The Leaderless Nexus:
When Crime and Terror Converge

CHRIS DISHMANN
Oakton, Virginia, USA

This article argues that the breakdown of hierarchical structures in illicit organizations is creating new opportunities for criminals and terrorists to collaborate. The rise of networked organizations has given greater independence to criminals and terrorists who previously answered to a clear chain of command. These members are now willing to engage in operations that before had been off-limits because the leadership believed the activity would hurt the organization’s broader mandate. The result is that a “leaderless nexus” is beginning to emerge between criminals and terrorists. The phenomenon has far-reaching and dangerous implications for U.S. security, and should be thoughtfully considered as lawmakers debate homeland security reform.

International law enforcement pressure is forcing criminal and terrorist organizations to decentralize their organizational structures. Mexican law enforcement efforts are causing drug cartels in Mexico to break into smaller units. Many of the leaders who constituted Al Qaeda’s command and control leadership are under arrest or dead, forcing bin Laden to play a more inspirational role, no longer micromanaging attacks as he did for the 11 September spectacular. Even groups that still maintain some hierarchical structure, like the terrorist group Hezbollah, have little control over their extensive networks.

The “flattening” of these groups is creating new and dangerous opportunities for collaboration between criminals and terrorists. The actions of criminal underlings or terrorist operatives are not as constrained because criminal or terrorist “headquarters” are no longer able to micromanage employees. Lower to mid-level criminals and terrorists are taking advantage of their independence to form synergistic ties between the two groups. Some political militant groups have also introduced financial incentive systems to recruit and retain militants. Because members join to make money, they will quickly set ideological goals to the side if it affects profits.

Criminals and terrorists have collaborated on some level for centuries. As many observers point out, the two groups work toward nefarious ends in the same underground community. This cooperation, however, was usually restricted to lower level criminals and terrorists and even then only for short durations. A Don, Colombian cartel

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Address correspondence to Chris Dishman, 3152 Borge St., Oakton, VA 22124, USA.
E-mail: dishmanc@yahoo.com
boss, or Snakehead would not put his organization in bed with a terrorist group—not because of higher moral values—but because it was bad for business; cooperation with political radicals would turn unwanted attention onto his group. In the last two decades, however, these bosses have been forced to decentralize their organizations, and the managerial role of the leader has been replaced by a networked organization. In short, Don Corleone can no longer order his *mafiosi* to stay away from drug trafficking.

Nowhere is this dynamic more apparent than in the financing of terrorist and criminal cells that are forced to generate funds independently without assistance from leadership. International money laundering crackdowns are making it more difficult for terrorist financiers to quickly and continually send money to both their operatives and the more limited bank accounts of the terrorists themselves. Low- to mid-level terrorist and criminal actors are forced to find their funding sources, fraudulent documents, transportation, and safe houses. Mid to lower-level criminals—who have quickly risen to greater levels of prominence in decentralized structures—have few qualms working with terrorists, in spite of the fact their ultimate boss would certainly disapprove of such an arrangement. The result is that a *leadership nexus* has emerged between criminals and terrorists; a phenomenon with far-reaching implications that should be a major concern for law enforcement and intelligence.

**The Rise of Networks in Corporations, Transnational Criminal Organizations (TCOs), and Terrorist Groups**

Early in the twentieth century, industrialists like Henry Ford brought hierarchies to new heights. Hierarchies enabled businesses to mass produce and mass distribute goods and services. Companies were large, maintained tight control over their operations, provided clear roles for each worker, and asked workers to perform specialized tasks.¹

The dawn of the Information Age, which brought a different set of factors for corporate success, quickly strained the rigid hierarchical organization. Speed, flexibility, integration, and innovation became ingredients for success in the modern era. In a hierarchy, boundaries exist between managers and the rank and file (ceilings and floors) and “walls” divide each function or specialization within the company.² Information is compartmented within the upper levels of the organization while the workers perform specialized tasks or functions.

Profits plummeted when hierarchical corporations could not adjust to the demands of the Information Age. Some companies realized that the hierarchy was impeding their success and radically changed their organizational structure to adapt to the new environment.³ General Electric (GE), for example, implemented a “Workout” program that created permeable boundaries and shifted resources to support its processes versus functions. Workers learned new capabilities and assumed new responsibilities. Information was no longer compartmented and senior managers shared the company’s goals and objectives with the rank and file.

The Information Age has not just had severe implications in the business sector, but also for terrorism and organized crime. In the last 20 years, criminal and terrorist organizations have undergone their own versions of GE’s “Workout” program. Terrorist and criminal organizations began to transform their own hierarchical structures into networks. Some, like Al Qaeda, expanded the size and importance of networks already imbedded in their traditional hierarchical organizations, whereas others evolved from a networked group into a more complex horizontal design. Unlike the business community, low profits did not drive these organizations to seek change; law enforcement and intelligence,
which began to successfully root out subversive organizations, forced illegal armed groups to find new ways to evade authority and become more resilient. Criminals and terrorists needed to ensure that their organization would not collapse if the main leader or leaders were arrested or killed.

John Arquilla and David Ronfeldt, pioneers in the discussion of network design, describe networks as the organizational cornerstone of a new mode of conflict. Networks contain dispersed nodes—either cells or individuals—internetted together by similar beliefs, ideology, doctrine, and goals. There is no central command, headquarters, or single leader. Cells communicate horizontally and rely extensively on technology to facilitate the heavy communication necessary for networks to carry out operations or tasks. Participants in a network can range from the ultra-committed, to individuals who participate for only short periods.

Modern religious terrorist organizations, more so than criminal ones, have aggressively adopted networked structures in the face of intense counterterror actions. Domestic terrorist groups aiming to overthrow closed-political regimes learned quickly that a network provides resilience. Islamist groups in Egypt, for example, have been forced to radically change their organizational structure to be resilient in the face of suffocating counterterror operations. Since 11 September, pressure against international terror organizations like Al Qaeda has also forced those groups to rely more on networks to organize, prepare for, and carry out attacks.

Terrorists have not always used networks extensively. Marxist terrorist groups, for example, were organized along hierarchical lines. Many of these groups were state sponsored, which necessitated a tight line of control from the state liaison to the group’s leader. The state needed a single person or group of persons to interface and give assurances about operations, goals, and so on. Any rogue actions by the terrorists could undermine the state’s larger political objectives.

A networked organization can still contain hierarchical components. A command cadre, for example, can be imbedded within one node of the organization. There could also be an overarching hierarchy that only uses a network for tactical operations. Terrorist organizations that emerged in the 1980s and 1990s adopted this mix of network and hierarchy. Hezbollah, which emerged in earnest in 1982, is a purposeful blend of hierarchy and network. While the hierarchy enables Hezbollah to control parts of Lebanon and participate in state politics, the network gives Hezbollah financial, religious, social, and military support inside and outside of the country. The network is comprised of Hezbollah followers guided by religious clerics on important political, social, or military subjects. As Hezbollah has no “membership,” its leaders rely on the clerics and their own following to influence others to work toward the organization’s interests. Hezbollah’s hierarchy, in contrast, has formal and direct links between its organs. Its structure includes the highest authority, the decision-making shoura (council), which is made up of seven special committees: ideological, financial, military, political, judicial, informational, and social affairs. The committee’s members are elected every two years and it is headed by the Secretary General. Hezbollah also contains other hierarchical elements including a Politburo and an Executive shoura that is responsible for implementing the high council’s decisions. The Deputy Secretary General of Hezbollah outlined the decision to pursue a mixed structure: “We concluded at the end (of organizational discussions) that we needed a structural organization which was in some respects rigid enough to be able to prevent infiltration by the enemy and at the same time flexible enough to embrace the maximum sector of people without having to go through a long bureaucratic process of red tape.”
Another organization that maintained a mix of network and hierarchy was the Shining Path, a Maoist guerrilla group in Peru that aimed to overthrow the government with a People’s Revolution. Before its dismantlement, the Shining Path’s hierarchy consisted of a National Directorate, a Central Committee, and several regional commands. Unlike Hezbollah, however, the hierarchy was not a collective body where everyone was given an equal vote. In fact, the hierarchy was designed to implement the decisions of one person, Abimael Guzman, who alone decided the group’s strategy, objectives, and aims. The “rank and file” members comprised the network of the organization. They were organized into cells that had little contact with the hierarchy. The network allowed the Shining Path to operate over a vast geographic area because the widespread rank and file could make decisions without guidance from the command cadre.

Like modern terrorists, law enforcement crackdowns on transnational criminal organizations (TCOs) have forced criminals to expand their use of networks. Networks facilitate illegal commerce and help TCOs avoid and respond to law enforcement. Drug trafficking organizations in Mexico, in particular, have been forced to decentralize as law enforcement continues to decapitate the leadership of their organizations. Mexican authorities have arrested key members of 3 different cartels within a 14-month period. Mexico’s senior counterdrug official noted that a result of the spate of drug arrests is that drug leaders are realizing that their organization will become disorganized and chaotic if its hierarchy is decapitated. Cells begin to act independently without regard for the organization in order to make money. Leaders understand that this disarrayed organization is even more susceptible to continuing law enforcement pressure. According to the official, one cartel has organized into a “horizontally-structured business council” to sustain its operations in face of intense law enforcement pressure.

Members of drug trafficking organizations (DTOs), including Mexican drug trafficking organizations, are being pushed further from their traditional center of gravity, with the leadership forced to maintain distance from the members in order to evade law enforcement. Criminal expert Phil Williams notes that many criminal organizations still use some form of hierarchical design, only incorporating or expanding networks where needed. Williams outlines a framework for a networked criminal organization: a core, composed of tight-knit leadership and a periphery consisting of expendable, networked criminals. This organizational mutation is probably only temporary—a transition point from a traditional hierarchical criminal group to a fully networked organization. The vulnerability of a core, even within a networked organization, will probably compel criminal leaders to further flatten their organizational structures.

The Role of a Terrorist Leader in Different Organizational Structures

Marsha Crenshaw, an authority on terrorist organizations, believes that one of the most important jobs of a terrorist leader is preventing the defection of persons to the aboveground world or to another radical organization by creating an attractive incentive structure.

Leaders ensure organizational maintenance by offering varied incentives to followers, not all of which involve the pursuit of the group’s stated political purposes. Leaders seek to prevent both defection and dissent by developing intense loyalties among group members. . . . Leaders maintain their position by supplying various tangible and intangible incentives to members, rewards that may enhance or diminish the pursuit of the organization’s public ends.
The creation of an incentive structure, as highlighted by Crenshaw, was an important characteristic of a leader managing an illicit hierarchy. Now, many terrorists groups have transformed into networked organizations, radically changing the role of the leader. At a minimum, a network has no single leader or command cadre that manages and oversees the organization. Sometimes there are no leaders at all, or leaders might be imbedded in various network nodes, or cells, but without authority over the broader organization (see Figure 1). One of the advantages of a network is that there is no leader who assumes so much responsibility that his or her arrest or death derails the organization’s mission and capability. The use of networks is almost a natural evolution in response to a law enforcement strategy designed to decapitate the leadership of criminal or terrorist organizations—a hierarchy attacking a hierarchy. In addition to networks, there is another type of organization with no leader—leaderless resistance. This form of organization has no network, no leaders, and cannot be described as “flat” because it only consists of single individuals or very small groups who are not tied to any other organizations—vertically or horizontally.

The role of leaders in these types of organizations merits some discussion.

Hierarchical

In a hierarchical organization, the leader plays a direct role managing the activities of the organization. The leader acts as a Chief Executive Officer, delegating authority to subordinates and maintaining clear chains of command. The hierarchical organization is structured to facilitate top-to-bottom guidance. Ideas are rarely presented from the bottom-up, but even if they are, the group’s leaders retain veto power over the idea. The leaders rely on subordinates with different areas of responsibility (i.e., security, financial, recruitment, etc.) to carry out their direction. Hierarchical leaders can be micro-managers; they will punish a low-level subordinate for a mistake, or direct a small activity or operation. Most importantly, however, the leader ensures the organization’s operations ultimately support its goals and objectives. In sum, a hierarchy creates a cohesive monolithic unit that acts within well-defined parameters.

The Provisional Irish Republican Army (PIRA), a typical hierarchical organization, offers some insights. The PIRA is organized like a business, with positions, responsibilities, and authority dispersed in a pyramid-shaped organization. The Army Council controls and directs the military strategy and tactics of the PIRA, including ordering or vetoing the operations proposed by subordinate elements. Military guidance is passed to either the PIRA’s Northern or Southern Command—military elements with areas of responsibility, not dissimilar in organization to the U.S. Unified Command Plan. There is also a General Headquarters staff that oversees all PIRA activities through its ten departments. Overall, the organization proved very effective (although not resilient), because as one expert notes, disputes were always ruled on by higher authorities ensuring a cohesive unit to carry out the leadership’s guidance.

Decentralized Cell Structure

A decentralized cell structure is one characteristic of a networked organization, although not a defining trait. Understanding the leader’s role in this form of organization—which is usually prominent in some form of a network—provides insights into the evolving role of leaders within a network.

Arquilla and Ronfeldt describe the structure and role of leaders in one form of network:
The network as a whole (but not necessarily each node) has little to no hierarchy; there may be multiple leaders. Decision making and operations are decentralized, allowing for local initiative and autonomy. Thus the design may look acephalous (headless) at times, and polycephalous (Hydra-headed) at other times, though not all nodes may be “created equal.” In other words, it is a heterarchy, or what may be better termed a “panarchy.”

As Arquilla and Ronfeldt note, the major difference in leadership in a decentralized cell structure versus a hierarchy is that a cell structure can have multiple leaders—a panarchy—whose functions and responsibilities change depending on circumstances. The leader is usually the person with the most experience in the cell, and its members naturally defer to this veteran. Within the cell, the leader ensures tasks are carried out appropriately without attracting law enforcement attention. The cell leader is also responsible for external relations, although contact is usually kept to a minimum and the cell retains extensive independence. Along these lines, Marc Sageman, whose examination of Al Qaeda focuses on social networks, believes that hub leaders are dynamic, outgoing personalities with extensive social reach. These persons are able to attract recruits and can help guide them to the training necessary to participate in jihad.

The absence of the top-down guidance existing in a hierarchical organization makes it imperative for the nodes in the network communicate on a regular basis to ensure that each is operating within the context of a larger plan. He or she is also the ideological or doctrinal espouser and watchdog—ensuring that everyone maintains the ideological fervor necessary for the success of the cell and its broader networked organization. This is perhaps the most important responsibility, because the broader networked organization, of which the cell is a part, will only be successful if cell members retain similar goals, aims, and beliefs.

Figure 1. The degree of a leader’s control in different forms of terrorist and criminal organizations. In a hierarchy, the leader controls almost all aspects of the organization, including recruitment, promotion, delegation of authority, and the planning of major events (i.e., terrorist attack or criminal undertaking). In a decentralized cell structure, there is no single leader or command element that controls all the various nodes in the network. Cell leaders guide the activities of individual cells. In a leaderless resistance movement, the leader’s role is restricted to providing inspiration to its members (or potential members) to undertake tasks on behalf of the group.
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Leaderless Resistance

A third type of organization has been coined by experts as “leaderless resistance.” Jeffrey Kaplan defines leaderless resistance as:

. . . A lone wolf operation in which an individual, or a very small, highly cohesive group, engage in acts of anti-state violence independent of any movement, leader, or network of support.22

In a leaderless organization, there are no leaders—only perpetrators—involved in an attack. Ideologues goal or motivate the radical masses into conducting attacks. As terrorism expert Jessica Stern notes, “inspirational leaders” encourage their followers to attack targets but the leaders do not provide funding, direct orders, or any other form of tangible support. Anti-abortionists, for example, will raise money for jailed militants, but never participate in any pre-attack measures.23

The White Aryan Nation (WAR) urged followers to conduct violent attacks after Proposition 187, which would bar illegal immigrants from receiving government services in California, was stopped by a Federal court. The leader stated that “Today, California ceased to exist as an Aryan-dominated state. W.A.R. releases all associates from any constraints, real or imagined, in confronting the problem in any way you see fit.”24

Leaderless resistance was popularized by the right-wing preacher and radical Louis Beam. Right wing groups such as the Phineas Priesthood and the White Aryan Resistance embraced Beam’s vision by ensuring that no formal organization existed in their movements. There is no hierarchy or chain of command between the group’s activists and its leadership. Activists do not rely on support from other cells so there is very little—if any—communication between operatives or their cells. Each operative is self-sufficient; they will choose the sire of an attack and plan the attack on their own. Interestingly, left wing groups also adopted Beam’s vision of a leaderless organization. The radical environmental group, the Earth Liberations Front (ELF) encourages its followers to create their own cell rather than joining an existing cell because efforts to locate an existing cell could compromise the organization.25 ELF’s cells are independent and autonomous, and members do not know the identities of members in a different cell; the cells are “linked” together by a shared ideology.26

Al Qaeda Is Forced to Decentralize

Al Qaeda is the most salient example of a terrorist organization that has been forced to decentralize. Since 11 September Al Qaeda has lost roughly 70 percent of its leadership, which comprised the heart of Al Qaeda’s command cadre. Experts have given different names to this centralized element, including the Al Qaeda hard core, Al Qaeda hierarchy, Al Qaeda’s professional cadre, or Al Qaeda’s central staff. This centralized element, created in 1998, coordinates and oversees the functions and tasks of Al Qaeda, including preparing for and executing terrorist attacks.27

Terrorist expert Peter Bergin believes Al Qaeda’s centralized structure functions like a corporation, where bin Laden, acting as director, formulates policies in consultation with his top advisors.28 These policies are implemented by a series of subordinate “committees,” the most senior of which is the shura majlis, or “Advisory Council,” which is attended by Al Qaeda’s most veteran leaders and reports directly to bin Laden.29 Under this council are at least four committees, including a military; finance and business; fatwa and Islamic study; and media and publicity committee.30 Committee mem-
bers can serve on more than one committee and sometimes individuals work directly for bin Laden on special assignments. Committee membership is based on family, nationality, and friendship. In this regard, Al Qaeda’s command element resembles the mafia: merit and performance play little role in success in the hierarchy.

Bin Laden utilizes this structure to carry out spectacular mass attacks. The military committee, for example, plans and executes attacks for Al Qaeda, conducts surveillance, gathers intelligence, and trains members in military tactics. The head of Al Qaeda’s military committee prior to 11 September, Khalid Sheikh Muhammad, conceived and helped plan the plot to crash airliners into symbolic U.S. targets. Bin Laden operates both within and outside this structure. For the most important terrorist attacks, bin Laden dealt directly with those executing the plot. The National Commission on Terrorist Attacks revealed, for example, that bin Laden played a very “hands-on” role in planning the 11 September attacks: he handpicked the operatives that participated in the operation; he cancelled a planned operation to crash airliners in Southeast Asia; he personally interceded to keep an operative in the plot who Muhammad wanted removed; and rejected several shura members’ recommendations to abort the attacks. Although the degree of bin Laden’s involvement, as revealed by the Commission, could be overstated, it’s clear that at a minimum he was heavily involved in operational decision making.

The loss of Al Qaeda’s Afghanistan haven, and the death or arrest of many of its senior leaders, has forced Al Qaeda to decentralize. Because communication links between Al Qaeda’s centralized command and its operatives have been disrupted, bin Laden and his central staff now play a less direct role in planning attacks. Al Qaeda’s operational commanders and cell leaders exert more authority and make decisions that used to be under bin Laden’s purview. Although it’s unclear to what extent the committees are still functioning, bin Laden’s essential need for secrecy since 11 September suggests that at a minimum, the committees are not operating as efficiently as before. According to J. Cofer Black, the State Department’s Counterterrorism Coordinator, some terrorist cells have delayed attacks because of communication mix-ups between the group and Al Qaeda’s leadership. Black cites the attack on the Muhaya housing compound in Riyadh as an example of the lack of clear direction Al Qaeda is providing to its network. The attack resulted in the deaths of many Muslims during Ramadan and as Cofer dryly noted, “was a public relations disaster”—the attack awoke the dormant Saudi counter-terrorism apparatus that began to flush out Al Qaeda cells. Additionally, the international financial crackdown on Al Qaeda’s finances has probably hurt the finance committee’s ability to fund operations worldwide.

The Negative Results of Decentralization: Criminal, Terrorist Boundaries Less Clear

Al Qaeda provides a sharp illustration of a terrorist group forced to decentralize. Many other criminal and terrorist organizations also use networks to plan terrorist attacks or run illicit rackets. In the case of Al Qaeda, decentralization has probably hurt the organization’s ability to carry out spectacular terrorist attacks. Nevertheless, the proliferation of international criminal and terrorist networks like Al Qaeda pose new threats to stability. Because networks marginalize or eliminate the command cadre, cells and nodes now have expanded roles and responsibilities. These lower to mid-level members define the organization, its actions, its direction and its goals. The activities of these operatives, who are the critical pillars of terrorist and criminal organizations, are no longer con-
strained by a leader or elder. This freedom allows individuals or small cells to pursue multiple nefarious ends, even at the expense of broader organizational goals. Although political and financial aims are two distinct, usually incompatible ends, lower and mid-level operators do not wrestle with such academic distinctions. A criminal seeks to keep the status quo, stay out of the limelight, not commit collateral violence, and make money. A terrorist in contrast seeks attention, wants to commit collateral violence, and wants to alter the status quo. Lower to mid-level cell leaders are not concerned with incompatible goals, however, and without oversight will pursue personal and organizational agendas.

Historically, the distinction between a criminal and a terrorist has not always been clear. Many terrorists use crime to generate revenue to support their ultimate political goal, whereas some criminals use illicit funds to support radical political causes. Even prior to 11 September, Al Qaeda directed its cells to be financially self-sufficient. Some criminals use terrorism (as a violent tactic) against authorities if a large-scale crackdown on their organization occurs. Nevertheless, within hierarchical organizations there is still some degree of leadership control that could bring the organization back on course should the organization’s goals begin to stray from the original cause. An organization that is completely decentralized, or contains a large decentralized component, is usually unwilling or unable to control the activities of its members. This dynamic is most applicable to criminal syndicates, where the transition from hierarchy to a decentralized network has sometimes created an “every cell for itself” atmosphere. Cash-strapped cells are now willing to conduct any crime in order to stay afloat. These crimes could include operations previously “out of bounds” for most transnational organized criminal groups, including smuggling weapons of mass destruction, creating fraudulent documents for terrorists, or smuggling terrorist personnel. These cells are also no longer constrained by a leadership that prohibited interaction with terrorists because of the unwanted law enforcement attention such activities would bring.

Figure 2. Graphic depiction of a new dynamic where low- to mid-level criminals and terrorists create strategic alliances with each other. These lower to mid-level members are the pillars of decentralized criminal and terrorist organizations, and cooperation between the two will lead to new challenges for law enforcement authorities.
In addition to being unable to control its members, a decentralized network is unable to provide continuous financial assistance to its nodes. The need for secrecy and resiliency between nodes in the network means that money is not often passed between nodes or amassed in a single node in the network. There is no “terrorist bank” that a member can go to request funds in a decentralized network. Because of these financial difficulties, many terrorist nodes have taken an unprecedented foray into organized crime to raise money for their financially depleted cell or hub. Al Qaeda cells and hubs, for example, are deeply involved with drug trafficking in Afghanistan and have purchased illegitimate diamonds from rebels in Africa. In December 2003 coalition forces seized three vessels smuggling heroin and hashish in the Persian Gulf that were probably tied to Al Qaeda operatives. Far-flung Hezbollah networks have also generated a significant amount of money. According to one official, Hezbollah received anywhere from $50–$100 million from the tri-border region in South America. Two Hezbollah operatives in Cuidad del Este, Paraguay are estimated to have moved $50 million to Hezbollah from 1995 until their arrest in 2001. The cell raised money through counterfeiting, money laundering, and extortion. A Hezbollah cell in North Carolina took advantage of the tax difference on cigarettes sold in North Carolina and Michigan to net over $7.9 million. Law enforcement authorities believe that terrorist groups in the United States continue to smuggle cigarettes, netting an average of $2 million on each truckload of the product.

**Dangerous Dynamics Emerge**

Two phenomenon result from the increasing authority of low- to mid-level criminal and terrorist leaders and their need to survive in a decentralized environment. First, these leaders will increasingly seek to collaborate with criminal or terrorist counterparts outside of the organization for extended periods of time. These new cadre of leaders will be more likely to create strategic alliances with other terrorist or criminal subversives. Second, the decentralized organization will internally transform so that both criminals and terrorists are critical ingredients in the organization’s structure.

**External Convergence**

Past criminal/terrorist alliances were usually short-term relationships that existed on a case by case basis only. These were “one spot” arrangements, where terrorists or criminals would collaborate for only short periods of time. Terrorists might provide bomb-making skills to a criminal group for a set fee, but the relationship would end after the training was over. In 1993, for example, some reports alleged that Pablo Escobar hired National Liberation Army (ELN) guerrillas to plant car bombs because Escobar’s organization could not carry out such attacks. One-spot arrangements can also include single transactions between criminal and terrorist groups. In one example, four members of the United Self-Defense Groups of Colombia were arrested in Houston, Texas when they tried to exchange $25 million of cocaine and cash for shoulder-fired anti-aircraft missiles and other weapons.

From now on, criminal and terrorist cell or hub leaders will build long-term alliances with their criminal or terrorist counterpart, allowing each group to benefit from the other’s knowledge and experience. In January 2002, members of a Hezbollah drug ring were arrested in “Operation Mountain Express” by U.S. and Canadian authorities. The Hezbollah ring was smuggling pseudoephedrine, a precursor chemical for methamphetamines, from Canada to Mexican criminal gangs in the Midwest. The Hezbollah
operatives had established a long-standing criminal alliance with the Mexican drug dealers from which they netted at least millions of dollars that were laundered to terrorists in the Middle East. Although this Hezbollah group laundered the proceeds to a Middle Eastern terrorist group, the cell could have also kept the money to sustain the cell and possibly prepare for an attack. In this respect, long-term alliances radically improve the effectiveness of each cell or small group. Terrorists will be able to raise more money from criminal actions. Ramzi Yousef, mastermind of the 1993 bombing of the World Trade Center, wanted to build a bigger bomb to topple one tower into the other, but he could not because he lacked the necessary funding.

“External” alliances could become internal as the outside party becomes integrated into the network. A decentralized network facilitates these relationships by allowing cells or individuals to participate in the network in any capacity. As Williams states, “networks can be highly structured and enduring in nature or they can be loose, fluid, or amorphous in character, with members coming and going according to particular needs, opportunities and demands. Some individuals or even small organizations will drift in and out of networks when it is convenient for them to do so.” Businessmen and criminals who benefit from a guerrilla war economy would probably be folded into a network because their financial security is directly tied to the ongoing war and the guerrilla rebellion.

Hybrid Organizations

A second and equally important dynamic is the “hybridization” of criminal or terrorist networks. A model example of a functioning network would consist of cells and members with similar ideologies, motives, and views of success or failure. When cells or nodes begin to pursue their own agendas, the like-minded identity that binds the network together dissolves and a hybrid organization emerges. The new hybrid organization is dominated by persons in cells, fronts, or other organizational components that retain multiple motives and desired end-states. Some Islamic militants, for example, are heavily involved in drug trafficking and reap major profits from the illegal activity. These militants justify drug trafficking because they believe their enemies suffer from drug consumption. In their view, they receive a dual benefit from the crime: they generate profits and hurt their enemies. These profits can be used to support the cell’s activities, be invested in personal bank accounts, or given to friends and families. Hezbollah, for example, which has been involved in drug trafficking in Lebanon, views drug trafficking as another weapon to use against its enemies. One Hezbollah fatwa (religious edict) stated that “We are making these drugs for Satan America and the Jews. If we cannot kill them with guns, so we will kill them with drugs.” In more recent illustration, law enforcement officials investigating the Madrid bombings noted that one of the suspect bombers “justified drug trafficking if it was for Islam . . . he saw it as part of jihad.”

Identifying a hybrid is difficult. Cells within hybrid organizations are chameleons—criminal by day, terrorist by night. A sleeper cell may not look like a sleeper cell at all; its activities focused on organized crime: extortion, counterfeiting, drug trafficking, and so on. Authorities investigating the Madrid train bombings stated that one of the suspect’s drug trafficking activities masked his involvement in terrorism; authorities never considered him part of a terrorist plot. Identifying a hybrid is also challenging because it has no hierarchy from which an analyst can determine aims, goals, and degree of control.
Hybrid organizations form synergistic ties internally to build criminal or terrorist expertise (see Figure 2). Cell leaders collaborate with other cells or nodes to maximize criminal gains or prepare for violent attacks. One result is that terrorist cells increase their financial intake by participating in sophisticated organized criminal rings. The examples shown earlier (Al Qaeda and Hezbollah) illustrate the millions of dollars that can be generated from organized crime. As noted earlier, emerging information about the Madrid bombings shows that many of the plotters were heavily involved in drug trafficking. Jamal Ahmidan, one of the cell’s ringleaders, allegedly traded hashish for 220 pounds of dynamite used in the attack. He also brought in six drug traffickers who participated in the plot.\(^5\) The result of this criminal, terrorist synergy was a devastating blast that killed 191 people.

**Enforcement Implications**

The breakdown of hierarchical organizations poses a unique challenge for law enforcement and intelligence. Law enforcement’s successful strategy of arresting high value targets has forced criminal and terrorist leaders to be less involved in the day to day direction of the organization. The result is a growing independence, sophistication, and number of small cells or criminal gangs that multiplies the number of targets law enforcement must pursue. Decentralized organizations leave few evidentiary trails between the leadership and its cells, and between the cells themselves. Many cell leaders cannot identify other cell members or their support personnel. In Colombia, for example, a senior law enforcement official noted that Colombian traffickers now operate in small, autonomous cells that make it more difficult for law enforcement to discover them.\(^5\) Gathering information about a hierarchical organization was easier because law enforcement agents only needed to recruit one well-placed informant to break up the entire organization.\(^5\)

The combustible mix of lower and mid-level profit-minded criminals and terrorists makes it difficult to delineate between the two. As a result, law enforcement agents working criminal cases could provide critical information on a terrorist cell or plot. Terrorists have traditionally used a criminal support structure in their operations, but now longer term relationships are being established between terrorist cells and criminal organizations. Terrorist cells could in fact become fully involved in profit-driven activities.

Since 11 September, many experts, think tanks, and commissions have debated the need to create a domestic counterterrorism intelligence service separate from the FBI. The 9-11 Commission, which is sure to make heavy recommendations for U.S. intelligence, has already hinted at the possibility of recommending the creation of a domestic intelligence service. Many proposals have emerged, some of which are tweaks of Britain’s internal security service, MI5. Two proposals have received the most attention:

- **John Deutch’s Proposal.** He proposed the creation of a domestic intelligence service under the Director of Central Intelligence, making the DCI responsible for both the foreign and domestic collection of terrorist threats. This is organizationally different than Britain’s MI5 as Deutch’s proposal places the service under the Director of Central Intelligence, versus Britain’s Home Secretary—which is the closest equivalent of the Department of Homeland Security.

- **Gilmore Commission.** The Gilmore commission recommended the creation of a stand-alone agency to analyze domestic and foreign collected information on foreign terrorist groups. The agency would have the more muscular collection powers
established under the post–11 September Foreign Intelligence Surveillance Act (FISA) regulations. It would be the primary coordinating point for sharing information with state and local officials, but would not collect or analyze information on national domestic terrorist groups.

Each proposal contains different components. Some place the new organization under the Director for Central Intelligence; others make it a stand-alone agency, and others not mentioned here recommend that the agency stay within the Department of Justice or the FBI. The common thread between all recommendations is that they separate the investigation of profit-driven crimes from terrorism investigations. At first glance, such a separation seems warranted. For years terrorism has been considered a law enforcement phenomenon, an issue that did not deserve the attention of other higher priority national security interests.

The problem, however, is that separating criminal from terrorist investigations could hinder, rather than help, identify and arrest terrorists. As this article has noted, it is increasingly difficult to label a terrorist a terrorist and a criminal a criminal. Many terrorists and guerrilla movements are engaged in organized crime, and many profit-minded criminals no longer have inhibitions about working with terrorists. Thus a criminal lead could very well trace back to a terrorist. The creation of a terrorism-only agency would create an institutional barrier between the criminal and terrorism analysts.

Conclusion

The transformation of terrorists and criminal organizations from hierarchy to network has dangerous and largely unnoticed implications. With the emergence of decentralized organizations, a centuries-old dynamic between hierarchical terrorist and criminal organizations has begun to change. Criminals and terrorists now have few reservations about cooperating with each other. Many will create long-term strategic alliances to harness each other’s expertise—making their groups more dangerous and elusive than ever.

Notes

2. Ibid.
3. Horizontal organization experts, however, still stress that some amount of hierarchy is necessary to guide and orchestrate the horizontal organizations. Ibid.
5. Other paths were also chosen. Some organizations like Islamic Jihad chose to leave Egypt, while others, like the Muslim Brotherhood, gave up violence to pursue a political path.


11. Ibid.


13. Ibid.

14. Ibid.


18. Ibid., p. 3.


26. Ibid.


34. “Outline of the 9/11 plot,” The National Commission on Terrorist Attacks Upon the United States, Staff Statement No. 16.
35. “Overview of the Enemy,” The National Commission on Terrorist Attacks Upon the United States, Staff Statement No. 16.
37. It is important to note that it’s unclear to what extent Al Qaeda’s centralized element still exists and functions. Rohan Gunaratana believes the four committees still existed after the U.S. invasion of Afghanistan. See Rohan Gunaratna, Inside Al Qaeda, p. 78. Also see “Overview of the Enemy.”
38. Testimony to the House Committee on International Relations, J. Cofer Black.
39. The word “political” will be used loosely in this article. The purpose of “political” is to differentiate it from the financial goals of an organized crime group. As defined here, the word will encompass a wide range of motivations including irredentism, desire to overthrow a government, sectarian violence, and the host of religious motivations including establishment of an Islamic caliphate, pushing the United States out of the Middle East, overthrowing Western-minded Middle Eastern government, etc.
41. Some leaders might not be interested in steering the organization back to its original cause in which case the organization’s ends and objectives have transformed. See Chris Dishman, “Terrorism, Crime, and Transformation,” Studies in Conflict & Terrorism, 24, pp. 43–58 (January 2001).
42. Tijuana La Frontera, UEDO Director Says Mexican Drug Cartels Operate Like Companies.
44. Rachel Ehrenfield, Funding Evil—How Terrorism Is Financed and How to Stop It (Chicago: Bonus Books, 2003), pp. 33–71. Al Qaeda reportedly taxes Afghanistan poppy growers and heroin refiners; launders money for the Taliban; purchases poppy crops directly; and distributes refined heroin throughout the Balkans to Europe. Al Qaeda cells also laundered over $20 million by purchasing illegitimate diamonds from Liberia and Revolutionary United Front rebels.
48 Prepared testimony of Dr. Phil Williams before the House International Relations Committee, 31 January 1996.
50. “Narco-Terrorism: International Drug Trafficking And Terrorism—A Dangerous Mix,” United States Senate, Committee on the Judiciary, Opening Statement of Senator Orrin G. Hatch, Tuesday, 20 May 2003. Available at (http://frwebgate.access.gpo.gov/cgi-bin/useftp.cgi?IPaddress=162.140.64.88&filename=90052.wais&directory=/diskb/wais/data/108_senate_hearings).
52. Members of the cash-strapped cell were discovered when they attempted to get back their deposit on the rental van. Citied in Testimony of Matthew A. Levitt Senior Fellow in Terrorism Studies, The Washington Institute for Near East Policy Before the United States Subcommittee
on International Trade and Finance, Committee on Banking, Housing, and Urban Affairs “Charitable And Humanitarian Organizations in the Network of International Terrorist Financing,” 1 August 2002.

53. Williams, “Transnational Criminal Networks,” p. 70.
54. Fatwa quoted in Rachel Ehrenfeld, Funding Evil, pp. 143–145.
55. Sebastian Rotella, “The World; Jihad’s Unlikely Alliance; Muslim extremists who attacked Madrid funded the plot by selling drugs, investigators say,” Los Angeles Times, 23 May 2004.
56. Ibid.
57. One of the Madrid suspect bombers was also an informant for authorities investigating a drug gang. See Rotella, “The World; Jihad’s Unlikely Alliance.”