

## **The Lamitan Bombing and Terrorist Threat in the Philippines**

Rommel C. Banlaoi

## **Crime-Terror Nexus in Southeast Asia**

Bilveer Singh

## **India and the Crime-Terrorism Nexus**

Ramesh Balakrishnan

## **Crime -Terror Nexus in Pakistan**

Farhan Zahid



# Terrorist Threat in the Philippines and the Crime-Terror Nexus

In light of the recent Lamitan bombing in the Southern Philippines in July 2018, this issue highlights the changing terrorist threat in the Philippines. This issue then focuses, on the crime-terror nexus as a key factor facilitating and promoting financial sources for terrorist groups, while observing case studies in Southeast Asia (Philippines) and South Asia (India and Pakistan). The symbiotic relationship and cooperation between terrorist groups and criminal organisations is critical to the existence and functioning of the former, despite different ideological goals and motivations for both entities. While at times, terrorist groups cooperate with criminal gangs, they also develop their own criminal networks as a source of funding. Broadly, some of the manifestations of the crime-terror nexus in Asia include, arms and human trafficking, illegal drugs and artefacts trade, extortion, targeted assassinations and kidnapping for ransom. With the advent of globalisation, increased foreign linkages between terrorist groups and criminal organisations have also been witnessed, particularly through illicit trade and activities on the dark web. Overall, it is argued that central to countering terrorism, is the necessary weakening of the crime-terror nexus through identifying and curtailing the sources of finance for local terrorist groups. It is proposed that countries need to move beyond neglecting the crime-terror nexus, to help enhance existing legislation and engage in training and capacity building to effectively counter terrorism at both the national and regional levels.

First, **Rommel C. Banlaoi** discusses the 31 July Lamitan bombing in Basilan province in Southern Philippines by the so-called Islamic State (IS) against the background of the terrorism threat in the region. The authorities initially denied IS presence in the first terrorist attack in which an alleged Moroccan national weaponised a van in Southern Philippines. Overall, the article traces IS networks in the Philippines, links to the Abu Sayyaf Group (ASG) and efforts to create a wilayah through associated groups and affiliates, specifically

detailing the Siege of Marawi. The Lamitan bombing symbolises the continued ideological and physical threat of IS to the Philippines, despite the group's physical defeat in Marawi in 2017. The author contends that the counter-terrorism bodies can defeat IS only through accepting the group's presence and hold in the southern region of the country.

**Bilveer Singh** broadly observes the nature of the crime-terror nexus in Southeast Asia, and analyses the Abu Sayyaf Group's (ASG) sources of finance in the Philippines. The author posits that three modalities of terrorist financing in Southeast Asia are criminal activities, use of charities and partaking in legal commercial activities. This article looks at how criminal activities have been a major source of funding for ASG to advance its financial status and organisational, ideological and political positions – especially in Mindanao. Through its criminal activities, ASG is also able to acquire important skills and knowledge that can enhance the group's operational capabilities. To counter the crime-terror nexus, it is crucial that the state practices good governance and engages in intelligence sharing and related cooperation with bordering states. It is also important to harden the maritime space in the tri-border region of south Philippines, east Malaysia and Sulawesi, Indonesia.

Next, **Ramesh Balakrishnan** analyses the crime-terror nexus in different parts of India arguing that it occurs in four different forms: alliances, operational motivations, convergence and the black hole. According to the author, India's proximity to heroin producers and exporters and the regional drug trade through overland routes and sea has facilitated the crime-terror nexus in the country. India is countering the challenge of the crime-terror nexus through a combination of policing and prosecution as well as military force, counter -insurgency (COIN) operations and legal mechanisms. The author suggests that India can further improve and enhance its responses to the crime-terror nexus through

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restructuring and provision of better training facilities for its state police forces.

Finally, **Farhan Zahid** discusses the structural and functional relationship between criminal and terrorist groups in Pakistan and the country's response to the strong nexus. The author opines that Pakistan's India-centric security policies, promotion of militant groups to fight proxy wars in Afghanistan and Kashmir during the 1990s, political patronage of criminal groups in places like Karachi, Balochistan and the Federally Administered Tribal Areas (FATA) presently part of the Khyber Pakhtunkhwa province contributed to the growth of the crime-terror nexus in Pakistan. To tackle the challenge of the crime-terror nexus, the Pakistani state has adopted a number of law-enforcement, legal and administrative measures at the federal and provincial level. These measures focus on countering smuggling, illegal cross border movements, banking crimes, narcotics, illegal financial transactions, and intelligence collection. The author recommends that strengthening the law enforcement forces and raising their training standards could also weaken the crime-terror nexus in Pakistan.

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# The Lamitan Bombing and Terrorist Threat in the Philippines

Rommel C. Banlaoi

*The 2018 Lamitan van bombing that occurred in Basilan province marked a turning point in counterterrorism in Southern Philippines. The Armed Forces of the Philippines (AFP) have since confirmed with 'an 80% chance' that the 31 July blast was carried out by a Moroccan national.<sup>1</sup> The attack also marked the first ever utilisation of a van with explosives in Southern Philippines in a suicide terrorist attack. It further highlights that the threat of the so-called Islamic State (IS) persists despite the liberation of Marawi City from pro-IS elements. If the IS threat is not sufficiently recognised, counter-terrorism measures will not be as effective.*

## Introduction

On 31 July, a van exploded at a military checkpoint in Lamitan City of Basilan province. Occurring eight months after the government declared the defeat of IS in Marawi City, the terrorist attack killed ten and injured five others. The van carried an improvised explosive device (IED) made of ammonium nitrate fuel oil (ANFO). Those killed included: five members of the Civilian Armed Forces Geographic Units (CAFGU) militia, one member of the Philippine Scout Rangers and four civilian relatives of CAFGU members present at the checkpoint. The bombing also wounded five members of the Scout Rangers and five CAFGU members. The bomber, a Moroccan national, named Abu Khatir Al-Maghribi died inside the van, bringing the death toll to 11.<sup>2</sup>

<sup>1</sup> Jaymee T. Gamill, "DND 80% Sure Lamitan Blast Suicide Bombing," *Inquirer.net*, August 12, 2018, <http://newsinfo.inquirer.net/1020167/dnd-80-sure-lamitan-blast-suicide-bombing>

<sup>2</sup> Leizel Lacastesantos, "Injured CAFGU Dies A Week After Lamitan Blast," *ABS CBN News*, August 8, 2018, <http://news.abs-cbn.com/news/08/08/18/injured-cafgu-dies-a-week-after-lamitan-blast>

<sup>3</sup> Amy Chew, "Philippine Military Dismisses Islamic State Claim It Was Behind Basilan Van Bombing," *Channel News Asia*, August 1, 2018,

While IS claimed responsibility for the bombing through an official statement by the Amaq News Agency, the AFP was quick to state that no credible evidence points to IS' involvement in the attack. The AFP argued that IS only took the credit for propaganda purposes.<sup>3</sup> AFP has identified the Abu Sayyaf Group (ASG), under the leadership of Puruji Indama, as the mastermind of the attack.<sup>4</sup> However, in a later statement the AFP did not discount IS' involvement in the bombing.<sup>5</sup> The AFP's ambiguous statements on the Lamitan bombing reflect a lack of clarity in dealing with the situation or its lack of transparency. This only serves to undermine the threat that IS poses to the Philippines.

## The Link Between IS and ASG

AFP's dismissal of IS' involvement indicates an absence of a holistic understanding regarding the attack. It ignores the fact that ASG in Basilan and IS have been working closely together. Since 2014, the ASG in Basilan has been operating in Mindanao and parts of the Southern Philippines on behalf of and under the direction of IS. In July 2014, ASG in Basilan pledged allegiance to IS when it was still headed by Isnilon Hapilon, the mastermind of the Siege of Marawi, who was killed in October 2017. IS described Hapilon, who they referred to as Abu Abdullah Al Filipini, as the 'Emir of the Islamic Caliphate in East Asia'. In July 2016, Hapilon organised the Daulah Islamiyah Wilayatul Mashriq

[https://www.channelnewsasia.com/news/asia/philippine-military-dismisses-islamic-state-basilan-van-bombing-10580686#cxrecs\\_s](https://www.channelnewsasia.com/news/asia/philippine-military-dismisses-islamic-state-basilan-van-bombing-10580686#cxrecs_s)

<sup>4</sup> Carmela Fonbeuna, "Basilan Car Blast: Furuji Indama Unleashes Terror Even In Hiding," *Rappler*, August 6, 2018,

<https://www.rappler.com/nation/208594-basilan-blast-abu-sayyaf-furuji-indama-terror-even-in-hiding>

<sup>5</sup> Frances Mangosing, "AFP Not Discounting IS Role In Basilan Blast," *Inquirer.net*, August 1, 2018, <http://newsinfo.inquirer.net/1016568/afp-not-discounting-is-role-in-basilan-blast>

(DIWM) or the IS East Asian Province.<sup>6</sup> The DIWM served as the umbrella organisation of pro-IS forces in the Philippines.

Hapilon used ASG in Basilan, particularly in Al Barka town, as the main operational base of IS in Mindanao where key foreign terrorist fighters stayed, operated and conducted bomb-making training activities. Even though the Maute Group also declared an operational base of the IS in Butig, Lanao del Sur in September 2014, Hapilon was the one officially recognised by the IS in April 2016 as the Emir of the IS forces in the Philippines under the DIWM.<sup>7</sup>

### The Link Between IS and Foreign Terrorist Fighters

However, in April 2016, the AFP removed IS forces out of Al Barka, Basilan during an offensive military operation. In the aftermath of Al Barka, Hapilon and his men, together with other foreign terrorist fighters of the IS, left Basilan to perform hijrah (migration) to Marawi City to unite all pro-IS groups in Mindanao. Their intention was to set-up a IS wilayah in Mindanao described by local and foreign terrorist fighters as the new land of jihad following setbacks for IS in Syria and Iraq. In September 2017, in a video released by IS at the end of the Siege of Marawi, a Muslim militant from the Philippines, identified as Abdul Yamaan from Marawi, urged jihadists to join the fight in Marawi.<sup>8</sup> Foreign terrorist fighters (FTFs) also consider Mindanao as their alternative home base or next safe haven when IS forces lost their controlled territories in Syria and Iraq.<sup>9</sup>

Out of the 23 groups that pledged allegiance to IS from 2014 to 2017, the government has identified four pro-IS groups responsible for

the Siege of Marawi.<sup>10</sup> These four groups, as shown in Figure 1, include the Al Harakatul Al Islamiyah (AHA) or the ASG in Basilan led by Hapilon, Maute Group led by Abdullah and Omarkhayam Maute, Ansarul Khilafah Philippines (AKP) led by Mohammad Jaafar Maguid (Commander Tokboy), and a faction of the Bangsamoro Islamic Freedom Fighters (BIFF) led by Esmael Abdulmaguid (Abu Turaipe).

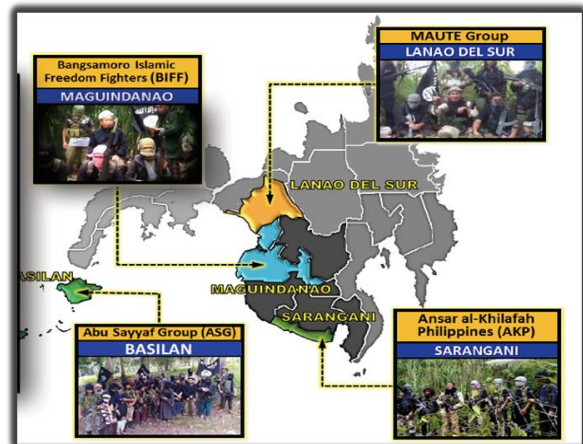


Figure 1: Four Pillars of IS in Mindanao<sup>11</sup>

In other words, IS was able to establish a strong foothold in Mindanao through the ASG in Basilan. When Hapilon died in Marawi City on 16 October 2017, his deputy, Puruji Indama, took over and continued to receive instructions from IS through FTFs who managed to enter Basilan illegally. The ASG under Indama could not have carried out the Lamitan bombing without encouragement and logistical support from the IS. In fact, since the creation of the ASG in 1989, its major terrorist activities have been motivated by foreign influences – first by Al-Qaeda and then the IS.<sup>12</sup>

<sup>6</sup> “Jihad in East Asia,” *Rumiya*, Issue 10, May 2017.  
<sup>7</sup> Caleb Weiss, “Islamic State Details Activity In The Philippines,” *The Long War Journal*, June 12, 2016, <https://www.longwarjournal.org/archives/2016/06/islamic-state-details-activity-in-the-philippines.php>  
<sup>8</sup> Robert Windrem, “ISIS Recruits Fighters For The Philippines Instead Of Syria,” *NBC News*, September 13, 2017, <https://www.nbcnews.com/storyline/isis-uncovered/isis-recruits-fighters-philippines-instead-syria-n796741>  
<sup>9</sup> Colin P. Clarke, “Where Will ISIS Seek To Establish Its Next Safe Haven?” *RAND Commentary*, February 19, 2018, <https://www.rand.org/blog/2018/02/where-will-isis-seek-to-establish-its-next-safe-haven.html>

<sup>10</sup>Office of the Solicitor General, “Consolidated Comments to Justify the Declaration of Martial Law in Mindanao”, June 12, 2017; Greg Cahiles, “Security Expert: 23 Armed Groups Fused, Forming ISIS Philippines,” *CNN Philippines*, March 6, 2018, <http://cnnphilippines.com/news/2018/03/06/security-expert-23-armed-groups-fused-forming-isis-philippines.html>  
<sup>11</sup> Philippine National Police, 2018  
<sup>12</sup> Rommel C. Banlaoi, “Abu Sayyaf Group’s Persistence: A Chronological Analysis of Crime-Terror Nexus in the Philippines and the Isis Connection in Southeast Asia,” *Peace and Security Review* 7, no. 15 (2016): 50-72.

## IS Threat in the Philippines: Current Situation

IS continues to view the Philippines as a fertile ground for jihad due to the existing conflicts in Muslim-dominated areas. The Philippine government has already signed two peace agreements with major Muslim resistance groups in Mindanao: the Moro National Liberation Front (MNLF) in 1996 and the Moro Islamic Liberation Front (MILF) in 2014. However, pro-IS groups continue to rebel against the government. Pro-IS groups have also condemned the recently signed Bangsamoro Organic Law (BOL) that mandates the establishment of a Bangsamoro government under a new political entity called Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). These pro-IS groups are against the BOL as it further hinders the creation of an IS province (wilayah) in Mindanao.

One pro-IS group that continues to champion IS ideology in the Philippines is the BIFF faction led by Abu Turaibe. BIFF has called itself the Daulah Islamiyah Maguindanao (DIM) or IS of Maguindanao, and has been largely operating in Maguindanao province and some towns in North Cotabato. When Abu Turaibe pledged allegiance to IS a month before the Siege of Marawi, he joined DIWM, the group that was led by Hapilon under the banner of Jamaah Muhajideen Wal Ansar.

DIM was responsible for a series of violent incidents in Maguindanao after the siege of Marawi City. This included the attempted takeover of Datu Paglas town in Maguindanao in July 2018 involving Turaibe's sub-commander, Sulaiman Tudon. Armed followers of Tudon unsuccessfully attempted to control the town hall of Datu Paglas by hoisting the flag of the IS with the support of some armed men associated with another BIFF-ATG sub-commander, Abudalatif Pentaliday. However, AFP intervened and engaged Tudon's group in a firefight and foiled their plans to control the town.

<sup>13</sup> Edwin Fernandez, "20,000 Flee Military Airstrike Vs BIFF," *Philippine Daily Inquirer*, June 12, 2018, <https://www.pressreader.com/philippines/philippine-daily-inquirer/20180612/281513636855964>

<sup>14</sup> Philippine Daily Inquirer, "Abu Dar Emerges As New Maute Group Leader- AFP," *Inquirer.Net*, May

In June 2018, AFP raided a BIFF camp in Mindanao to destroy a factory of IEDs, killing more than 17 BIFF members during a military airstrike operation. However, this operation also led to the displacement of around 20,000 people from the surrounding villages in Maguindanao and North Cotabato provinces. Not only did this further destabilise the local communities, it also provided a fertile ground for militant groups to operate in.<sup>13</sup>

Other than the BIFF, the Abu Dar Group (ADG) is another pro-IS group that continues to threaten peace and order in Mindanao. The ADG includes the remnants of the Maute Group now led by Humam Abdul Romato Najid (Abu Dar), the only surviving leader of the Siege of Marawi. Abu Dar is currently portraying himself as the Emir of the Daulah Islamiyah Lanao (DIL) or the IS of Lanao.<sup>14</sup> ADG used to hold a camp on behalf of the IS in Tubaran, Lanao del Sur until the AFP drove the group away in a military airstrike in June 2018.<sup>15</sup> The ADG planned to build another camp in a remote village of Pagayawan, Lanao del Sur, the hometown of Abu Dar. However, intense military operations against the group had led Abu Dar to go into continuous hiding in villages with IS presence in Lanao del Sur and Lanao del Norte.

While these groups are linked to IS, ASG is regarded as the clear protégé of IS. As the group's leader, Indama has managed to utilise ASG's links with IS to prove himself as a worthy and rightful successor to Hapilon by winning the support of affected communities found in Al Barqa, Lamitan and Basilan. Indama had also successfully recruited extremist Muslim clerics in Basilan to facilitate entry to Mindanao for FTFs who used Sabah as a main transit point. One of these clerics was Ustaz Jainul Maialim Indamin, alias Abdulgani, who was arrested in August 2018 for his alleged involvement in the Lamitan bombing.

Another group that threatens the stability of Mindanao is the AKP. The AKP used to operate in South Cotabato, Sarangani and

24, 2018, <http://newsinfo.inquirer.net/993820/abu-dar-emerges-as-new-maute-group-leader-afp>

<sup>15</sup> "ISIS Emir Is The Target Of Lanao Sur Airstrike, Military," *ABS-CBN News*, June 18, 2018, <http://news.abs-cbn.com/news/06/18/18/isis-emir-is-the-target-of-lanao-sur-air-strike-military>

General Santos City.<sup>16</sup> Following the death of its leader Commander Tokboy, AKP is now considered to be a dormant organisation by the AFP. However, the current leader of the group, who is also Commander Tokboy's brother, has since tried to revive the group. Carlito was recently monitored to be conducting recruitment activities in Sarangani to revive the AKP with the support of FTFs who have entered Mindanao illegally using Manad and Indonesia as transit points.

Outside of Mindanao, there is another pro-IS group that is operating in Manila, the Suyufil Khilafa Fi Luzon (SKFL). Mostly comprising of Muslim converts, many of its members were previously from the Rajah Solaiman Islamic Movement (RSIM) that was responsible for the 2004 Superferry 14 bombing that killed 116 people and wounded more than 300 others.<sup>17</sup> The Philippine National Police (PNP) arrested two SKFL members on 26 April 2018 for the illegal possession of explosives assumed to be used for bombing activities in Metro Manila.<sup>18</sup>

In short, IS has not been fully defeated in the Philippines and still continues to pose a threat to the country even though its operations have been scaled down. In fact, IS has recognised its followers in the Philippines as part of its wilayah in East Asia and has the intention and the capability to conduct violent activities in the country. The Lamitan bombing was just an example of violent attacks that IS-linked groups in Philippines are capable of carrying out. Its members are just waiting for the right opportunity to strike again, particularly in Mindanao, the epicenter of IS activities in the country.

## Going Forward: Preventing Terrorist Attacks

The government needs to pursue preventive measures to counter the terrorist threat. The first step in the prevention process is to accept the presence of IS elements in the Philippines.<sup>19</sup> Government denial of the presence of IS in the country is counter-productive to effective counterterrorism measures. Accepting the presence of IS encourages law enforcement authorities to be sufficiently vigilant so that they can confront the threat efficiently.

The United Nations Global Counterterrorism Strategy has already provided four strategic pillars to counter the terrorism threat: (i) addressing the conditions conducive to the spread of terrorism; (ii) preventing and combatting terrorism; (iii) building states' capacity and strengthening the role of the United Nations; (iv) ensuring human rights and the rule of law.<sup>20</sup>

The Philippines also needs to manage and ensure effective implementation of existing programs in countering terrorism. The Program Management Center of the Philippine Anti-Terrorism Council (ATC) has developed an impressive framework to address the threats of terrorism in the Philippines comprehensively. Figure 2 below shows the implementation of four key programs: National Terrorism Prevention Program, Capacity Building Program, Legal and International Affairs Program, Operational Readiness Assessment and Compliance Monitoring Program. Yet, these programs are arguably not strictly implemented, monitored, and assessed due to a variety of factors. These include the lack of funding, bureaucratic politics and changes in leadership among others.

<sup>16</sup> "Ansar al-Khilafah Philippines (AKP)/Islamic State Philippines (ISPH, ISISPH)", *Terrorism Research and Analysis Consortium*, August 10, 2018.

<sup>17</sup> Rommel C. Banlaoi, "The Abu Sayyaf Group: Threat of Maritime Piracy and Terrorism" in *Violence at Sea: Piracy at the Age of Terrorism*, eds. Peter Lehr and Rubert Herbert Burns (New York: Routledge, 2007), 121-138. Also see Rommel C. Banlaoi, "The Rise of Rajah Solaiman Movement: Suicide Terrorism in the Philippines," *IDSS Commentary*, October 9, 2006, <https://www.rsis.edu.sg/wp-content/uploads/2014/07/CO06109.pdf>

<sup>18</sup> "2 IS Sympathizers Fall," *Philippine Daily Inquirer*, April 28, 2018, <http://newsinfo.inquirer.net/985985/2-is-sympathizers-fall>

<sup>19</sup> "Military Should Acknowledge Existence Of IS In PH: Expert," *ABS CBN News*, August 1, 2018, <http://news.abs-cbn.com/news/08/01/18/military-should-acknowledge-existence-of-is-in-ph-expert>

<sup>20</sup> United Nations Counter-Terrorism Implementation Task Force, *UN Global Counterterrorism Strategy*, <https://www.un.org/counterterrorism/ctitf/en/un-global-counter-terrorism-strategy>



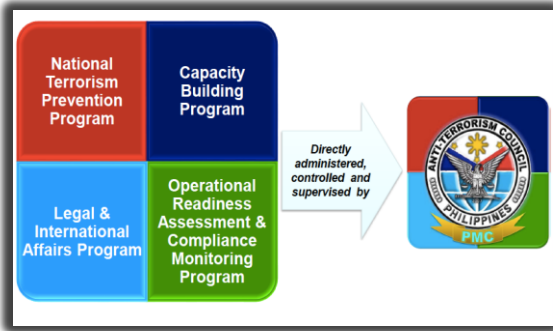


Figure 2: Anti-Terrorism Council Program Management Framework <sup>21</sup>

The government also needs to raise public awareness on the continuing threats of terrorism in the country. With the presence of existing insurgencies from the communist and Muslim liberation movements, the country is prone to terrorist attacks. In order to defeat all forms of terrorism at the grassroots level, the government needs to develop community-based approaches.

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<sup>21</sup> This image is taken from the *Philippines Anti-Terrorism Council (2018)*.

# Crime-Terror Nexus in Southeast Asia: Case Study of the Abu Sayyaf Group

**Bilveer Singh**

*Cooperation between criminal and terrorist groups is not new. However, with greater pressure being placed on terrorist groups by states, especially since the September 2001 attacks, a nexus has developed between terrorist and criminal groups. These linkages provide mutual benefits, even though goals and objectives may differ. In Southeast Asia, the Abu Sayyaf Group (ASG) in the Philippines is discussed as a key example of this nexus.*

## **Background: Understanding Crime-Terror Nexus**

While the link between organised crime and terrorism has existed for a long time, the end of the Cold War has led to a proliferation of terrorists turning to criminal activities to keep the organisation alive as state support for terrorists ceased. The crime-terror nexus has been addressed by various legal instruments such as the 2012 Algiers Memorandum on Good Practices on Preventing and Denying the Benefits of Kidnap for Ransom (KFR). Even though the Algiers Memorandum focussed on KFR, other legislation has since touched on aspects of terrorist funding including raising funds and facilitating the influx of recruits and arms.<sup>1</sup> This includes the 2014 Hague-Marrakesh Memorandum on Good Practices for a More Effective Response to the Foreign Terrorist Fighters. In 2015, United Nations Security Council Resolution 2199 underlined the obligations of its members to prevent terrorist groups in Iraq

and Syria from trading in oil, antiquities and hostages.<sup>2</sup>

Yet, the distinction between crime and terrorism has not always been clear especially as both activities reinforce each other.<sup>3</sup> Some of the criminal activities terrorists also execute include trafficking in arms, persons, drugs and artefacts, extortion, targeted assassinations, KFR and the illicit trade of natural resources and gemstones. These activities constitute an important part of financing for terrorists and criminal groups use them to co-opt elements in state institutions through corruption. This permits optimal conditions to safeguard their various illicit businesses. In the end, the crime-terror nexus challenges the peace and legitimacy of the states where these activities take place.

The close linkage between crime and terrorism is also evident in the commonality of the strategic use of violence by both. There seem to be three further commonalities in the use of violence here. First, they use symbolic violence and killing to send messages about local authority and control. Second, innocent civilians are often subjected to criminal violence. Lastly, like terrorist groups, criminal groups use violence to influence political decision-making around the allocation of resources.<sup>4</sup> This would indicate that the nexus between the two is stronger than often seems evident.

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<sup>1</sup> Tuesday Reitano, Colin Clarke and Laura Adal, "Examining the Nexus between Organised Crime and Terrorism and Its Implications For EU Programming," *International Centre for Counter Terrorism – The Hague*, April 13, 2017, <https://icct.nl/wp-content/uploads/2017/04/OC-Terror-Nexus-Final.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> Tamara Makarenko, "The Crime-Terror Continuum: Tracing the Interplay Between Transnational Organised Crime and Terrorism," *Global Crime* 6, no.1 (2010): 129-145; Steven D'Alfonso, "Why

Organised Crime And Terror Groups Are Converging," *Security Intelligence*, September 4, 2014, <https://securityintelligence.com/why-organized-crime-and-terror-groups-are-converging/>; Chris Dishman, "Terrorism, Crime And Transformation," *Studies in Conflict & Terrorism* 24, no. 1 (2010): 43-58.

<sup>4</sup> "Breaking the Organised Crime and Counter-Terrorism Nexus: Identifying Programmatic Approaches," United Nations Interregional Crime and Justice Research Institute, May 2016.

Tamara Makarenko has developed a framework to unravel and deconstruct the relationship between criminal and terrorist groups.<sup>5</sup> In the framework, Makarenko positions terrorism at the end of one spectrum and organised crime on the other. In the continuum, between the two extremes exist various modalities that groups can adopt to reach the middle ground including alliances, adoption of tactics and targets, and the establishment of hybrid organisations. Makarenko and other researchers contend that terrorists engage in criminal activities for the purpose of terrorist funding while criminals engage in terrorism to influence policy.

### The State of the Crime-Terror Nexus in Southeast Asia

In the Southeast Asia region, there are three modalities of terrorist financing: criminal activities, use of charities and partaking in legal commercial activities. The first activity is the focus of this study.<sup>6</sup> Increasingly too, terrorist groups have justified the use of crime as being part of a legitimate act as long as it hurts the 'enemy'.

Southeast Asia faces challenges from the crime-terror nexus, primarily because it is a region rich in natural resources, with porous borders and related governance challenges, aggravated by corruption. Even though this nexus is old, the recent deepening of inter-state political, economic and social-cultural relations and the 'opening' of borders within the ASEAN region have aggravated the challenges in the past few years. This is due to the existence of various terrorist groups in multiple states, specifically the border regions. It includes the presence of various terrorist-extremist groups in Southern Thailand that borders Malaysia. Examples of groups include the Pattani United Liberation Organisation with close kinship ties in Kelantan, the *Barisan Revolusi Nasional* (National Revolutionary Front) that operates on the Thai-Malaysian border, the Moro National Liberation Front,

the Moro Islamic Liberation Front and the ASG in Southern Philippines and the recent upsurge of the extremist groups in Rakhine, Myanmar. These terrorist groups continue to link up with criminal groups and engage in kidnappings, assassinations, robberies and drug trafficking, which are manifestations of the terror-crime nexus.

In addition to the presence of various terrorist groups, the regions are also major centres of crime where a multitude of criminal groups operate. The terrorist and criminal groups have been able to operate in Southern Thailand and the Philippines, due to the weak rule of law, lack of good governance, illiteracy, unemployment, widespread poverty and the sense of injustice among Muslims in Mindanao and Pattani. Furthermore, these factors have aggravated the state of lawlessness in the two regions, permitting criminal and terrorist groups to flourish.

Makarenko argued that these criminal and terrorist groups were, "facilitated by the weak states...characterised by inefficient security services and law enforcement, partial governmental control over state territory, state inability to provide adequate social services, human rights abuses and rampant or perceived corruption – and an environment infiltrated by terrorist groups and illicit smuggling operations". This had led to the emergence of a spectrum of threats stemming from the crime-terror nexus in Southeast Asia.<sup>7</sup>

The so-called Islamic State (IS), which used former criminals as jihadists, has described their criminal acts as part of jihad.<sup>8</sup> In the same vein, Indonesian jihadists and members belonging to both the Jemaah Islamiyah (JI) and the IS have been involved in bank robberies as part of *fa'i* [acquisition of an enemy's wealth]. For example, seven billion Indonesian Rupiah was lost through cybercrime.<sup>9</sup> Similarly, the Marawi siege from May to October 2017 was a lesson for the key

<sup>5</sup> Makarenko, "The Crime-Terror Continuum: Tracing the Interplay Between Transnational Organised Crime and Terrorism," 129-145.

<sup>6</sup> Aurel Croissant and Daniel Barlow, "Following the Money Trail: Terrorist Financing and Government Responses in Southeast Asia," *Studies in Conflict and Terrorism* 30, no. 2 (2007): 135.

<sup>7</sup> Tamara Makarenko, "Terrorism and Transnational Organised Crime: Tracing the Crime-Terror Nexus in Southeast Asia," in *Terrorism and Violence in*

*Southeast Asia: Transnational Challenges to States and Regional Stability*, ed. Paul J. Smith (New York: Routledge, 2004), 179.

<sup>8</sup> Rajan Basra and Peter R. Neumann, "Crime as Jihad: Developments in Crime-Terror Nexus in Europe," *CTC Sentinel* 10, no. 9 (2017): 1-6

<sup>9</sup> Ansyad Mbai, *The New Dynamics of Terror Networks in Indonesia* (Jakarta: AS Production Indonesia, 2014), 37-40.

players in the region who witnessed how this crime-terror nexus could destabilise the state with dire security implications for the neighbouring countries as well.

### The Abu Sayyaf Group (ASG) and the Crime-Terror Nexus

The crime-terror nexus is the strongest and most explicit in Southern Philippines, with ASG being heavily involved in related activities. For ASG, criminal activities are a major source of funding that permit the group to advance its organisational, ideological and political position, especially its overall goal of establishing an Islamic state in Southern Philippines. This partly explains its long history of being involved in the crime-terror nexus. The ASG, in collusion with various organised crime groups, has frequently resorted to KFR even though it is also involved in drug trafficking, arms smuggling, extortion and assassinations. In the first six months of 2016, the group reportedly received US\$7.3 million in ransom from kidnapping.<sup>10</sup> This led one observer to note that ‘cash, not caliphate’ was ASG’s key motif force.<sup>11</sup> Westerners and foreigners were targeted heavily due to the perceived financial gains and publicity. As such, the ASG has fused both terrorism and crime in order to optimise its organisational relevance, longevity and importance in the Mindanao region.

In December 1998, the ASG started to move away from its purely ideological-based operations in Southern Philippines following the death of its founder, Abdurajak Abubakar Janjalani. Abdurajak was closely linked with many sponsors in the Middle East and his death led to the halt of major foreign funding to the ASG. By this time, especially after the September 2001 attacks, there were also many internal and external efforts to dismantle the ASG as it was seen as an affiliate of Al-Qaeda (AQ). In view of the serious financial shortfalls, the ASG turned to criminal activities, especially kidnapping, to enhance its finances. The various local ASG

commanders were also motivated by personal financial gains, especially when the central leadership of the group was weak.

### Abu Sayyaf Group’s Motivations

With a strong financial base, the ASG recruited and enhanced its operational strength through the purchase of advanced weapons and established itself as the strongest group in the Sulu region. Researchers have also found that the crime-nexus interoperability permits various synergies to benefit both groups. Makarenko argues that it is often difficult to “distinguish between profit and ideology-based organisations because they exist on the same plane in which collaboration between the two can occur”.<sup>12</sup> This is because the nexus between the two can lead to both sides gaining skills, knowledge and support that may be critical to enhancing operational capabilities and therefore achieving operational success. This has been the case for the ASG and its close collaboration with various criminal groups and involvement in criminal acts.

ASG has been able to learn important skills, especially those linked to maritime kidnapping. It has existed in an environment of general instability, armed conflicts and weak institutions that have allowed ASG to thrive since the 1990s. Terrorists and criminals need to acquire skills for survival. In that regard, they have often deployed “similar tactics in terms of intelligence, counter intelligence, targeting techniques, use of networks” and the use of cell structures to survive.<sup>13</sup> These form the key *raison d’être* for ASG’s propensity to be involved in criminal activities and to develop links with criminal groups.

While the ASG has been involved in KFR for some years, it has relied on this activity primarily for ransom and financial revenue. Even though the ASG started KFR activities by focusing on local and foreign targets within

<sup>10</sup> See Jim Gomez, “Abu Sayyaf Received 7.3 M in Ransom from Kidnapping: Philippine Government,” *Associated Press*, October 27, 2016, <https://globalnews.ca/news/3028503/abu-sayyaf-received-7-3m-in-ransom-from-kidnappings-philippine-government/>

<sup>11</sup> Sasa Petricic, “Cash, Not Caliphate, Drives Kidnappers In Philippines,” *CBC News*, June 16,

2016, <https://www.cbc.ca/news/world/philippines-kidnapping-robert-hall-john-ridsdel-1.3636496>

<sup>12</sup> Makarenko, “The Crime-Terror Continuum: Tracing the Interplay Between Transnational Organised Crime and Terrorism,” 130.

<sup>13</sup> Ibid; Basra and Neumann, “Crime as Jihad: Developments in the Crime-Terror Nexus in Europe,”

the Philippines, the group looked beyond Philippines borders for their targets when they first kidnapped foreign tourists in holiday resorts in Sipadan, Malaysia in 2000. Since then, as more than 6,000 Indonesian fishermen operate in the waters bordering Malaysia, Indonesia and the Philippines, Indonesian fishermen, labelled as 'soft targets,' have been kidnapped as their families and governments would be prepared to pay for their release. A senior Indonesian official who was involved in the negotiations with the ASG said that of the 31 Indonesian fishermen who were kidnapped, all except three were freed.<sup>14</sup>

### Countering the Crime-Terror Nexus

One of the key priorities should be to prevent terrorist and criminal groups from exploiting local dynamics, such as poverty or acts of injustice. There is a risk that the community buys into the idea that terrorist or criminal groups are the authority and the source of 'good governance' in the region. If so, the state will be on the losing end with the crime-terror nexus likely to grow and persist, such as the case in Southern Thailand and Southern Philippines. Hence, good governance is a key first step towards a comprehensive approach that inoculates the region against supporting the crime-terror nexus. This approach must be backed by strong legislation and an effective law enforcement mechanism to maintain peace and security. If the security agencies are weak, the problem will remain and become part of the regional security architecture.

Looking at the short to mid-term perspective, it is key to identify the need for both counter-terrorism and counter-organised crime strategies to neutralise the threat. This is especially applicable to the local terrorist and criminal groups that are also linked to transnational terrorist and criminal organisations like ASG. Hence, a granular understanding of the operations of the terrorist and criminal groups is critical in countering the threat. Otherwise, authorities are likely to lose

the 'war' against the terrorists, criminals and the nexus that has developed between the two groups.

More community resilience needs to be developed against the terrorists and criminals by enhancing the legitimacy of state institutions. This means that state institutions have to function reliably and serve the communities by providing basic security needs. An efficient delivery of local security services is vital in deterring citizens from cooperating and collaborating with terrorists and criminals. This will be an impetus to sever the nexus. More specifically, in addition to hard approaches to counter the terrorists and criminals, the importance of tracking the flow of illicit financial flows is extremely vital. The Philippines, Malaysia and Indonesia have joined maritime patrols in the face of increasing insecurity in the tri-border region of Southern Philippines, east Malaysia and Sulawesi. This has played an important role in 'hardening' the maritime border spaces between these states.<sup>15</sup> As part of this cooperation, the three ASEAN member-states have also agreed to undertake greater intelligence cooperation to counter these threats.<sup>16</sup> Also, once the state understands who benefits from these illicit flows, how money is 'harvested', where the money is spent and identifies the benefactors of these illicit funds, it will go a long way to end the crime-terror nexus. Ultimately, it is the need for finances that has drawn the terrorists and criminals into a joint venture of some kind, so once this link is terminated, the nexus can be broken.

Therefore, while hard kinetic military measures are important, countering terrorism and organised crime requires a wide - spectrum approach that is able to resolve local grievances related to politics, the economy and socio-cultural issues. At the same time, the state should also respect the rule of law and not resort to extra-judicial killings. This would further empower local communities and institutions to emphasise good governance

<sup>14</sup> Interview in Jakarta with a senior Indonesian intelligence officer who led the negotiation from the Indonesian side.

<sup>15</sup> Raymond Jose G. Quilop, "Trilateral Cooperation by Indonesia, Malaysia and the Philippines: Temper Expectations," *Global Asia*, March 26, 2018, [https://www.globalasia.org/v13no1/feature/trilateral-](https://www.globalasia.org/v13no1/feature/trilateral-co-operation-by-indonesia-malaysia-and-the-philippines-temper-expectations_raymund-jose-g-quilop)

[co-operation-by-indonesia-malaysia-and-the-philippines-temper-expectations\\_raymund-jose-g-quilop](https://www.globalasia.org/v13no1/feature/trilateral-co-operation-by-indonesia-malaysia-and-the-philippines-temper-expectations_raymund-jose-g-quilop)

<sup>16</sup> Interview in Jakarta with a senior Indonesian intelligence officer who was directly involved in negotiations with the ASG to free the Indonesian captives.

and justice, and thus weaken the crime-terror nexus in the long-run.

## **Conclusion**

The existence of the crime-terror nexus from an ideological, operational or simple pragmatic calculus is evident in Southeast Asia. The case study of the ASG in Philippines shows that criminal activities have become an important part of the group's political-economic-security architecture. The need to terminate this nexus is therefore almost as important as ending political instability and insecurity in the affected regions. In fact, the two should progress hand-in-hand. As the crime-terror nexus widens with international linkages, the need for international cooperation is equally vital in countering the threat, especially in the border regions of the Southern Philippines, eastern Malaysia and the Sulawesi sea region, often described as the tri-border Area.

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# India and the Crime-Terrorism Nexus

**Ramesh Balakrishnan**

*The nexus between terrorism and organised crime presents a major challenge for India. The country has a long history of fighting separatist insurgencies, terrorism and civil conflicts that are spread across different parts of the country. The role that terrorism has played in funding criminal activities continues to perpetuate violence and creates instability inside India and in its neighbourhood. It needs to be tackled through greater state capacity and better coordination among a plethora of security agencies.*

## Introduction

The nexus between terrorism and organised crime presents a major challenge for India. After 9/11, the United Nations Security Council (UNSC) adopted a resolution that recognised the close connection between global terrorism and transnational organised crime.<sup>1</sup> While terrorism is an act of political defiance that is carried out overtly, organised crime is mostly conducted covertly to earn profits. Sometimes, the same groups are involved in both of these activities, and at other times, they work together based on a division of labour. Chandran posits that while terrorism results in large-scale violence and is conducted to exploit political objectives and religious or nationalist sentiments, crime is essentially non-violent and is carried out for economic objectives.<sup>2</sup> The increasing scrutiny of state-sponsored terrorism after 9/11 dried up funding for terrorist groups by states and pushed these groups towards crime-related activities for funding.<sup>3</sup>

Terrorist groups need a steady stream of funding to finance their operations, and often resort to a plethora of illegal activities which includes the hawala system, abuse of charities or donations from diasporic communities, credit card fraud and illegal arms sales. Therefore, crime and terrorism have a symbiotic relationship with organisational, operational and ideological links that are cultivated through close coordination, or in some cases, through fostering strong linkages. Rapid advances in telecommunication technologies, particularly social media platforms, the dark web on the Internet and illegal payment channels have bolstered the crime-terror nexus which, at times, can acquire a transnational character depending on their geographic spread, the expectations of the groups involved and the nature of the nexus. In Europe, the Islamic State (IS) terrorist group's recruitment targets criminals, with data that shows up to 50-80% of IS recruits have a criminal record.<sup>4</sup>

This article surveys available theoretical frameworks to present a granular analysis of the nexus between crime, terrorism and insurgency-induced violence and conflict. Subsequently, it provides an overview of the major theatres for terrorist and insurgent groups in India. Next, this article will examine the crime-terrorism nexus in India in the various theatres where organised crime, terrorism and insurgency intersect to create major challenges for India and its ability to deal with them. The crime-terrorism nexus has been delineated across nine major theaters of terrorist operations that have afflicted India's cities and towns since the

<sup>1</sup> Yvon Dandurand and Vivienne Chin, "Links Between Terrorism and Other Forms of Crime," *International Centre for Criminal Law Reform and Criminal Justice Policy*, December 2004, [https://icclr.law.ubc.ca/wp-content/uploads/2017/06/LinksBetweenTerrorismLatest\\_updated.pdf](https://icclr.law.ubc.ca/wp-content/uploads/2017/06/LinksBetweenTerrorismLatest_updated.pdf).

<sup>2</sup> Suba Chandran, "Terrorism and Organized Crime in India," *Institute of Peace and Conflict Studies (IPCS)*, March 3, 2003, <http://www.ipcs.org/focusthemesel.php?articleNo=973>

<sup>3</sup> Christina Schori Liang, "Shadow Networks: The Growing Nexus of Terrorism and Organised Crime," *Geneva Centre for Security Policy*, August 2011, <https://www.gcsp.ch/News-Knowledge/Publications/Shadow-Networks-The-Growing-Nexus-of-Terrorism-and-Organised-Crime>.

<sup>4</sup> Florence Gaub and Julia Lisiecka, "The Crime-Terrorism Nexus," *European Union Institute of Security Studies (EUISS)*, April 12, 2017, [https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief\\_10\\_Terrorism\\_and\\_crime.pdf](https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_10_Terrorism_and_crime.pdf).

1980s. Finally, the conclusion offers a brief analysis of the strategies that the Indian state has deployed in tackling the challenges posed by the crime-terror nexus.

### Crime-terrorism nexus

Makarenko posits that the crime-terror nexus occurs in four different forms: alliances, operational motivations, convergence and the black hole. The alliance between criminal groups and terrorists could be one-off, short-term or long-term. It could result in seeking expertise (for example on bomb making), operational support (for accessing smuggling routes) etc. Secondly, an alliance could be forged to trade in traditional operations. For example, criminal groups could engage in political activities whereas terrorist groups could engage in criminal activity. Convergence is a form of merger where each side displays the characteristics of each other. Black holes are essentially safe havens where the thin line that separates their activities disappears in a permissive 'failed state' environment.<sup>5</sup> Mullins and Wither have developed a neat categorisation of the crimes that are committed by terrorists and the nature of the relationship between the two groups which they have delineated as follows – Interaction, Appropriation, Assimilation and Transformation.<sup>6</sup>

### Crime and Terrorism in India

India has a long history of fighting separatist insurgencies and controlling civil conflicts that are spread across different parts of the country. There are several conditions that make India particularly prone to transnational organised crime and terrorism. These include, among others, proximity to major heroin producers and exporters, regional drug trade through overland routes and the sea. Moreover, groups willing to take risks, pervasive poverty and the protracted nature of 'low intensity' conflicts have also created a permissible environment for the crime-terror nexus in India.<sup>7</sup>

The major conflict zones in India are concentrated in Jammu and Kashmir (J&K), North Eastern states of Assam, Nagaland and Manipur. India also faces a Maoist insurgency (termed the Naxalite threat) in the state of Chhattisgarh and adjoining areas in Telangana and Andhra Pradesh. The main terrorist threat stems from Pakistan-based terrorist groups to J&K and mainland India where violent and religiously motivated groups likewise pose as a threat. Several major Indian cities, including New Delhi, Ahmedabad, Coimbatore, and Pune among others, have witnessed terrorist attacks, but the Indian city of Mumbai (formerly Bombay) has been 'ground zero' to the deadliest attacks over the past three or more decades. Extremists belonging to Hindu fundamentalist right-wing groups have also targeted Muslim and Christian interests across India. These insurgencies have seen several highs and lows since India's independence and have been managed through a combination of law enforcement and reconciliation with groups amenable to putting down arms.

The table below summarises the main theatres in which terrorist groups operate in India, the prominent attacks they have carried out and the crime related funding strategies they pursue.

<sup>5</sup> Tamara Makarenko, "The Crime-Terrorism Continuum: Tracing the Interplay between Transnational Organized Crime and Terrorism," *Global Crime* 6, no. 1 (2004).

<sup>6</sup> Sam Mullins and James K Wither, "Terrorism and Organized Crime," *Connections* 15, no. 3 (2016): 65-82.

<sup>7</sup> LaVerle Berry et al., "Nations Hospitable to Organized Crime and Terrorism," *Federal Research Division, Library of Congress, Washington, D.C.* (2003), [https://www.loc.gov/rr/frd/pdf-files/Nats\\_Hospitable.pdf](https://www.loc.gov/rr/frd/pdf-files/Nats_Hospitable.pdf).



	<b>Theatre</b>	<b>Terrorist Groups</b>	<b>Prominent Attacks</b>	<b>Crime related Funding</b>
1.	Jammu and Kashmir (J&K)	LET, JKLF, HUM, JeM, HUJI	Kidnapping of Rubiya Saeed, Indian Airlines Hijacking to Kandahar, Afghanistan.	Kidnap for ransom (KFR); External funding, state sponsors
2.	Northeast India (Nagaland, Assam, Manipur, Mizoram, Meghalaya)	ULFA, National Socialist Council of Nagaland (NSCN)	Kidnapping of Food Corporation of India official, P.C.Ram <sup>8</sup> .	Mostly KFR, Narcotics, State sponsors. Extortion of common citizens through running of parallel governments
3.	West & South India (Maharashtra and Gujarat)	LET, Dawood Ibrahim 'D Company', Hindutva Groups	1993 Bombay Blasts, 26/11 Attacks, Zaveri Bazar Attacks, Western Railway Train attack of 2006, Malegaon Bombing	Drugs, external state sponsors
		Homegrown Jihadist movements - Daesh (ISIS), SIMI (Students Islamic Movement of India), Indian Mujahideen		External funding, Gulf Countries.
4.	East India (Orissa, Bihar, Telangana, MP, Chhattisgarh ('Red Corridor'))	Naxalites/ Communists (Maoists)	Several attacks including	Kidnapping of state officials and paramilitary forces, cross-border funding
5.	Punjab	JeM (Jaish-e-Mohammed)	Pathankot Attack	Drug smuggling
6.	North India (New Delhi, Haryana)	Hindutva Groups, JEM	Parliament Attack of December 2001; Samjautha Train Attack	State sponsors

Figure 1: Organized Crime and Terrorism in India

<sup>8</sup> Balasubramanian, "Kidnap for Ransom and Linkages to Terrorism Finance in India," *Indian Defence Review*, June 23, 2015,

<http://www.indiandefencereview.com/news/kidnap-for-ransom-and-linkages-to-terrorism-finance-in-india/2/>

### **Jammu and Kashmir (J&K)**

J&K is India's only state with a Muslim majority, with Hindus and Buddhists concentrated in Jammu and Ladakh, while most Muslims are concentrated in the Kashmir Valley. Other than homegrown separatist outfits like the Jammu and Kashmir Liberation Front (JKLF) and the Hurriyat Conference, the major external actors fighting in J&K are Pakistan-based groups including the Lashkar-e-Taiba (LET), Jaish-e-Mohammad (JEM), Harkat-ul-Jihad al-Islami (HUJI), Harakat-ul-Mujahideen (HUM) among others who operate from across the Line of Control (LOC) - a boundary that bisects the region into India and Pakistan administered parts of Kashmir. Funding for these organisations are mostly raised through their local charities, money from donors in the Persian Gulf, state sponsors and handlers, and are mostly derived from outside India. The Hawala system<sup>9</sup> is a major source of financing in J&K. India's National Investigation Agency (NIA) had conducted several raids in Kashmir and New Delhi in 2017 to plug these sources of funding.<sup>10</sup> Other forms of financing used by terrorist groups in Kashmir include money laundering, drug money and counterfeit currency.

The most prominent example of the crime-terrorism nexus involved the December 1989 kidnapping of the daughter of Home Minister of India, Rubiya Sayeed by militants. She was subsequently released in return for the release of five Kashmiri militants.<sup>11</sup> However, other than sporadic incidents that occurred in later years, such kidnappings are no longer undertaken by militants to extract political concessions from the state. Another prominent incident was the December 1999 hijacking of an Indian Airlines flight to Kandahar in Afghanistan (then under Taliban control) where more than 155 passengers were held hostage for more than eight days

<sup>9</sup> The Hawala system is an informal money transfer mechanism that relies on large networks of money brokers. It operates outside the traditional banking system in parts of South Asia, Middle East and North Africa.

<sup>10</sup> PTI, "Terror Funding Crackdown: NIA Conducts Raids in Kashmir and Delhi," *The Hindu*, September 6, 2017, <https://www.thehindubusinessline.com/news/national/terror-funding-crackdown-nia-conducts-raids-in-kashmir-and-delhi/article9846963.ece>.

before they were freed in return for the release of five Pakistan-based militants.

### **Northeastern States**

The links between organised crime and terrorism are particularly rampant in India's Northeastern states.<sup>12</sup> The most well known terrorist groups operating in the North East include the United Liberation Front of Assam (ULFA) and the Naga insurgency in Nagaland, which has essentially been active since 1947.

According to Chandran, the crime-terrorism nexus constitutes a symbiotic relationship in India's Northeast and the connections between these two groups are a by-product of poor governance in these states. These groups run parallel governments in many parts of these states and raise money through illegal trafficking of drugs, arms and human smuggling and money laundering. The cooperation between the groups stems from the need for terrorists to obtain arms and money to conduct operations and for the crime groups to build a client base and act as couriers to smuggle arms, drugs and humans. In some cases, local groups also have linkages with international crime cartels and other transnational groups. Almost all the terrorist groups have their own areas of influence, where they collect money from the common people, act as intermediaries for channeling state funds to the people and work in tandem with government functionaries to award contracts to individuals patronised by militant groups.<sup>13</sup>

Militants and criminals who operate from across India's land borders in the states of Myanmar and Bangladesh, two of India's eastern neighbours, further exacerbate India's crime-terrorism problem in the Northeast. Groups based in these countries have been involved in arms smuggling into India, and smuggling of Fake Indian Currency Notes (FCIN), which help finance terrorist operations

<sup>11</sup> Barbara Crossette, "Abducted Woman Freed in Kashmir," *The New York Times*, December 14, 1999, <https://www.nytimes.com/1989/12/14/world/abducted-woman-freed-in-kashmir.html>

<sup>12</sup> Balasubramanian, "Kidnap for Ransom and Linkages to Terrorism Finance in India".

<sup>13</sup> Chandran, "Terrorism and Organised Crime in India".

in India. Some groups such as the Jamaat-ul-Mujahideen Bangladesh (JMB) have established their offshoots in India. In response, India is addressing some of these problems through improved and enhanced diplomatic and security cooperation with Bangladesh.<sup>14</sup>

### **Western India (Maharashtra and Gujarat)**

Mumbai (formerly Bombay) is India's largest city by population, a vast multi-cultural and multi-religious metropolis, business and financial capital. It is also the nerve centre of India's underworld criminal activity and the crucible of the crime-terrorism nexus in the state of Maharashtra, of which Mumbai is the capital.

The example of the most prominent terrorist attack in Mumbai illustrates the nexus between terrorism and crime. The case involves the so called 'D-Company' of Dawood Ibrahim and his involvement in organised crime in the 1990s. Ibrahim headed a crime syndicate that eventually drifted towards terrorism.<sup>15</sup> The D-Company was heavily involved in criminal activities including smuggling, weapons and drug trafficking, extortion, protection rackets and illegal hawala money transactions. Domestic pressure forced Dawood to relocate from Mumbai to Dubai in the mid-1980s. Stung by what it perceived to be persecution of Indian Muslims at the hands of the Hindu majority, the group took on ideological and political causes.

The group financed and perpetrated the March 1993 Mumbai terrorist attacks that killed 257 people and caused losses of billions of rupees. The Bombay Stock Exchange, the

seat of India's financial home was a target of one of the bombs attacks. From Dubai, Dawood Ibrahim subsequently relocated to Karachi, Pakistan where the Indian government believes he is currently based and operates under the patronage of Pakistan's intelligence agencies.<sup>16</sup> The D-Company is also accused of providing logistic support for the LET attacks on Mumbai on November 26, 2008 (referred to as the 26/11 attacks in India). Around 19 terrorists from Pakistan travelled by the sea to attack hotels, the main railway station and a synagogue in Mumbai.<sup>17</sup> The D-Company has also established close links with known terrorist groups like LET, Al Qaeda and the Liberation Tigers of Tamil Eelam (LTTE).<sup>18</sup>

Homegrown militant organisations such as the Students Islamic Movement of India (SIMI) and the Indian Mujahideen (IM) (both of which are banned organisations in India) have been active in the state of Kerala and in other parts of India. Tankel argues that while expeditionary terrorism garners all the attention in India, many terrorist attacks have been carried out by these homegrown outfits.<sup>19</sup> The IM terrorist Aftab Ansari who was responsible for attacking the U.S. consulate office in Kolkata has been accused of kidnapping businessmen to fund his operations.<sup>20</sup>

Terrorists inspired by the Hindutva ideology have targeted Muslim and other minority groups in India by recruiting unemployed, illiterate youth from the Hindu community. A pertinent case is Shambulal Regar, who was accused of killing a migrant labourer Mohammad Afrazul and posting a video of the assault online. His language, behaviour and actions were said to be inspired by Hindutva

<sup>14</sup> Sinan Mohammed Siyech, "Crime-Terror Nexus Along India's Eastern Border," *RSIS Commentary no. 068, April 12, 2018*, <https://www.rsis.edu.sg/rsis-publication/icpvtr/co18068-crime-terror-nexus-along-indias-eastern-border/- .W0N8d9JKjIU>.

<sup>15</sup> Mullins and Wither, "Terrorism and Organised Crime."

<sup>16</sup> PTI, "Pakistan-Based Dawood Ibrahim's D-Company Has Diversified: Us Lawmakers Told," *The New Indian Express*, March 23, 2018, <https://indianexpress.com/article/pakistan/dawood-ibrahim-pakistan-based-d-company-has-diversified-lawmakers-told-5108198/>

<sup>17</sup> Ryan Clarke, "Lashkar-I-Taiba: The Fallacy of Subservient Proxies and the Future of Islamist Terrorism in India," *Strategic Studies Institute, U.S.*

*Army War College* (2010), <http://ssi.armywarcollege.edu/pdf/files/pub973.pdf>.

<sup>18</sup> Makarenko, "The Crime-Terrorism Continuum: Tracing the Interplay between Transnational Organized Crime and Terrorism."

<sup>19</sup> Stephen Tankel, "The Indian Jihadist Movement: Evolution and Dynamics-Analysis," *Carnegie Endowment for International Peace (CEIP)*, September 10, 2014, <https://carnegieendowment.org/2014/09/10/indian-jihadist-movement-evolution-and-dynamics-analysis-pub-56588>.

<sup>20</sup> Devesh K Pandey, "Arrested Don Had Close Links with Aftab Ansari Aide," *The Hindu*, August 20, 2006, <https://www.thehindu.com/todays-paper/tp-national/arrested-don-had-close-links-with-aftab-ansari-aide/article3092901.ece>.

ideology and he was also described as a drug addict and unemployed.<sup>21</sup> Hindutva was also a factor in the so-called Malegaon blasts which were carried out by Hindu militant outfits in 2008.<sup>22</sup>

### ***Naxalites/Maoist (The 'Red Corridor')***

The so-called 'Naxalites' were a group of landless, low caste and tribal people who originally hailed from the village of Naxalbari in the state of West Bengal. Over a period, the 'Naxalites' spread their influence westward into other states of India, which includes Bihar, Chhattisgarh, Madhya Pradesh and southward towards Andhra Pradesh. Impoverished, they demanded access to state resources which were denied to them. They built links with other terrorist groups including the People's War Group (PWG), the Communist Party of India -Maoist and the communist groups based in neighbouring Nepal. Their main funding sources came from extortion, running parallel governments, collecting taxes from people in rural areas and smuggling small arms, home made explosives and landmines.<sup>23</sup> Their impact in carrying out large-scale attacks has waxed and waned over the years. The Naxalites' primary targets have been politicians and kidnapping of security personnel. The most high-profile attack involved a prominent Congress party politician, Vidya Charan Shukla who died in an attack carried out by the Maoists.<sup>24</sup> In 2006, India's former Prime Minister Manmohan Singh called the Maoist threat the gravest challenge to Indian security.<sup>25</sup>

<sup>21</sup> Bhanwar Meghwanshi, "A Terrorist Crime Aimed at Turning India into a Hindu Pakistan," *The Wire*, December 17, 2017, <https://thewire.in/communalism/afrazul-murder-india-hindu-pakistan>

<sup>22</sup> Rebecca Samervel, "Malegaon Blast: Court to Try Sadhvi Pragma Despite NIA Clean," *The Times of India*, December 28, 2017, <https://timesofindia.indiatimes.com/city/mumbai/sadhvi-purohit-to-be-tried-for-2008-malegaon-blast-case/articleshow/62273804.cms>

<sup>23</sup> Carin Zissis, "Terror Groups in India," *Council on Foreign Relations (CFR)*, November 27, 2008, <https://www.cfr.org/background/terror-groups-india>.

<sup>24</sup> "Veteran Congress Leader Vidya Charan Shukla Dies from Gun-Shot Wounds He Suffered in Chhattisgarh Maoist Attack," *Daily Mail*, June 12, 2013, <http://www.dailymail.co.uk/indiahome/indianews/article-2339871/Vidya-Charan-Shukla-dies-gun-shot-wounds-suffered-Chhattisgarh-Maoist-attack.html>

<sup>25</sup> Rahi Gaikwad, "Manmohan: Naxalism the Greatest Internal Threat," *The Hindu*, October 11,

### ***Northern India***

Terrorism in the Indian state of Punjab started with Sikh separatism and extremism by groups that wanted a separate Sikh state – Khalistan. Sikh separatism gained widespread popular support after Prime Minister Indira Gandhi ordered the Indian army to raid the revered Sikh Golden Temple in the city of Amritsar to flush out armed militants who were holed up in the temple. Subsequently, in October 1984, Indira Gandhi was assassinated by two of her own Sikh bodyguards at her residence. While militancy in Punjab has been fueled by external support from Pakistan, its roots were essentially domestic in nature.

Terrorism in Punjab has also been aided by drug money and smuggling of drugs from Afghanistan through Pakistan.<sup>26</sup> The 2016 Pathankot attacks that were carried out by Pakistan-based terrorists on an Indian Air Force base became controversial after it was revealed in an investigation that local police officials and drug cartels were under scrutiny regarding potential collaboration with terrorists.<sup>27</sup> An article in the Indian Defence Review amply captures the complex links between terrorism and drug money – "The drug money has become a major source of funding of elections in Punjab and over time, a well-organised drug cartel has come into existence with active connivance of politicians, police officers and drug lords".<sup>28</sup> The Indian capital, New Delhi, has been at the centre of numerous attacks, including the

2009, <https://www.thehindu.com/news/national/Manmohan-naxalism-the-greatest-internal-threat/article16886121.ece>

<sup>26</sup> Vicky Nanjappa, "Terrorism and the Drug Mafia: How They Go Hand in Hand," *One India*, January 11, 2016, <https://webcache.googleusercontent.com/search?q=cache:6cqbT-Aw-LUJ:https://www.oneindia.com/india/terrorism-the-drug-mafia-how-they-go-hand-hand-1979633.html+&cd=1&hl=en&ct=clnk&gl=sg>

<sup>27</sup> Abhishek Bhalla, "Pathankot Attack: Drug Cartels-Indian Officials' Nexus under Scanner," *India Today*, January 6, 2016, <https://www.indiatoday.in/mail-today/story/pathankot-terrorist-came-in-through-drug-routes-security-agencies-302295-2016-01-06>

<sup>28</sup> Shelley Kasli, "Pathankot Attack: Oil, Globalization & Terror," *Indian Defence Review*, February 23, 2016, <http://www.indiandefencereview.com/spotlights/pathankot-attack-oil-globalization-terror/>

most prominent among them, the attacks on India's Parliament in December 2001.<sup>29</sup> The attack was eventually blamed on JeM, a Pakistan Kashmir based terrorist outfit with links to Pakistan's security establishment.<sup>30</sup>

## Conclusion

The Indian state has been successful in curbing terrorism in Punjab. However, tensions continue to simmer in J&K and in the Northeast states bordering Myanmar and Bangladesh. India has tackled the challenge of the crime-terror nexus by using military force, counter insurgency (COIN) operations, legal mechanisms, cooperation with national NGOs like National Crime Research Bureau (NCRB), and international organisations such as Interpol, Financial Action Task Force (FATF), UNSC, UNODC among others. However, it faces major challenges in restructuring and providing better training for its state police forces.<sup>31</sup>

Concurrently, India is also attempting to address the challenge of counterfeit currencies through demonetisation.<sup>32</sup> Through a combination of policing and prosecution, the underworld's links with crime and terrorism in Mumbai have been curbed to a large extent, although the close links that exist between the groups may not be eliminated in its entirety. The biggest threat that India faces is the effects that terrorist attacks generate in destabilising the Indian economy. Mahadevan attributes the use of terrorism to strike India's economy as a major factor in the 26/11 attacks.<sup>33</sup> Although India is not immune from broader developments in South Asia's security environment and terrorism trends in the region, over the past five or more years, mass casualty terrorist attacks directed against Indian civilians in India's major cities have declined perceptibly. From an Indian standpoint, cross-border terrorism emanating from Pakistan is a major challenge for Indian security in the state of

Jammu and Kashmir (J&K) and until recently in many states of mainland India. At the core of the challenge is the role of criminal activities that fund terrorism that continues to perpetuate violence and create instability both in India and in its neighbourhood.

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<sup>29</sup> Sanjeev Miglani, "12 Die in Indian Parliament Attack," *The Guardian*, December 14, 2001, <https://www.theguardian.com/world/2001/dec/14/kashmir.india>

<sup>30</sup> Bruce Reidel, "How 9/11 Is Connected to December 13," *Brookings Institution*, September 11, 2008, <https://www.brookings.edu/opinions/how-911-is-connected-to-december-13/>

<sup>31</sup> Paul Staniland, "Improving India's Counterterrorism Policy after Mumbai," *CTC Sentinel* 2, no. 4 (2009).

<sup>32</sup> Hormis Tharakan, "Attacking the Finances of Terrorism with Demonetization?," *QRIUS*, January 19, 2017, <https://qrius.com/attacking-finances-terrorism-demonetization/>.

<sup>33</sup> Mahadevan Prem, "The Impact of Terrorism and Organized Crime on Asian Economies: Implications for India," in *India's Approach to Asia: Strategy, Geopolitics and Responsibility*, ed. Namrata Goswami (New Delhi: Pentagon Press, 2016).

# Crime-Terror Nexus in Pakistan

**Farhan Zahid**

*A symbiotic relationship exists between terrorist groups and organised criminal entities in Pakistan. The former relies on the latter for finances, logistics, movements and weapon supplies. Both have things in common despite differing worldviews. Without developing a strong financial support base, which is mostly attained through criminal racketeering, terrorist groups cannot survive for long. Unlike the terrorists, criminals are not ideologically motivated but they help to sustain the terrorist organisations by working in tandem with them for financial gains.*

## **Definitions and Elements of Terrorism and Organised Crime**

Terrorism is a deliberate and planned use of violence against civilians and soft targets to attain certain political and religious goals. Terrorism is both communicative and coercive by design. In this regard, a number of elements could be listed:

- i. Ideologically motivated violence that are politically driven.
- ii. Terrorism is communicative as the terrorists by virtue of their acts attempt to communicate their message through violent acts (propaganda by deeds). Seeking media attention and coverage is a vital part of terrorist organisations.
- iii. Terrorist groups intentionally and deliberately target civilians and soft targets rather than hard targets such as armed forces and military infrastructure. They are less discriminatory as far as soft targets are concerned.

- iv. Terrorist groups consider their violence as a revolutionary means of competing with the government to bring about violent revolution against the government.

According to INTERPOL, organised crime could be defined as: “any enterprise or a group of persons engaged in a continuing illegal activity which has special purpose of generation of funds, irrespective of national borders.”<sup>1</sup>

A number of elements may drive criminals to run their illegitimate businesses as organised crime.

- i. Organised hierarchy: The organised criminals (mafias and cartels) establish an organised and highly disciplined hierarchical structure in their groups. This structural hierarchy increases their organisational efficacy. This does not mean that they refrain from criminal activities but in fact their crimes take a formal and organised shape.<sup>2</sup>
- ii. Violence or use of force: As the criminals organise themselves in a formal structure, the level of violence and use of force in their criminal activities increase and they perpetrate more violent acts of crime.<sup>3</sup>
- iii. Restricted membership: Like terrorist groups, the organised criminal groups maintain strict and restricted membership criteria. Whereas terrorist groups prefer to have members on the basis of ideological motivations (depending on the ideology group adheres to), the organised criminal groups prefer

<sup>1</sup> Cited in Frank G. Madsen, *Transnational Organised Crime* (Oxon: Routledge, 2009), 16.

<sup>2</sup> For a comprehensive definition on organised crime, please visit the official website of the Federal Bureau

of Investigation at <https://www.fbi.gov/investigate/organized-crime>.

<sup>3</sup> Ibid.

members with familial or ethnic ties. Russian, Albanian, Chechen, and Italian mafias are cases in which established criminal families have been running the mafias and cartels for a very long period.<sup>4</sup>

- iv. Illegal enterprises: Organised crime patterns are much more formal than that of regular and casual criminals. The organised criminals establish illegal enterprises as a cover for their illegal activities and to launder the black money. They invest in shipping, real estate, casinos, and multiple other businesses parallel to their illegal enterprises.<sup>5</sup>
- v. Corruption: Corrupting the system is sine quo non for organised criminal groups to survive and continue their illegal activities. Corruption does not only mean offering bribes to the officials to run illegal businesses but also manipulating and bending rules and regulations. Financially supporting politicians and then seeking benefits from them when they hold public offices is a regular practice for organised criminals.<sup>6</sup>

### Terrorists and Organised Criminals: Convergence of Interests

According to Criminologist, Makarenko, the crime-terror nexus is a marriage of convenience and an alliance of entities which are perceptibly different from each other, though working in continuous sequence.<sup>7</sup> She further elaborates the relationship where one alliance partner uses terror tactics for operational purpose and the other uses criminal activities for operational purposes. This situation puts organised criminals and terrorists on the same axis. For instance, Al-Qaeda members' alliance with the Naples based Camorro mafia was to reach "safe havens" inside Europe by using forged documents. Similarly, the Islamic Movement

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Tamara Makarenko, "The Crime Terror Continuum: Tracing the Interplay between Transnational Organised Crime and Terrorism," *Journal of Global Crime* 6, no 1(2004): 129-145

of Uzbekistan's (IMU) alliance with Afghan and Central Asian criminal groups.<sup>8</sup> Likewise, the Sicilian Mafia carried out a series of car bomb attacks in the Italian mainland with the aim of getting Anti-Mafia legislation undone through terror/intimidation.<sup>9</sup>

The raison d'être of organised crime is to make money by illegal means; hence it could be said that its primary objective is illegal money. Organised criminals are not ideologically motivated individuals and want less public attention for their activities and ways of achieving goals. On the contrary, the ideologically driven terrorists look for publicity. Most terrorist organisations have media wings to disseminate their messages in a post-terrorist attack scene. Despite crucial differences in the running of their businesses and conducting activities, at times they both need each other for mutual benefit. Their interests converge over finances. Their main point of interaction is business. There are number of factors that drive this relationship.<sup>10</sup> These include globalisation, information revolution and failed/failing states that are discussed below.

### Globalisation

Globalisation has increased communications and interactions between organised criminals and terrorist groups. Both terrorist groups and organised criminals are tech-savvy and adept at using modern technologies. In such a scenario, the crime-terror nexus develops business opportunities and areas of mutual benefit to work with each other. It is easier for terrorist organisations to conduct their purchase of weapons through organised criminals rather than directly getting involved and catching the attention of law enforcement. Communicating with each other and transacting money through technology are some of the methods that strengthen the crime-terror nexus in a conducive environment.<sup>11</sup>

<sup>8</sup> Svente E Cornell, "The Drug Trade and Armed Conflict: Narcotics as a Threat to Security in Central Asia," *Survival* (2005): 4-10.

<sup>9</sup> "Threat Assessment: Italian Organised Crime," *Europol* (The Hague, 2003), 4-16

<sup>10</sup> Discussions with a senior officer of National Task Force on Counter Financing of Terrorism in Islamabad, Pakistan on July 22, 2018.

<sup>11</sup> Ibid.

## Information Revolution

As mentioned above, the revolution in information and communication technology (ICT) has also changed the crime-terror cooperation for doing mutual business. The terrorists require a faster means of communication to implement their desired plans. This may either be in reference to the transportation of terrorists from one zone to another zone of operations or financial transaction for terrorist plots in another region. The use of ICT helps terrorists to execute their violent tactics. The organised criminal groups provide terrorists access to material required for this. Terrorists do it to fulfill their ideological needs; whereas mafias are paid handsomely by terrorist organisations.<sup>12</sup>

## Failed and Failing States

Apart from the emergence of non-state violent-actors such as Al-Qaeda (AQ) and the Islamic State (IS), a number of states have either completely failed to govern or control their territories or are failing to cope with a multitude of problems. For instance, countries such as Somalia, Central African Republic, Congo, Mali, Yemen, Iraq, Syria and Afghanistan are struggling to maintain their territorial writ and rein in various terrorist group and criminal elements operating in and out of their soil. Both organised criminal organisations and terrorist groups thrive in such situations and start developing strong nexuses.

In recent years, a number of terrorist groups such as the Armed Revolutionary Front of Colombia (FARC) and Al-Qaeda in the Islamic Maghrib (AQIM) have adapted to criminal ways and are deeply involved in transnational crimes such as kidnapping for ransom, smuggling, forced labor and human trafficking. The drifting of these terrorist organisations from their ideological leanings was evident in the deviation of FARC from its Marxist thoughts and AQIM from Salafi-Jihadism.

## Crime-Terror Nexus in Pakistan

The crime-terror nexus in Pakistan has developed over decades due to a number of factors. The primary reason points to the

<sup>12</sup> Ibid.

structural issues of Pakistan, as the country has never remained strong enough to establish its writ of state on all of its territories. After establishing its independence in 1947, Pakistan retained the same laws and regulations from the British era to govern its tribal areas and adjacent frontier regions that work as buffers between the tribal and settled areas. The country has not been able to introduce meaningful reforms in its Federally Administered Tribal Areas (FATA) despite some cosmetic changes such as the FATA merger with the Khyber Pakhtunkhwa (KP) province in 2018. As such, the overall situation remains the same.<sup>13</sup>

Moreover, Pakistan's India-centric security policies and focus on securing borders on the eastern front kept the western borders with Afghanistan open or with poor and inadequate security. As a matter of fact, the borders existed in theory but not in practice, which gave rise to a perfect environment for the incubation of the crime-terror nexus. In 1979, things started to unravel after the Soviet invasion of Afghanistan. This event created an opportunity for the US to refresh its relations with the ruling Pakistani military junta, and the tribal areas became the hub of both terrorist and criminal activities during the next decade. The flight of Mujahedeen groups from tribal areas to Afghanistan under the aegis of the US, Saudi Arabia and Pakistan heralded the strengthening of the crime-terror nexus.

Even after the withdrawal of Soviet forces from Afghanistan in 1989, the situation in Afghanistan and Pakistan did not change. The surfacing of the Afghan Taliban movement during the Afghan Civil War (1992-94) and their takeover of Kabul in 1996 was another turning point. In this period, Afghanistan had become the biggest opium producer worldwide and also a haven for drug traffickers. The Afghan Taliban relied heavily on Pakistan and Saudi Arabia for financial aid. On the contrary, the anti-Taliban forces (i.e. the Northern Alliance) banked upon Iran and India and organised criminal rackets for the smuggling of gems and other products to earn hard cash in order to continue their operations against the Taliban regime.

<sup>13</sup> Discussions with a retired senior bureaucrat who served in FATA whom requested for anonymity.



## Understanding the Nexus

Besides a large plethora of terrorist groups operating in Pakistan, organised criminal entities also thrive in Pakistan. Karachi, the financial capital of Pakistan and southern port city is plagued with a number of organised syndicates such as the Lyari criminal gangs, gangs of Uzair Baluch, Rehman Dacoit and others such as the D-Company and Peoples Aman Committee. Smugglers of Balochistan province and FATA (now part of Khyber Pakhtunkhwa province) operate along the Pakistan-Afghanistan border regions. These organised criminal gangs are involved in weapons trafficking, contract killings, fraud and money laundering, counterfeiting, extortion and kidnapping for ransom, drug trafficking, illegal gambling, robberies, murder and prostitution.<sup>14</sup>

## Structural Relationship

In the first instance, there seems to be a structural relationship between terrorist groups and criminals. Kidnapping for ransom is ripe in areas under the control of Pakistani Taliban groups operating under the umbrella of Tehrik-e-Taliban Pakistan (TTP). For example, a doctor was abducted from Peshawar, Pakistan by a criminal racket and sold to Taliban. Subsequently, the Taliban were paid PKR.4.3 million for the release<sup>15</sup>. Another example to illustrate this point could also be the relationship between the Indian crime mafia, D-Company and the Pakistani militant group Lashkar-e-Taiba (LeT). Both are involved in earning black money through the pirating of CDs, kidnappings, extortions and the smuggling of arms.<sup>16</sup> An Islamist non-governmental organisation Al-Rehmat Trust was found involved in the financing of Al-Qaeda and LeT in Pakistan.

## Functional Relationship

A functional relationship between the two entities also exists. Pakistan has a rich jihadi

landscape and a plethora of militant groups that operate in Pakistan. Criminalisation of terrorist groups (like what FARC experienced in Colombia) is also visible in Pakistan. One way, in which a number of TTP factions and others adapt is to pass off as both criminals and terrorists. In Karachi, the TTP and its cohorts are involved in kidnapping for ransom, bank robberies, street crimes and a number of other violent crimes. The terrorist groups in Pakistan also need the assistance of organised criminals to keep afloat. Major forms of crime involving terrorist groups in Pakistan include, the Hawala System<sup>17</sup>, money laundering, kidnappings for ransom, contract killings, human trafficking, bank robberies, illicit car lifting, smuggling of weapons and narcotics.

## The Pakistani Response

As a signatory to international conventions and agreements in countering the nexus, Pakistan has international obligations to take measures against the crime-terror nexus. Pakistan has signed the UN Convention Against Transnational Organised Crimes in 2000 and ratified it in 2010.<sup>18</sup> As a member of the Shanghai Cooperation Organisation (SCO), Economic Cooperation Organisation (ECO) and the South Asian Association of Regional Cooperation (SAARC), Pakistan also has commitments in inter-state cooperation such as the sharing of intelligence, technology and expertise in the areas under the terror-crime nexus.

To effectively combat the financing of terrorism, the National Counter Terrorism Authority (NACTA), Pakistan's premier body for coordinating counter-terrorism efforts, has established the National Task Force on the Counter Financing of Terrorism that comprises 27 stakeholders from the relevant federal and provincial law enforcement and intelligence bodies. Hitherto, the task force has conducted 10 meetings at the NACTA headquarters in Islamabad to make concerted

<sup>14</sup> Telephonic discussions with a senior police officer of the Counter-Terrorism Department in Karachi.

<sup>15</sup> Discussions with an officer of the National Task Force on the Counter Financing of Terrorism

<sup>16</sup> Manish K Pathak, "Let Operative's Arrest Brings to Fore D-Company's Terror Links," *Hindustan Times*, May 14, 2018, <https://www.hindustantimes.com/mumbai-news/let-operative-s-arrest-brings-to-fore-d-company-s-terror-links/story-W1VDnDBJq7asLco9UQjATO.html>

<sup>17</sup> The Hawala system is an informal money transfer mechanism that relies on large networks of money brokers. It operates outside the traditional banking system in parts of South Asia, Middle East and North Africa.

<sup>18</sup> Official Website of Ministry of Foreign Affairs, Government of Pakistan, <http://www.mofa.gov.pk/contentlist.php>

efforts against the financing of terrorism in Pakistan. The inclusion of Pakistan in the Grey List of the Financial Action Task Force (FATF)<sup>19</sup> has accelerated the momentum of Pakistani financial institutions and law enforcement bodies to focus more on developing effective action plans (as per FATF requirements) to combat the financing of terrorism.

### Operational and Tactical Measures

Given the potential and dangers of the crime-terror nexus, a number of steps have been taken by Pakistani authorities at the federal and provincial levels. At the provincial level, local police, Counter Terrorism Departments (CTDs) and the Levies Force in Balochistan province are at work to counter the nexus.<sup>20</sup>

At the federal level, there are number of law enforcement agencies that aims to overcome smuggling, illegal cross border movements, banking crimes, narcotics, illegal financial transactions, and intelligence collection. These organisations include the Anti Narcotic Force, Customs, Frontier Corps (FC), Federal Investigation Agency, Maritime Security Agency, Pakistan Coast Guard, Pakistan Rangers, Financial Monetary Unit, Frontier Constabulary and National Counter Terrorist Authority (NACTA). The NACTA remains pivotal in establishing a National Task Force on the Counter Financing of Terrorism and convenes monthly by inviting all stakeholders to its headquarters in Islamabad.<sup>21</sup>

### Legislative Measures

Apart from operational and tactical measures, a policy framework and a set of legislative measures have been adopted to counter organised crime and terrorism in Pakistan. These include the Anti-Narcotics Policy 2010, National Action Plan-2015, Control of Narcotics Substances Act. 1997, Customs Act -1969, Foreign Exchange Regulation Act-1947, Anti-Money Laundering (AML) Act - 2010, Prevention and control of Human Trafficking Ordinance -2002, Emigration Ordinance -1979, Pakistan Arms Ordinance -

1965, Anti-Terrorism Act- 1997 and the National Accountability Ordinance -1999.

These policies and legislative measures are adopted and enacted not only to curb the crime-terror nexus, but to also fulfill international obligations. However, the implementation of these measures remains problematic and less than impressive. There is a need to broaden the scope of dynamic operations, effective border management, inter-provincial and federal-provincial cooperation to counter the crime-terror nexus in Pakistan. Apart from legislation, a media awareness campaign about such nexuses is also needed.

### Conclusion

The convergence of crime and terrorism is natural. Terrorists cannot operate without finances. Their operational requirements necessitate collaboration with local organised criminal gangs. Engaging these criminals help terrorist groups operate and perpetrate their terrorist attacks smoothly. It is essential for Pakistani policy makers to amend existing legal frameworks, broaden the tax base to root out the parallel black economy and take strong action against terrorism financing networks.

The primary issue is that fragile countries like Pakistan do not have enough resources and capacities to combat the financing of terrorism. The enlisting of Pakistan in the Grey List of FATF is alarming and could further exacerbate Pakistan's economic woes.

Addressing and fixing the issue is the need of the hour. The crime-terror nexus in Pakistan could also be eradicated by strengthening law enforcement forces and raising the standard of their training. There are no new quick solutions. Building the capacity of government officials, revamping the criminal justice system and the introduction of a strong and corruption-free system of governance may also help to resolve the issue.

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<sup>19</sup> The FATF is an intergovernmental organisation founded as a part of an initiative by the G7 countries to counter money laundering in 1989. The FATF also focuses on countering terrorism financing through its policy recommendations.

<sup>20</sup> Discussions with a senior officer at the Counter Terrorism Department of the Baluchistan Police.

<sup>21</sup> Official Website of National Counter Terrorism Authority, Government of Pakistan.

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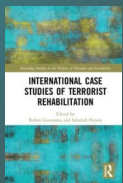
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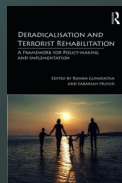


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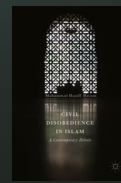
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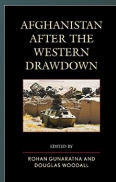
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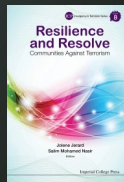
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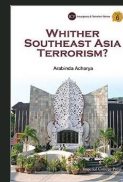
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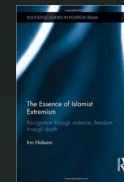
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