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The Dissolution of Hierarchies and the Impact on the Crime-Terror Relationship

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By definition, terrorists and criminals maintain different goals. Criminals exploit their existing environment for illicit financial gain, while terrorists aim to overthrow or disrupt ruling authorities for political or ideological reasons. Unlike terrorists, criminals seek a stable environment to conduct their illicit transactions, and they care about governance only insofar as it impacts their ability to conduct business. Criminals operating in a failed state, for example, exploit the absence of authority, while criminals operating in a functioning state co-opt governments through corruption. Criminals are illicit businessmen, not politicians. They conduct financial transactions, maintain balance sheets, assess financial and personal risk, and eliminate competition. A criminal has little to gain by becoming involved in radical political activities, which might draw unwanted law enforcement attention to their business.

The term “criminal” or “terrorist”, as described above, is used a noun, and this is an important distinction when considering the difference between the two groups. A terrorist may conduct criminal activities to raise funds, but still maintains local, regional or global political objectives. A criminal may also conduct “terrorism” by committing mass casualty attacks or utilizing graphic violence to send a message to other criminal groups or government authorities. In either case, if an individual is a terrorist or criminal, they retain objectives that are usually incompatible with each other.

During the Cold War and the decade after, intelligence analysts could usually accurately label a group as either criminally or politically motivated. The transparent motivations of figures like Benjamin Arellano Felix and Manuel “SureShot” Marulanda provided analysts a clear picture of the group’s goals. The criminal strives for prestige and money, while the terrorist seeks radical change in his/her country’s government. During the Cold War, states established or supported terrorist groups who served as proxy armies against the west. These groups’ leaders

maintained strict ideological adherence to the cause and operated in a pseudo-military fashion. These Cold War terrorist groups retained rigid hierarchical structures in their organizations, which allowed their leaders to manage members to ensure they followed the group's rules and executed its plans. States could not afford to have a proxy terrorist group operate outside its mission during the Cold War.

After the Cold War, the loss of state funding prompted many terrorist or insurgent groups to seek alternative sources of currency, and many turned to criminal activity to generate revenue. The type of criminal activity depended largely on their location. A rural insurgency might extort ranchers, conduct kidnappings, or tax coca or poppy farmers, among other activities. An urban terrorist would focus criminal activities on kidnapping, extorting local business, and other types of urban-based illicit business schemes. On the surface, these groups still retained political objectives, though over time the influx of money transformed some terrorist group motivations from political to financial. In that case a terrorist group would operate under the veneer of their righteous cause, though their true priority is profiting from an illicit business.

In the 1990s, hierarchies remained the dominant organizational construct for most criminal and terrorist groups. Criminal kingpins utilized a hierarchical structure because it allowed them to control operations from "tooth to tail." Colombian cartels, for example, managed the cocaine industry from source to demand zone. They profited from the entire vertical industry - from a coca leaf grown in Colombia to cocaine sold in America. The hierarchy also allows a transnational criminal organization to centralize profits with top tier leadership since they can pay their employees trivial amounts of money for undertaking the bulk of the enterprise's work. Finally, a hierarchy enables kingpins to micro-manage the day-to-day

activities of their enterprise to ensure that members are not siphoning profits or making side-deals that would undermine their business.

Hierarchical structures are even more necessary for insurgents who control territory, establish counter-institutions, and manage or exploit raw resources. The organizational construct allows insurgent leaders to control and manage stolen commodity production and sales, as well as capably secure territory under their control. Some insurgents also create a shadow government, where they provide services to the community in the absence of government authorities. A hierarchy is an effective mechanism for developing and managing the activities of a shadow government.

For both insurgents and criminals, a hierarchy provides a control mechanism that they can utilize to ensure that their members are following the rules and vision of the group. The concept is the same, whether the organization's goal is to control heroin sales in New York or replace a Latin American regime with communist leadership. Hierarchies prohibit members from thinking "outside the box" and undertaking activities detrimental to the group's goals.

While a hierarchy is an effective business structure, its pyramidal makeup renders an illicit enterprise vulnerable to authorities. Top tier leaders are attractive targets for law enforcement. These "CEOs" are visible, identifiable, and their arrest or death can significantly impact the operations of the enterprise. Government efforts worldwide have successfully decapitated the leadership of many illicit hierarchical organizations, leaving these organizations in a state of flux as new leaders vie for the top position. Many illicit groups, in response to such pressure, have flattened their organizations and avoided traditional hierarchies.

While networked organizations take many forms, an underlying network principle is that the role of top tier leadership is reduced or eliminated. Networked organizations unshackle low and mid-level associates from central management, enabling them to operate outside the rules or norms of a typical terrorist or criminal group. In an older criminal model, top tier leadership directly or indirectly managed a low level member of their organization, and the criminal's success depended on successfully executing the leadership's instructions. In a network, this individual is now an entrepreneur, free to pursue goals that might sometimes be incompatible to those of the enterprise.ⁱ

Transaction-based relationships between criminals and terrorists are not new. Terrorists, as noted before, usually prefer to keep criminal activities "in house," but they nevertheless engage with external criminals at some point during their illicit business operations. They also utilize criminals to provide fraudulent documents and smuggle members or supporters, among other activities. Criminals have also conducted transactional relationships with terrorists, to include utilizing their expertise in explosives and other violent tactics.

The ascendancy of networked organizations has enabled these transactional relationships to flourish, unchecked by the rules and authority of a hierarchy. Some of these transactional relationships may also evolve into longer-term partnerships if the activities do not undercut each party's intent. Typically, a hierarchy's top tier leadership would decide a strategic partnership between two illicit organizations, but in a networked organization, a member can independently establish partnerships on behalf of the organization. These partnerships could fall outside of traditional norms or boundaries, and this dynamic compels intelligence analysts to rethink conceptions about terrorists and criminals. In this respect, a longer-term criminal-terrorist

relationship is less of a “convergence of goals” than it is a relationship where neither’s interests collide with each other.

Personal motivations in the underworld are driven by a complex combination of psychological, sociological, financial, and other factors. While assessing these motivations is outside the scope of this paper, a consistent thread in literature is that terrorists or criminals are often driven to action by a calling from their social network. Peer group motivations can change rapidly, depending on numerous external or personal factors. Networks allow these groups to float in and out of various organizations, where they can pursue political, financial, or other goals as needed. A hybrid “criminal terrorist” will set aside long term goals for short term gains.

In the future, intelligence analysts will continue to be challenged to identify threats in a global environment where crime and terrorism are increasingly intertwined. In such an environment, the role of intelligence becomes critical to dissecting the motivations of networked organizations. Intelligence analysts, armed with credible intelligence, can identify which segments of a network are driven by profit, and which are driven by ideology. They can answer important questions like: is the criminal group wittingly supporting terrorist activities? Does the criminal group maintain a longer-term relationship with a terrorist group? Analysts, utilizing network analysis techniques, can map out the network and assess the individuals on a case-by-case basis.

For government authorities, this dynamic challenges traditional approaches to addressing illicit activity since terrorism is often viewed as an act of war and crime is an issue to be addressed through the legal system. Criminals are arrested; terrorists are killed. In addition, terrorists or insurgents can sometimes be negotiated with as a political entity and encouraged to

lay down their guns for political concessions. In contrast, governments rarely negotiate with criminals to stop criminal behavior.

While new challenges arise, there are also opportunities for governments to exploit the new dynamic. A criminal involved in terrorist activities probably lacks the ideological adherence of his/her associates, and could be a valuable source of information to law enforcement. “Hybrid” criminal-terrorist networks could provide useful information for payment, since they are driven more by greed than politics, unlike the ideological purist, who is unlikely to provide information under any circumstances.

In conclusion, the dissolution of hierarchies as the predominant organizational construct in illicit organizations will challenge our traditional notions of crime and terrorism. “Hybrid” criminal-terrorist networks, as well as terrorists who engage in crime to generate funds, will require intelligence analysts to dissect networks, which now portray a complex set of motives and activities. Although most terrorists and criminals still retain largely incompatible long-term objectives, identifying and branding these “hybrid” networks as driven by profit or politics will require more effort than ever before.

ⁱ It is important to note, however, that the hierarchy is not dead. Criminal kingpins, driven by power and greed, will continue to centralize control at the top of their organizations.