



Dirty Entanglements: Corruption, Crime and Terrorism – Louise Shelley

[00:00:08] Welcome back to Bribe, Swindle or Steal. I'm Alexandra Wrage, and today, we're talking about the intersection of terrorism, crime and corruption. My guest is the founder and director of the Terrorism, Transnational Crime and Corruption Center. She's a professor at George Mason University, an author and an expert on international crime. Today, we're discussing her most recent book, "Dirty Entanglements: Corruption, Crime and Terrorism." Louise Shelley, thank you for joining me.

[00:00:36] My pleasure to be with you.

[00:00:38] Why don't you give us an overview of the premise of your book? It's an excellent book, very accessible in spite of the daunting subject matter. You connect the dots between crimes that we usually think of in isolation.

[00:00:53] I think that far too often we think of crime and terrorism as separate phenomena, and they aren't anymore. Thirty years ago, when there was a lot of state support for terrorism, then the terrorists could function on their own apart from criminals. But nowadays there are very close links and, just as all transnational criminals and organized crime have to use corruption to survive, the same thing goes for terrorists. We've even had the United Nations recognizing the large number of types of crime and illicit trade that are used to support terrorism. This is a fundamental change, and it also reflects the fact that terrorists, in some ways, are less ideological and more like criminal business people, and that criminals will collaborate often with terrorists despite the fact that they may be undermining the state.

[00:01:59] If we look to your chapter two, "Corruption: An Incubator of Organized Crime and Terrorism," that was an interesting way of framing that: corruption as an incubator. Can you help us understand that? Is corruption a precursor to these other things?

[00:02:13] It is absolutely essential to having both crime and terrorism operate. Just think about Afghanistan today. Part of the reason that the Taliban is having a resurgence is that people are revolted by the corruption that has come in Afghanistan, what was supported under the Karzai government. Terrorists know how to play on people's anti-corruption feelings as a source of recruitment. When kleptocrats take away the resources that countries need and transfer them overseas into offshore havens, there's not employment for youth, and therefore terrorists can prey on youth, and criminals can provide them employment because there's no state employment. So we have this vicious entanglement of these three phenomena: corruption, crime and terrorism. Once they intersect, that's the concept of "entanglements," which is a concept that comes from physics — that once particles interact, they have consequences and

reactions far away from their place of intersection. We see this all over the world, that people who have interacted in Syria, in Iraq as terrorists, and criminals go back to Europe and carry out their acts far away from their initial point of interaction.

[00:03:50] We spoke to Sarah Chayes, author of "Thieves of State," on the podcast previously, and everything she says is reflected in what you're saying about Afghanistan. The corruption fuels the unhappiness, which leads to the terrorism. That connection is becoming — in no small part, due to your book — but it's becoming widely recognized. Can you help us understand the link between corruption and organized crime? I know that the most common jurisdiction for that discussion is Russia, and you've done a lot of work there, but are there other examples where state corruption and organized crime are very tightly linked?

[00:04:36] Several decades ago, a concept was developed called the political criminal nexus, and there were numerous case studies in this book, of Nigeria, of Colombia, of the United States in the 1930s. You could see this in Italy, and especially in Sicily, where you have a relationship between the political system and the criminals, and it has been a pervasive problem in the Balkans. You can talk a lot about Afghanistan, but it's not a unique problem there. It may be particularly pronounced, but you can find this in every region of the world where there are close links between organized crime and corruption. Corruption is the lifeblood for criminals because they need to bribe police, they need to bribe judges, border patrol, customs officials and, also, in many parts of the world, they try to enter politics to make sure that the laws that they want or that they need to operate are not passed and not implemented.

[00:05:48] You have some really well-developed case studies in the book. I wonder if you could talk listeners through one of those, maybe the Mumbai story, to show how this all plays out?

[00:06:05] In the first chapter of the book, because the idea of the relationship of corruption, crime and terrorism is alien for most people, I went through the six most deadly attacks that the 2000s and showed how all of these terrorist attacks were facilitated by crime and corruption and how they even contributed to the 9/11 attack. But let's look at Mumbai, in which the weapons that were used to run this major assault on the city were smuggled into the country by criminals who were aided by government officials at the port. The very tools of the terrorists are linked to the corruption of the government, just as we had in the case of Beslan, in southern Russia, in which the terrorists bribed a police officer to transport them and their weapons close to the scene of the attack on the school in which hundreds of children and their family members were killed. It's not as if this relationship is a very abstract one between corruption and acts of terrorism. In the case that I talk about in the attacks in Brazil, the attack on the city of Sao Paulo was run out of the prisons of the country, and the prisoners could only be operating and directing the attacks by bribing the prison officials who let them operate and use their telephones and organize out of the prison. These are just some of the examples of how corruption is absolutely crucial to the facilitation of some of the most deadly attacks that we've known.

[00:08:02] The Beslan story is so sad. I remember a quote shortly after the attack on the school where one of the organizers is alleged to have said that they stopped where they did at the school because they had run out of money to bribe their way past checkpoints. So here is a group of terrorists bent on considerable loss of life, and the only obstacle was the small amounts of cash that they needed to bribe their way past what were supposed to be security checkpoints. You talk about the trafficking and stolen antiquities, which I think people have begun to talk about particularly in the wake of the looting that went on in Iraq. But you tie it very specifically to drug cartels, and that was a new way of thinking of it for me.

[00:08:54] People who are smuggling items have to plug into existing smuggling networks. It's not a standalone commodity. For example, in the book, I also write about a case that was discovered in 2006 in which the smuggled antiquity was discovered along with WMD, along with nuclear materials. The routes that smuggled antiquities travel, from Iraq and Syria through Turkey, are also ones that are longstanding smuggling routes and are used widely for the drug trade. At TraCCC now, we just started a new project on antiquity smuggling. We had our launch event about a week ago, and we had 100 people in the audience, and we have an interdisciplinary team now working with us, of specialists on antiquities, specialists on counterterrorism and smuggling, because that's what it's going to take to unravel the networks. They're complex networks, and some of these drug networks are then smuggling the goods and then are selling them online. One of the things that "Dirty Entanglements" did not anticipate that's becoming even more prominent in the last couple of years since it was published is the role of online trade in facilitating all of this deadly activity.

[00:10:25] You also refer to the use of antiquities as collateral in drug deals.

[00:10:32] Antiquities and objects can be used for a variety of purposes. So sometimes antiquities are used to be collateral. Sometimes humans and women who are victims of sex trafficking are used as collateral. Any object of value can be used for other purposes, and one of the things that I developed as a concept in the book is that of dual use activity in which you're carrying out one criminal activity, and that can also be used to fund terrorism. Sometimes the more harm that it can do, the better it is from the terrorist's point of view. They can use drugs and harm people. They can harm cultural heritage by destroying antiquities. They can harm communities by trafficking people, and they will use them in any way that you would use for trade-based money laundering, for collateral, for venture capital for future businesses.

[00:11:37] You referred to the work of TraCCC — Terrorism, Transnational Crime and Corruption Center — of which you're the founder and director, so that leads me to some optimism. Can you describe, particularly for compliance professionals, working in this world? What recommendations do you have, based on your research, for moving forward, for improvement in this area?

[00:12:03] In all of my work, I think there's a very important role for the corporate world and its collaboration with government and even its collaboration of civil society. One of the most successful collaborations I've seen has been with the financial community that's been able to,

with the help of law enforcement, identify what might be patterns of suspicious transactions — not a single transaction — and to mine their data and come up with potential human trafficking cases to be investigated. That couldn't be done without the business community. The same thing was happening with child pornography, that there has been a collaboration with the National Missing and Exploited Children effort to find out who is behind the purchase of this and to be able to map the networks and find the key nodes of activity as well as the perpetrators. These are the only things that can be done when you have cooperation with the business community, and this is becoming ever more important as online media becomes important to both transnational crime and terrorism, and that data is kept by the private sector rather than accessible to government. Therefore, these partnerships are crucial at attacking these pernicious elements that are undermining our society.

[00:13:42] This new and expanding threat of being able to communicate and move things online is one that I know you're paying attention to. You're part of a working group. Can you describe the goals for that group? There's these competing interests, always of privacy, of access. Everything that an ordinary consumer — a non-criminal consumer — wants from the online world is also beneficial to criminal elements. So how do we tease out what we maintain and what we need to regulate?

[00:14:20] This is a very important question, and I was testifying on this problem over the summer because, for example, the cigarette trade, because nobody pays much attention to it, is a major form of funding for terrorism, both in the United States and overseas. Much of this trade is going on with the help of social media. Also, we have this massive, at the moment, death from the opioid epidemic. In fact, we have an exponential curve in growth, and some of this is being sold on the street, but a lot of the sales of fentanyl are coming through online purchases and then coming through the mail to customers. We need to have our online platforms be much more responsive, and responsible sellers, an understanding of who are using their platforms and the harm that can come to society from people who seek to abuse these platforms. I think that there is going to be an urge for more regulation, and if this is going to be done in a way that is not harmful to the business community, there needs to be collaboration between the public and private sector to understand how to minimize the harms of online marketplaces and the kinds of products they're selling that can kill individuals, through fentanyl sales, or confront terrorism through cigarette sales.

[00:16:05] Is the working group that you're a part of largely academics and civil society, or do we really have the engagement now of the high-tech companies?

[00:16:15] I think we need much more engagement of high-tech companies. This is not all going on in the dark web. It is going on familiar platforms where these materials are not as hidden as one might expect.

[00:16:29] Just the sheer volume of what's done online now makes this such a daunting task. Fentanyl is an excellent example, but it's one of hundreds that you could rattle off about the illicit movement of goods and, as you've said, of people.

[00:16:46] Some of this is functioning through corruption, but some of it is functioning from an absence of regulation that does not govern the online marketplace as it governs other sectors of our commerce.

[00:17:01] You refer to the trade in synthetic drugs, and I'm just wondering if you're seeing or have come across competition between those producing synthetic drugs, which can be done very near to the market that they're ultimately sold to, and the traditional illegal drug trade out of places like South America and Afghanistan?

[00:17:27] I think there is some competition, but in the United States, we're seeing that there are different drugs for different markets. So we're seeing that heroin is much more of an urban drug, and some of the pills and the synthetics are more of a rural phenomenon. We're having an expansion of the market. I haven't seen the kind of deadly homicide rates as we have seen with the competition in Central America, where people are killing each other for control of routes and product.

[00:18:04] It's just interesting to think that, instead of having to smuggle illegal drugs across borders, it can now be homegrown and as deadly as some of those internationally smuggled drugs.

[00:18:16] Or more deadly.

[00:18:16] Yes, or more deadly. Good point. As we start to wrap up, Louise, you've mentioned corruption in a couple of contexts as a condition that's required for a lot of these other problems. Why do you think it is that corruption is the lifeblood of illicit trade, as you describe it?

[00:18:35] I think that if you eliminated corruption, you would eliminate a lot of the possibilities for illicit trade to operate, because in an environment in which people are behaving according to legal norms, you don't have much chance for illicit trade to operate. And what you have now is one kind of illicit trade leading to another. If we look at the debacle of the situation in Syria today, that started with an illicit trade in water, as people didn't have the water that they needed and illegally traded water rights. Then there was no water, and then people migrated to cities in which there was corruption that made sure that there was no way they could live in any decent situation. There was no housing, no access to employment. Then came the Arab Spring and a massive domino effect of people migrating and bribing individuals to be able to leave the country and transit to safety. We're seeing illicit trade as not just one phenomenon that sits in isolation, like a trade in cigarettes or a trade in drugs, but a convergence of the phenomenon and a corruption that provides an environment in which one form leads to another, and often a more serious phenomenon with global and regional implications.

[00:20:15] Corruption, you said at the outset, is what feeds the anger and alienation for some of these communities, and then it's what makes it all possible as the community starts getting disaffected and moving towards radicalization or other forms of violence.

[00:20:37] Yes, exactly.

[00:20:38] Thank you so much for your time. Your organization is doing such a lot of good work that we should plan another time to chat and get updated on the work of TraCCC and on your own research. Thank you very much.

[00:20:50] Thank you so much.