to individual states; this means that one state's inability or unwillingness to deal with a threat gestating in its country inherently impacts neighboring countries. Indeed, interstate conflicts hinder cooperation in confronting illicit and violent networks, which may themselves be tools in the conflict: consider the challenge of VEOs in Pakistan and that state's rivalry with India.

Transnational Threats and U.S. National Security Issues

U.S. national security threats are prioritized by the Department of Defense (DOD) according to the 4+1 framework—with Russia, China, North Korea, Iran, and violent extremism defined as the main threats to U.S. security. However, the panel discussion went well beyond these boundaries to highlight how transnational challenges other than violent extremism serve as direct and indirect threats to the United States and U.S. national security interests.

Although violent extremism is treated as a greater national security threat, the conversation returned to the U.S. domestic opioid crisis on several occasions, and some panelists argued that the drug crisis should be framed as a national security issue. Smuggling as little as a kilogram of Chinese-produced fentanyl—a major contributor to U.S. overdoses—is hugely profitable for Mexican cartels. TCOs have been adaptive and innovative in response to U.S. and international counternarcotic efforts against marijuana, cocaine, and heroin, which are trafficked in much larger quantity. Countering this smaller, and more deadly, product is and will continue to be a major challenge for the United States. More than just a discussion of TCOs and smuggling, participants highlighted the national security concerns from the social and economic impacts of drug addiction and overdose.

In addition to the direct threat that narcotics trafficking can pose, transnational phenomena can cause indirect threats to U.S. national security. For example, by exploiting state vulnerabilities, TCOs also exacerbate them, rendering weak states weaker. Other transnational challenges, including significant or sudden demographic shifts and resource scarcity, also strain governments' capacities to address the needs of their populations—as do natural disasters and the spread of disease. There is no consensus on whether the U.S. military has a role in addressing these other transnational challenges, and, if it does, how extensive that role should be. Many participants believe that addressing the range of transnational challenges lies outside the mandate of the DOD, which should be focused on its primary mission: warfighting. However, there is the potential that, if these vulnerable states deteriorate further transnational threats—including VEOs—could fester, resulting in a bigger future challenge for the U.S. military.

Conclusion

The threats and challenges that TCOs and VEOs pose to U.S. national security are complex, growing, and becoming increasing difficult to counter as these networks adapt and change within an increasingly connected global system. Based on the combined expertise and views of the participants in this discussion, we offer the following conclusions and recommendations:

- o U.S. agencies, ranging from the DOD to the United States Agency for International Development to the Department of Justice, have been addressing and countering TCOs and VEOs for decades, and there is an existing deep bench of expertise across the U.S. government to address these challenges.

- o Although U.S. agencies already coordinate and cooperate on these issues to the extent they can, additional work needs to be done in this area. For example, additional bodies or fora could be established that bring together government officials and experts in these areas on a regular basis from across the interagency to meet and coordinate efforts, particularly on the issue of TCOs and VEOs.

- o Limited research exists on the connections between TCOs and VEOs, but there is additional work required to better understand how these networks relate to each other. Efforts to counter them should take into consideration where they overlap, how they use each other's capabilities, and how seams between them can be exploited to weaken or dismantle them. The U.S. government should invest in better understanding these relationships.

- o Emerging transnational threats will increasingly impact U.S. national security at home and abroad, particularly if they continue to exploit failing and vulnerable states. Indirect threats will continue to grow, fester, and contribute to instability if not effectively addressed. The "1" of the 4+1 should be thought of as broader than just terrorism, and should take into consideration the range of transnational threats operating in the world today.

- o The U.S. is one of many actors around the world that should be seized of these issues because these networks impact global security. Given the transnational, cross-border nature of these issues, an internationally coordinated response is required that includes partner governments, nongovernmental organizations (which are on the front lines of where these entities operate and can also serve as a trove of information), international organizations, and regional entities.

About CNA's Program on Transnational Challenges

CNA's Program on Transnational Challenges is an integrated, cross-cutting research program that builds on the existing work of the Center for Strategic Studies on cross-border and borderless threats, such as counterterrorism, and expands into new areas of complex, inter-connected trends—including criminal networks, resource security, and emerging trends in populations and demographics. The program's focus is to better understand not only the direct effects of these threats on U.S. national security but also the complex second-, third-, and fourth-order impacts that are often difficult to identify and decipher. We believe this understanding will lead to better, more effective approaches to preparing for and responding to how these challenges will impact U.S. interests abroad and protect us at home.

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