



# Irregular Forces Financing Handbook



March 2012



LRA



Hezbollah



Al-Qaeda



Sinaloa



Alex Rudaj

(Albanian Organized Crime Leader)



Naxalites



Anders Behring Breivik  
(Lone Wolf - Norway)



Al Shabaab

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# Purpose

- ☐ To inform deploying units, trainers, and scenario writers of the various kinds of irregular forces, the types of operations they conduct, and the methods they use to obtain financing for their operations
- ☐ This Irregular Forces Financing handbook specifically describes eight real-world irregular force threats, and explains the methods, legal or illegal, used by the irregular forces to fund their activities

***Product Caveat:*** This product has been developed from multiple unclassified sources and is intended for use as a training product for the Department of the Army. This product should not be considered a finished intelligence product, nor used in such a manner.



# Executive Summary

- ☐ **Describes the goals, purpose, leadership, area of operations, activities, and funding of eight specific groups or individuals defined as irregular forces:**
  1. **Al Shabaab**
  2. **Al-Qaeda**
  3. **Hezbollah**
  4. **Lord's Resistance Army (LRA)**
  5. **Naxalites**
  6. **Albanian Organized Crime**
  7. **Sinaloa Drug Cartel**
  8. **Lone Wolf Bomber Anders Behring Breivik**
  
- ☐ **Provides two vignettes for detailed understanding of how the funding process works for two extremes of the irregular forces spectrum of actors: the Lone Wolf Bomber's activities and an example of the Sinaloa Drug Cartel's money laundering activities**



# Definitions

❑ **irregular forces:** Armed individuals or groups who are not members of the regular armed forces, police, or other internal security forces. Source: JP 3-24

- **insurgent:** Member of an organized group or movement that uses subversion and violence to overthrow or force change of a governing authority. Source: JP 3-24
- **terrorist:** An individual who commits an act or acts of violence in pursuit of political, religious, or ideological objectives.  
Source: JP 1-02
  - **terrorist group:** Any number of terrorists who assemble together, have a unifying relationship, or are organized for the purpose of committing an act or acts of violence or threatens violence in pursuit of their political, religious, or ideological objectives. Source: JP 3-078.2
- **paramilitary forces:** Forces or groups distinct from the regular armed forces of any country, but resembling them in organization, equipment, training, or mission. Source: JP 3-24
- **guerrilla:** A combat participant in guerilla warfare [military and paramilitary operations conducted in enemy-held or hostile territory by irregular, predominantly indigenous, forces]. Source: JP 3-05



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# Introduction

- ☐ Irregular forces can include guerillas, insurgents, terrorists, individuals (lone-wolf types), and paramilitary groups
- ☐ Since irregular forces typically receive no—or not enough—overt funding or governmental support (except in the case of some paramilitary groups), they must find other means to finance their activities
- ☐ Irregular forces finance their operations through many sources, most of them illegal, such as:
  - Extortion
  - Narcotics sales
  - Trafficking (human, weapons, drugs, etc.)
  - Prostitution
  - Gambling
  - False charities
  - Money laundering
  - Theft/robbery
  - Kidnapping
  - Bribery
  - “Front” businesses
  - State support
  - Private donations



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## Al Shabaab



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# Al Shabaab

### ☐ Purpose and goals

- Al Shabaab (“the youth” in Arabic) is an insurgent group that seeks to create an Islamic state in Somalia
- Location: operates within Somalia, and occasionally in adjoining countries

### ☐ Structure and membership/leaders

- Membership consists primarily of Somali nationals and ethnic Somali foreigners, including Somalis from the U.S.
  - Many members are from the Somali Hawiye clan
- Co-founder and leader: Ahmed Abdi aw-Mohamed, a.k.a. Sheikh Mohamed Mukhtar Abdirahman Abu Zubeyr
- Co-founder (with Zubeyr): Aden Hashi Ayro (he was al Shabaab’s military commander until he was killed in 2008)

**Analyst Comment:** In early December 2011, al Shabaab released a statement to local Somali media saying they would like to change their name to Imaarah Islamiyah, which translates as “Islamic Authority” and was defined in the statement as “Islamic emirate of Somalia.” Since releasing this statement, the group continues to refer to itself in statements as al Shabaab. As the group is best known under the label al Shabaab, that name will be used in this handbook.



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## Al Shabaab

### ❑ Senior leaders

- **Advisor to Abu Zubeyr: Sulayman Al Banadiri; Somali of Yemeni descent**
- **Senior leader and spokesman: Mukhtar Robow (a.k.a Abu Mansur)**
- **Spokesman: Ali Mahmud Ragi, a.k.a. Ali Dheere**
- **Commander: Issa Osman Issa**
  - **Reportedly took part in al-Qaeda's 1998 bombings on U.S. embassies in Tanzania and Kenya and the 2002 attacks in Mombasa, Kenya**
- **Commander: Sheikh Hassan Dahir Aweys**
  - **Former co-leader of the Islamic Courts Union and founder of Hizbul Islam, a coalition of four Somali Islamic groups that first cooperated with al Shabaab, then became a rival, and finally merged with them**
- **Training commander: Sheikh Hassan Turki**
  - **Was a leader in Al Ittihad al Islami and then the Islamic Courts Union before forming his own organization, the Ras Kamboni Brigade, that merged into Hizbul Islam, but later broke away to join al Shabaab**
- **Commander: Bashir Mohamed Mahamoud**
- **Commander, recruiter, financier, and propagandist: Omar Hammami (a.k.a. Abu Mansour al Amriki); U.S. citizen, specially designated global terrorist**
- **Financier and manager: Shaykh Muhammad Abu Fa'id (a.k.a. Sheikh Fua'd Mohamed Khalaf); Saudi citizen**
- **Chief of security and training: Abu Musa Mombasa; Pakistani citizen**
- **Suicide bomber recruiter: Mahmud Mujajir; Sudanese citizen**





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## Al Shabaab

### ☐ TTP

- **Armed attacks: small arms, beheadings**
- **IEDs**
- **Suicide bombings**
- **Assassinations**
- **Kidnappings**
- **Choreographed visits to towns in which al Shabaab operatives feign concern over locals and sometimes provide limited aid to illicit support; often this is videotaped for propaganda purposes**

### ☐ Activity and areas of operation

- **Al Shabaab has waged an insurgency against Somalia's transitional government since December 2006**
- **Primarily operates in central and southern Somalia**
- **Also conducted operations in Kenya and Uganda**
- **Receives support from Somali communities in the U.S., U.K., Canada, and Australia**

### ☐ Funding Sources:

- **Extortion, illegal taxes**
- **Aid/donations from the global Somali diaspora**
- **Covert aid from Eritrea**
- **Trade/smuggling**

# Al Shabaab: Primary AO in Somalia





# Al Shabaab: Funding

## ❑ Extortion, illegal taxes

- Taxes are levied in at least six different ways
  - Enforcement of a consumer tax on goods purchased from stores
  - Taxes levied on businesses according to size and profitability
  - Taxes on farmers in the form of livestock, thousands of tons of maize, sesame, and other products
  - Levy of \$10 per cultivable acre from farmers
  - Tax of 2.5% on total corporate profits per annum, known as the *zakat* (“voluntary”) contribution
  - Ad hoc contributions for specific military operations, known as jihad war contributions
- In October 2009 al Shabaab took control of the southern port town of Kismaayo and other nearby ports and now generates an estimated \$35 million to \$50 million a year from port “taxes”
  - The “tax” imposed by al Shabaab at the port of Kismaayo is far lower than the official tax charged by the Transitional Federal Government of Somalia at the port of Mogadishu; import tax on a mid-size vehicle is 650% higher at Mogadishu than at Kismaayo, which makes this a successful operation for al Shabaab as people would rather pay the lower tax
- Mobile checkpoints on roads collect “taxes” from travelers
- Total revenue from extortion estimated at \$70-\$100 million annually



# Al Shabaab: Funding

## ❑ Aid from the global Somali diaspora

- Somalis abroad utilize the *hawala* system, which legally transfers money across borders using a network of individuals to provide the terrorist group with money and resources
- As much as \$1.6 billion passes through money transfer/remittance services in Somalia annually
- The Internet plays a prominent role in raising funds from Somalis living abroad and is the fundraising method most noticed outside Somalia
  - In 2009, a two-week online fundraising event received pledges of over \$40,000

## ❑ Covert aid from Eritrea

- According to the UN Monitoring Group on Somalia and Eritrea, Eritrea provides funds, weapons, and fighters
- Eritrean embassies distribute funds to al Shabaab associates; \$80,000 a month is dispensed by the embassy in Nairobi
- There is evidence of Eritrean arms shipments by air and sea to al Shabaab-controlled areas
- Foreign al Shabaab fighters have flown to Somalia on flights originating in Eritrea
  - Airfare for foreign fighters is paid for by al Shabaab



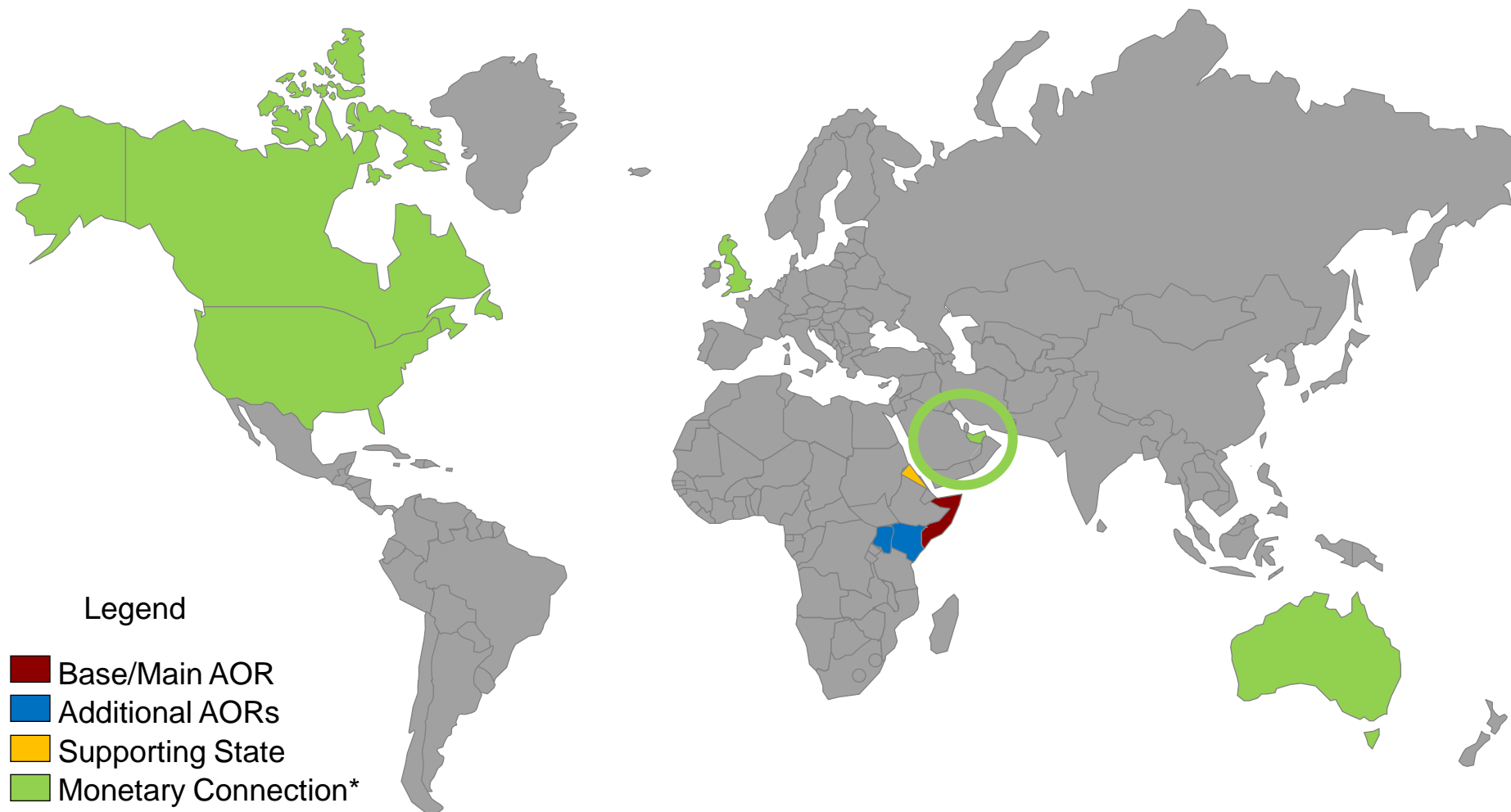
# Al Shabaab: Funding

## ❑ Trade/smuggling

- Al Shabaab earns at least \$15 million per year through trade of charcoal for sugar
  - Charcoal is exported to finance importation of sugar, much of which is subsequently smuggled into neighboring countries, particularly Kenya
  - According to a senior Kenyan customs official, about 10,000 bags of smuggled sugar may be entering Kenya from Somalia on a daily basis
  - Profits of this trade are deposited in bank accounts in the Gulf States and used to launder voluntary contributions to al Shabaab through fraudulent invoicing, overvaluing of import proceeds, and undervaluing of exports
- The trade cycle is dominated by Somali businessmen in Gulf Cooperation Council countries, especially Dubai
  - The Kenyan Revenue Authority confirms that most goods (other than misappropriated food aid) smuggled into Kenya from Somalia originated in Dubai



# Al Shabaab: AO and Finance Map



\*Gulf Cooperation Council Countries



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## Al-Qaeda



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# Al-Qaeda (AQ)

### ☐ Purpose and goals

- Rid Muslim countries of “Western influence”
- Replace governments in Muslim countries with a fundamentalist Islamic regime

### ☐ Group structure and locations

- Formed by Abdullah Azzam and Osama bin Laden in the late 1980s
- Decentralized cells to avoid detection
- Estimated size from several hundred to several thousand members
- Spread to other countries from its original location in Afghanistan
  - al-Qaeda in Iraq (AQI)
  - al-Qaeda in the Arabian Peninsula (AQAP) wants to destabilize the Al Saud Saudi Arabian government
  - Al-Qaeda in the Lands of the Islamic Maghreb (AQIM) based in Algeria

### ☐ Leadership

- Abdullah Azzam: Founder; Palestinian Arab killed in 1989
- Osama bin Laden: Original deputy; took control in 1989; killed 1 May 2011
- Ayman al-Zawahiri: Bin Laden’s deputy; took command after his death

### ☐ TTP

- Attacks against U.S. and other Western interests
- Attacks against governmental symbols in Muslim countries whose governments are not Islamic fundamentalist





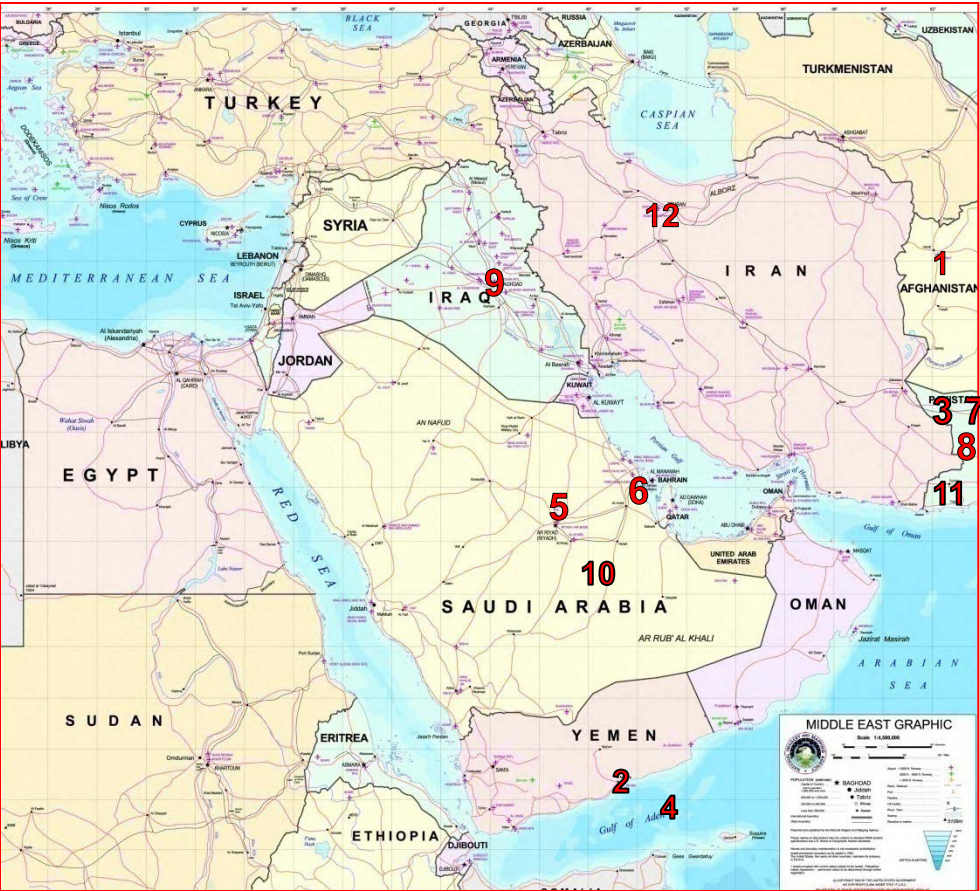
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# Al-Qaeda (AQ)

**☐ Activity and areas of operation (not all inclusive: lists most major attacks clearly attributable to AQ)**

- **August 1998: Bombings of U.S. embassies in Kenya and Tanzania**
- **October 2000: Bomb attack on the U.S.S. Cole**
- **11 September 2001: Hijacking of 4 planes; 2 that crashed into the World Trade Center and 1 into the Pentagon**
- **Spring 2002: Bombings in Pakistan**
- **October 2002: Attack on French tanker off the coast of Yemen**
- **November 2002: Car bomb attack in Mombasa, Kenya**
- **November 2002: Failed attempt to shoot down an Israeli jet with shoulder-fired missiles in Mombasa, Kenya**
- **May 2003: Car bomb attacks on 3 residential compounds in Saudi Arabia**
- **March 2004: Bomb attacks on Madrid commuter trains**
- **July 2005: Bomb attacks of the London public transportation system**
- **February 2006: Attack on a Saudi Arabian petroleum processing facility**
- **October 2007: Suicide attack on former Pakistani prime minister (PM)**
- **December 2007: Successful attack on the former Pakistani PM**
- **December 2009: Attempted bombing of a Detroit-bound airplane**



- 1980s-AQ formed in Afghanistan (1)
- 2000-U.S.S. Cole attacked in Yemen (2)
- 2002-Bombings in Pakistan (3)
- 2002-French ship attack off Yemen (4)
- 2003-Car bomb attacks in Saudi Arabia (5)
- 2006-Attack on Saudi Arabian oil refinery (6)

- October 2007-attack on Pakistani PM fails (7)
- December 2007-attack on PM succeeds (8)
- Iraq-AQI presence (9)
- Saudi Arabia-AQAP presence (10)
- May 2011-Osama bin-laden killed by U.S. SOF (11)
- Iran-AQ leaders under house arrest (12)

AQ activity in the Middle East



# Al-Qaeda (AQ): Funding

## ☐ Group funding sources

- **Most likely sources**
  - Individual donations
  - Charitable groups
- **Minimal or unlikely sources: these are mentioned because of the misinformation regarding these means of funding, but there is little or no evidence to support the theory that AQ receives fund from these sources**
  - Osama bin Laden's personal wealth
  - Osama bin Laden's businesses in Sudan
  - Conflict diamonds
  - Drug trafficking
  - State support
  - U.S. support



# Al-Qaeda (AQ): Funding

## ❑ Individual donations:

- ***Zakat***, or charitable giving, is one of the 5 pillars of the Islamic faith
- Imams at mosques encourage donations
  - Most giving occurs during Ramadan
  - Imams divert the zakat to AQ financial facilitators
- Most individuals give small donations
  - Some individuals know the money will eventually reach AQ operatives
  - Others may think that their donations are to support mujahidin fighters' families in Afghanistan
  - Others think their zakat is just doing good work
- Major donors, many in Saudi Arabia, support fundamentalist Islamic groups
- Financial facilitators raise the money
  - Before 11 September 2001, AQ financial facilitators primarily used the *hawala* system (an informal money transfer system based on the honor system) to move the money, but through legitimate banks
  - After 11 September 2001, AQ financial facilitators use the hawala system and couriers to move the money, but without the use of banks
- Donations initially increased after the U.S. attacked AQ in Afghanistan due to anti-U.S. sentiment in the Muslim countries, and have not decreased



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# Al-Qaeda (AQ): Funding

### ❑ Charitable groups:

- **AQ infiltrates the foreign offices of large, internationally recognized charities**
  - Large charities donate money to smaller charities
  - Smaller charities siphon the money off to AQ financial facilitators
- **Issues with charitable groups:**
  - Authorities must be vigilant in their oversight of overseas branches of Gulf-area charities to prevent future AQ infiltration
  - Authorities must prevent closed charities from reopening under a different name
  - Authorities must prevent corrupt non-governmental organization (NGO) employees from corrupting other NGO employees

### ❑ Unlikely funding sources

- **Bin Laden's personal wealth**
  - Bin Laden received about \$1 million a year from his family from 1970 to about 1994, but in 1994, the Saudi government froze bin Laden's access to any family money
- **Bin Laden's businesses**
  - Most of bin Laden's businesses in Sudan were very small, actually owned by someone else, not economically viable, nor designed to gain influence with the Sudanese government
  - In 1996 when bin Laden moved to Afghanistan, the Sudanese government confiscated all of bin Laden's assets and seized his accounts
  - Bin Laden was penniless and needed to rely on donations to fund AQ upon his arrival in Afghanistan



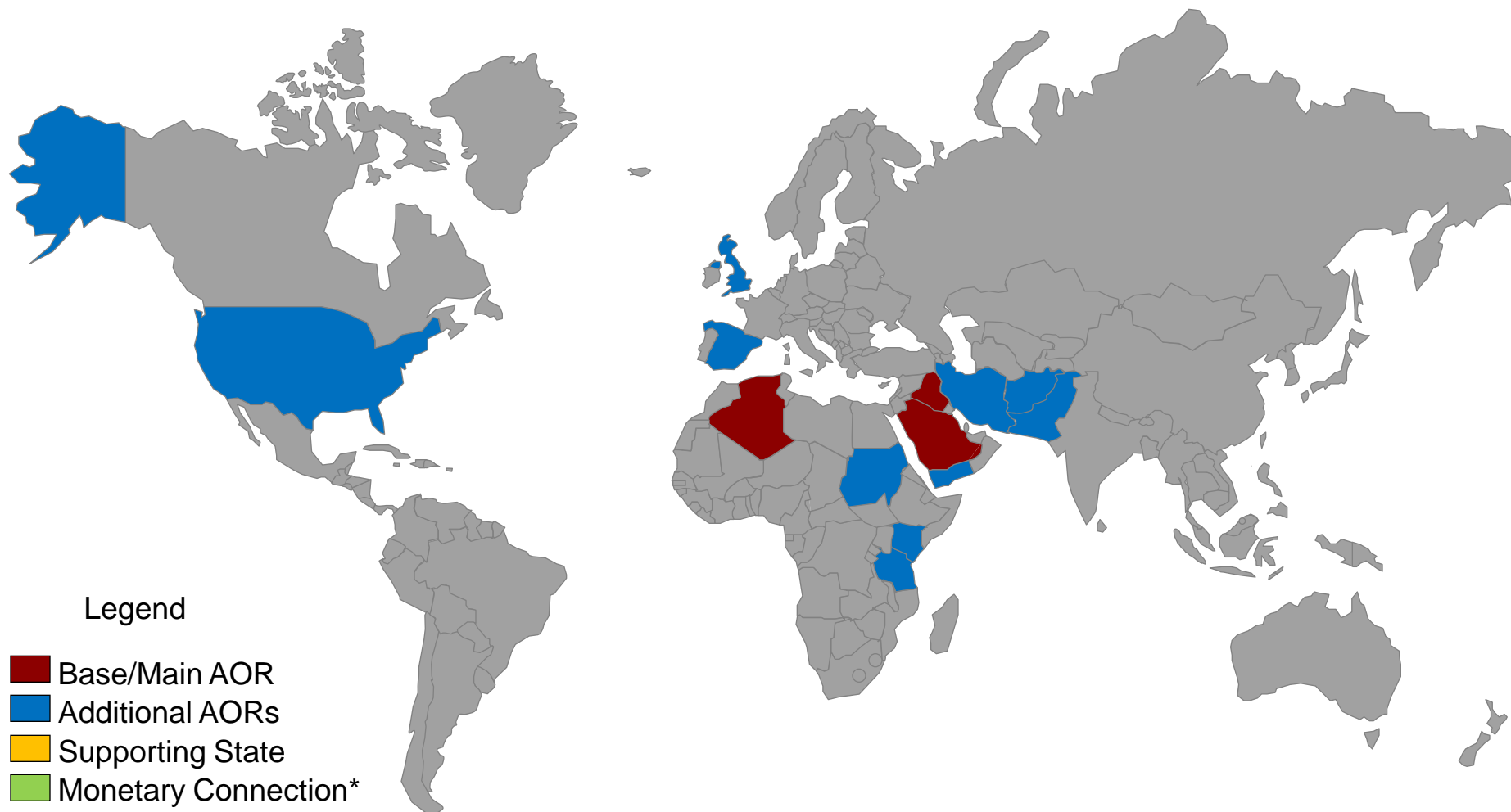
# Al-Qaeda (AQ): Funding

## ❑ Unlikely funding sources (continued)

- **Conflict diamonds**
  - Some AQ operatives may have “dabbled” or expressed interest in conflict jewels, but AQ did not fund their operations with illegal precious gems
- **Drug trafficking**
  - AQ leadership did not like or trust those involved in the drug trade in Southwest Asia
  - AQ members could not and cannot travel as freely as drug traffickers need to do to conduct their business
  - AQ does not control any territory nor brings the required skills for those involved in drug trafficking
  - Drug traffickers do not want to associate themselves with AQ as it brings the authorities into their business
- **State support**
  - Taliban in Afghanistan, but AQ provided funds to the Taliban **NOT** the other way around
- **Fundraising in the U.S.**
  - Over the last two decades, AQ has raised much less in the U.S. than Hamas, Hezbollah, and the Palestinian Islamic Jihad groups
  - No evidence that the above groups share any fundraising infrastructure in the U.S. with AQ



# Al-Qaeda (AQ): AO and Finance Map





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## Hezbollah





# Hezbollah

## ❑ Purpose and goals

- Hezbollah (Arabic for “the Party of God”) is a Lebanese-based terrorist organization that seeks to establish an Islamic state to encompass both Lebanon and Israel
  - According to Hezbollah’s 1985 platform, the conflict with Israel “is not only limited to the IDF [Israeli Defense Force] presence in Lebanon” but to “the complete destruction of the State of Israel and the establishment of Islamic rule over Jerusalem.”
- Hezbollah espouses an extremist interpretation of Shia Islam promulgated by Iran’s Ayatollah Ruhollah Khomeini
- Location: Based in Lebanon's Shia-dominated areas, including parts of Beirut, southern Lebanon, and the Bekaa Valley

## ❑ Structure

- Governing body is a *Shura* (Arabic for consultation) council comprised of nine members, some of whom are Iranian
- Subordinate to the Shura council are several sub-councils, including Political, Military, and Judicial councils
- Self-sufficient cells perform various missions



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# Hezbollah

### ☐ Leaders

- **Founder: Ali Akbar Motashemi**
- **Secretary General: Hasan Nasrallah**
- **Deputy Secretary General: Naim Qassem**

### ☐ TTP

- **Suicide bombings**
- **Rocket attacks**
- **Kidnappings**
- **Utilizes both conventional and irregular tactics**
- **Funds charities to encourage loyalty and goodwill from local population in areas of operation**

### ☐ Areas of operation

- **Operates in Lebanon, Israel, West Bank, Gaza, and Syria**
  - **Hezbollah also runs fundraising networks throughout North and Latin America, Europe, Africa, and Asia**
  - **Known presence in Argentina, Belgium, Canada, Chile, Colombia, Cuba, Denmark, Ecuador, France, Germany, Holland, Iraq, Lebanon, Liberia, Mexico, Panama, Paraguay, the Philippines, Sierra Leone, Spain, Syria, Thailand, United Kingdom, United States, and Venezuela**



# Hezbollah

## ❑ Funding sources

- Hezbollah's yearly budget is estimated to be at least \$100 million and is derived from a variety of sources, including:
  - State support from Iran and Syria
  - Fundraising by alleged charities
  - Business activity of commercial firms owned by or associated with Hezbollah
  - Criminal activity
    - Drug trafficking
    - Money laundering
    - Illegal arms trading
    - Cigarette smuggling
    - Counterfeiting

**Analyst Comment:** While Hezbollah is known to be involved in a wide variety of fundraising activities, specific details of these operations are often not available. Hezbollah goes to great lengths to conceal many of its funding sources, though funding from Iran is publicly acknowledged. The funding sources discussed here are examples of some of Hezbollah's diverse methods.



# Hezbollah: Funding

## ❑ State support from Iran and Syria

- Iranian influence and support were essential in the 1982 founding of Hezbollah
  - In a 07 February 2012 television broadcast, Hezbollah Secretary General Hassan Nasrallah said, “We have been receiving since 1982 all kinds of moral, political, and material backing from the Islamic Republic of Iran”
- The U.S. Department of Defense estimates Iranian support to Hezbollah at \$100 million to \$200 million annually
- Israeli intelligence estimates that between the summer of 2006 and 2009, Iran provided Hezbollah more than \$1 billion in direct aid
- U.S. Deputy Assistant Secretary for Terrorist Financing and Financial Crimes Daniel Glaser stated, “The most significant donor to Hezbollah is Iran. All other forms of Hezbollah fundraising pale in comparison to the funds that Hezbollah gets from Iran ... Iran is the chief financial supporter of Hezbollah and Hezbollah survives on Iranian support.” (October 2011)
- Iranian arms bound for Hezbollah regularly pass through Syria
- According to the U.S. State Department, Syria provides Hezbollah financial, political, diplomatic, and organizational aid
  - Due to the uprising in Syria and sanctions placed on Iran, Hezbollah is currently facing a financing cut of approximately 25%



# Hezbollah: Funding

## ❑ Fundraising by alleged charities

- Alleged charities in Shia communities conduct fundraising in such places as the Ivory Coast, the tri-border region in South America, Europe, and the United States
  - Contributions from donors are collected for advertised charitable purpose(s) but an unknown portion of the money is used to fund Hezbollah's illegal activities
- In July 2007 the U.S. Treasury Department raided the Goodwill Charitable Organization in Detroit, Michigan, and stated it was a Hezbollah front "that reports directly to the leadership of the Martyrs Foundation in Lebanon"
  - In addition to the Goodwill Charitable Organization, the Treasury Department froze the assets and banned transactions with the Martyrs Foundation, the finance firm Al-Qard al-Hassan, and two Hezbollah officials
- Also in 2007, the Swedish government closed the al-Aqsa Foundation for facilitating terrorist activity for Hezbollah; the foundation's deputy chairman, Khaled al-Yousef, was charged with financing terrorism in Israel
- In 2009, Israeli and German officials confirmed the Orphans Project Lebanon was linked with Hezbollah
- Hezbollah maintains an operational presence in Africa, South America, and Europe via Lebanese expatriate communities; Hezbollah operatives in these locations raise and launder funds to support the organization's terrorist activities, recruit local operatives, and collect intelligence



# Hezbollah: Funding

- ❑ **Business activity of commercial firms owned by or associated with Hezbollah**
  - Both legal and illegal business conducted by Hezbollah-owned entities provide funding that is used for both legal and illegal activities
  - According to a complaint filed in Manhattan, New York, federal court in December 2011, banks in Lebanon wired over \$300 million to as many as 30 automobile dealers in the U.S. for the purchase and shipment of used cars to West Africa; profits from those sales (said to be 15-25%) were then allegedly funneled back to Lebanon to support Hezbollah causes
    - Owners of several of the dealerships named in the complaint claimed to know nothing of the scheme
    - Some owners said they were being unfairly targeted because they are Lebanese
    - In the complaint, the Lebanese Canadian Bank was described as the “primary laundering concern”
    - Auditors discovered nearly 200 suspicious accounts; hundreds of millions of dollars a year passed through the accounts, held mainly by Shia Muslim businessmen in West African nations; many of the businessmen were known Hezbollah supporters, trading in everything from rough-cut diamonds to cosmetics and frozen chicken
    - The bank is now defunct with certain assets acquired by another Lebanon-based bank



# Hezbollah: Funding

## ❑ Criminal activity

- **Drug trafficking:** Hezbollah operatives are working with drug cartels in Central and South America and Europe
  - According to Lebanon's drug enforcement chief, Colonel Adel Mashmoushi, drugs were transported aboard a weekly Iranian-operated flight from Venezuela to Damascus and then over the border into Lebanon
  - Several American officials confirmed this, emphasizing that such an operation would be impossible without Hezbollah's involvement
  - The Colombian Medellín cartel, working with a Lebanese middleman, shipped cocaine by sea to Port Aqaba, Jordan, then smuggled it into Syria; Jordanian officials told the D.E.A. that the Syrian leg of the shipment was coordinated by a Syrian intelligence officer assigned as a liaison to Hezbollah; Hezbollah operatives charged a tax to guarantee shipments into Lebanon
- **Money laundering**
  - Businesses and charities varying in degree of affiliation to Hezbollah are used to launder money
  - The U.S. to West Africa used car sales venture was revealed to be a money-laundering operation by the disproportionate amount of supposed sales profits relative to the number of cars sold (See graphic below: Lebanese Canadian Bank)
- **Illegal arms trading**
  - At least one of the car dealers was also linked to Hezbollah weapons smuggling
  - In February 2011, U.S. prosecutors indicted seven U.S. citizens, one a known weapons trafficker affiliated with Hezbollah, for allegedly conspiring to aid the Taliban



# Hezbollah: Funding

## ❑ Criminal activity

### ▪ Cigarette smuggling

- In Charlotte, North Carolina, Hezbollah operatives engaged in a cigarette smuggling enterprise raised significant sums while maintaining direct contact with Sheikh Abbas Haraki, a senior Hezbollah military commander in South Beirut
  - Members of the Charlotte cell received receipts for their donations, including receipts from the office of then-Hezbollah spiritual leader Sheikh Mohammad Fadlallah
- Known and suspected Hezbollah members have established front companies and legitimate businesses in the cigarette trade in Central and South America
  - Law enforcement sources indicate these companies traffic in contraband and counterfeit cigarettes for profit and use the proceeds to purchase arms and ammunition

### ▪ Counterfeiting

- In 2005, a Hezbollah fundraising investigation in Los Angeles led to the seizure of \$16 million in counterfeit items and \$3.5 million in cash and the arrest of at least 125 people
- In Philadelphia in 2009, ten people were charged with conspiring to provide material support for Hezbollah through trafficking counterfeit goods
- Counterfeiting of tax stamps and currency also generates money for Hezbollah
- A Hezbollah operative told an informant that the group was working approximately 20 hours a day to make counterfeit currencies, including those of the U.S., the European Union, Kuwait, and Saudi Arabia
  - The operative allegedly told the informant that the Islamic Republic of Iran manufactured “high-quality counterfeit U.S. currency for the benefit of Hezbollah”

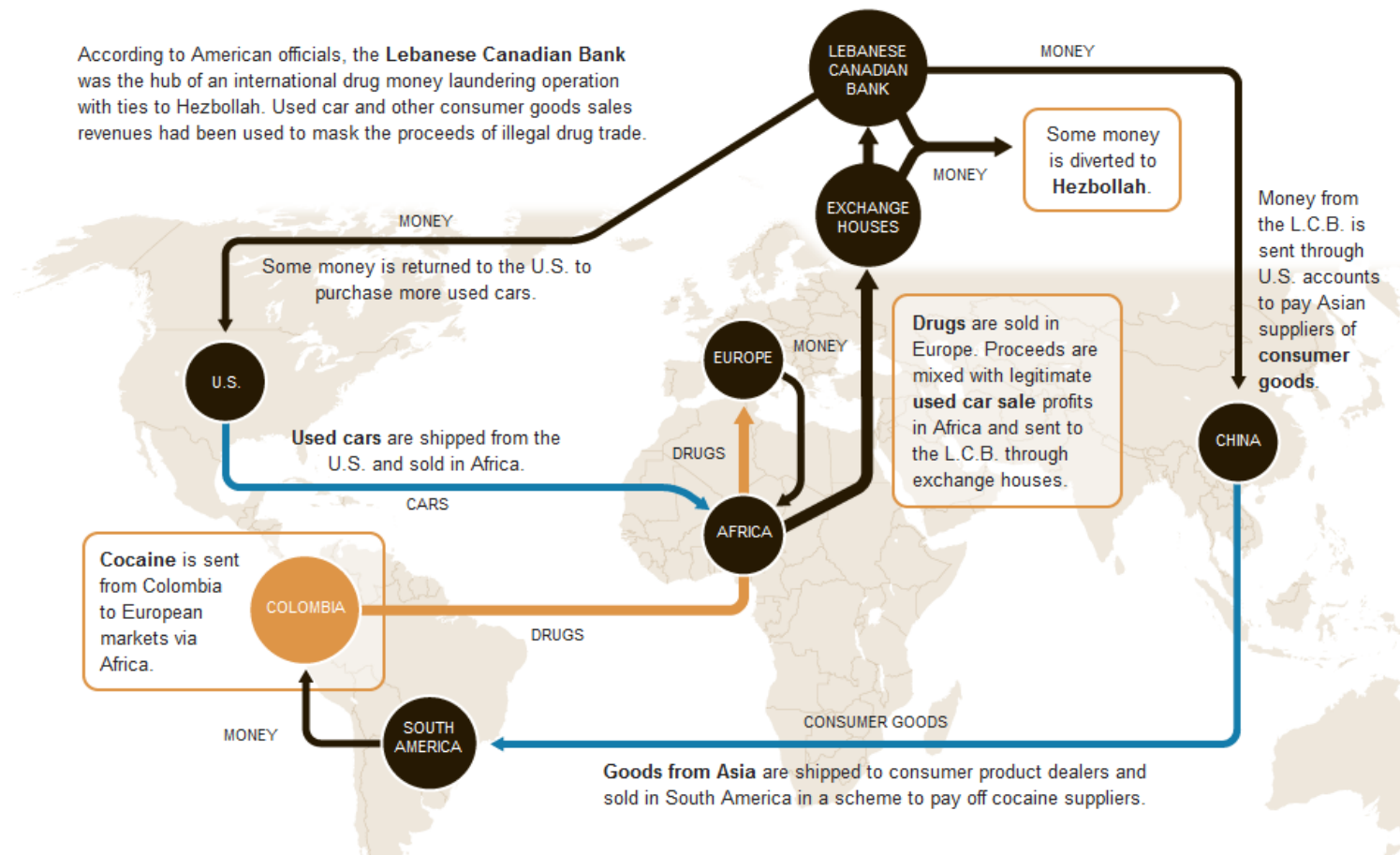




# Hezbollah: Lebanese Canadian Bank

## Money Laundering at Lebanese Bank

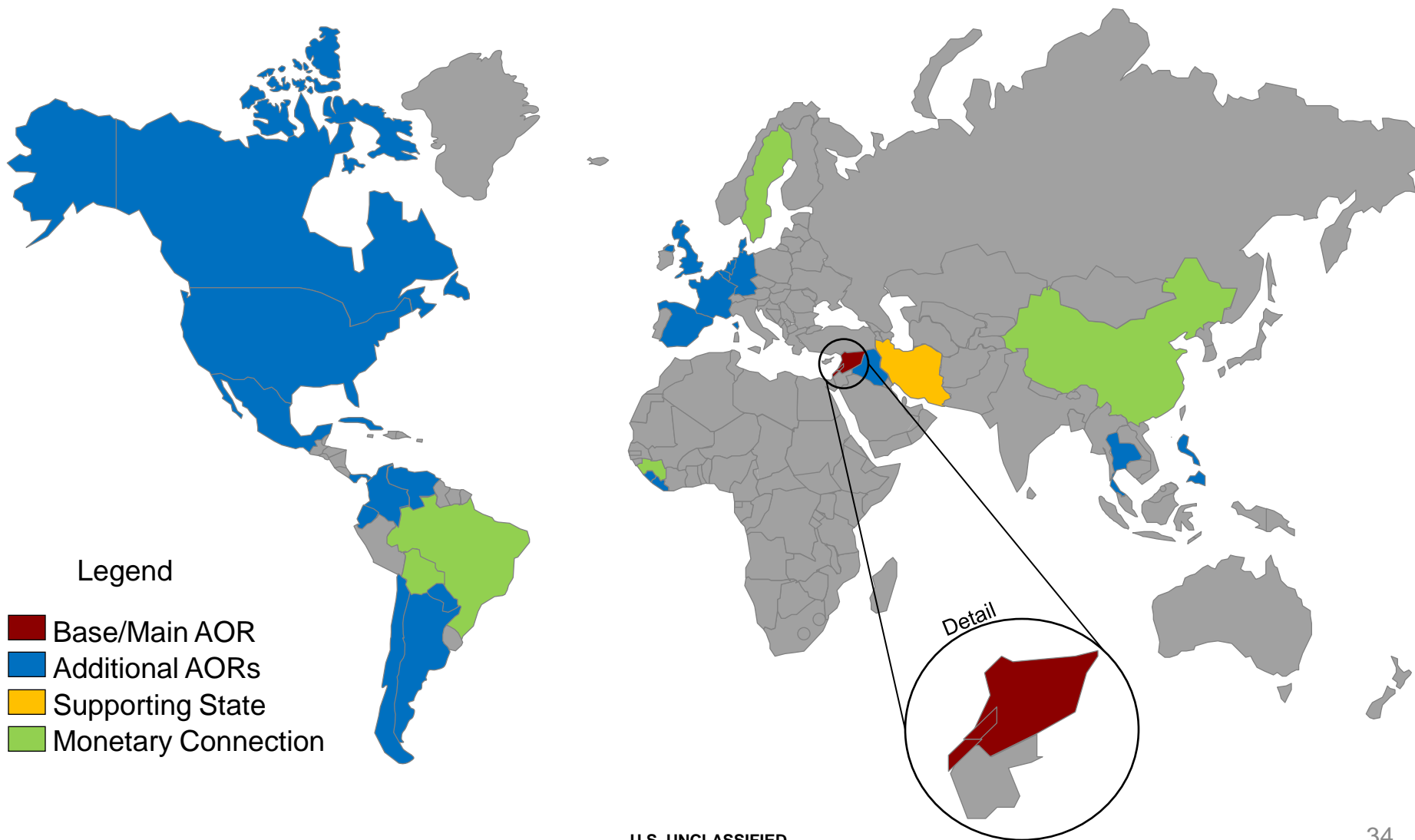
The chart below shows the intricate money-laundering system the Lebanese Canadian Bank used to divert money to the Shiite militant group Hezbollah, according to United States officials.



Graphic from: Joe Becker, "[Beirut Bank Seen as a Hub of Hezbollah's Financing](#)," 13 December 2011, *The New York Times* (accessed 22 February 2012).



# Hezbollah: AO and Finance Map





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## Lord's Resistance Army



# Lord's Resistance Army

## ☐ Purpose and goals

- The stated goal of the Lord's Resistance Army (LRA) is the establishment of a government in Uganda based on the biblical Ten Commandments, but the LRA deserted this goal in recent years as it faced resistance and members were charged by the International Criminal Court

## ☐ Structure and membership/leaders

- Military structure with 200-400 fighters
- Joseph Kony: Commander-in-Chief
- Okot Odhiambo: Deputy Army Commander; Commander of Trinkle and Stockree Brigades
- Dominic Ongwen: Commander of the Sinia Brigade

## ☐ TTP

- Kidnapping, abduction, enslavement
- Forced recruitment of children
  - Children may be forced to beat their parents to death and/or burn their villages
  - Involuntary recruits are forced to beat to death their fellow captives who are uncooperative or attempt to escape
- Rape
- Torture and mutilation
- Massacres



# Lord's Resistance Army

## ☐ LRA activity and areas of operation

- Preys on remote, marginalized populations across central Africa
- Nomadic, does not remain in permanent encampments
  - Uganda (origin)
  - South Sudan
  - Democratic Republic of the Congo (DRC)
  - Central African Republic (CAR)
  - Particularly active in the area of the borders of South Sudan, CAR, and DRC, frequently moving across borders to avoid pursuit by government forces of these countries

## ☐ LRA Funding Sources:

- Foraging
- Plunder
- External support from government of Sudan (1994-2005)

**Analyst comment: The LRA is somewhat unique among irregular forces in that it has little to no financial operations. The LRA operates on a subsistence level, foraging and plundering. Unlike many insurgent and terrorist groups, the LRA does not have a presence on the Internet and makes no attempt to attract volunteers. Despite its lack of sophistication, the LRA has endured for 25 years.**



# Lord's Resistance Army: Funding

## ☐ Foraging

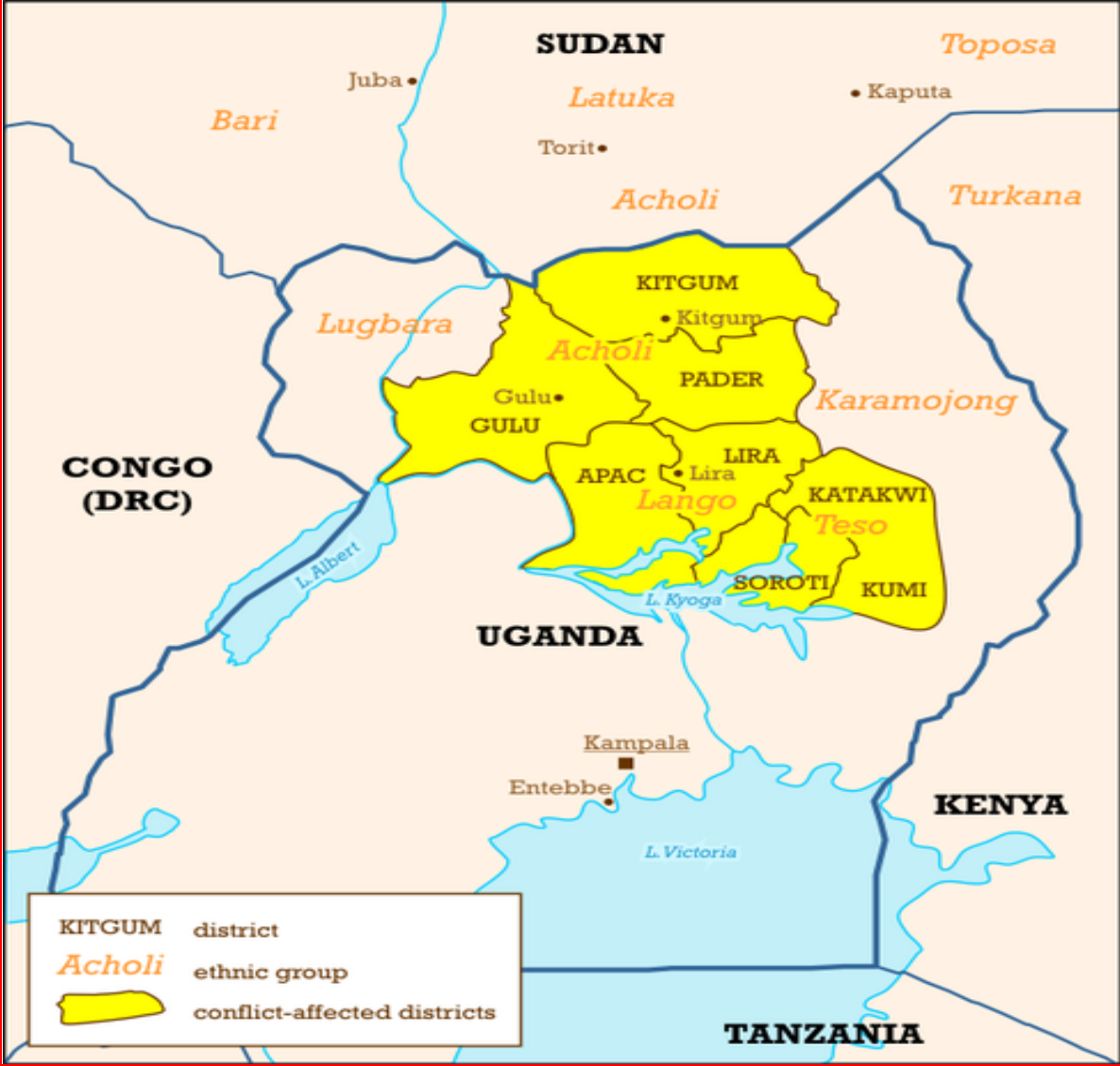
- The LRA operates in small, dispersed groups that live off the land
  - These groups move to other areas when the supplies they need are scarce or unavailable or when they face a superior opposing force

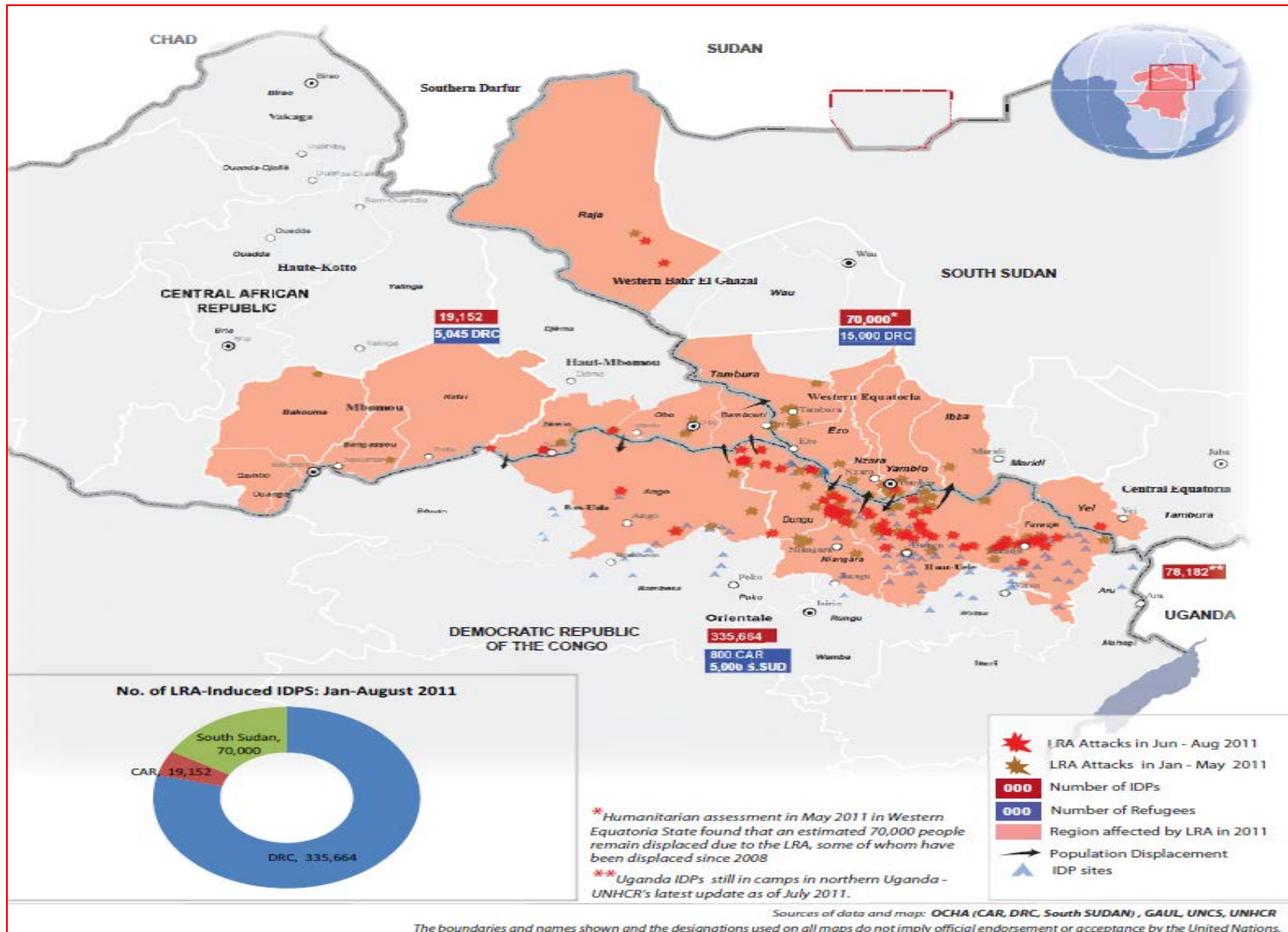
## ☐ Plundering

- The LRA has little need for money; it takes what it needs or wants
- Targets of opportunity are primary means of obtaining supplies
- Villages are attacked in retaliation for government operations against the LRA or when supplies, workers, and/or recruits are needed
  - Villagers are forced to act as bearers and are either killed once the destination is reached or are kept in servitude until no longer useful
  - Children are indoctrinated into the LRA via fear and intimidation

## ☐ External support

- From 1994 to 2005, the LRA received the military, financial, and logistical support of the Sudanese government
  - The LRA functioned as mercenaries, attacking the Sudan People's Liberation Movement/Army, which was fighting the Sudanese government

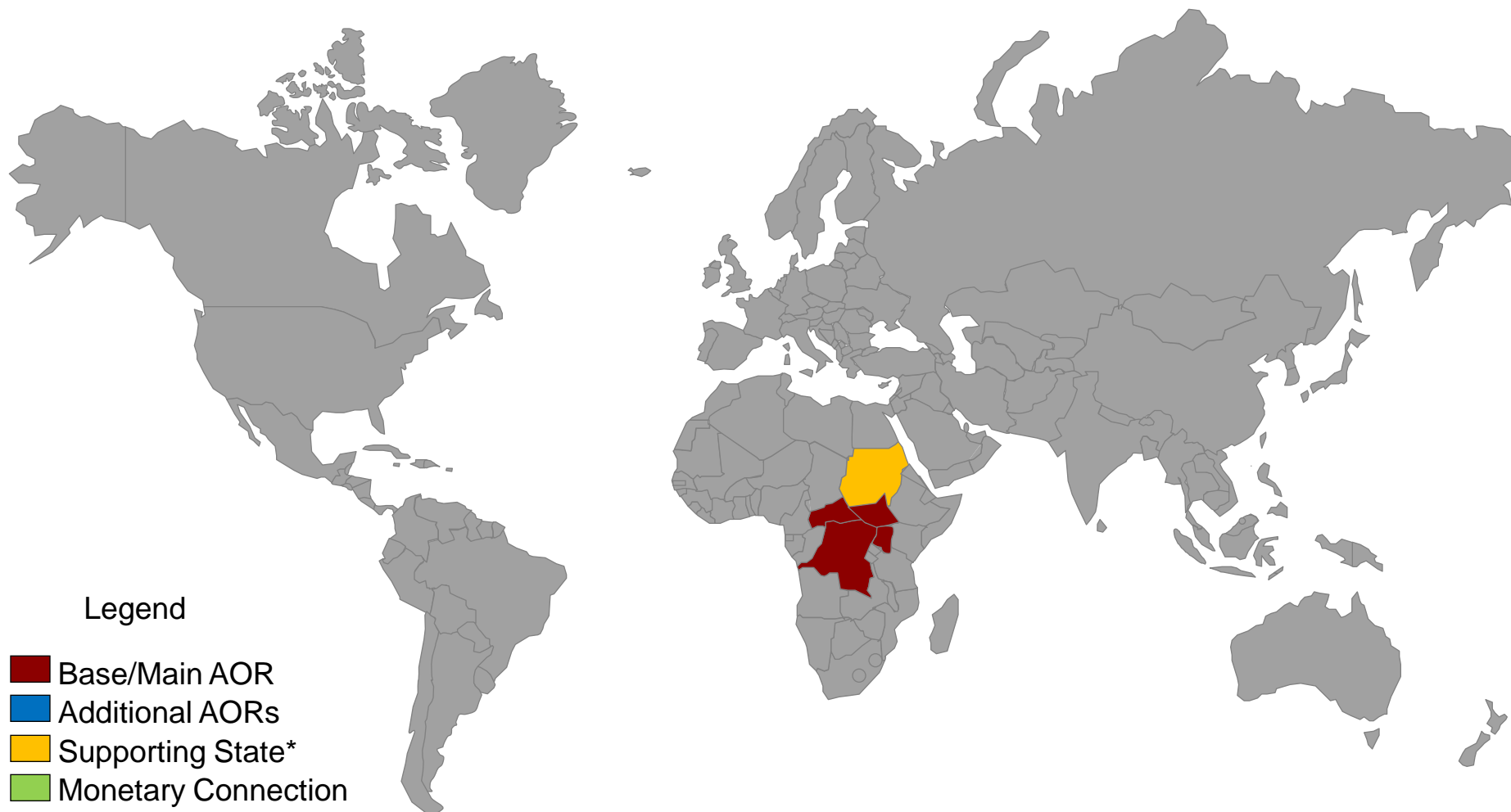








## LRA: AO and Finance Map





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## Naxalites



## OEA Team Handbook



# Naxalites

### ❑ Purpose:

- **Institute a Maoist-type communist state in India by any means**
  - **Named for the 1967 uprising that occurred in the Naxalbari District in West Bengal Province**
  - **Location: Throughout India, but primarily in rural areas**

### ❑ Structure:

- **27 left-wing insurgency groups**
- **Communist Party of India-Maoist (CPI-M): largest and most organized**
  - **Politburo: approximately 14 leaders selected by the CPI-M Congress about every 5 years**
  - **Central Committee: Politburo plus others for a total of approximately 38 members selected by the CPI-M Congress about every 5 years**
  - **The Indian government has killed or captured many members of the current CPI-M Politburo and Central Committee**
  - **The CPI-M Congress planned to meet in January-February 2012 to replace the leadership vacuum**
- **Largely poor rural people, but sometimes led by urban, highly-educated intellectuals**



## Naxalites

### ☐ TTP

- Fight government forces searching for them
- Damage symbols of the legitimate government: buildings, trains, etc.
- Rob and extort people to fund their operations based on Mao's theory of protracted war

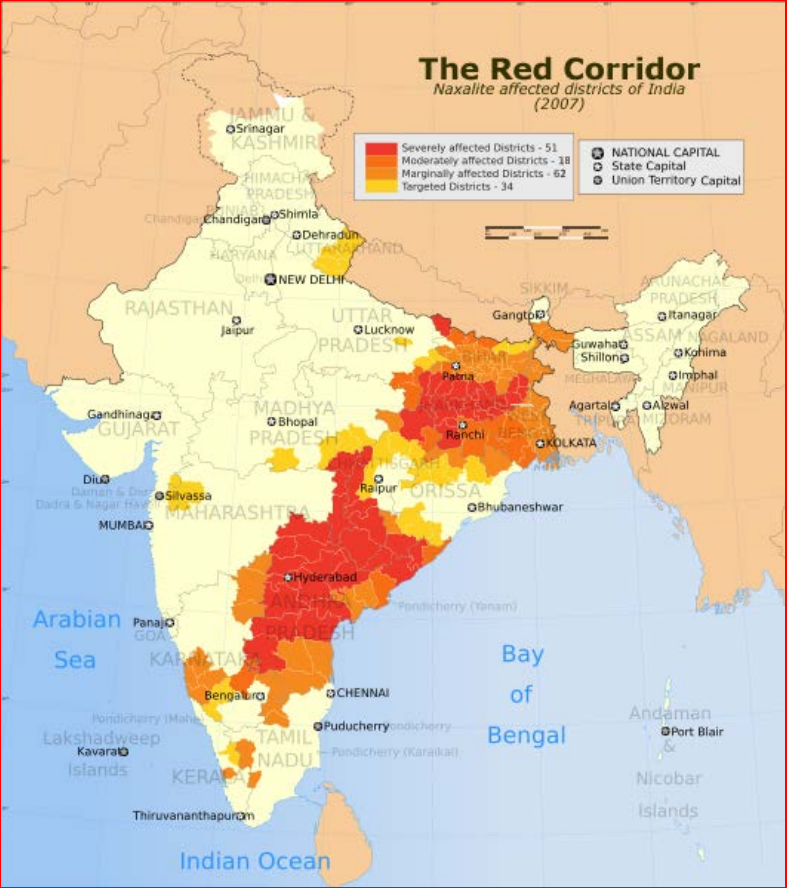
### ☐ Areas of operation: Internal to India (see maps)

### ☐ Group funding sources:

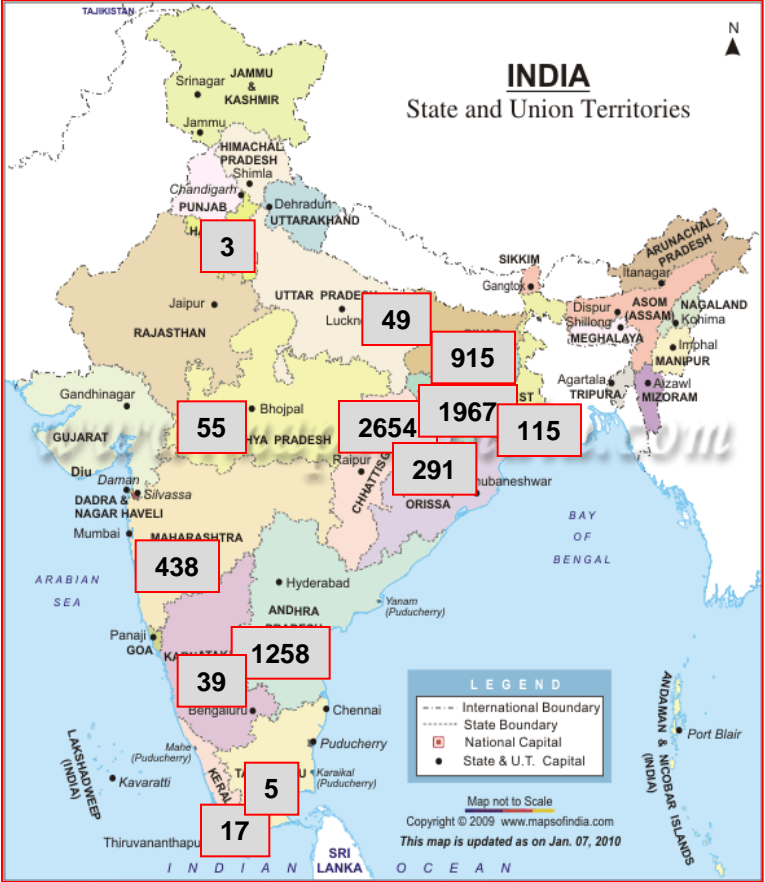
- Robbery
- Illegal mining and woodcutting operations
- Donations
- Extortion
- Drug Smuggling

### ☐ Money used for:

- Living expenses
- Weapons



Naxalite-dominated areas in India



Naxalite incidents 2004-2008



# Naxalites: Funding

## ☐ Robbery

- Naxalite groups take control of trains and rob the passengers; rough up the engineers and guards and anyone who attempts to resist
- Naxalite groups board government buses that operate where the Naxalites told the drivers not to run and rob the passengers at gunpoint

## ☐ Illegal mining and woodcutting operations

- In rural areas, Naxalite groups mine minerals illegally and sell the minerals to finance their activities
- Naxalite groups conduct illegal woodcutting operations; primarily to provide fuel for cooking and heating, but may also sell some of the wood to fund their operations

## ☐ Donations

- Intellectuals in some of the cities provide funds for the Naxalites because they are Maoists
- Some businesses in rural areas “willingly” donate funds or goods



# Naxalites: Funding

## ☐ Extortion

- Provides over \$300 million per year to the various Naxalite groups
- Sometimes difficult to tell if donations are forced or not
- Infrastructure contractors in rural areas must pay 10-15% of their bid or risk:
  - Destruction of their equipment
  - Damage to their finished product
  - Their own death
- Landowners must pay in money or goods or risk destruction of their crops
- Business owners must pay or risk the loss of their inventory
- Truck drivers must pay or lose their load to theft or destruction
- Bus passengers must cooperate and give the Naxalites their valuables or risk their lives

## ☐ Drug Smuggling

- Conducted only by Naxalite groups located in northeast India, which borders Myanmar, Bangladesh, Nepal, and Bhutan
- Amphetamines on the increase
- 4,400 pounds of opium seized annually in India from Naxalite sources
- 2,200 pounds of heroin seized annually in India from Naxalite sources
- No money laundering as in other drug cartels; primarily used to pay immediate expenses



# Naxalites: AO and Finance Map







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## Albanian Organized Crime



# Albanian Organized Crime

## □ Purpose and goals

- Albanian organized crime groups that are located in Albania take advantage of a society with endemic corruption entrenched at all levels, to include police, judges, custom officials, and politicians
  - Judges, members of parliament, and other high-ranking officials enjoy immunity from prosecution, further hampering corruption investigations and emboldening criminal activity

## □ Location

- Communism created circumstances that engendered the black-market, illegal activities of clans in Albania
  - Criminal activity expanded internationally with the collapse of communism in the late 1980s and early 1990s.
- There are indications that, as Albanian criminal groups in the U.S. expand into other kinds of criminal activities, they may become less aggregated and more centralized
- Organized crime figures maintain ties back to the Balkan region and have established close-knit communities in many cities across the U.S. and Europe



# Albanian Organized Crime

## ❑ Structure and membership

- Albanian organized crime builds on traditional clan structures dating back to the 15<sup>th</sup> century
  - The code (*kanun*) values of loyalty and secrecy (*besa*) form the clan (*fis*)
- Albanian criminals still operate under a clan-like structure in that there is no “mafia”-type head; they are not clearly defined or organized and are instead grouped around a central local leader or leaders
- Many group members have a secret service, police, or paramilitary background

## ❑ TTP

- Primarily drug and human smuggling and trafficking, but also gambling, money laundering, extortion, violent witness intimidation, robbery, and murder
  - Recent expansion into the real estate field in the U.S., which is more complex
- Albanian criminal elements are notorious for their use of extreme violence

**Analyst comment: The Albanian Organized Crime groups are sometimes referred to as Albanian Mafia, but the structure of the groups makes that term a misnomer.**



# Albanian Organized Crime

## ☐ TTP (continued)

- Estimates state that legal investments in the Albanian economy average 200 million euros, while illegally invested funds are in excess of 1 billion euros
  - According to Transparency International, for every 100 euros of documented capital, 80 euros are never accounted for
- Due to its strategic geographic position, Albania is a major transit point for smuggling and trafficking in drugs and humans to the U.S. and Europe, particularly to Italy and Greece
  - Other than cannabis, Albania is not a major producer of illicit drugs
- Albanian criminal groups continue to develop alliances of criminal convenience with other groups in order to increase their influence and share of criminal activity profits

## ☐ Activity and areas of operation

- Albanian dealers from Kosovo hold more than 80% of the heroine trade in European countries, smuggling 4-6 tons of heroin monthly with a value of \$2 billion a year
- Tightly-controlled clans are connected and cooperate closely with similar criminal groups from other European countries, especially from Turkey and Bulgaria, through which the main smuggling routes run



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# Albanian Organized Crime

### ☐ Activity and areas of operation (continued)

- Italy and Greece, in close geographic proximity to Albania, have large Albanian criminal organization operations and provide entry into other European countries
- In the United States, Albanian criminal organizations are an emerging threat, dealing in both drug and human trafficking and smuggling
- Albanian criminal organizations will be an increasing threat as they seem particularly adept at creating associations of convenience with other criminal groups and have a reputation for extreme violence
- The ethnic Albanian diaspora creates criminal Albanian links to many areas of the world.
  - There are approximately eight million ethnic Albanians in the world, but only 3.5 million reside in Albania; more than 600,000 Albanians have left their homeland since 1991

### ☐ Group Funding Sources

- Drug Smuggling
- Human Trafficking/Smuggling

# Albania's Strategic Geographic Location





# Albanian Organized Crime: Funding

## ❑ **Albanian organized crime traffics marijuana, cocaine, and heroin**

- There are some indications that traffickers may be moving to a more northerly route, as amounts of Albanian-transited cocaine seized in Italy remain minimal
- Since 2004, ethnic Albanian drug traffickers have developed direct connections with heroin suppliers from Afghanistan, Iran, and Turkey
  - Albanian organized crime groups have an increased influence in the import and distribution of heroin, either directly competing with or through developed alliances with Turkish criminal groups, in some cases actually taking over the whole supply and distribution chain from Turkish nationals
- There is evidence that leading Kosovar and Albanian drug trafficking dealers have made agreements with South American dealers to exchange cocaine for heroin
- U.S. authorities have identified South American representatives sent to the Balkan region to make deals with Albanian organized crime groups as well as Albanians living in Panama, Bolivia, Venezuela, and Mexico believed to be creating criminal networks



# Albanian Organized Crime: Funding

## ❑ Drug Smuggling in North America

- In the late 1990s, an Albanian criminal group headed by Alex Rudaj and operating in the New York area began smuggling marijuana into the U.S. from Canada
- After the September 2011 attacks on the U.S., the Rudaj group began placing operatives in trucking companies operating around New York, eventually opening its own trucking company for the purpose of smuggling marijuana into the U.S. from Canada
- In order to increase the efficiency of the operation, instead of taking cash back to Canada, those that delivered marijuana to New York bought cocaine there and shipped it back to Canada

**Analyst Comment:** The development of more sophisticated criminal relationships with drug cartels and other criminal organizations, coupled with a reputation for ruthlessness, will make Albanian organized crime an increasingly dangerous threat.



New York - Canada Marijuana Profits	
Cost of marijuana in Vancouver	\$500 per pound
Transportation costs (Vancouver to Toronto)	\$100 per pound
Transportation costs (Toronto to New York)	\$150 per pound
Total cost	\$750 per pound
Resale value in New York	\$1,300 – 1,500 per pound
Profits	\$45,000 - \$100,000 every two weeks

New York - Canada Cocaine Profits	
Value of cocaine in Canada	\$48,000 per kilo
Value of cocaine in New York	\$29,000 – 30,000 per kilo
Transport of 1 kilo of cocaine from New York to Canada	\$1,000 - \$1,500 per kilo
Profit from transporting 1 kilo from New York to Canada (10 kilos of cocaine is a standard shipment)	\$15,000

Charts illustrate the amount of profit possible from one organization’s drug smuggling operation

# European Heroin Trafficking Routes

**FIG. 108:** HEROIN TRAFFICKING FROM AFGHANISTAN TO THE RUSSIAN FEDERATION AND TO EUROPE



# European Heroin Trafficking Routes

## HEROIN

### DISTRIBUTION OF HEROIN FLOWS TO EUROPE

Route	Size of flows (tons)	Per cent
Balkan route (Afghanistan - I.R of Iran - Turkey - South-Eastern Europe)	85	80%
Northern route (Afghanistan - C. Asia - Russian Fed. - Eastern Europe)	4	4%
Northern Balkan route (Afghanistan - I.R. of Iran - Caucasus - S. Europe)	7	7%
Directly from Pakistan to Western and Central Europe	5	5%
Through Africa to Western and Central Europe	2	2%
Directly from South and SE Asia (except India) to W&C Europe	1	1%
Through Middle East and Gulf area to W&C Europe	1	1%
Directly from India to W&C Europe	1	1%

Heroin trafficking amounts by route



# Albanian Organized Crime: Funding

- ❑ **Corruption within the Albanian government encourages Albanian criminal organizations to take the risks associated with human trafficking**
  - Albania is ranked Tier 2 according to the U.S. State Department Trafficking Victim's Protection Act (TVPA), meaning Albania does not comply with TVPA, but is making significant efforts to comply
  - The Albanian government has made efforts to increase both prevention and prosecution of illegal smuggling and trafficking activities, but struggles to make significant progress
  - Albania is a source country for men, women, and children subjected to sex trafficking and forced labor, including the forced begging of children, for primary use in Albania, Greece, Italy, Macedonia, Kosovo, and Western Europe
  - A large number of victims are Albanian women and girls subjected to sex trafficking in hotels and private residences
  - Children are primarily exploited for forced begging and other forms of forced labor, while some girls are subjected to prostitution or forced labor after an arranged marriage
  - Albanian men have been subjected to forced labor in the agricultural sector of Greece and other neighboring countries
  - NGOs report re-trafficking of Albanian victims as an ongoing problem



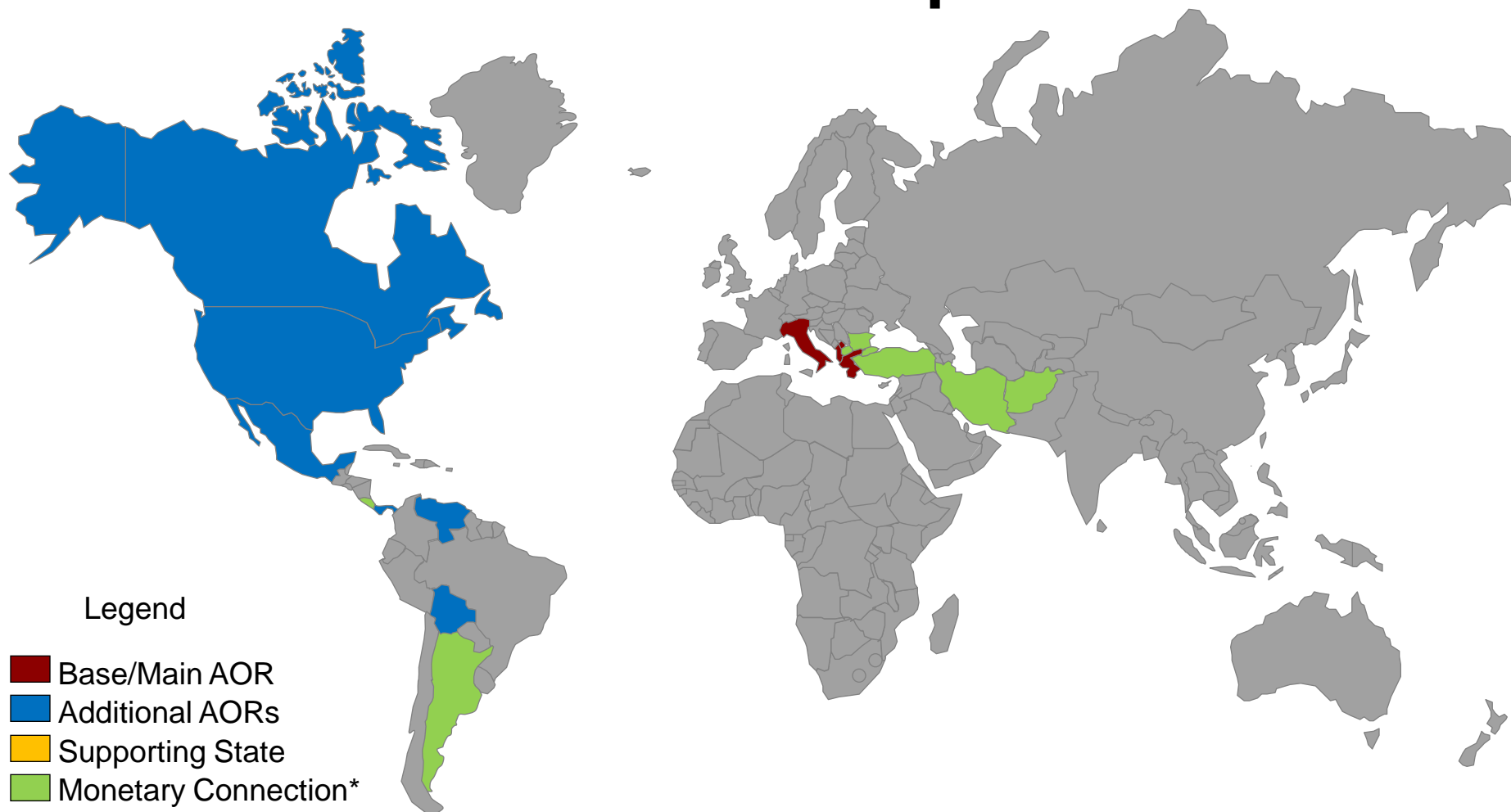
# Albanian Organized Crime: Funding

## ❑ Human Trafficking/Smuggling in the U.S.

- While most human trafficking/smuggling is geographically located within Western Europe and the Balkans, there is increasing evidence of a human trafficking/smuggling market developing in the U.S.
- Deme Nikqi, of Peje, Kosovo, was extradited to the U.S. from Albania to face charges related to his leadership of an international human smuggling network where at least two deaths occurred in February 2010
- Nikqi charged individuals 12,000 Euros to supply fraudulent passports and visas, arrange flights from various locations in Europe to Cancun, Mexico; San Jose, Costa Rica; and Buenos Aires, Argentina
- Overland transportation was then arranged by co-conspirators through Central America, Mexico, and into the U.S.
- Victims were often hidden in the luggage compartments of buses and inside trailers, with little or no food and water
- Nikqi has been charged with the death of a Kosovar and a Salvadoran who were killed in a crash when the driver of the car they were in failed to stop for a Texas Highway Patrolman in Laredo, Texas
- Nikqi is believed to have smuggled hundreds into the U.S. from at least January 2006 through February 2010



# Albanian Organized Crime: AO and Finance Map



\*South America, Balkans, Western Europe



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## Sinaloa Drug Cartel



# Sinaloa Drug Cartel

## ❑ Purpose and goals

- Traffic drugs from or through Mexico to the U.S., Europe, Asia, Australia, and locations in the Middle East for profit
- Particularly dominant because of its ability to import multi-ton quantities of cocaine from South America and produce large quantities of heroin, marijuana, and methamphetamine

## ❑ Structure, location, and membership/leaders

- A loosely-aligned confederation of independent DTOs operating primarily out of western and southwestern Mexico, but with strongholds in Baja California, Sonora, the Yucatan Peninsula, portions of Chihuahua, and within Central Mexico
- Has the broadest reach of the Mexican drug cartels in Europe, Asia, and Australia
- Founders:
  - Héctor Luis Palma Salazar (El Güero)
  - Joaquín Guzmán Loera (alias El Chapo)
  - Adrián Gómez González
- Current Leaders:
  - Joaquín Guzmán Loera (alias El Chapo)
  - Ismael Zambada García (alias El Mayo)



SINALOA CARTEL

April 2011

The SINALOA CARTEL, a Mexican-based narcotics trafficking organization, and its leaders were previously identified by the President as Significant Foreign Narcotics Traffickers pursuant to the Kingpin Act.


SINALOA CARTEL Leaders




Joaquin GUZMAN LOERA  
(a.k.a. "El Chapo")

Ismael ZAMBADA GARCIA  
(a.k.a. "El Mayo")

Previously-Designated SINALOA CARTEL Member




Agustin REYES GARZA (a.k.a. "Don Pilo")

DOB 21 Aug 1957


U.S. Department of the Treasury  
Office of Foreign Assets Control

Foreign Narcotics Kingpin Designation Act  
("Kingpin Act")

Dual Colombian-Mexican Citizen



Coordinates cocaine trafficking activities and manages assets for Agustin REYES GARZA.




Jorge Luis LLANOS GAZIA

DOB 20 Jun 1957; POB Cali, Colombia;


C.U.R.P. LAGJ570620HNELZR00 (Mexico); Cedula No. 16446807 (Colombia);

Credencial electoral LLGZJR57062088H900 (Mexico); R.F.C. LAGJ570620KV4 (Mexico)



Arrested in the U.S. on cocaine charges in 1988. Completed prison sentence and was released in 1995.


Companies in Guadalajara, Mexico



AUDIO ALARMAS, S.A. DE C.V.

Calle Paseo de los Tilos No. 1344, Colonia Tabachines,  
Zapopan, Jalisco C.P. 45188, Mexico

Folio Mercantil No. 10987-1 (Mexico); R.F.C. AAL9802259P1 (Mexico)



BASALTOS TONALA, S.A. DE C.V.

Camino a Colimilla Km. 6, Colonia San Gaspar,  
Tonala, Jalisco C.P. 45404, Mexico

Folio Mercantil No. 24808 (Mexico); R.F.C. BT0041104AH2 (Mexico)

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# Sinaloa Drug Cartel: Leadership

### □ Joaquín Guzmán Loera (alias: El Chapo)

- Born 04 April 1957 to a poor family in rural La Tuna Badiraguato
- Apprenticed with Miguel Angel Felix Gallardo, once head of Mexico's most powerful drug cartel
- Founded his own cartel in 1980
- Established a notorious group of henchmen, suspected of committing more than 1,000 murders across Mexico
- Arrested, convicted, and sentenced to a 7 years in 1993
  - Paid prison officials to arrange conjugal and business meetings to maintain control of his empire
- Indicted in San Diego in 1995 for money laundering and conspiracy to import tons of cocaine
- Escaped from the Puente Grande prison in Jalisco, Mexico in 2001 by bribing guards to smuggle him out via a laundry truck
- Suspected of helping Mexican and Colombian drug traffickers launder more than \$20 billion in wholesale profits during his time on the run
- Nearly captured in a Nov 2005 raid at his rural stronghold in the western Sierra Madre when Mexican police recognized his voice on a wiretap
- Currently Mexico's most wanted criminal with a \$5 million U.S. government bounty on his head
- According to Forbes magazine as of November 2011: #55 on Most Powerful People list and #1140 on Forbes Billionaires list with \$1 billion in assets



# Sinaloa Drug Cartel: Leadership

## ☐ Ismael Zambada García (alias: El Mayo)

- Born in 1948 in the western Mexican state of Sinaloa
- Currently a fugitive from the law in the United States and Mexico
- Involved in drug trafficking for over 30 years
- Believed to have had plastic surgery in order to evade law enforcement
- Family members actively participate in the DTO
  - In 2008, his brother, Jesus Zambada Garcia, was arrested in a posh neighborhood of Mexico City
  - In March 2009 his son Vicente Zabada Niebla, allegedly head of operations for the Sinaloa cartel, was arrested in a wealthy area of Mexico City
  - In May 2002, Ismael Zambada Garcia was designated by the President of the United States a Tier 1 drug kingpin in accordance with the Foreign Narcotics Kingpin Designation Act



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# Sinaloa Drug Cartel

### ☐ TTP

- **Smuggle cocaine, heroin, and marijuana through any means to include:**
  - Boeing 747 cargo aircraft
  - Narco submarines
  - Container ships
  - Go-fast boats
  - Fishing vessels
  - Busses and automobiles
  - Rail cars
  - Tractor trailers
  - Tunnel system
- **Launder money**

### ☐ Activity and areas of operation

- **Moves Colombian cocaine and Mexican marijuana into the U.S. through gangs in Arizona, California, Texas, Chicago, and New York City**
- **Operates labs to produce methamphetamines**
- **Ships heroin from South America into the U.S.**
- **Violent shoot-outs among drug lords and their associates accounted for over 90 percent of homicides in Mexico over recent years**

### ☐ Group Funding Sources

- **Drug sales**
  - **Money laundering through money exchanges and front businesses is an integral part of the funding stream**



# Sinaloa Drug Cartel: AO in Mexico



SOURCE: STRATFOR

RICH CLABAUGH/STAFF

Mexican drug cartels: Sinaloa cartel in blue

Table 1. Concentrated Activity by Mexican-Based TCOs in the Nine OCDETF Regions

TCO	Primary Drugs	Primary Regions
Sinaloa Cartel	Cocaine Heroin Marijuana MDMA Methamphetamine	Florida/Caribbean Great Lakes Mid-Atlantic New England New York/New Jersey Pacific Southeast Southwest West Central
Los Zetas	Cocaine Marijuana	Florida/Caribbean Great Lakes Southeast Southwest
Gulf Cartel	Cocaine Marijuana	Florida/Caribbean Mid-Atlantic New England New York/New Jersey Southeast Southwest
Juárez Cartel	Cocaine Marijuana	Great Lakes New York/New Jersey Pacific Southeast Southwest West Central
BLO	Cocaine Heroin Marijuana	Southeast Southwest
LFM	Cocaine Heroin Marijuana Methamphetamine	Southeast Southwest
Tijuana Cartel	Cocaine Heroin Marijuana Methamphetamine	Great Lakes Pacific Southwest

Source: National Drug Intelligence Center analysis of law enforcement reporting.

Figure 2. Internal Cocaine Movement, FY2008–FY2010



Mexican cartel cocaine operations in the U.S.



# Sinaloa Drug Cartel: Funding

## ❑ Money laundering

- Primary means of converting money gained through illegal drug distribution into cash that can then be used to fund cartel operations
  - Cartel operations require large amounts of cash in local currency in order to pay bribes, suppliers, and those tasked with smuggling operations
- Elaborate money-laundering systems are in place to convert large amounts of foreign currency into pesos
- Banking regulations have become much tighter since the 1990s, making it impossible to simply deposit drug money in a U.S. bank account and transfer deposited money to a Mexican bank account
  - This has necessitated developing systems, such as Black Market Peso Exchanges (see next slide), for smuggling drug money to Mexico, back to the United States through front businesses, and then back to Mexico in the form of products that are then sold in the local markets for local currency.
- Even more elaborate infrastructure has been developed to launder money internationally



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## Black Market Peso Exchange (BMPE)

### THE BLACK MARKET PESO EXCHANGE

#### TRANSACTION NO. 1

After the drugs are sold in the U.S., the traffickers smuggle the American cash across the Mexican border to exchange it for pesos. The peso-exchange business makes money by buying the American cash at a reduced exchange rate. The profits are now in a domestic currency the traffickers can use and they avoid the risk of scrutiny from law enforcement.



#### TRANSACTION NO. 2

The peso-exchange business takes the American cash back the U.S. to buy wholesale products such as perfume and electronics. The wholesale retailer profits from the big sale and, likely, by failing to pay taxes on the bulk cash revenue.

**Wholesale Product Supplier**

#### TRANSACTION NO. 3

The wholesale products are shipped to the drug supplier's country of origin and the peso-exchange business earns a cut for arranging the purchase and shipment of the goods. And the drug lord successfully reaps the profits of the drug sales by selling the wholesale goods locally for domestic currency.



PRESENTED BY  
★ THE TEXAS TRIBUNE

CAPTIONS BY: BECCA AARONSON  
GRAPHICS BY: BENJAMIN HASSON

- ❑ Developed in the 1990s by the Columbian drug cartels as an efficient means of laundering drug money resulting from tighter banking regulations
- ❑ The BMPEs have since been adopted by the Mexican drug cartels. Here is how BMPEs work:
  - Drug dollars are smuggled from the U.S. across the border into Mexico
  - Dollars are converted into local currency for a fee by BMPE
  - Purchased dollars are sold to front businesses
  - Front businesses import U.S. goods into Mexico
  - Goods are sold in the local market and profits are reaped by drug cartels in local currency

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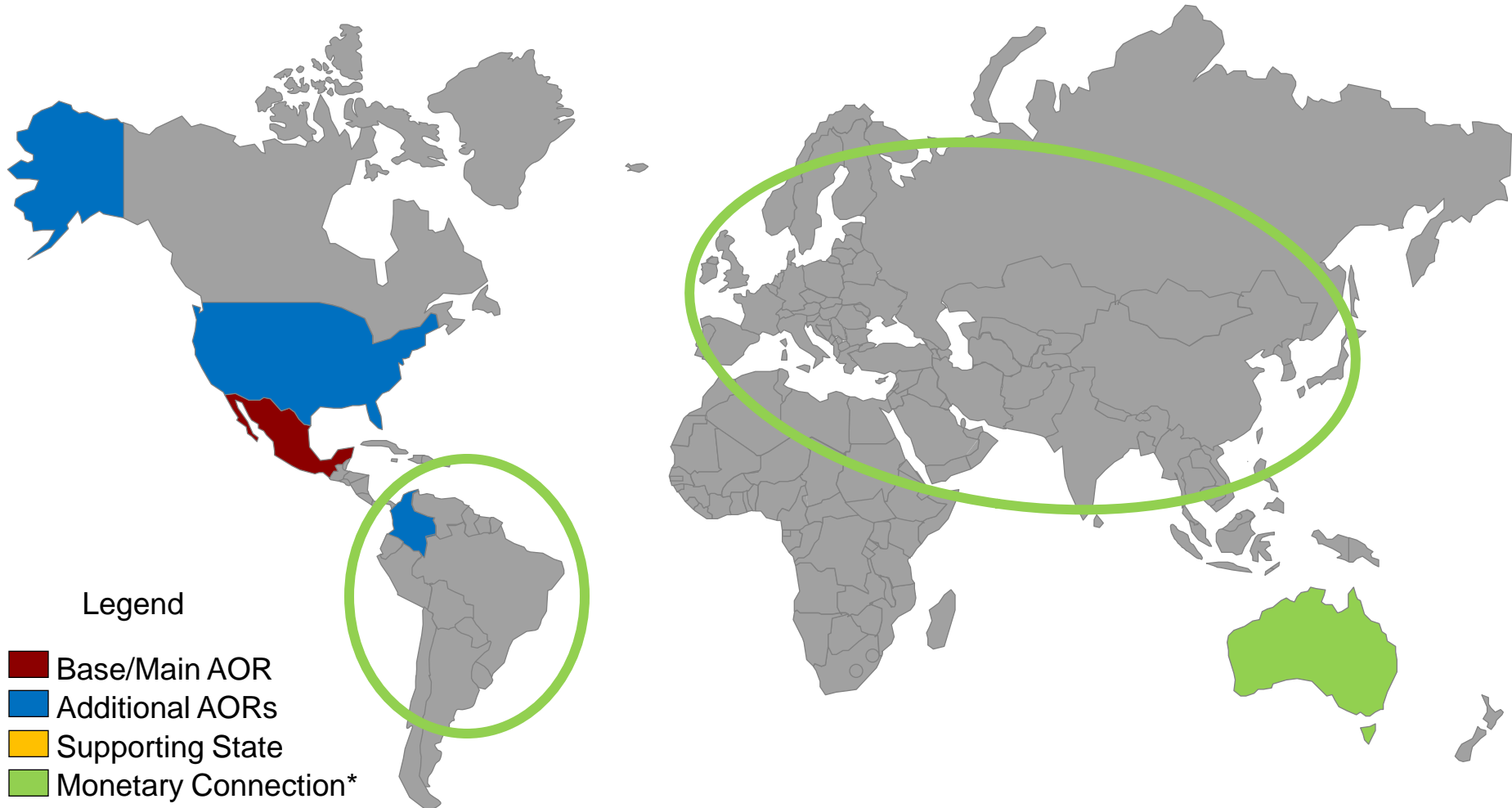
# Sinaloa Drug Cartel: Funding

## ❑ How drug money is moved from the U.S. to Mexico

- Money from regional drug sales is usually taken to centralized counting houses in one of several U.S. cities
- Cash is converted into larger bills, vacuum-sealed in plastic bags, hidden in such places as wheel wells, panels, and spare tire compartments of inconspicuous vehicles
- Cash is often hidden in the same vehicles that brought the cocaine north
- Most shipments range from \$150,000 to \$500,000 in order to minimize the impact of any one unsuccessful attempt to smuggle the money across the border
- Rotating drivers move the cash shipments from the collection city to the designated border towns close to the drug trafficking center of that particular trafficking organization
- An elaborate system of border monitoring and lookouts (called *halcones*, or hawks) allows cartels to determine border crossing times and locations
- A second option is for couriers to simply walk into Mexico using a large number of other pedestrians as cover



## Sinaloa Drug Cartel: AO and Finance Map



\*South America, Europe, Asia, Middle East



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## Norway's Lone Wolf Bomber



# Norway's Lone Wolf Bomber

## ☐ Purpose and goals

- Anders Behring Breivik held a grudge against his country's immigration policies
- Breivik was also against “multiculturalism” and “political correctness”
- Breivik feared an eventual Muslim majority in Oslo
- Breivik wanted to inflict the maximum number of casualties to create the greatest loss possible to Norway's governing Labor party

## ☐ Location: Norway, but Breivik did travel to Prague, Czech Republic

## ☐ Structure: One individual only

## ☐ TTP

- Bombing—vehicle-borne improvised explosive device (VBIED)
- Small arms attack

## ☐ Activity and areas of operation

- Bombing in Oslo, Norway
- Mass attack with small arms fire at Utoeya Island, Norway

## ☐ Funding Sources:

- Founded and then sold a communications company
- Farming (more of a cover for his activities than to produce a profit)

# Norway's Lone Wolf Bomber: Maps

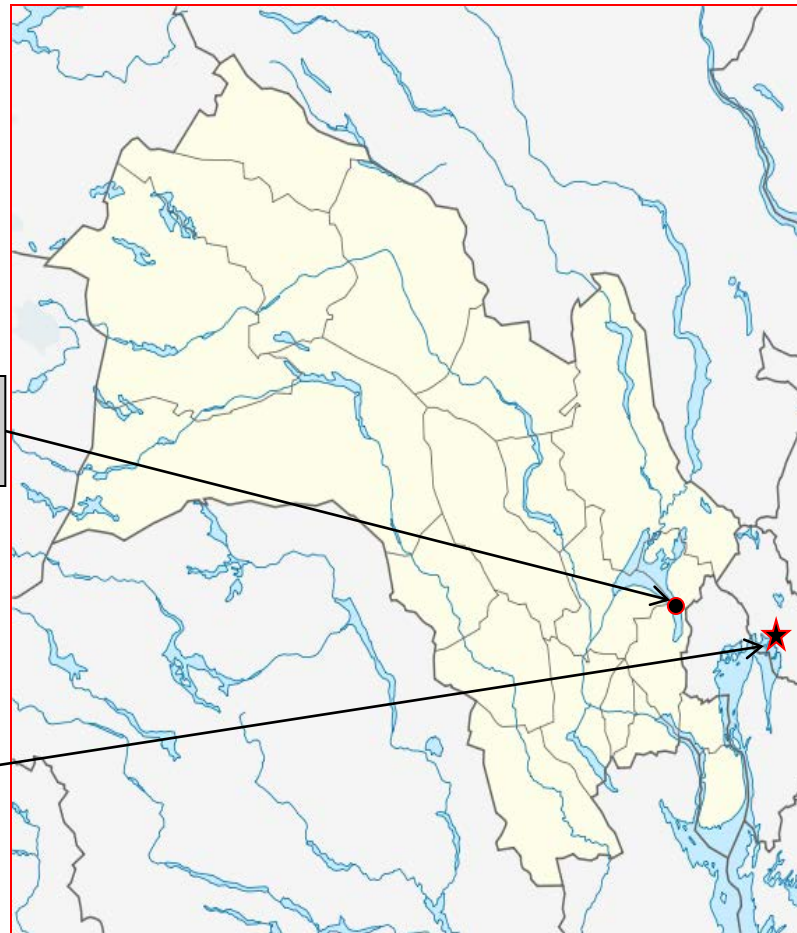


Map of Norway

Breivik  
Geofarm

Mass  
Shooting

Bomb  
Attack



Utoeya Island in relation to Oslo



# Norway's Lone Wolf Bomber: Funding

## ❑ Profits from Breivik's legitimate personal communications company

- Founded in 2002
- Worked hard for four years in a legitimate job to save money to finance his attacks
- In 2006, sold the company for greater than \$700,000 to finance his attacks
- Purchases
  - Breivik Geofarm
  - Legal firearms
  - Trip to Prague in an attempt to purchase illegal automatic firearms
  - Oslo Gun Club membership fees
  - Farm supplies

## ❑ Breivik Geofarm

- Established in 2009
- Never intended to turn a profit
- Cover story:
  - To purchase fertilizer used to make the explosive device
  - To practice making smaller fertilizer bombs without raising suspicions due to the secluded location



# Norway's Lone Wolf Bomber: AO and Finance Map





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## Conclusions





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## Conclusions: Group Funding Source Chart

Group	Funding Source	State Support	Private Donations	Personal Profits	Drug Sales/ Trafficking	Human Trafficking	Illegal or False Business/ Charity	Extortion	Trade/ Smuggling	Stealing	Money Laundering
Al Shabaab		✓	✓					✓	✓		
Al-Qaeda			✓				✓				
Hezbollah		✓			✓		✓		✓		✓
Lord's Resistance Army		✓								✓	
Naxalites			✓		✓		✓	✓		✓	
Albanian Organized Crime					✓	✓	✓				
Sinaloa Drug Cartel					✓		✓				✓
Breivik (Lone Wolf Bomber)				✓			✓				

-----Criminal Activity-----



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# Conclusions

- ❑ This report reveals that while the irregular force groups presented will go to great lengths to fund their operations, the methods they use are not new
  - Groups have an integrated approach and often a worldwide network of affiliates they harness to gain funds
  - Even the advent of widely available technology and social media over the last few decades has not dramatically altered the way irregular forces do business
- ❑ All the groups participated in **criminal activities** to fund their activities, the most common method being **false or illegal businesses or charities**
  - Naxalites and Hezbollah each used the most (four) types of criminal activities
- ❑ The second most common funding source was **drug sales/trafficking**
- ❑ Three of the eight groups received **State support**:
  - Al Shabaab from Eritrea
  - Hezbollah from Iran and Syria
  - LRA from Sudan
- ❑ Only al Shabaab, al-Qaeda, and the Naxalites received support from **private donations**
- ❑ Ultimately, these funding methods are effective and likely to continue well into the future



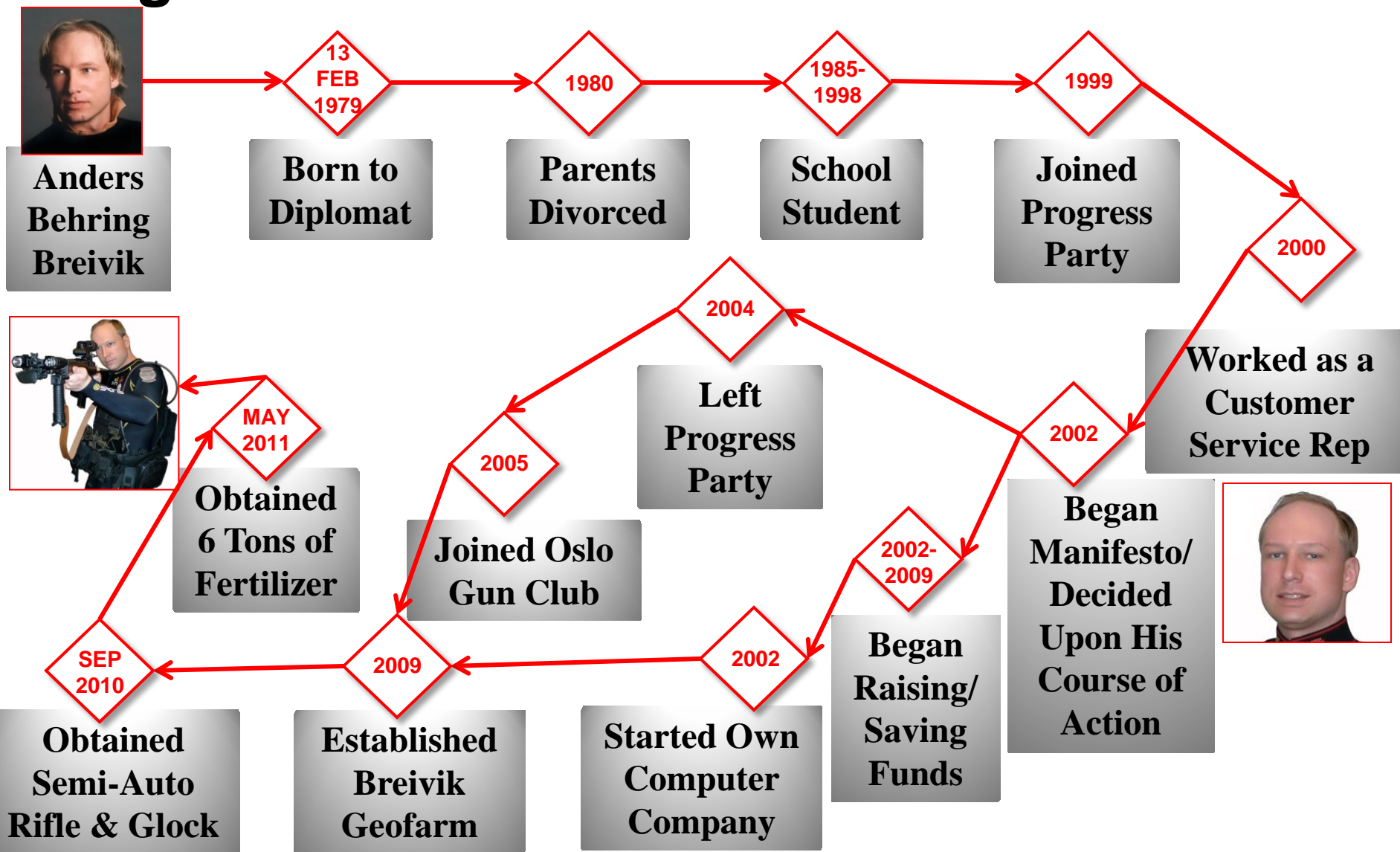
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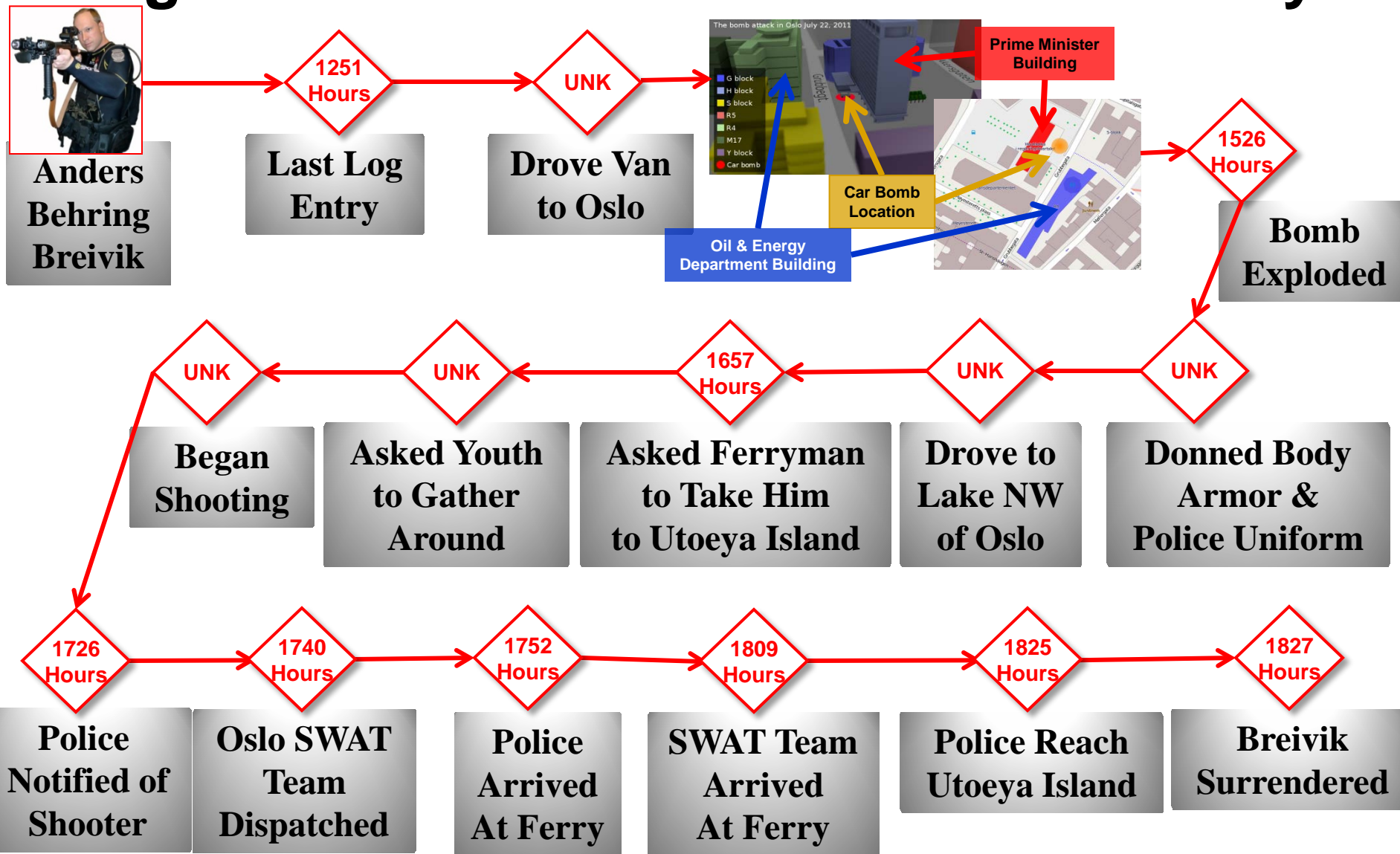


## **Vignette 1**

### **Lone Wolf Bomber in Norway: Anders Behring Breivik**



# Vignette – Lone Wolf Bomber – Final Day





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# Breivik's Fundraising Efforts

- ☐ 1997: Lost approximately \$370,000 in the stock market
- ☐ 2000: Began working as a Customer Service Representative
- ☐ 2002: Embarked upon a nine-year journey to carry out his planned attacks by launching his own computer company
- ☐ 2003: Net worth approximately \$170,000 before his company went bankrupt and he moved back into his mother's home to save money
- ☐ 2005: Claimed in his manifesto that he had accumulated over \$740,000 in the stock market within three years, but lost half its value
- ☐ 2007: Net worth approximately \$120,000
- ☐ 2008: Net worth approximately \$370,000, primarily in the stock market
- ☐ 2009: Purchased a farm as a cover for his fertilizer purchases and as a secluded place to test out small versions of his planned bomb
- ☐ 2010:
  - Purchased a semi-automatic rifle and Glock pistol and purchased fertilizer from an overseas company that arrived in May 2011
  - Possessed nine credit cards with approximately \$27,000 total line of credit

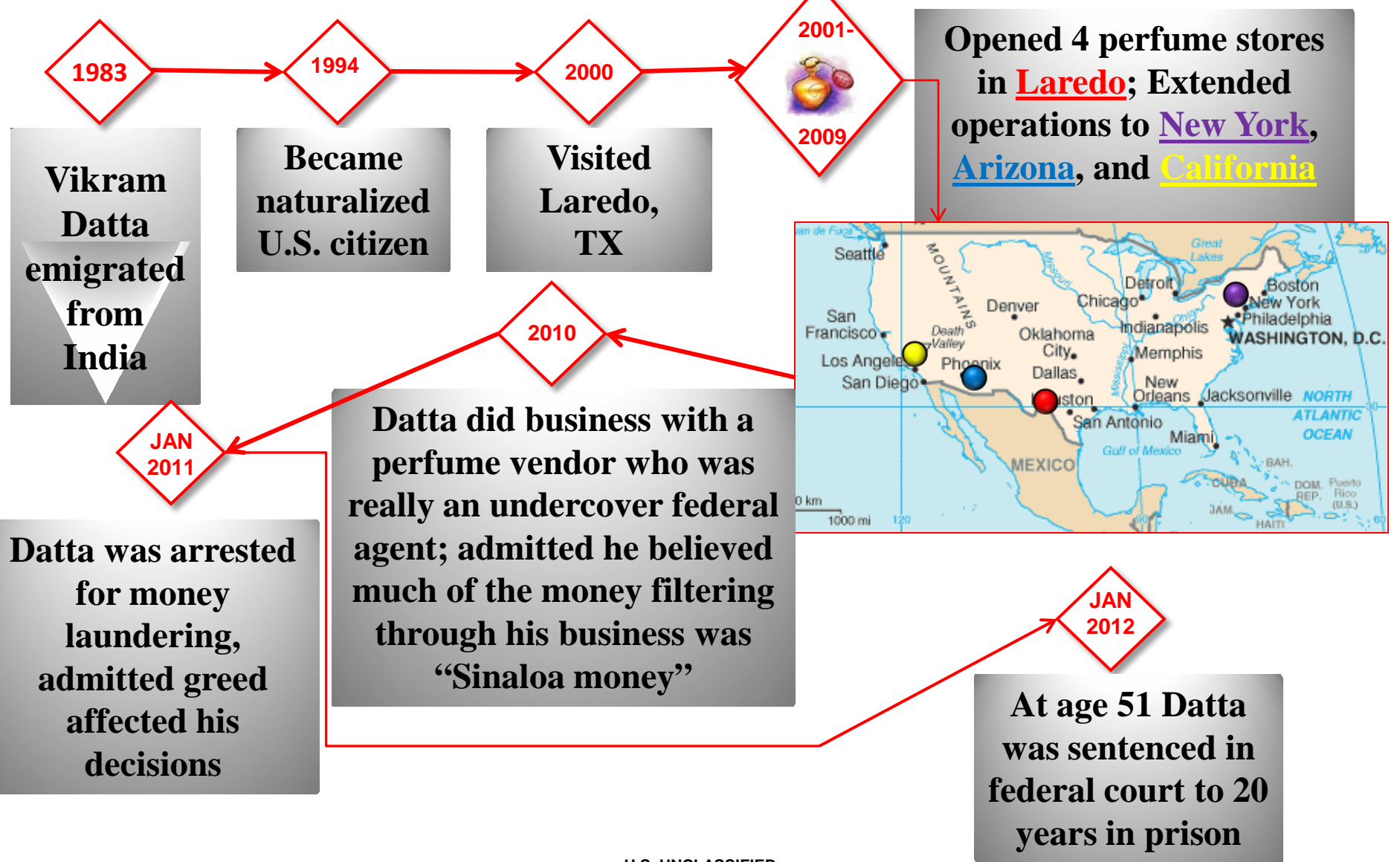


## **Vignette 2**

# **DTO (Sinaloa) Money Laundering: Vikram Datta and the BMPE**



# Vignette – Vikram Datta & BMPE – Time Line







# Vignette – Vikram Datta & BMPE

- ☐ Vikram Datta immigrated from India in 1983
- ☐ Visiting Laredo, Texas in 2000, he discovered a downtown area where millions of dollars in cash and goods exchanged hands each week
- ☐ A year after renting his first store space in Laredo, Datta had four profitable perfume stores in Laredo with operations in New York, Arizona, and California with \$30 million in annual sales
- ☐ After drugs were sold in the U.S., the proceeds were smuggled to Mexico
- ☐ Black Market Peso Exchanges then purchased the dollars at a steep discount from the prevailing interbank exchange rate
- ☐ The exchange businesses later transported the dollars back into the U.S. and used them to purchase perfume from Datta's stores for shipment to Mexico



# Vignette – Vikram Datta & BMPE (cont.)

- ☐ Between 2009 and 2011, Datta and his co-conspirators deposited more than \$25 million in bank accounts they controlled
- ☐ Datta admitted to undercover agents that he was laundering money for the Sinaloa drug cartel
- ☐ Vikram Datta was convicted and sentenced to 20 years in prison

**Analyst Comment: Datta's involvement with the Sinaloa at first seemed unwitting. At what point he clearly understood the connection to the Sinaloa is unknown. This case demonstrates one of the ways a criminal organization will take advantage of people seeking fortunes – Datta profited tremendously as a pawn in a money laundering scheme, but ultimately paid the price for his greed when he was discovered, arrested, and sentenced.**



# OEA Team Handbook

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## POCs

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