



TERRORISM, CRIME AND CONTRABAND

The illegal business of jihadists
in the Middle East, Africa and Europe

Abstract

Fighting Terrorism on the Tobacco Road

Project supported by PMI Impact

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In support of projects aimed

At fighting illegal traffics and related crimes

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This English-language summary is provided solely to provide a broad overview and introduction to the detailed content of the full Research Report and the related Training Manual, to which readers are referred for additional content, complete analysis, maps, tables and sources.

TERRORISM, CRIME AND CONTRABAND.

THE ILLEGAL BUSINESS OF JIHADISTS IN THE MIDDLE EAST, AFRICA AND EUROPE

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Genesis and development of the project “Fighting terrorism on the tobacco road”

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In *Cose di Cosa Nostra*, the 1991 book written with the French journalist Marcelle Padovani, the Sicilian prosecutor Giovanni Falcone, who would be killed just a year later, summed up the cornerstone of his approach to fighting mafia terrorism with the slogan “follow the money”.

It was mainly moving from this investigative premise that the brave team of Palermo prosecutors headed by Antonino Caponnetto achieved, before and after the murder of Falcone, the greatest successes in the history of the fight against the Sicilian and international mafia. An innovative investigative method capable of intercepting and fighting organized crime, based on an analytical and truly modern financial approach to the Sicilian crime structure, which would shortly thereafter respond with mass killings.

When Philip Morris International launched its international call for PMI Impact, the global initiative to support university and think-tank projects against illegal traffics and related crimes, the immediate ICSA decision to apply revolved resolutely around the “follow the money” concept.

For a foundation like ICSA, which has worked since 2009 on various financial intelligence projects and the analysis of the main dynamics and strategies of the al-Qaeda/Isis binomial in the Middle East, Africa and Europe, also enlisting the support of sources and quantitative data from the most important governmental investigative bodies, the philosophy of the project submission was very natural: the hypothesis of a *link between the various types of criminal traffics* (illegal use of money transfers and digital crypto-currencies such as bitcoin, as well as the dark web, money laundering, weapons and oil smuggling, migrant and organ trafficking, human trafficking, drugs and medicine smuggling, cigarette smuggling, heritage trafficking) *and the financing of jihadi terrorism*. The title of the project, *Fighting Terrorism on the Tobacco Road*, also flowed spontaneously, merging ICSA themes with distant literary and film echoes. From the very beginning, we also hypothesized that the “Tobacco Road” along which terrorists raised funds in Africa, Europe and the Middle East, might also be the road travelled by smuggled arms, cultural heritage, human beings and migrants, not just because the routes of illicit traffics coincide but also because of the phenomenon which in literature is called “multiple consignment contraband” – i.e. the illicit traffic which moves different goods in a single shipment.

After a lengthy selection process, PMI Impact awarded *Fighting Terrorism on the Tobacco Road* a grant. The project is complex and articulated, including a broad research report entitled *Terrorism, Crime and Contraband. The illegal business of jihadists in the Middle East, Africa and Europe* (“Terrorismo, criminalità e contrabbando. Gli affari dei jihadisti tra Medio Oriente, Africa ed Europa”) a shorter training manual and other steps designed to increase awareness.

Since terrorism is a multidimensional, variable and complex issue requiring, the approach must be similarly layered. In late 2017 ICSA proceeded to assemble an interdisciplinary research group, bringing together investigators and intelligence analysts, sociologists and economists, geographers and historians, anthropologists and media experts.

In order to access solid data, reliable and up to date sources, the team immediately sought to involve official security players (law enforcement, prosecutors and intelligence) as well diplomats, journalists and analysts with long experience in analyzing and interpreting jihadist plans.

Data on international currency exchanges and financial transactions, analyses of turnover, origin and flow of the broadest range of criminal activities perpetrated by jihadist groups in the European, North African and Middle Eastern areas immediately took on a central role in our research activity.

The research approach also drew upon the writings of Louise Shelley, the US global expert in illicit trafficking, according to whom «often attention has concentrated only on large scale drug, oil and arms trafficking, and not enough on smaller traffics that support terrorism in Europe and the USA», leading criminal and terrorist organizations to choose precisely these small-scale activities that offer relatively high profit with very low risks.

Shelley's considerations should be underscored, particularly because, as our Report and Training Manual show, ISIS has dramatically altered its rules of engagement, adopting hybrid and asymmetric forms in which the jihadist terrorist model managed to reach – in both crisis areas and Europe – high-profile results, particularly in terms of media exposure, for very low expenditure.

In a recent historical phase, the success of the jihadist strategy of criminal penetration (see, for instance, the smuggling of oil and the traffic of cultural heritage and human beings) has been enabled by a significant convergence of interests between the aims of terrorist groups organized as states, local jihadist groups and criminal and mafia clans on the European continent.

The complete and detailed sources available, together with a critical review of the latest Italian and international literature on terrorism, have allowed ICSA to draw up reliable interpretive and predictive scenarios regarding the latest dynamics of terrorism in the areas and theatres considered (North Africa, Sub-Saharan Africa, Middle East, Balkans).

Throughout 2018 the research team working on the Report and Training manual has drawn upon the considerable support, in terms of analytic suggestions and statistical data, of the Department of Public Security of the Ministry of the Interior, of the Carabinieri, of the National Police and of the Treasury Police, of the Central Directorate against Narcotics, of the Central Investigative Nucleus of the Department of Prison Administration, of the Financial Information Unit of the Bank of Italy. We wish to express our special gratitude to all.

The Training Manual offers an amount of information of primary importance specifically for the quality and quantity of data from official sources, which has allowed a pro-active identification of a number of policy recommendations to prevent and suppress Jihadism.

Throughout 2019 ICSA will disseminate research results in order to sensitize both institutions – i.e., government and parliament – and citizens. In this respect, we anticipate a significant involvement of law enforcement and intelligence executives and officials in specific training events, with the goal of increasing their knowledge of the link between very different traffics and criminal networks and the financing of jihadist terrorist activities. The Training Manual is designed primarily to meet this teaching purpose and it is the basic reference for the seminars.

A specific educational effort will be aimed to the media, through the organization in various Italian cities – again throughout 2019 – of continuing professional education events for journalists, centered on the main research results. Public opinion will be regularly and constantly informed about the events surrounding the Report's distribution, which will in itself be available for free download from the *Fighting Terrorism on the Tobacco Road* project website.

The specific value of the Report *Terrorism, Crime and Contraband. The illegal business of jihadists in the Middle East, Africa and Europe*, as well as the similarly titled Training Manual, lays in the fact that while the analyses paint a summarized picture of the current state of health of jihadist terrorism, they also stem from “cool” – meaning measured and carefully considered – considerations, rather than sudden emergencies or emotional reactions. This is a key methodological difference, because generally in Italy political-government actors are used to discuss themes of vital importance and meaning, including terrorism, only in the aftermath of extraordinary and dramatic events, and therefore under emotional pressure.

We wish to stress that the ICSA research took place outside of an emergency logic, at a time when ISIS has lost a sizeable amount of territory in the Syrian-Iraqi region, while in parallel many of its

members have relocated to North Africa (particularly in Libya), Central Asia (on the border with Tajikistan), in the Caucasus and in South-East Asia (particularly in Indonesia).

So far, the defeat of ISIS has not translated into a massive afflux to Europe of former fighters, which leads to the hypothesis that, from now on, many former militia members will attempt to return by applying for legal assistance for repatriation or surrendering directly to national authorities. The possibility must also be taken into consideration that many returnees might reenter Europe clandestinely, obtaining false papers and using logistic and criminal networks, particularly in the Balkan area, which has the potential to become a crucial logistics node for foreign fighters and aspiring militants.

The pervasive and molecular threat of jihadist terrorism remains therefore quite high and unforeseeable, also because lone wolves (the inspired, homegrown extremists recruited in the depressed outskirts of European cities, or in jails, self-indoctrinated or maneuvered by terror strategists) could suddenly start improvised spontaneous armed actions.

The guard must not be lowered. Italy continues to represent a target for jihadist propaganda, drawing not only upon deep and virtual web environments, but also in family/relational circuits impenetrable to investigation, in meeting points and jails. It will therefore be necessary to continue to keep a watching eye on the increased role played by converts in cyber-jihad, mostly as preachers and radicalizers, with the resulting increase in extremist propaganda in various Western languages in dedicated web-forums for young Muslims. Nor should territory be overlooked, both by preempting the possible forming of homegrown cells in small centers and wherever there are signals of a growing provincialization of Jihad within domestic borders, and by constant monitoring of what happens in certain safe havens in Syria and the Balkans, where extremists, criminal clans and go-betweens have developed over time relational and business circuits connected in various ways to ISIS members in Syria and with possible ramifications in Europe.

Introduction

Carlo De Stefano, Elettra Santori

Terrorism, organized crime, the trade in human beings, the smuggling of drugs and arms, contraband are a constant threat for the people of the world, which by virtue of international treaties have a right to levels of protection within a space of freedom, security and justice. The purpose of the Report *Terrorism, Crime and Contraband. The illegal business of jihadists in the Middle East, Africa and Europe*, as well as the training manual, is to describe the business-financial strategies and configurations of jihadi terrorism, which has produced and still produces severe traumas to the social order, and to illustrate the measures taken by the relevant authorities in order to prevent and fight it. Compared to the vast literature in the field, the ICSA Foundation Report and Manual stand out first of all because terrorism is viewed through economic-financial intelligence optics but also because of the solidly interdisciplinary approach and the exploration of new frontiers, such as the integration and convergence between terrorists and members of criminal organizations, or of the multiple funding avenues – some not previously described and surprising – used by terrorist cells or even of the threats posed by cyber terrorism and digital finance.

In the current international political situation, deeply characterized by globalization, terrorists and criminal organizations exploit the porous borders of today's world, which allow money, goods and persons to flow with greater speed and freedom than in the past, which results in the transnationalization of risks and threats to collective security. To speak of terrorism means to go beyond the crimes typically associated with it – such as attacks, murders, kidnappings and so on – and to face the different interpretation, in terms of international law, of terrorism, for which there is still no single and universally accepted definition. Things are different for organized crime, for which analyses converge on its undoubtedly illegal nature and the social and economic consequences that affect persons and both private and public structures.

Despite this, as we have mentioned, today terrorists and members of criminal organizations can be seen with increasing frequency to integrate or overlap: some jihadist groups and fleeing fighters (the returnees which attempt to go back to their country of origin or to settle in countries of transit) can attach themselves to traffickers of migrants, narcotics, cigarettes or cultural heritage, or even more simply to turn to the no less dangerous petty crime in order to survive. This phenomenon is not unknown in Italy, which has seen black and red terrorists retire from evasion only to become common criminals, assaulting banks or armored cash vans – which of course they had already done during their previous armed fight, in order to support life on the run and revolutionary activities.

The considerable diversification of the funding sources of terrorism – something which in itself greatly complicates investigating and fighting it – is one of the main themes of the ICSA Report and Manual. Drugs, oil, tobacco, works of art, migrants: there is no contraband or illegal traffic in which jihadi terrorism is either a player or a stakeholder. Whether it charges a “toll” on traffickers of people who lead migrant caravans to the African shores on the Mediterranean, of collecting fees in exchange for “escorting” shipments of illegal drugs and tobacco, or, again, of smuggling oil and antiquities looted from war theaters, Jihadists are now an integral part of the illegal economy game, skillfully carving out operational segments along the illegal supply chain.

Predators of various sizes swim in the vast sea of illegal commerce – micro criminals, organized crime, terrorists – each with its own functional specialization. It is a transnational role-playing game, just as in a globalized world crime is transnational, in which each actor plays a part from point X to point Y, in a perverse but well-oiled assembly line. And it is precisely around the relationships between terrorism, organized crime and common criminals that some of the key questions addressed in the Report and Training Manual pivot: what are the ties between Jihadism and our mafias? Is it correct to speak of alliances between terrorism and organized crime? Might

financial tools typical of Islamic culture, such as *zakat* and *hawala*, act as hidden support conduits for Jihadism? And which financial intelligence tools can be deployed against the illegal funding of Jihadi terrorism? In addition to the macro channels of financial support to Jihadist groups (smuggling of oil, of archaeological remains, of arms, of cigarettes, of drugs, of migrants), the Report and Manual also examine the micro flows linked to the sale of drugs, of counterfeit goods, of robberies and even of some legal activities (such as borrowing money from banks or other lenders) which in recent years have been used by European Jihadists to provide the means with which to carry out their bloody attacks. Said Kouachi, one of the two terrorists who attacked the *Charlie Hebdo* offices, funded the attack with the profits generated by trafficking in counterfeit Nike products. And this is only one of the cases underscored in the Report and Manual to sketch the so-called terror-crime nexus, which lays at the basis of modern hybrid terrorism, a term which indicates the sum of ideological and criminal-business aspects.

Following what is sometimes called the “Al Capone approach”, which in this case fights Islamist terrorism by following the tracks of financial crimes - including minor “warning light” ones – committed by Jihadists, the ICSA Report and Training Manual tackle Jihadism from a financial intelligence perspective integral to counter-terrorism security policies. It is not just a matter of providing estimates of illegal traffics (which can in fact be partial, wishful and even contradictory, precisely because illicit traffics are by nature obscure and hard to quantify) but more importantly to reconstruct criminal modes of operation that could be replicated by terrorists in whichever geographic area of activity. The basic assumption of the ICSA Report and associated Training Manual is that, in order to fight the funding sources of Jihadi terrorism, identifying the criminal patterns used by Jihadists is every bit as useful as quantifying the flow of illegal traffics.

The eminently economic-financial approach to counter-terrorism which constitute the privileged ICSA analytical theme does not of course prevent the Report and Manual from providing an in-depth look at the security policies implemented in Italy and to the tools to investigate and fight terrorism, with specific reference to the Strategic Antiterrorism Analysis Committee (CASA) of the Ministry of the Interior. CASA, a model which has become a reference even outside Italy, is the body where representatives of law enforcement bodies and intelligence and security agencies for the constant exchange of information updates threat evaluations and guarantees the appropriate and relevant planning of preventative and contrast initiatives.

In addition, the Report and Manual cast an eye on the most current trends, including analyses of cyberterrorism and other events in cyberspace, which is fast becoming the new Jihadist battlefield and geopolitical-financial arena, as indicated by the so-called “virtual Caliphate” which came about with ISIS. Similarly, the chapter about de-radicalizing Jihadists points to a near-term future in which Italian political decision-makers will be called to make responsible and carefully thought-out choices concerning subjects at risk of radicalization or already radicalized and involved in terrorist activities. The issues related to their treatment and possible reintegration into the society from which they have dramatically self-excluded requires an academic, legal and media debate in which Italy lags behind other countries – not just European but also Arab and generally non-Western.

Chapter 1

The evolution from al-Qaeda to the Islamic State: continuity, break-up and possible future convergences

The birth of modern Jihadist terrorism is strictly linked to two crucial events which marked the late 1970s, namely the Islamic revolution in Iran (1978-1979). The Iranian revolution transformed the country from constitutional monarchy to Shi'a Islamic republic, with a constitution firmly anchored to sharia (Quran law). The initial strategic doctrine adopted by the Islamic republic revolved around exporting its revolution. The rise to power of the Shi'a clergy led by ayatollah Khomeini electrified the Shi'a minority in Iraq and the so-called Gulf region (roughly defined as the eastern and north-eastern areas of the Arab peninsula), in turn leading to great enthusiasm for Iran as the first modern Shi'a-led country. Drawing upon this enthusiasm, the Khomeini regime incited Shi'a minorities to overturn Sunni monarchies. For this purpose there were formed various extremist Shi'a groups that carried out attacks according to the ups and downs in the political-diplomatic relationships between Iran, the West and Saudi Arabia. The terrorist approach thus came to characterize the debut of the expansionist phase of the Iranian revolution, as encapsulated by the birth of Hezbollah ("The Party of God") in Lebanon (1982), whose forces have always been trained by a branch of the Iranian military, the Islamic Revolutionary Guard Corps, often referred to as the Pasdaran.

In order to spread the principles of its revolution, Iran extended its area of influence to Syria and Lebanon and attempted to do as much in Iraq and in five then-Soviet republics in Central Asia (Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kirghizistan). These attempts clashed with the well-rooted Sunni reality, well supported by Saudi Arabia and Pakistan. Iran influence thus targeted north-central Africa, specifically Sudan.

Sunni leaders, particularly in Saudi Arabia, could not allow theocratic Shi'a ideology to spread freely, not least because their own countries included large Shi'a groups which had settled in the area in the centuries immediately following the birth of Islam and generally tolerated, albeit considered heretic and consequently marginalized.

The USSR invasion of Afghanistan offered Sunnis the opportunity to create a united front against the atheist Soviets under the banner of a transnational call to the Jihad, which over time would lead to Sunni terrorism and Osama bin Laden, a Saudi who soon became the most charismatic figure of international Jihadism.

The USSR occupation of Afghanistan led to an international reaction, particularly in Saudi Arabia, the United Kingdom and the USA. The various guerrilla groups opposed to Soviet occupation moved from autonomy to the 1985 "Peshawar 7" committee, which comprised as many Sunni groups. A year earlier, the Pakistani Inter-Services Intelligence (ISI) had established the Maktab al-Khidamat (MAK), funded by Osama, who was then said to be in the service of the Saudi intelligence. The organization gathered Muslims who had come to fight the Soviet atheists, created training camps in Pakistan and through ISI had access to funds for guerrilla.

In all likelihood, the Mujaheddin who flowed to Peshawar were indoctrinated and motivated to Jihad through the religious principles expounded by the Pakistani Brigadier General S.K. Malik in his 1979 book *The Quranic Concept of War*. Malik theorized the war doctrines in the Quran to be war commandments revealed by God, in which the Umma (i.e., the universal Islamic community called to carry out Jihad) constitutes a supra-national, supra-racial, supra-linguistic and supra-territorial principle. Consequently, Jihad must be fought between Muslims and non-Muslims rather than between States, which do not exist in Quran doctrine.

According to Malik «when God desires to impose His will on the enemy, he chooses to do it by striking fear in their hearts». Malik thus conceives terror as both the means and main goal of war. «Terror is not a means to impose decision on the enemy; it is the decision we want to impose».

The ideas put forward by Malik in the overall strategic concept of Quran war were applied in the Pakistani training camps, where they served as spiritual and military preparation for the so-called “Islamic foreign legion” created by the Mujaheddin flowing to Peshawar.

By gathering foreign volunteers and supplies for Sunni Mujaheddin, Pakistan thus became the haven for Jihadist fighters. For the duration of the conflict, the guerrilla groups were supported, with both money and supplies, by Saudi Arabia, Pakistan, USA, UK and China. The main sponsor, Saudi Arabia, also employed its secret service to indoctrinate some 20,000 volunteers from the entire Islamic world into Wahhabism, the rigid variation of Sunni Islam adopted in Saudi Arabia and the Arab peninsula in general.

Some 40 years later, the fall of ISIS appears to have infused al-Qaeda with a new lease of life revolving around the preaching of unity of intent and actions in order to recreate, over time and with other strategies, the Caliphate. After years of sharp conflict with ISIS and mutual accusations of deviating from truth, Al-Qaeda is attempting to regain its leadership of global Jihad and to return to unified guidelines.

The strategists of terror are certainly scouting other territories to create a Jihadist state entity, with the active cooperation of every radical group in the Islamic world. This could be located in the Wilaya Khorasan, thus in an area of strategic importance, adjacent to the former USSR Central Asian republics and soon to be crossed by the Chinese Silk Way. The end of the Caliphate has already caused the third Jihadist diaspora (the first having come after the expulsion of the USSR from Afghanistan; the second, after the shattering of the Afghan emirate under mullah Omar), which will certainly feed extremist groups already affiliated with both al-Qaeda and ISIS, as well as sleeper cells in the West and moderate Arab countries.

In this framework al-Qaeda would once again provide strategic intent, with ISIS cells supplying an operational arm with far more resources than the old al-Qaeda. The new relationship would also draw upon greater operational resources, because of extensive experience and new technologies (including drones) but also of the psychological schemes, it has absorbed.

While media have spared no effort in supporting the fight against this terrorist phenomenon, they have also concentrated on stressing the differences between ISIS and al-Qaeda, underrating the ideological connection between such apparently different realities. But in truth these realities are the two sides of the same coin: the rebirth, by different routes and means, of the Caliphate abolished by Atatürk.

Chapter 2

Jihadi terrorism, criminal economies and dimension of illegal traffics

Daniela Fantozzi, Alessandro Locatelli

Smuggling can be defined as an exchange of goods or service in violation of market rules. The advent of the New Economy has modified smuggling in terms of geography, range and volume of illegal goods, negative social, economic and political impact.

Broadly speaking, illicit trade falls in four macro-categories:

1. sale of products to escape duties (e.g. cigarettes or oil)
2. sale of products which cannot be sold (e.g. narcotics, prostitution)
3. irregular sale of regulated goods (e.g. counterfeit goods)
4. sale of stolen goods (e.g. antiquities)

Illegal traffic is helped by the global hypermobility of goods, the wide-ranging daily use of cyberspace, the high degree of interdependence of the economies and the growing population density resulting from increased urbanization. In general, illegal trade aims to develop a business model which extracts synergies by using networks to move goods and services and launders money gained through illicit traffics. Smugglers no longer specialize in products or services but rather in networks capable of handling a broad range of illegal goods and services, a shift which has made illegal traffics far more flexible. Mapping illegal traffics leads to find that network are built around a “hub and spoke” model that minimizes the number of transports but not the individual paths. This is particularly true when volume does not justify single-good point-to-point trips. Routing is influenced by the presence of large infrastructures, such as large harbors or airports, but also by weak institutions (i.e., corruption, inadequate laws, opaque financial institutions), faltering economies with high unemployment and inadequate law enforcement (small forces, under protected borders, widespread unlawfulness).

Turning to individual traffics, tobacco, human beings, narcotics, arms, oil were analyzed.

Tobacco

Tobacco is the most widespread non-food crop in the world, practiced in 120 countries. Globally, the value of the tobacco market is estimated in 2014 at 744.2 billion dollars, with cigarettes representing 91% of the business. According to the OECD, in Europe alone the turnover of tobacco smuggling is between 7.8 and 10.5 billion euros.

Illicit tobacco trafficking is done by all means: cars, luggage, postal services, boats, freight trains, pack animals and containers that are often modified with hidden compartments. Often they are shipped with false loads of cover, such as furniture, food, fertilizers or clothing. In 2013, the Irish police seized around a million packs of cigarettes from Singapore. The cigarettes had been produced in Vietnam and destined to the Irish market. The expedition was discovered when terrorists from a group linked to al-Qaeda launched two rockets on the freighter sailing along the Suez Canal (with the declared intention of «fighting the western trade»), causing a fire in the container transporting cigarettes. The goods declared were furniture and was intended for a false furniture factory in Ireland.

Illicit cigarette trafficking has often proved to be a good deal for terrorist organizations, as in the case of al-Qaeda in the Islamic Maghreb, al-Mourabitoun and Hezbollah. The high profitability of this market and the relatively low penalties, attract jihadist terrorist organizations, which provide bases, means and protection of loads during the journey. What emerges from the dynamics underway is that illicit trafficking takes place on the same routes as other traffic, whether it is energy products, works of art or migrants, and it should not be surprising that they can be transported together.

Human beings

Depending on the balance of power between trafficker and migrant, there are different types of crime ranging from facilitating illegal immigration to slavery or, worse still, exploitation for the removal of organs.

There is a difference between trafficking and human smuggling (that is the exploitation of illegal immigration). The former implies moving persons against their will, e.g. for forced labor or prostitution; the latter moves persons against State laws and borders, in exchange for money. So trafficking happens against people's will, smuggling with their consent; trafficking does not necessarily require crossing borders, unlike smuggling; trafficking is extended in time, while smuggling is short-term. More importantly, in trafficking the money comes from exploitation whereas in smuggling it comes from carrying fees.

Narcotics

According to UNDOC, four categories represent the majority of illegal narcotics sold on the market: opioids, cocaine, cannabis and amphetamines (ATS). The traffic also includes new psychoactive substances and synthetic materials, as well as the chemical precursors used in the transformation. In Afghanistan the Taliban depend on opioids for about one-half of their income. In Syria, ISIS militias produced and used large quantities of Captagon. In 2015 ISIS clashed with the Taliban over the control of drug traffic in Nangarhar. In Western Africa terrorist organizations participate in the cocaine and cannabis trade. Al-Qaeda in the Islamic Maghreb (AQIM) is involved in the cocaine and cannabis trade, but also in protecting smugglers. Finally, in Nigeria Boko Haram is involved in the cocaine and heroin trade.

Arms

The illegal trade in small arms is valued at 850 to 1,700 million dollars. The Cold War led to great amounts of weapons being stored in Africa, Asia and Latin America. Other areas are not exempt, however. Former Yugoslav territories were estimated to hold about 8 million weapons, while the huge former USSR arsenal have been raided in the Nineties in order to supply markets including the Democratic Republic of Congo and South Sudan. Another aspect is the provision of materials used to manufacture improvised explosive devices (IED). These precursor materials are commonly used as agricultural fertilizers or industrial materials. The main source is Turkey, but in 2016 the liberation of former ISIS territories led to the discovery of 13 tons of nitrate-based fertilizers which came from a 2013 delivery made by the Italian company Biolchim to its Jordanian distributor Green Land, which had then resold quantities to Iraqi dealers.

Archaeological finds

The traffic of archaeological finds is a real natural resource for terrorist organizations operating in the MENA area, so much so that it can be considered as a sort of "stone oil". This traffic takes place along the usual routes and involves a multiplicity of actors.

The Italian authorities intercepted a swap between antiquities and weapons in the port of Gioia Tauro. The antiquities from Egypt (supposedly sold by Isis militias in the country) reached the port using ships controlled by Chinese criminal interest and were exchanged for guns procured by the Russian mafia in Moldova and the Ukraine. The dealers and middlemen belonged to Italian organized crime families in Calabria and Campania.

Oil

A transnational criminal association emerged from an Italian investigation, made up of subjects of different nationality (Italian, Maltese, Egyptian and Libyan). This criminal activity was committed to the illegal importation in Italy and in the European market of gas oil from Libya. This activity financed the jihadist terrorist groups, moreover, according to the estimation, tax evasion on oil products amounts to over 6 billion euros a year.

In this business are involved mafia organizations, unscrupulous businessmen and corrupt officers.

Chapter 3

Jihadi terrorism in its functional and operational ties with organized crime

Andrea Beccaro, Giuseppe Dentice, Andrea Sperini, Mario Vignati

3.1 Hybrid Terrorism

Terrorism, criminality and war have been traditionally considered as being different and separate phenomena. Terrorism was used to indicate a way of fighting to achieve political goals within a given society. Criminality designated a phenomenon creating problems of public order of varying intensity and rooting in society, but without political goals and centered on purely economic targets. War has been interpreted as military clash between sovereign States and thus as an international conflict.

In the globalized 21st century world, these differences have been toned down and the three areas of terrorism, crime and war now show grey areas of contact and overlap. Because of this, conflicts are now often described as “hybrid”.

Hybrid warfare was first defined by the American scholar Frank Hoffman in 2007, based on in-depth examination of the military operations of both Hezbollah and Iraqi insurgents. Hoffman showed the convergence between various types of war (including conventional capabilities, irregular tactics, terrorist actions and criminal activities), the use of different types of armament (from light weapons to sophisticated missiles) and articulate propaganda. According to Hoffman, contemporary conflicts can be understood through four key elements. First, in hybrid warfare regular and irregular forces merge until the irregular element becomes prevalent. There follows – and here is the second point – the current hybrid framework brings together various military tactics and ways of using force, with terrorism taking a preeminent role. In third place, groups which can be called hybrid use modern technology to become unpredictable and find unforeseen advantages. The 9/11 attacks are the most obvious example, but other examples are related to the spread of social networks, media channels, chat and blogs which can be used to organize attacks or spread specific information. Thanks to a very aggressive approach to modern means of communication, ISIS has specifically developed this aspect. Indeed, the Islamic State has implemented a well-structured media strategy which combines the publication of very violent videos with various propaganda material.

Finally, in hybrid warfare, as in any irregular war, combatants make good use of what in military jargon is called “complex terrain”, which in itself prevents regular forces from operating in the most effective and efficient possible way. Historically, the complex terrain used for such operations consisted of mountains, swamps, forests and the like; today, for demographic, strategic and tactical reasons, urban environments have become the complex terrain of choice. Urban environments offer advantages such as media presence (crucial in order to leverage the terror dimension intrinsic to this mode of war), numerous soft targets and important political and economic targets, ease of hiding anonymously among communities that support extremists in more or less direct and conscious fashion.

The “hybrid warfare” concept thus indicates a conflict in which various elements and phenomena mix and merge, creating a condition of violent armed conflict with political goals, with several tactics used to achieve the ultimate goals.

The wars in the former Yugoslavia proved a strong draw for Jihadists. The Sarajevo propaganda campaign struck a chord in Muslim countries, particularly in the fringes closest to the international networks which had supported the Afghan Mujaheddin against the USSR. These fringes saw Bosnia as an opportunity to bring Jihad one step closer to the gates of Europe. Fighters of various

backgrounds, often linked by previous Afghan militancy and al-Qaeda leadership; the semi-unknown bin-Laden was frequently seen in the Bosnian capital. Significant funding came from several NGOs (still an important source of funding), such as the International Islamic Relief Organization (IIRO) or the World Muslim League. Saudi Arabia played a central role, sending US\$ 150 million to Bosnia in 1994 alone. Iran also played a primary role in supporting the Muslim cause in the Balkans.

Because of those funds and of Jihadist penetration in remote Balkan villages, militant Islamists have developed a network of Sharia-based extraterritorial enclaves that serve as Jihadist recruiting stations and safe havens. Some 500 ethnic Albanians from the Western Balkans have left for Syria since 2012. In proportion to its population, Bosnia itself has provided the largest amount of foreign fighters for Syria of any European country.

Bosnia, and the Balkans in general, thus represent a support area for international Jihadist terrorism. Despite this, the link between Jihadism and organized crime in the Balkans, and particularly the temporary or permanent nature of the link, is hard to prove.

Whereas the Balkans have always been a border fringe for Islam, North Africa has been and still is a crucial area for the history and evolution of Muslim religion. This is reflected in the fact that many leading figures in the Jihad come from North Africa, and Egypt in particular. This includes Hassan al-Banna (1906-1949), founder of the Muslim Brotherhood; Sayyid Qutb (1906-1966), an early proponent of attacks on secularized societies; Abd-al-Salam-al-Farag (1952-1982), leader of the al-Jihad group which sprang from radical student groups in Egyptian universities. In addition, Egypt has been the scene of many attacks, starting from the 1981 murder of president Anwar al-Sadat and continuing to the present day's widespread insurgency in the Sinai.

Libya and Algeria are two other central countries for Jihadist terrorism. In the 1990s both witnessed revolts and civil war which saw the participation of Libyan and Algerian foreign fighters returning from Afghanistan, where they had been indoctrinated by members of what was the embryo of al-Qaeda.

North Africa plays a much greater role in global Jihadism than the little Balkan enclaves, in part because Mediterranean Africa offers a springing board from to jump north, towards Europe, linking to drug and human trafficking, and south, towards sub-Saharan Africa, where new groups are developing. The so-called Arab Springs brought severe instability to the region, and particularly to Libya, which in 2011 precipitated in never-ending civil war. The collapse of state structures and the loss of control over the land has given much space to groups variously linked to both global Jihadism and criminal traffics.

3.2 Links between indigenous Islamic terrorism and criminal operations in the Balkans

Conflicts that broke out in the Balkans in the 1990s saw the presence of foreign fighters of Islamic faith siding with the Bosniaks in Bosnia-Herzegovina (BiH) and ethnically Albanian Kosovars and Macedonians in their respective countries. A large number of these foreign fighters came from previous war experience in Afghanistan and Chechnya, first against the USSR and then against Russia. The remaining Islamic foreign fighters were mostly young Arabs and Asians answering for the first time the "call to the Jihad" to support Muslim brothers in the Balkans.

Later those very Balkans saw many foreign fighters answer another call and leave to support Muslim brothers in Syria and Iraq, fighting in al-Qaeda network groups or swearing allegiance to the Islamic State. This development leads to current events, particularly if we look to North Africa and, more specifically, Libya, where many Mujaheddin are going following the military defeats which the Islamic State has suffered in the Middle East. The two flows are separated by over two

decades, something which should lead to consider the infiltration and rooting of radical Islamist elements in the Balkans.

Between the 1980s and the first half of the 1990s, Kosovo went through a crisis, first, and open conflict, later, arising from the desire for independence of ethnically Albanian Kosovars. Serbia viewed Kosovo a historical and cultural part of the country and thus repressed these ambitions. From 1996 this saw the Kosovo Liberation Army (UCK) unleashed attacks against Serbs in Kosovo, precipitating the 1999 NATO intervention. The war in turn attracted foreign fighters, some of which settled there, creating a haven for radical Islamism.

This overlaps with the presence of well-established criminal organizations, with good connections to international criminal networks. Because the implementation of the Jihadist project justifies violating any precept and even the alliance with organized crime, this allows Islamists to exploit the so-called Balkan route, which is among the main and most profitable routes for illicit traffics ranging from tobacco to narcotics to explosives.

Today, clandestine Albanian armed groups still capable of operating in the area include the UCK, the Army per Presheve e Bujanoc (UCPMB) and the National Albanian Army of Macedonia (AKSH), but despite being a major source of worry locally and internationally they do not appear directly involved in radical Islamist activities. Their present goals remain nationalist, specifically the unification of all ethnic Albanians from the Sandžak to Albania, by way of Kosovo and Macedonia.

3.3 Interconnections between criminality and terrorism in MENA countries

The start of the so-called “Arab Spring” led to a wave of instability in Middle East and North Africa (MENA) countries, which further shook already weak political equilibria and brought out unresolved social and religious issues, resulting in a phase of strong and widespread confrontation. In this framework, rebellion, insurgency and terrorism mix and entwine, leading to the emergence of non-State actors whose destabilizing actions have contributed to redefine certain social, cultural and economic situations.

This is particularly true in Africa, where the structural weakness of states has been further aggravated by the Libyan civil war and conflict in Mali. By creating power vacuums, both have further moved the center of gravity of African dealing, redefining the dynamics of control over illicit trafficking, with terrorist organizations gradually entering the long and profitable network.

Recent events dictate a rethinking of the “criminal categories system” in Africa, with a new analytical approach to the understanding and identification of appropriate strategies against such phenomena.

Specifically, terrorist organizations have proved capable of mixing the original ideological-identity connotation with the successful entry in illegal business and dialogue with criminal organizations, in keeping with the “hybrid terrorism” model. The model has two facets that can be summarized with two main points

1. terrorism as a synthesis between ideological and criminal interests;
2. terrorism presenting itself as promoting a new social and cultural model, including point 1 and adding some confrontation over independence.

The latter point is well represented by AQIM, an organization which by skillfully using the economic strength derived from control over illicit traffics has succeeded in establishing itself in the Sahel also as social system. The consensus - gathered not just through the initial use of violence but also through an inclusive approach to the management of economic traffics – started a process of self-legitimization and governance in its social and territorial area of action. These approaches to

territorial governance allow terrorism to take a new socio-political configuration, morphing from final goal to tool to activate local policies in regions with cultural superstructures often quite different from the Jihadist code. Understanding these dynamics is crucial to fight the illegal economy, which in some parts of Africa is a significant part of the business cycle or, indeed, the only means of support.

Widespread instability is certainly the main feature of African geopolitics.

Vast areas are affected by power vacuums, in which there is no perception of the existence of legitimate State force capable of carrying out government policies. These areas are frequently called “Ungoverned”, but in certain cases the presence of solid non-State criminal actors with proven capabilities justifies the definition of “differently governed territories”.

In these areas there is a power shift from the legal to the illegal, through a complex dynamic, which usually comprises four steps.

1. Abdication of territorial sovereignty by the legitimate government;
2. Creation of a power vacuum perceived by the local population;
3. Settling of criminal groups/terrorist organizations (non-State criminal actors)
4. In extreme cases, criminal actors become the social and economic point of reference of the area.

Having taken control of a territory, some well-structured terrorist organizations not only impose their hegemony on competitors but, in extreme cases such as AQIM, earn some degree of support from residents and operate change, even in the social-cultural sense. This anticipates a medium-long term change in the nature of African terrorism.

Criminal aspects notwithstanding, terrorism cannot do without its ideological nature and/or overarching system design which aims to provide – particularly in Africa – a socio-cultural reference for the population, attracted by a form of subsidy. By making the population share in the profit of illegal traffics, terroristic groups enlist its support and can use the territory to organize complex operating contexts functional to the illegal economy. By paradox, this translates into relative stability, which allows the organization to further consolidate its structure and role.

The peculiarities of the African context offer very favorable conditions for certain areas of the continent to gradually become operating platforms for illicit activities. Over time, these political, social and structural conditions have contributed to configure a parallel economy aimed at maximizing profit from illegal traffic. This criminal framework is managed by several actors which, based on specific skills, and observing preset balances, cooperate actively and profitably, generating a highly productive illegal business cycle, in which criminal groups, Jihadist organizations/groups, local criminals and corrupt officials come together.

The resulting illegal economy has measurable impact on the territories in which it plays out, influencing it in every way. The flow of illicit traffic creates a secondary impact creating a veritable organizational system which fundamentally affects areas, changing the community life style. The illegal economy has strained traditional tribal and clannish models, with younger generations seeking to climb the socio-economic ladder moving towards an easy money model, which often means joining a terrorist group/organization. This new value system then becomes the reason to break with the tribal tradition supported by community elders and wise men.

While there is no official data on the impact of the illegal economy in a territory, some contexts show a certain amount of indirect evidence of greater income, such as greater drug consumption in some very specific areas and among the young, or the flourishing of local markets run directly by Jihadist groups or their local representatives. Eventually, increased prosperity lends an aura of legitimacy to illegal activities.

In West Africa and the Sahel region has witnessed the rise of local economic spaces around the flow of illicit trade (and particularly drugs and tobacco), with terrorist organizations accepting payment in kind (rather than in dollars) for the “transit tax” or provision of cargo protection services. Illicit goods are increasingly carried by local youths, not necessarily members of the organization, who can thus earn significant amount of money for primary needs or drugs.

Cigarette smuggling is the mother of all terrorist funding sources in West Africa and the upper Sahel, mainly because of the favorable risk/benefit ratio enabled by weak specific sentences. Recent instability and the absence of official authorities for cigarette importation has further encouraged illegal traffic.

Recent estimates put illegal cigarettes at 15% of all cigarette consumption in Africa, with particularly high demand in North Africa. The North African cigarette traffic is put at over one billion US dollars, and three-quarters of all cigarettes consumed in Libya enter the country illegally.

Counterfeit cigarettes are made mostly in China and Vietnam, followed by Eastern and Southern Europe. Most illegal cigarettes flow into West Africa through free trade areas like Dubai and into the ports of entry of Lomé (Togo), Cotonou (Benin) and Tema (Ghana). From there they are smuggled through the Sahara into North Africa, with smugglers relying on local guides. The traffic appears to be controlled by a small number of local businessmen, who often are also official cigarette importers and distributors. At least in the Sahel there are direct links between cigarette traffic and the funding of extremist groups.

The terminals of illegal intercontinental traffic are located according to the following principles

1. Failed or weak states, in which the lack of strong central power makes territory difficult to control and facilitates the work of criminal and terrorist organizations;
2. Geographic position on the continent
3. Permanently unstable economy with widespread poverty.

Even routes tested and consolidated over the years need to be flanked, and occasionally replaced, by new avenues that guarantee safe passage and allow new markets to be served. In this regard, rival organizations and groups have been seen to clash bitterly to gain control over new areas affected by illegal traffic flows. This helps understand recent news describing cocaine busts further south than usual – including countries previously without important roles in transnational crime (e.g., Burkina Faso, Uganda and Angola). Clashes in Burkina Faso between AQIM factions and Jihadist patrols linked to the Islamic State in the Greater Sahara also point to the country’s growing importance along the new routes of illegal traffic.

3.4 Shi’a terrorism and illicit trafficking: the Hezbollah case

In addition to becoming an unquestioned player in Lebanon and implacable enemy of Israel, in recent years Hezbollah has intervened actively in the war in Syria, siding, like its Iranian sponsors, with Syrian president Bashar al-Assad. Hezbollah deployed its considerable military power (several thousand well trained and equipped soldiers), which contributed significantly to the defeat of the so-called Islamic state.

Outside its main geographic area Hezbollah is seen as an organization to be reckoned with in political-military terms, but a terrorist organization nonetheless. As such, it appears in the lists of terrorist organizations maintained by various countries and international organizations.

Hezbollah is a very hierarchical and ramified organization, with full decision-making powers residing at the top and descending hierarchical centers and civilian and military operational cells.

The movement has received economic, political and military support from Iran since inception. To this there should be added a network of cells and economic-financial units in several continents,

which operate both legally and illegally (international cocaine trade, illegal diamond trade, sale of counterfeit goods, cigarette smuggling), therefore securing funds and cover-up for operations. The Lebanese diaspora and the traditional Lebanese financial network play an important role in the system.

Cigarette smuggling is among the sources of Hezbollah funding. According to Shelley and Melzer, US agencies have documented the involvement of terrorist organizations in cigarette smuggling. A specific case study concerns a Hezbollah cell in North Carolina, which smuggled cigarettes into Michigan, reaping considerable profits given the different level of tobacco taxes in the two states. The activity relied on the large Arab-Lebanese community in Michigan, which served as both cover and retail seller. Until its members were arrested in 1999, the cell is estimated to have earned US\$ 1.5 to 2.5 million, as well as causing up to US\$ 3 million loss in tax revenue. The money was then converted into funds for Hezbollah and dual-use equipment with military applications, including GPS and night vision systems, quality computers, flight software and photographic equipment.

A similar case of cigarette smuggling was uncovered in New York state, where 16 Palestinians were arrested in 2013. Some are suspected of being connected to Hamas and to subjects already convicted for terrorism in the US. Police seized many guns, over 20,000 cartons of cigarettes, vehicles, real estate and cash worth over 1.5 million. The total loss of tax revenue is estimated in about US\$ 80 million. Mohamad Yousef Hammoud, the organizer, had been a Hezbollah member since age 15. In January 2011, after a long appeal, Hammoud saw his conviction reduced to 30 years. Even in jail he continued to proclaim himself as a stalwart Hezbollah militant.

Chapter 4

Possible scenarios for the Caliphate in terms of activities, grounding and state reconfiguration

Andrea Beccaro

Since 2016, the so-called Islamic State in Iraq and Syria (ISIS, also known as Daesh) has suffered major defeats in battle in the Syrian-Iraqi theater. Despite the stiff resistance of some pockets of the Caliphate, Western media rushed to proclaim it dead. In truth, the complex evolution of the group, which has gone through various stages, names and incarnations, as well as dramatic ups and downs, should caution about its dynamism and operating abilities, which could lead to its reemergence and reorganization. A brief historical recap shows that ISIS, in its growth from small terrorist cell to Caliphate, has already rebounded from dramatic stops.

The so-called ISIS stems from a small cell founded by Jordanian Abu Musab al-Zarqawi in summer 2003, just after the US invasion of Iraq. The group became close to al-Qaeda, albeit with significant tactical and strategic differences, and by 2004 was known as al-Qaeda in Iraq (AQII). Al-Zarkawi was killed in 2006, after which the group became known as the Islamic State of Iraq (ISI) and suffered several defeats brought about by a different US strategy and increased numbers of ISIS troops. ISIS remained on the defensive until late 2011, losing all territorial footholds. When the Syrian crisis broke out, the new leadership of Abu Bakr al-Baghdadi led it to regain strength and expand in both Iraq and Syria. This process climaxed in 2013 with the final break with al-Qaeda and al-Baghdadi proclaiming the creation of ISIS, which united the two war theaters under his command and a single flag.

In turn, this fired al-Qaeda's reaction and an unsuccessful attempt to undermine the legitimacy of al-Baghdadi. The next step in the strengthening of ISIS came in June 2014, when it took Mosul and proclaimed the creation of the Islamic State and the return of the Caliphate. In the following months ISIS conquered other parts of Iraq and cities like Tikrit and Ramadi. From September 2014 it came under attack from the US-led coalition in both Iraq and Syria, but by 2015 it began operating abroad.

In short, versatility and multifaceted operating capabilities could still allow ISIS to come to forefront in the unresolved scenarios of Middle Eastern conflicts as well as in other theaters closer and more immediately dangerous to our continent. Some of these areas include:

Siraq

ISIS has already lost virtually all the territory it had gained, but this does not make the risk of its return any smaller. The ability of the Assad regime to retake and hold Syrian territory remains unclear, particularly in case of even limited withdrawals of its allies. This is also true of Iraq, where Iran exerts strong influence and creates internal tensions which ISIS has leveraged to penetrate the Sunni community. Iraq appears more stable than in 2014, but the social, economic and security problems which had created its crisis still remain.

Secondly, ISIS has already shown itself able to rise from its ashes. Even now, the group can still carry out bloody attacks in "liberated" cities in Iraq and Syria. Their number varies wildly from place to place, but everything indicates that the group is able to survive military defeats.

Faced with Coalition operations, the ISIS strategy in Siraq (but the observation holds true for other theaters as well) has been to trade territory for time, nursing its forces and reorganizing. Today ISIS still enjoys some popular support, indicating that the war is not yet over.

Egypt (Sinai)

The weak political framework which followed the fall of president Mubarak in 2011 presented ISIS with several opportunities, all the more valuable given Egypt's position as bridge between Africa and the Middle East. Today the Sinai is the only theater in which the organization still has a territorial presence, with strong ties to the local population. This makes the area particularly unstable and problematic, which in turn flags it as a location in which ISIS could regroup and flourish.

Libya

From 2014 ISIS leveraged the transformation of Libya into a failed state, taking Sirte and controlling it until December 2016. The liberation of the city marked the end of the ISIS territorial phase in the country, but not of its presence. The group continues to operate in the area with greater mobility and stealth, both around Sirte and in the southern Fezzan region. The penetration now represents a real and persistent threat, particularly given that the continuing power vacuum helps insurgent groups set roots in the area. This is particularly significant because geography makes Libya a strategic crossroads of criminal traffics.

Sahara and beyond

Africa has seen State-based conflicts increase since 2010, in most cases with government forces being flanked by multiple actors and armed groups (paramilitary, militia, opportunistic criminal gangs). Many such groups are incoherent and operate as relatively decentralized entities due to the lack of a unified chain of command. Also, many conflicts see religion and Islam invoked for group identity and to justify militancy.

Al-Qaeda in the Islamic Maghreb (AQIM) is certainly among the oldest and criminal traffic-linked Jihadist groups in Africa. AQIM uses remote uninhabited areas of Sahara as defensive stronghold against security forces as well as operating area for activities including training, planning and management of illicit traffics. ISIS is a late arrival in this area and, despite aggressive propaganda, has until now failed to dislodge dominant groups.

Chapter 5

Cyberterrorism and finance: the face of terror in the digital era

Federico Sergiani, Angelo Socal

Barry Collin created the term “Cyber terrorism” in the 1980s to indicate the use of cyberspace for terrorist purposes. The term spread quickly among law enforcement, academics and the media, without necessarily being used appropriately. Many operations carried out on the web or against IT infrastructures, for instance, are labeled as “cyber terrorism” whereas they might be more accurately called “cybercrime”. The best-known definition of cyber-terrorism is that provided by Dorothy Denning, referring to the convergence between terrorism and cyberspace, with illegal attacks carried out against computers, networks and stored data in order to intimidate or force a government or a people to support certain political or social goals. Denning also maintains that, in order for an attack to qualify as cyber terrorism, it should involve violence against people or property, or at least cause sufficient damage to create fear. According to the definition given by G. Riglietti, it would be more correct to talk about cyber terrorism as «the malicious use of the Internet by terrorists». The idea of the author, is that current examples of cyber terrorism have more to do with propaganda, recruitment, planning and similar activities rather than the exclusive use of a computer as a weapon.

Some terrorist groups do not devote much attention to their digital identity. Other groups, straddling terrorism and organized crime (such as MS-13 or groups linked to Mexican cartels that spawned the recent definition of narco-terrorism) have a more discrete online presence based on members’ Facebook and Twitter profiles. ISIS has instead made digital Jihad one of its strong points, using the web to recruit foreign fighters which it had radicalized on the internet. In fact, ISIS activism on the web and the energies devoted to the internet, from its earliest debut to its present withdrawal, are very much a case study.

ISIS appears to use its web activities not to cause death or damages but to carry out a well-planned information warfare as a means to support its psychological operations aimed at creating terror and insecurity in Western society. For instance, the Rabitat-al-Ansar group operates as media and propaganda support unit, using social media and exposing personal data of US and Canadian citizens. Its activity revolves around dramatic hashtags and media operations, media operations and, more recently, *defacements*.

The elimination of al-Qaeda leadership in 2010-2012 led it to abandon traditional top-down communications (based on production, distribution, reception) for a new transversal model largely based on social media. Between 2014-2016, the expansive phase of the Caliphate saw ISIS and Jabhat al-Nusra militants multiply their Facebook and Twitter accounts in order to advertise and promote Holy War. The use of messaging and VoIP services such as Skype and Kik to contact sympathizers and possible converts dates to this period. Cyber-Jihadists also began to use cyber-crime techniques to raise funds, including phishing attacks or purchasing credit cards stolen online.

Islamist terrorists have felt for some time the need to identify funding sources that allow high levels of anonymity and low risk of tracking/monitoring, leading to growing spread on the deep and dark web of contents aimed at supporting Jihad. After the November 2015 ISIS attacks in Paris, the hacker collective Anonymous carried out the Operation Paris (OpParis) cyber attack which caused hundreds of websites associated with ISIS to be shut down. This forced ISIS to move much of its propaganda, support and funding sources from the public web (where it was easily monitored by hostile organizations) to the dark web. This led to the posting on the al-Hayat Media Center, founded in 2014, of a link explaining how to access a new dark web website and ISIS-associated

forum. The announcement, also spread on Telegram, linked to a TOR service through a dark web .onion address.

In addition to these social engineering techniques, cyber-Jihadists started to use the internet to solicit donations directly, using Islamic humanitarian organizations for cover. The 2014-2015 Jahed Bimalak (Make Jihad With Your Money) fundraising campaign for Jabhat al-Nusra (JN or Nusra Front) relied on Telegram and Whatsapp messaging systems. Jihadists consider Telegram as safe as Kik, particularly thanks to secret chats with end-to-end encryption, which means that conversations are saved only on users' devices and not on the platform's cloud server. Telegram also allows creating "groups", like Whatsapp, and even "channels".

By November 2017 Akhbar al-Muslimin, a website specializing in publishing ISIS news, was launching a Bitcoin fundraising campaign which signaled Jihadist adoption of crypto-currencies.

Chapter 6

Jail as an environment to observe Jihadi terrorism, violent extremism and subjects at risk of radicalization

Agnese Moglioni

Many cases of Islamist terrorism involve actors with previous criminal records. Overall, 57% of the 65 perpetrators in Jihadist attacks carried out in Europe and North America between June 2014 (proclamation of the Caliphate) and June 2017 had a criminal record. Before committing the terrorist attack, one third had been in jail, mostly for crimes connected to drugs, possession of guns and physical violence (attempted murders, robberies, muggings). When adding the galaxy of Jihadist terrorism in Africa, the crime-terror nexus appears with fulsome evidence, because Islamist groups have a long criminal history forged through the traffic of drugs, arms, illegal migrants and the kidnapping of Westerners.

There are several factors that facilitate the meeting between crime and Jihad: the need of terrorists to raise funds, both through large-scale traffics and small scale crimes (which, given the low cost of terrorist attacks, are often adequate in themselves); the applicability to terrorist practice of certain criminal skills (familiarity with violence and guns, habitual overrunning of common sense moral psychological barriers, ability to avoid law enforcement); adaptability of Jihadist narrative to criminal mindset (to which terrorist militancy offers power, violence, adventure, adrenalin, anti-establishment rebellion, all wrapped up in the prospective of redemption).

Several factors also make jails an ideal crossroads between criminal and Jihadist strands. Religious radicalization presents itself as an answer to the resentment of those convicts who tend to aggressive self-victimization and are inclined to explain their incarceration not in terms of having committed a crime but to society having betrayed their expectations as migrants or a system that discriminates against Muslims. Nor should status be underestimated: convicted terrorists are often surrounded by an aura of respect, and other potential radicals view them as “Mustashadidun” (“Those who have taken a position”) and thus brave witnesses to their ideology.

Over the course of the years, the threat from Jihadist terrorism, so difficult to anticipate and so heinous, has led the Italian Department for Penitentiary Administration (DAP) to adopt a number of increasingly finer preventative procedures designed to counter the fundamentalist phenomenon. In this framework of introducing revisited and effective countering tools, DAP participates by studying and analyzing radicalization and recruitment in prison by monitoring all those convicted for international terrorism or associated crimes, as well as subjects reported for suspected recruitment or violent radicalization activities. The indicators used are drawn from a 2008 EU manual, adapted to Italian reality. DAP periodically shares the evidence with the General Directorate of Convicts and Treatment which, based on the results of the monitoring and analysis, can transfer the subjects to so-called “closed custody” sections.

Migration has led to a considerable presence of foreigners in Italian penitentiaries, including some subjects of high criminal value, potentially capable of exercising pressure and influence on weaker or marginalized persons, with the result of sparking interest and/or modifying their personality. As of December 2017, DAP recorded 58,144 convicts, including 19,947 foreigners. Among the foreigners, 12,775 originated from traditionally Islamic countries. Some 6,877 appeared to be practicing Muslims, who prayed according to Quranic precepts, while the others showed little interest in religious practices. Although subjects convicted for, or accused of, international terrorism are lodged in specific “High Security 2” sections, in recent years there has been an increase in recruitment activities carried out by persons convicted of common crimes.

Chapter 7

De-radicalization models and best practices in Western and non Western countries

Elettra Santori

There is no single definition of radicalization. Despite its ubiquitous use in the discussion of the Islamist terrorist threat, the idea of radicalization has been criticized as something which – in a linear deterministic application – might result in a “conveyor belt” reading that sees radical ideology leading inevitably to terrorist practice. Empirical research shows that there is no necessary link between adopting radical religious views and taking part in terrorist activities, and that most of those who adhere to radical ideologies do not turn their beliefs into violent action. While terrorists themselves cite the adoption of a radical creed as a decisive point in choosing violent militancy, the creed in itself is not enough to lead to terrorism, which is the product of heterogeneous and multifactor processes, which include socio-environmental conditioning, subjective psychological characteristics, personal background, social and emotional gratification derived from the terrorist choice, personal crisis and collective trauma experiences that can light the spark of violent militancy and so on.

The Italian debate on de-radicalization started following the introduction of a bill, titled “Measures to prevent radicalization and Jihadist extremism”, which among other things would have introduced actions for the «human, social, cultural and professional turnaround of subjects already involved in radicalization processes» Other countries, including Denmark, France, Netherlands, Norway, UK and some Muslim countries, have already introduced such programs. The difficulty in measuring the results in the short-term has led to strong debate.

The debate on radicalization and its conceptual limitations tends to underscore the existence of two different components in terrorist militia, which should be kept separate in concept: the cognitive nucleus (joining a radical ideology or creed) and the behavioral nucleus (violent practice). It should be more appropriate to distinguish “ideological radicalization” (which can be carried out within a legal frame) from “violent radicalization”. At the same time, the distinction between the (non prosecutable) adherence to a radical ideology and the (punishable) practice aimed at terrorism becomes abstract and somewhat forced when discussing Jihadism, which is an ideologically intrinsically violent (to the point that some authors speak of “Islamic fascism”) that divides the world between the pure and impure and views the West as the supreme enemy to defeat.

The countries that implement de-indoctrination methods on Jihadists, or would-be Jihadists, stress the doctrinal and sectarian dimension of radicalization and therefore aim to modify or suppress the false beliefs that lead to choosing terrorism. In the countries which stress the active dimension of Jihadism, rehabilitation plans aim to modify the attitudes and behavior of radicalized subjects, without necessarily tackling issues of Islamic faith or theology.

The behavioral approach followed in certain Asian countries aims to modify antisocial behavior in the subjects, ignoring their personal beliefs and drumming into them the acceptance of “otherness” and the respect of the “social contract”. This approach aims to treat the symptoms rather than the causes, and has been criticized as being a sort of “training” program that does attempt to solve the psychological and ideological problems of those individuals.

The Danish model does not propose to extirpate the legal variant of radical Islamic activism, but only to fight its illegal and violent version. Preben Bertelsen, who teaches psychology at Aarhus University and invented the Danish de-radicalization model, explains that the approach has three elements.

1. A prevention and early exit program

2. Criminal prosecution of radicalized persons who commit violent crime in Denmark or abroad
3. Prevention and repression of threats to national security, carried out by the national security and intelligence agency (PET).

«The prevention program», explains Bertelsen, «aims to prevent further violent radicalization of young people who do not yet present a danger or security risk, but who could become dangerous should their radicalization process continue in a violent direction (with the risk, at that point, of committing terrorist actions). The exit program is addressed to those who are already radicalized, who have the intent and ability to commit violent crimes and terrorist actions motivated in political and/or religious level».

The effectiveness of the Danish model is hard to assess. While Bertelsen claims that the program makes 8 out of 10 young abandon the route to Jihad, various segments of Danish society harbor doubt and criticism. These include conservatives who fear an involuntary reward for returning foreign fighters, who should be prosecuted instead, and the Muslim community, which feels that being singled out as a potential threat creates additional alienation, which in turn feeds radicalization.

Chapter 8

Investigative tools and methodologies to fight terrorism

Carlo De Stefano

On November 12, 2003, an insurgent attack in Nasiriyah killed 19 Italians, including two civilians. In the aftermath, Italy created the Strategic Antiterrorism Analysis Committee (CASA), which aimed to increase security levels in terms of both gathering intelligence and applying it to prevention and repression. Linked to the Ministry of the Interior's National Plan to manage Events of Terrorist nature, CASA is a permanent table between law enforcement bodies and intelligence agencies, without rigid dependence from the bodies represented on it. It performs analysis and assessment of information about domestic and international terrorism, activating through the appropriate local authorities any required preventative and contrast measures, pursuing the sharing of information, of agreed-upon operational activities and of the duties of the individual participating organizations. The positive outcomes of CASA activities include, among others, the many arrests and expulsions from Italy of extremists assessed to pose a risk to domestic security.

In police and intelligence investigations, the key to interpret the level of potential threat is given by the concept of radicalization, the process of joining an extremist ideology that might lead to the use of violence. The process is usually accompanied by markers that should be monitored and interpreted to understand the threat level, which in turn leads to adopting measures such as warrants (to search, arrest, bar from public office etc.), deportation requests or administrative measures. Investigators trace the Jihadist terrorist profile using scientific indicators including psychological, social and ideological characteristics common to all or at least the majority of individuals identified during anti-terrorist operations. Among these indicators (objective, subjective, relational, ideological), particular importance attaches to behavior, an external indicator of the radicalization process than can lead an individual to embrace a terrorist program unrelated to even the most fundamentalist interpretation of Islam.

There are many aspects to verify in a counter-terrorism investigation, including identifying terrorists, their accomplices and supporters, direct and constant observation of their modus operandi, the procuring of bomb-making materials, funding for activities. Should negligence or lack of specific information make any of the above elements incomplete, the outcomes will obviously be unsatisfactory.

Investigating the complex and varied world of Islamist extremism requires the participation of intelligence, particularly human (Humint), to seek and select human sources and collaborators who can help gather information. Intelligence is vital to develop strategies, spot persons of interest, prevent risks, threats and surprises, as well as to send timely alarms in case of danger and tracing possible risk management strategies. This methodology plays out within CASA, where each information is shared and possibly augmented with others, thus allowing investigators on the specific case to operate in optimal conditions.

At the basis of this complex investigation work lays observation, the most important element, methodically carried out and quite useful particularly for prevention. Observation is carried out with both human and technological resources, as well as tools such as the preventative communications intercepts introduced after 9/11 to fight terrorism.

Infiltration of the group being investigated is also effective. It requires operators with specific training and adequate preparation to note information on the subject's psychological attitude, in order to discover abilities and destabilizing tendencies. The intelligence community certainly has greater resources and tools for this than the standard investigative branches of law enforcement bodies.

Because terrorist attacks are decided at the highest levels and carried out in compartmentalized fashion, the actual perpetrators are a handful of people who know few others and come in contact just before the attack. This means that to gather information spread at various levels requires several informants at each of the levels. Information can only be obtained through infiltration, and it will then be up to analysts to stitch together the various sources and extract useful elements to counter the initiative or plan counter-information. Obviously information activities must be rationalized in order to avoid contrasting overlaps, which might compromise priorities; it is also necessary to know the social, political and economic influences that could support terrorism and attract consensus. To select the sources best suited to infiltrate individual levels, it is necessary to understand the level's characteristics and leverage its vulnerabilities. Cultural differences is not an insurmountable obstacle, because the Islamic system aims to spread religion and ideology and thus tends to proselytize across ethnic groups. Specifically, a Jihadist terrorist organization tends to recruit even Westerners, because a Western militant that decides to become a Jihadist terrorist has the propaganda value of one thousand indigenous terrorists.

Observation and infiltration must necessarily be integrated and interpreted through both preventive and judicial recordings, particularly in closed environments. In these context sources and under cover operators are precious, also to spot isolated individuals who decide to act alone: their fanaticism, which often turns into obstinacy, is so strong that they are determined to answer the call of their group even after leaving it.



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