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“Narcoterrorism And the Long Reach of U.S. Law Enforcement”

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Over the past month Central American counter-narcotics intelligence forces began unraveling a massive money movement operation that included – for the first time in their experience – a mixing of funds from Mexican drug trafficking organizations (DTOs); Chinese Triads; Russian transnational criminal organizations and the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*—FARC), a designated terrorist entity and cocaine exporter.

The money, totally more than \$100 million, largely in bulk cash in various currencies arrived in Guatemala and El Salvador, was converted to larger bills and moved by land and air to Panama, where it then entered the formal financial sector through various banks and front companies.¹

Several things are particularly striking about this episode: the mixing of transnational organized crime (TOC) and terrorist funding streams; the wide variety of groups now using the same channels and brokers (super fixers) to move their cash; the mixture of proceeds from different types of illicit transactions (e.g., cocaine trafficking, human trafficking, extortion, casino money laundering) into a larger pool; and, the fact that the operation was undertaken by a joint group of former Marxist guerrillas and former right-wing politicians, who once waged war against each other but now are combining their experience and knowledge to work together for mutual profit.

This is only one recent example of how the growing ties between TOCs from multiple regions, and terrorist organizations, are morphing into something new which represents unprecedented dangers for the Homeland and our capacity to successfully combat these new entities. This ability of disparate groups with different ideologies, business models and structures to work together shows just how far the multi-polar, post Cold War world has developed.

The ideological boundaries and operational constraints that kept many groups from working together during the Cold War have largely been eclipsed, and there is a consistent blurring or erasing of the lines that once separated organized crime (for-profit enterprises) from terrorist (political/theological goals) groups. The reasons are multiple, and are magnified and empowered by what the Drug Enforcement Administration (DEA) has accurately identified as a crucial element in the logistical structure of both groups: the emergence of a small group of “super fixers” -- those able to provide specific, unique services to multiple groups regardless of ideology, motivation or location.

This can be air cargo services and access to weapons stocks, as the case of Viktor Bout illustrates; high-end document forgery; offshore money laundering facilities, the acquisition of legitimate diplomatic passports for international criminals and

¹ Author interviews with intelligence officers directly involved in the investigating the operations.

terrorists, and other activities. Multiple groups need the same services, and hence shop at the same few specialty brokers. That is why targeting these “super fixers” should be of the one of the highest priorities of the law enforcement and intelligence communities. If one can remove them or impede their actions, several organizations are hurt and the ability to link different types of activities is made more difficult.

As the recent White House strategy put forward by the NSC to combat transnational organized crime noted

Terrorists and insurgents increasingly are turning to crime and criminal networks for funding and logistics. In FY 2010, 29 of the 63 top drug trafficking organizations identified by the Department of Justice had links to terrorist organizations. While many terrorist links to TOC are opportunistic, this nexus is dangerous, especially if it leads a TOC network to facilitate the transfer of weapons of mass destruction material to terrorists.²

Other examples abound of the blurring of the criminal-terrorist nexus. As I wrote in the National Defense University’s PRISM journal³, designated Latin American terrorist organizations and drug cartels are now carrying out business with emerging West African criminal syndicates to move cocaine northward to lucrative and growing markets in Europe and the former Soviet Union.⁴ The West African criminal syndicates, in turn, are often allied and cooperate in illicit smuggling operations with operatives of Al Qaeda in the Islamic Maghreb (AQIM), a radical Islamist group that declared its allegiance to Osama bin Laden and its alliance with al Qaeda.⁵

The group has, in recent years, relied primarily on kidnappings for ransom to finance its activities, and is estimated by U.S. and European officials to have an annual budget of about \$10 million.

An ongoing relationship with the FARC and other DTOs from Latin America to protect cocaine shipments into Europe would exponentially increase AQIM’s revenue stream, and with it, the operational capacity. Other cases show that AQIM would transport cocaine to Spain for the price of \$2,000 a kilo. Had the proposed arrangement been in place for the 1,500-kilo load passing through Liberia, the terrorist group would have reaped \$3 million in one operation. Had it been the

² “Fact Sheet: Strategy to Combat Transnational Organized Crime,” Office of the Press Secretary, the White House, July 25, 2011.

³ Douglas Farah, “Terrorist-Criminal Pipelines and Criminalized States: Emerging Alliances,” PRISM, Center for Complex Operations, National Defense University, Vol. 2, No. 3, Spring 2011.

⁴ Benjamin Weiser and William K. Rashbaum, “Liberian Officials Worked With U.S. Agency to Block Drug Traffic,” New York Times, June 2, 2010.

⁵ For a history of AQIM see: “Al Qaeda Group Backs al Qaeda,” BBC News, October 23, 2003, accessed January 16 at: <http://news.bbc.co.uk/2/hi/africa/3207363.stmp>. For an understanding of the relationship among the different ethnic groups, particularly the Tuareg, and AQIM, see: Terrorism Monitor, “Tuareg Rebels Joining Fight Against AQIM?” Jamestown Foundation, Vol. 8, Issue 40, November 4, 2010.

4,000-kilo load, the profit of \$8 million would have almost equaled the current annual budget of AQIM.

AQIM's stated goal is to overthrow the Algerian state, and, on a broader level, to follow al Qaeda's strategy of attacking the West, particularly Europe. The ability to significantly increase its operating budget would facilitate recruiting, the purchase of weapons and the ability to carry out larger and more sophisticated attacks across a broader theater. It would also empower AQIM to share resources with its parent al Qaeda structure and other radical Islamist groups in Africa and elsewhere, increasing the overall operational capacity to attack the United States and related targets.

The central aspect that binds these disparate organizations and networks that, in aggregate, make up the bulk of non-state armed actors, is the informal (meaning outside legitimate state control and competence) "pipeline," or series of overlapping pipelines, that these operations need to move products, money, weapons, personnel and goods in both directions.

These pipelines are perhaps best understood as a series of recombinant chains whose links can couple and de-couple as necessary to meet the best interests of the networks involved -- as well as to rapidly evade or react to detection and disruption contingencies. Among other things, this operational modality presents a difficult challenge to intelligence collection and analysis by both human and electronic means. In essence, if you want to smuggle 30 Chinese to enter the United States illegally, move 30 AK-47 assault rifles to an insurgent or terrorist group, or move 30 kilos of cocaine, or a batch of WMD precursors, a trafficker must pass through the same small group of gatekeepers that allow the movement of illicit goods to flow unimpeded.

The flow of goods is not linear, meaning it does not just flow in one direction, but is usually circular. Nor is the flow always limited to a single commodity. For example in Liberia, timber and diamonds flowed out through inter-related networks to different markets in Europe and Lebanon, and the money to pay for them moved back through financial networks tied to Hezbollah. Al Qaeda "blood diamonds" from Sierra Leone and Liberia moved through Hezbollah networks to Antwerp, and the money flowed back through different Islamist channels.⁶

When one buyer was no longer able to function, others stepped in to fill the void. In the cocaine trade, the drugs flow from South America to markets in the United States, Canada and Europe, often through the same channels used to illicitly move human beings, contraband and other drugs such as marijuana. As northbound interdiction has improved, the cartels have begun sending significant amounts of

⁶ For a complete look at the blood diamond trade and al Qaeda and Hezbollah roles in the West African trade see: Douglas Farah, Blood From Stones: The Secret Financial Network of Terror, Broadway Books, New York, 2004.

cocaine to West Africa for transshipment north to the growing markets in Central Europe.⁷

Hybrid Groups and Criminal States

These new realities render the usual definitions and assumptions about non-state actors, nation-states and how they relate to each other, obsolete. And once-clear distinctions between terrorists, insurgents, criminal gangs and militias are also far blurrier in practice, with few groups falling neatly into one category or even two. Insurgencies in Colombia and Peru are also designated terrorist groups by the United States and other governments, and engage in parts of the transnational criminal structure.

Hezbollah engages in criminal activities in West Africa and Latin America, yet also acts as a proxy for Iran's foreign policy and military/intelligence activities. These emerging hybrid structures change quickly and the pace of change has accelerated in the era of instantaneous communication, the Internet and the criminalization of elements of religious and political groups.

While the groups that overlap in different pipeline structures are not necessarily allies, and in fact occasionally are enemies, they often make alliances of convenience that are short-lived and shifting. Even violent drug cartels, which regularly engage in bloody turf battles, also frequently engage in truces and alliances, although most end as soon as they are no longer mutually beneficial, or when the balance of power shifts among them. More permanent alliances may emerge over time with the maturation of the globalized TOC and TOC-State nexus.

It is the hybrid nature of these organizations, and the increasing support they receive from "criminalized states," which will be discussed in detail below, that makes the role of the 'shadow facilitators' so vital. They understand how to exploit the seams in the international legal and economic structure, and work with both terrorist and criminal organizations. They specialize in placing people and products into the same pipelines and the same illicit structures, and exploiting the same state weaknesses.

The TOC groups and terrorist organizations often devote significant time and resources to penetrating and corrupting the different part of the state apparatus in those countries where they wish to operate, in order to maximize profits and minimize risks. As the recent NSC study noted,

⁷ Amado Philip de Andrés, "Organized Crime, Drug Trafficking, Terrorism: The New Achilles' Hell of West Africa," Commentary, Fundación Para las Relaciones Internacionales y Diálogo Exterior (FRIDE), Madrid, Spain, May 2008. De Andrés is the deputy regional representative for West and Central Africa, United Nations Office on Drugs and Crime.

TOC penetration of states is deepening and leading to co-optation in some states and weakening of governance in many others. TOC networks insinuate themselves into the political process through bribery and in some cases have become alternate providers of governance, security, and livelihoods to win popular support. The nexus in some states among TOC groups and elements of government – including intelligence services and personnel – and big business figures threatens the rule of law.⁸

While it is true that TOC penetration of the state threatens the rule of law, it also poses significant new threats to the Homeland, a threat far different from the traditionally recognized issues with “failed” states or “ungoverned spaces.”

This paradigm of a criminal state differs in important ways from the traditional look at “weak” or “failed” state, which assume that government that is not exercising a positive presence and fulfilling certain basic functions (public security, education, infrastructure) is not a functioning state. In fact these states can be highly efficient at what they choose to do, particularly if they choose to participate in an ongoing criminal enterprise. Their weakness exists in the fields of positive state function, but not in other important areas.

As Clunan and Trinkunas rightly note, the essential issue

Is not lack of governance per se, but rather who governs the spaces. Governance de facto exists in areas frequently claimed as ungoverned spaces, such as feral cities, failed states, offshore financial markets, marginally regulated reaches of the internet and tribal areas such as those found on the Afghanistan-Pakistan border, yet it is mostly exercised by non-state actors ranging from insurgents to warlords to clans to private corporations. The notion of ungoverned spaces can be more broadly applied to legal, functional, virtual and social arenas that either are not regulated by states or are contested by non-state actors and spoilers.⁹

So, while the NSC recognition of the enormous and rapidly evolving threat is helpful and significant, it falls short of recognizing the true dimensions of the TOC-state relationship in many regions and the emergence of criminalized states, particularly in Latin America. It therefore does not fully articulate the new level of threat beyond the economic sphere and criminal-terrorist nexus and the danger posed by “failed” states. This shortcoming risks a standard *status quo ante* response – perhaps more money by agency and lane, for instance drugs or human trafficking -- without recognizing that the full range of threats and statecraft is implicated on a globally interconnected scale requiring a new and strategic-level cross-agency coordinated

⁸ “Fact Sheet: Strategy to Combat Transnational Organized Crime,” op. cit.

⁹ Anne L. Clunan and Harold A. Trinkunas, “Conceptualizing Ungoverned Spaces,” [Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty](#), op cit., p. 19

response in order to ensure intelligence, diplomatic, security and other policies can understand, anticipate and counter the threat.

The term “criminalized state” refers to states where the senior leadership is aware of and involved – either actively or through passive acquiescence – in transnational criminal enterprises and where TOC is used as an instrument of state power and where levers of state power are incorporated into the operational structure of one or more TOC groups. The benefits may be for a particular political movement, theocratic goals, terrorist operations or personal gain of those involved, or a combination of these factors.

Criminalized states frequently use TOCs as a form of statecraft, bringing new elements to the “dangerous spaces” where non-state actors intersect with regions of weak sovereignty and alternative governance systems.¹⁰ This fundamentally alters the structure of global order.

The spread of criminalized states and the benefits they offer are often overlooked in our policymaking and in our thinking about the changing world order, yet its implications are enormous. While we have a mechanism for designating state sponsors of terror (including Iran and North Korea, with access to nuclear capacity), we have none for designating criminal states that often enable the terrorist activities. Complicating the Latin American case is the fact that the host countries are democratic in form and name, even as they increasingly are sliding away from democracy in practice and resist cooperation with the U.S. and international bodies on issues like narcotics. This ‘democratic mask’ makes it difficult for the U.S. to engage fully in effective diplomacy and countermeasures; hence, it provides the TOC nexus with additional insulation.

The possibility of TOC networks facilitating the transfer of weapons of mass destruction for terrorists, as noted by the NSC, is a dangerous one but assumes that the TOC groups and terrorists are in confrontation with states and their multiple law enforcement and intelligence tools. With the emergence of criminalized states we face the prospect of TOC networks facilitating such transfers under the explicit or implicit protection of one or more states, greatly increasing the chances of success. Parts of this pipeline are already being developed in Latin America, often overlapping with those in place in Africa, parts of Europe, and Asia.

As the TOC-state relationship consolidates, the recombinant criminal-terrorist pipelines become more stationary or rooted, and more dangerous to nations still operating within the rule of law. Rather than being pursued by state law

¹⁰ The phrase “dangerous spaces” was used by Phil Williams to describe 21st century security challenges in terms of spaces and gaps, including geographical, functional, social, economic, legal and regulatory holes. See: Phil Williams, “Here be Dragons: Dangerous Spaces and International Security,” Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty, Anne L. Clunan and Harold A. Trinkunas editors, Stanford University Press, 2010, pp. 34-37.

enforcement and intelligence services in an effort to impede their activities, TOC groups (and perhaps terrorist groups) are able to operate in a more stable, secure environment, something that most businesses, both licit and illicit, crave.

Rather than operating on the margins of the state or seeking to co-opt small pieces of the state machinery, the TOC groups in this construct operate in concert with the state on multiple levels. Within that stable environment, a host of new options open, from the sale of weapons to the use of national aircraft and shipping registries to easy use of banking structures to the acquisition of diplomatic passports and other identification forms.

Examples of the benefits of a criminal state can be seen across the globe. For example, the breakaway republic of Transnistria, near Moldova, known as “Europe’s Black Hole,” is a notorious weapons trafficking center from which dozens of surface-to-air missiles have disappeared, run by former KGB officials. Under state auspices, the republic, unrecognized by any outside country but on friendly terms with Russia, runs one of the largest human trafficking networks in world and other criminal enterprises. U.S. and European intelligence reports have repeatedly linked Transnistria to attempts to sell black market nuclear weapons to a variety of potential buyers.¹¹

Charles Taylor in Liberia is another example. At his peak (1998-2002), he had Russian, Israeli and South African TOCs operating in a country the size of Maryland. The state, while failing to meet the basic needs of its people and fulfilling virtually none of the traditional roles of states (defending national borders, providing basic education and health services, sanitation, garbage collection, mail delivery), had a virtual monopoly on power as well as control of the “honey pots” of natural resources.

Under Taylor’s direction, the extraction of timber, diamonds and gold were carried out with relative efficiency, but the benefits went to Taylor, his inner circle and those outsiders doing business with him. Hezbollah and al Qaeda operated without threat in the “blood diamond” trade, greatly enhancing their financial structures. The Liberian aircraft registry was ‘rented out’ to Russian weapons merchant Viktor Bout, whose sales fanned numerous wars in the region to unprecedented heights of brutality, and Liberian diplomatic passports were issued to notorious international criminals.¹²

¹¹ For a more complete look at Transnistria and an excellent overview the global illicit trade, see: Misha Glenny, McMafia: A Journey Through the Global Criminal Underworld, Alfred A. Knopf, New York, 2008.

¹² For a complete look the operations of Taylor, currently on trial in the Special Court for Sierra Leone in the Hague for crimes against humanity, see: Douglas Farah, Blood From Stones: The Secret Financial Network of Terror, Broadway Books, New York, 2004.

The threat , already serious, increases dramatically with the nesting of criminal/terrorist groups within governments that are closely aligned ideologically, such as Iran and the Bolivarian states in Latin America led by Venezuela, and are identified sponsors of designated terrorist groups, including those that actively participate in the cocaine trafficking trade. The states have publicly declared nuclear aspirations and the ability to move large quantities of virtually anything – including WMD and WMD components through their network.

Venezuela under Hugo Chávez and Ecuador under Rafael Correa, along with Evo Morales in Bolivia and Daniel Ortega in Nicaragua, have publicly and privately supported the FARC rebels in Colombia, a designated terrorist organization and TOC group that produces some 70 percent of the cocaine consumed in the United States. This support, in the form of money, weapons, sanctuary and joint business enterprises helps allow FARC-produced cocaine to flow to the outside world and survive the military battering the group has undergone at the hands of the Colombian military and police.¹³

Chávez and his allies have allowed Iran, a state sponsor of terror, to open financial facilities, front companies and dedicated shipping lines to evade sanctions on its nuclear program. At the same time Iran is carrying out multiple mining activities in Latin America that directly benefit its missile and nuclear programs without normal transparency and with no public scrutiny, while moving aggressively to expand intelligence gathering capacities and military access.¹⁴

A Case Study

In order for the different components of this complex equation to function as a whole, each side must get what it wants in order to make it profitable enough to continue.

For example, Charles Taylor in Liberia needed two things: weapons for his wars and a market for the diamonds and timber he was able to use to pay for the weapons and his taste for the finer things in life. The FARC needs to move cocaine to U.S. and European markets in order to obtain the money necessary to maintain its army of some 10,000 troops. In order to do that the FARC, with the help of traditional drug trafficking organizations, must move their product through Central America and Mexico to the United States-the same route used by those who want to move illegal aliens to the United States, and those who want to move bulk cash shipments, stolen cars and weapons from the United States southward.

¹³ For a look at the weapons transfers see: “Los ‘rockets’ Venezolanos,” *Semana* (Colombia), July 28, 2009. For a look at documented financial and logistical support of Chávez and Correa for the FARC see: “The FARC Files: Venezuela, Ecuador and the Secret Archives of ‘Raúl Reyes,’” An IISS Strategic Dossier, International Institute for Strategic Studies, May 2011.

¹⁴ Douglas Farah, “Strategic Security Issues,” International Assessment and Strategy Center, Defense Threat Reduction Agency Advanced Systems and Concept Office, May 2011.

All of these goods traverse the same territory, pass through the same gatekeepers and are often interchangeable along the way. A kilo of cocaine can be traded for a batch of AK-47 assault rifles before either of the goods reaches what would normally be its final destination.

The relationship of Taylor, Viktor Bout and the middleman who introduced them, a Kenyan named Sanjivan Ruprah, offers an interesting example of the symbiotic relationship that develop in criminal states.¹⁵

The relationship helped allow Bout to master the art of leveraging the advantages offered by criminal states. These included registering his aircraft in Liberia and later Equatorial Guinea; purchasing End User Certificates from Togo; and political and economic protection across the continent. The exchange of commodities such as diamonds for weapons was largely unpunishable because, while it violated United Nations sanctions, it was not specifically illegal in any particular jurisdiction.¹⁶

Ruprah had worked with several private military companies and mining interests in the Democratic Republic of Congo (DRC), as well as being married to the sister of a leader of one of the DRC's main Rwandan-backed military factions. Described as an "arms broker" in numerous UN panel of experts reports, Ruprah had also directed the Kenyan office of Branch Energy, a company that in the early 1990s negotiated to obtain control of the diamond mining rights of Sierra Leone. Branch Energy, through Ruprah, also reportedly introduced Executive Outcomes (EO) to the government of Sierra Leone who used them to fight against the RUF because the government forces were in such disarray.

Ruprah, by his own admission, met Taylor in the mid-1990s in Burkina Faso, before Taylor was president. He was seen more frequently in Monrovia starting in 1999, and he often stayed at the Hotel Africa, where Taylor housed his more privileged guests. In recognition of how valuable his services were or could be, in 1999 Taylor issued Ruprah a diplomatic passport under the name of Samir M. Nasr and gave him the title of Deputy Commissioner of Maritime Affairs.¹⁷

Ruprah introduced Bout into Taylor's inner circle, a move that fundamentally altered both the supply of weapons to Liberia and also to Taylor's proxy army, the Revolutionary United Front (RUF) in neighboring Sierra Leone. One of the favors Ruprah and Taylor could and did offer Bout was the chance to register several dozen of his rogue aircraft under the Liberian flag.

¹⁵ In 2008 Bout was arrested in Thailand in a DEA-led operation and is currently waiting trial in New York. Ruprah remains active in the West African region.

¹⁶ Douglas Farah and Stephen Braun, Money, Guns, Planes and the Man Who Makes War Possible, J. Wiley, Hoboken, NJ, 2007.

¹⁷ United Nations Report of the Panel of Experts for Liberia, United Nations Security Council, Report UNSC S/2000/1195, Dec. 20, 2000.224-226. See also UNSC S/2001/1015, Oct. 26, 2001.

Ruprah, taking full advantage of operating in a criminal state, also was given the title of "Global Civil Aviation Agent Worldwide," giving him at least nominal control of the Liberian Civil Aviation Registry, and certainly gave him access to the registry.¹⁸

"I was asked by an associate of Viktor's to get involved in the Aviation registry of Liberia as both Viktor and him wanted to restructure the same and they felt there could be financial gain from the same."¹⁹

The case shows the how the state control of particular entities such as the aviation registry can be used to reward illicit networks in exchange for commodities such as weapons. It also shows how Ruprah, as the member of a broader network, was able to introduce Bout to Taylor, for the benefit of all three. Thus the state was in the business of maximizing its ability to earn revenue for a small group in the government while offering the desired impunity and profits for the illicit networks.

While this network took advantage of parts of Taylor's criminal state, there were other networks that included Hezbollah and al Qaeda that were able to take advantage of his protection to allow terrorist organizations to reap and hide significant profits.²⁰

The State Response to the Terrorist-Criminal Nexus

As has historically been the case, nation states have been slow and relatively ineffective in recognizing and adapting to a new series of threats and the dramatic shift in TOC in general and particularly its relationship to terrorist organizations. While the world has changed dramatically, and despite ample rhetoric to the contrary, most governments, including our own, have been slow to recognize and slower still to deal with the changes that confront us.

The NSC's Transnational Organized Crime strategy released earlier this year was the first such strategy released since 1995. In the interim period – 16 years in which this growing problem did not merit enough policy attention to be studied in a 'whole of government' fashion -- the world's illicit economy globally grew to represent up to 9-10% of world GDP, or \$6.2 Trillion -- a figure that ranks just behind the US and EU, and ahead of Japan and China as a global economic force. The United States is not alone in this, and in fact, despite its sluggish response, is among the more forward looking nations in terms of policy relating to the criminal-terrorist nexus.

While there is now considerable evidence, both in public cases working their way through the U.S court system and in other nations, as well as a significant amount of

¹⁸ United Nations Report of the Panel of Experts for Liberia, op cit.

¹⁹ Ruprah e-mail to author for the book Merchant of Death: Money, Guns, Planes and the Man who Makes War Possible, op cit.

²⁰ Farah, Blood From Stones: The Secret Financial Network of Terror, op cit.

academic literature on the subject, and a growing body of intelligence being gathered, the response of the U.S. government remains somewhat fragmented and compartmentalized.

However, there have been some remarkable achievements by small groups within the government that have understood the challenges and moved to face them in new and innovative ways. These include the Drug Enforcement Administration (DEA); the Global Threats office, JIATIF-South at the U.S. Southern Command and the Special Operations Command in the Defense Department and several groups within the Department of Homeland Security (DHS).

The DEA has been particularly adept at identifying and capturing, through complex operations, several of the world's most prominent "super fixers," including Monzer al Kassab and Viktor Bout. With a unique set of authorities, and the support of some of the groups mentioned, the DEA has also broken new ground in tracking the network of relationships among DTOs and terrorist groups in West Africa, while working within the U.S. government and with the Colombian National Police to disrupt the FARC's drug trafficking activities, and those associated with the Venezuelan power structure.

But this is not enough. As these groups amass growing economic power, control more territory (including pipelines that cross our border with impunity hundreds of times each day), and gain access to more criminalized states, the threat will grow, not recede. There is little time and few resources inside the government dedicated to understanding and mapping the threat and comprehending the inter-connected structures that allow criminal groups to gain growing economic might, imbed their structures within states that have overtly hostile intentions toward the United States (Venezuela, Iran and others), and infiltrate and use normal business and finance structures, often without the knowledge of the host institutions.

As noted, this lack of comprehensive awareness and response by the U.S. and other governments essentially serves to strengthen criminal/terrorist organizations like the Taliban, Hezbollah, the FARC and others, as well as terrorist and criminal states themselves. This community of state and non-state actors cannot be viewed through the state-centric lens that guided foreign and security policy throughout the Cold War and since. Rather, it requires a broad range of responses by the United States and in concert with its allies. This includes the law enforcement, defense and intelligence communities, obviously, but also diplomatic, economic, financial, regulatory and public diplomacy components. The whole of government approach to cut off the flow of funds, monitor and disrupt the alliances of state actors and their proxies, and weaken the capacity and legitimacy of criminal states is vital yet lacking. A new paradigm is needed, not a low level reshuffling of policy tools and resources or incremental, reactive, catch-up approach.

It is, indeed, a brave new world we are facing. The challenges of the TOC/criminal state/terrorist nexus are underestimated at our own peril. The NSC's recognition of

this growing threat is an important first step toward building a more coherent policy. Congress and the administration must ensure the next steps are taken commensurate with the scope and scale of this emerging global-actor threat. Rather than tackling the enormous scope of the problem, the TOC/criminal nexus is generally treated as a slightly more serious version of what we have seen in the past. Instead, the enormous complexity, adaptive capacity and economic resources of the state and non-state actors must be viewed as something far larger and more dangerous than a simple iteration of past structures. It must be viewed as a dynamic, flexible global phenomenon that can react more quickly than governments, has more resources than any individual state and has no underlying loyalty to the current world order.

**United States House of Representatives
Committee on Foreign Affairs**

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