

Terrorism and Drug Trafficking: The Approach by the Organization of American States

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The Problem

Terrorism and drug trafficking are often linked. The nexus often involves the money generated from illegal activity that terrorist groups use to sustain and expand networks and operations. While an individual terrorist act may not require extensive funds, for example the 9-11 attacks are reported to have cost less than \$500,000ⁱ and a car bombing requires considerably less, maintenance of a network of operatives and cells requires significant amounts of cash. Funds are needed to purchase weapons, travel, provide living expenses for terrorists and their families, and a host of licit and illicit activities.ⁱⁱ In testimony before the United States Senate, senior US State Department officials stated that terrorist groups have increasingly turned to drug trafficking for fund raising as international efforts have been successful in diminishing state sponsorship of terrorism.ⁱⁱⁱ While drug traffickers and terrorists traditionally have distinctly different goals, there is a wide area of common interests and objectives that allow for pragmatic cooperation.

In the Americas, the production and distribution of cocaine generates enormous amounts of cash. Estimates vary from a low of \$180 million to as high as \$600 million per year. Some of the cash is used to fund terrorism. Carlos Castaño, the leader of the United Self-Defense Forces of Colombia (AUC) declared in 2000 that 70% of the AUC's operational funding derived from the drug trade.^{iv} Various groups are involved to some extent in the production and distribution of illegal drugs (including cocaine, marijuana, and heroin). This involvement includes providing protection for illegal airstrips and production facilities as well as taxation of drug producers and growers.

Increasingly, terrorist groups are being paid in kind with drug and or weapons.^v The United States has indicted leaders of the FARC and AUC on charges of selling drugs for money and arms and aiding the transport of those drugs to the United States, Europe, and South America. Significant evidence exists of trade in drugs and guns through from Colombia through Paraguay and into Brazil.^{vi} The US State Department has identified Hezbollah activity in drug trafficking in the region as early as 1995.^{vii}

The distinctions between terrorism, drug trafficking and other forms of transnational crime are becoming increasingly blurred. Terrorist organizations that have turned to drug trafficking to generate income may become addicted to the cash flow and could find it difficult to "get out of the drug business." Policy makers are thus forced to address the issue with a multi-faceted, inter-agency approach over a considerable length of time.

In examining the relationship between the narcotics trade and terrorist/guerilla groups in Latin America the following key points dominate:^{viii}

- The indigenous terrorist/guerilla groups in the drug producing areas of Colombia and Peru are heavily involved in the drug trade.
- Significant amounts of the drug related income derives from taxation of growers and traffickers
- The groups are bartering cocaine and opium for weapons and other material from the drug cartels
- The terrorists and drug smugglers use the same smuggling routes, similar methods of money laundering, and take of advantage of the same tendencies for official corruption. The use of forged travel documents, false customs declarations, trusted couriers, the Black Market Peso exchange and similar forms of illegal activity are common to both groups.

What should the international response be?

Clearly an isolated, stove piped approach will be insufficient. The flexibility and adaptability of both the criminals and the terrorists argue against rigid, hierarchical approaches. Integrated, cross-sector approaches offer advantages. Drug traffickers and terrorist cooperate because it is to their mutual advantages. The forces arrayed against them must adopt the same approach. The UN Counter-Terrorism Committee (CTC) has adopted a three-stage approach to the fight against terrorism. The initial stage involves establishing the legal framework necessary to criminalize and prosecute terrorist activity. The second phase focuses on establishing the practices and procedures necessary to implement the legislation and allow the state to truly function in the international arena with respect to counter-terrorism. The final stage becomes one of monitoring and sharing of best practices and brings all states up to an adequate level of performance. The fight against global drug trafficking can follow a similar pattern. The international conventions and norms currently exist. Success depends on building the political will. The problem of drug money financing terrorism will not disappear without universal recognition of the problem and concerted efforts to not only curtail demand and cut supply, but to go after the flows of illegal funds, gaps in border security, and official corruption that allow the criminals to function.

What is the Organization of American States doing?

On the counter-terrorism front, the primary forum for the OAS is the Inter-American Committee on Terrorism (CICTE). This committee of the whole address terrorism issues at the policy level, adopting recommendations for the member states, and approving the work-plan to focus the activities of the member states and the CICTE Secretariat. The Secretariat serves coordination and program management functions. It has establish relationship with a large number of international organizations and agencies, develops and executes training programs in response to member states' needs, and serves a vital role in information sharing and exchange of best practices. The secretariat is active in supporting projects in countering terrorist financing, strengthening border controls, development of effective CT legislation, cyber security and critical infrastructure protection. It also actively works with the OAS General Secretariat to build cooperative information sharing networks across the Organization's functional areas.

The Inter-American Commission against Drug Abuse (CICAD) predates CICTE in the OAS. Starting the late 1980's, CICAD formed in response to the member states' desire to achieve closer cooperation in efforts to counter drug abuse and trafficking at the hemispheric level. CICAD focuses on:

- Fostering multilateral cooperation on drug issues in the Americas
- Executing action programs to strengthen the capacity of CICAD member states to prevent and treat drug abuse; combat production and trafficking of illicit drugs; and deny the traffickers their ill-gotten gains; and
- Promotes drug-related research, information exchange, specialized training, and technical assistance.

The CICAD Mutual Evaluation Mechanism (MEM) provides a means for states to assess and be assessed on progress with respect to national and hemispheric goals in addressing the drug problem. Created following the Second Summit of the Americas in 1998, the MEM is designed to:

*“Continue to develop their national and multilateral efforts in order to achieve full application of the **Anti-Drug Strategy in the Hemisphere**, and will strengthen this alliance based on the principles of respect for the sovereignty and territorial jurisdiction of the States, reciprocity, shared responsibility and an integrated, balanced approach in conformity with their domestic laws;*

With the intention of strengthening mutual confidence, dialogue and hemispheric cooperation and on the basis of the aforementioned principles, develop, within the framework of the Inter-American Drug Abuse Control Commission (CICAD-OAS), a singular and objective process of multilateral governmental evaluation in order to monitor the progress of their individual and collective efforts in the Hemisphere and of all the countries participating in the Summit, in dealing with the diverse manifestations of the problem.”^{ix}

CICAD's overall program budget (\$9 million/yr) is significantly larger than CICTE's (\$2M/yr) and encompasses the following areas: Alternative Development; Legal Development; Institution Building, Money Laundering; the MEM process; Demand Reduction; Supply Reduction and Control, and information sharing. CICTE and CICAD's interests overlap in many areas. In regards to terrorist financing, we work cooperatively in developing training programs for Financial Intelligence Units (FIU), work with FATF and the regional FATF style bodies. CICTE experts participate in various CICAD groups of experts on issues ranging from money laundering and model legislation to port security. By bringing together our specific knowledge we are able to access a broader spectrum of participants and cut across functional areas to maximize effectiveness.

At the institutional level with the OAS, CICTE has been directed in its work plan, General Assembly resolutions and the Declarations of San Salvador and Montevideo to establish working relations with several organs of the Inter-American system. By

participating in plenary meetings of the CICAD, Inter-American Ports Committee (CIP), Inter-American Telecommunications Commission (CITEL), tourism, and others, CICTE is able to raise awareness of terrorism issues in multiple fora to build awareness and political will. This interagency approach is essential to leverage the limited assets available. It is important to understand that knowledge is not a finite resource but one that actually increases as it is shared.

The following passage from the recently approved Declaration of Montevideo summarizes the view of CICTE on cooperation and the nature of the relationship between terrorism and drugs:

That in order to continue the fight against terrorism it is essential to improve, in accordance with national law, the exchange of information and experiences among the competent national authorities, as a core component of cooperation among the states of the Hemisphere;

AFFIRMING that the threat of terrorism is exacerbated by the connections between terrorism and illicit drug trafficking, illicit trafficking in arms, money laundering, and other forms of transnational organized crime and that the resulting alliances and benefits derived from those connections are or can be used to support and finance terrorist activities;

In summary, CICTE operates on the basis of information sharing and leveraging of assets. Our goal is not to be duplicative of any other agency. We have important value to add continually seek to find venues to assist. To address the problems of terrorism and drug trafficking it is imperative that cooperation and information sharing occur not only across an organization but also within and between the member states and the international community as a whole. The ability to transfer millions of dollars across a border with no more than a few mouse clicks on a computer gives the terrorists a significant advantage. Smuggling routes used for drugs can be followed with other flows of goods and people. Cooperation and information sharing are the only means that legitimate actors can increase their effectiveness.

ⁱ Paul Beckett, "Sept. 11 Attacks Cost \$303,672; Plot Papers Lacking, FBI Says," *Wall Street Journal*, May 15, 2002.

ⁱⁱ See Rachel Eherenfeld, *Funding Evil*, Chapter One. Published by Bonus Books, Chicago, Illinois, 2003.

ⁱⁱⁱ Testimony by Rand Beers US Deputy Assistant Secretary of State for Narcotics and Law Enforcement and Francis Taylor, Ambassador at Large for Counter-terrorism 22 March 2002. Cited in Library of Congress Report "A Global Overview of Narcotics-Funded Terrorist and Other Extremist Groups," May 2002. Page 2.

^{iv} Library of Congress (LOC) "A Global Overview of Narcotics-Funded Terrorists and Other Extremist Groups" May 2002. p.54.

^v LOC, May 2002, p. 56

^{vi} See Library of Congress "Terrorist and Organized Crime Groups in the Tri-Border Area (TBA) of South America" July 2003. This study details open source reporting on the involvement of both indigenous South American groups and Islamic fundamentalist

^{vii} Ambassador Phillip C Wilcox, Jr. "International Terrorism in Latin America," Testimony to the U.S. House of Representatives, Committee on International Relations, September 28, 1995. Cited in LOC, May 2002, p.14.

^{viii} LOC, May 2002, p.11-12.

^{ix} <http://www.cicad.oas.org/en/?CICAD%20-%20New.htm> accessed 19 Feb 04.