

## WAR ON TERROR: Financing Al Qaeda 2.0

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Since the 9-11 attacks, a significant portion of Al Qaeda's funding apparatus has been unraveled and revealed. Consequently, charities, private donors, and informal hawala money transfer operations are subject to increased regulation and monitoring. Even Saudi Arabia, under the pressure of an increasingly sophisticated and deadly terrorist challenge, is engaging in joint measures with the United States to stem the flow of cash into the coffers of terrorists. But an emerging, increasingly autonomous, and self-contained twist on the traditional crime-terrorism nexus is threatening to reverse these hard-fought victories.

Like all successful organizations, Al Qaeda adapted to the body blows inflicted by the war on terrorism by morphing into what commentators and analysts have called 'Al Qaeda 2.0.'

Whereas before 9-11 Al Qaeda was a more or less hierarchical structure, with leaders, members, and committees overseeing everything from the issuance of religious decrees to the purchasing of tires for SUVs, it is now more an ideology, a worldwide movement, and a vehicle of protest. Through periodic statements posted on the internet and audiotapes passed to Arab media, what remains of Al Qaeda's leadership dictates targets, sets strategic guidelines, and offers advice and schooling for the prospective terrorist.

The recipients of these messages are not traditional militants who have studied in an Afghan camp and honed their skills fighting the Russians in Afghanistan, but a wide pool of angry, humiliated Muslims, many of whom live in Europe, spending their days absorbing images flooding in from Gaza and the West Bank, Iraq, Kashmir, Chechnya, and other zones of sectarian conflict. Angered by these images and stirred by Bin Laden's statements and intransigence in the face of the West, these individuals coalesce around like-minded compatriots, forming bands that appear and disappear, sometimes pulling off an operation, other times dissolving even before they reach the planning stage.

While this transformation from organization to ideology presents myriad difficulties for security and intelligence services, one aspect that has been overlooked is the evolving nature of the financing facilitating the emergence and operations of these quasi-independent actors.

As the effervescent bands of Al Qaeda 2.0 develop and mature to the point of carrying out an operation, they require funding. Befitting their position outside the hierarchy of Al Qaeda, their recourse to institutional funding is limited. Even if they were able to tap into Al Qaeda coffers and apply for a grant, so to speak, they would still have to contend with a worldwide financial crackdown on terrorist financing. These impediments to utilizing established funding networks will increasingly force groups to turn toward small-scale criminal enterprises to finance their operations.

The crime-terrorism nexus is an established fact for a number of reasons. Crime is self-starting and requires no particular training or expertise. The underworld many of these bands inhabit is rife with opportunities for collaboration or interaction with criminal elements.

Strands of the Algerian GIA in Europe provided the bulk of that organization's funds through petty theft and credit card fraud. The Al Tawhid network, headed by Jordanian Islamist militant Abu Musab Al Zarqawi, got started by trafficking in forged documents and immigrant smuggling between the Middle East and Europe. Some observers argue that Al Qaeda derived the bulk of their income from the opium trade in south Asia. This tactic is not limited to Sunni 'jihadis' – Hizbullah has gotten into the act by tapping into a simple and efficient cigarette smuggling racket.

But Al Qaeda 2.0 means the emergence of terrorism by extreme remote control, where Al Qaeda provides the ideology but not the logistical support or cash. There is little movement of specialized financial or technical operatives, no cumbersome network of funding, and no large transfers of cash between headquarters and the field to pique the interest of authorities. Couriers shuttling between cells, revealing links between levels of the hierarchy, do not exist to be caught. In Al Qaeda 2.0, financing will likely be delegated within the bands and done on a small scale, a couple of hundred dollars at a time.

Inasmuch as there is a template, we can learn a good deal from the cell that perpetrated the Madrid bombings. The explosive was bartered from a jailhouse contact of one of the bombers for a few bricks of hashish and some cash. A portion of the funds was raised by selling hashish, pills, and stolen mobile phones, while another portion was secured from ATM fraud. Among the bombers was a set of Moroccan brothers, the Ahmidans, one of whom is a notorious drug kingpin. One of the bombers was known to the police, who used him as an informant in drug cases.

This offers distinct challenges to authorities tasked with drying up terrorist financing. For instance, local police tasked with monitoring petty crimes will now have to consider the possibility that the rash of snatch-and-grabs plaguing the neighborhood are financing a burgeoning terrorist plot.

To confront this possibility, ground level police and local authorities must cooperate in both intelligence and law enforcement matters. Police must be alert to upsurges in petty crime, particularly in areas where intelligence indicates the potential for terrorism is high. Too often in these areas petty crime is written off as a byproduct of dismal economic circumstances, but now it may have much more serious implications.

Police forces should also strive to break down barriers between traditional criminal investigations and terrorist ones. The connection between crime and terrorism will become more entrenched and murkier with the emergence of Al Qaeda 2.0, and police must prove their ability to adapt as fast as the threats they face.

As Madrid graphically illustrated, terrorism does not need a state sponsor or a distinct base of operations. But it does need money. While we ponder how Al Qaeda's shift from organization to ideology has altered the planning and executing of terrorist acts, we must not lose sight of the repercussions for terrorist financing as well.

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