

## **Combating Terrorism and Terrorist Financing in the Peak of Refugee Migration and the Human Rights Issue**

Irina Shterjeva Shapchevski, Doctoral Candidate,  
Ss.Cyril and Methodius University in Skopje, „Iustinianus Primus“ Faculty of Law in Skopje,  
Department of Criminal Law  
E-mail: [irina\\_ster@yahoo.com](mailto:irina_ster@yahoo.com)

### **Abstract**

As the subject of discussion of this paper, the author refers to combating terrorism, and its developing and metamorphosing phenomena. Illegal arms sales, smuggling, and the activities of organised crime, like drug trafficking and prostitution, can generate huge sums that are used to fund illegal terrorist organizations. Embezzlement, insider trading, corruption and computer fraud schemes also produce serious amounts of profit, which then needs to be turned into legal profits, through money laundering. Money laundering is inevitably linked with the finance of terrorism.

In reference to the above, the author speaks of terrorist financing and related crimes, and the impact these crimes have on the integrity and stability of the financial sector and the state's sovereignty, but mostly, this paper analyses sources of funding of terrorist organizations, and speaks with special scope of ISIS as an eminent global threat. Bearing in mind the frightening statistics, the author raises the question of migration as an important vulnerability of combating terrorism and the desolation of human rights.

**Key words:** financing of terrorism, money laundering, migration, human rights.

### **Introduction**

The most important step in detecting and preventing the outflow of money to terrorist organizations is good understanding of the financial needs of modern terrorist groups. Costs associated with the achievement of the terrorist attacks, but also to the development and maintenance of terrorist organizations, is significant. Funds are needed for promoting militant ideologies, payment for operatives and their families, traveling for the purpose of the organization, training of new members, forging documents, corruption, buying weapons and organizing attacks. They often need a variety of expensive services, including advertising and legitimate social and charitable activities of organization that promote their goals.

Illegal arms sales, smuggling, and the activities of organised crime, like drug trafficking and prostitution, can generate huge sums. Embezzlement, insider trading, corruption and computer fraud schemes also produce serious amounts of profit, which then need to be turned into legal profits, through money laundering. In these circumstances the most logical thing to do is to hide the profits, disguise the source or sources or change the form of the wealth. Sometimes, even moving the money to a place where it is less likely to attract attention or in less cooperative states, i.e. states that are less compliant with the international regulations on bank secrecy etc. It is important to understand the differences between Money laundering as “process by which one conceals the existence, illegal source, or illegal application of income, and then disguises that income to make it appear legitimate” (Grabbe, 1995), and the financing of terrorism, which is in a way – a reverse process, using legal or illegal profits and streaming them through legal economic pathways to an illegal end and purpose. Though initially considered an aspect integral to only drug trafficking, that has not been the case in the last 20 years. Organized crime has evolved in many ways, and money laundering represents a necessary step in almost every criminal activity that yields profits.

When we speak of money laundering we need to be precise. The term does seem quite equivocal, since often “money” in itself, is not what is laundered. It can be any kind of property that directly or indirectly represents the proceeds of crime. If property – whether money, arts, properties, derive from the proceeds of someone’s criminal activity, then it comes within the scope of what is meant by money laundering. Furthermore, the term “laundering” implies a series of complex events, a multilayered process that turns “dirty” money into legal profits, when really, it may not be so. Money laundering can be very simply done, by putting in circulation money that are gained by illegal activities, in the local department store.

Illegal trade is another, more complicated way to launder “dirty” profits. For example, in the case of illegal trade of nuclear technology, materials etc., some Middle East countries have been known to develop nuclear weapons and then use money laundering in order to sidestep international restrictions and regulations about proliferation of weapons of mass destruction.

But mostly, the reason why the international community has made the fight against money laundering and terrorist financing a priority, is the imminent terrorist hazard that lurks everywhere and seems to be a perpetual threat to Europe. The consequences of money laundering, terrorist financing, and related crimes can have, both on the integrity and stability of the financial sector and the broader economy, are vast. These activities can undermine the integrity and stability of financial institutions and systems and seriously distort international capital flows. They pose a global threat of serious destabilization to an extent of becoming a state sovereignty issue.

ISIS terrorist groupation grew from the Iraqi “branch” of al-Qaeda, but now it is an organization on its own, a para-governmental and para-military one, at this. They have gained prominent territories in Northern Iraq and Syria. By overtaking these countries with brutal force and unthinkable violence, this has become their main propaganda. In this sense, the organised movement of Western and Middle Eastern countries against ISIS shows a common perception of the jihadist group as a threat to international security. And this is because this kind of systematic and

brute force is first and foremost a serious breach of human rights. Moreover, it instigates the bigger issue of recruiting: the power of propaganda as a tool of the terrorist groups to radicalize young people and attract foreign fighters to ISIS. The myth of an undefeatable monster is created. So this begs the question if we are fighting to win, why are we helping their propaganda with media coverage? Are we spreading the terror by being scared? This is a war that needs to be fought on two fronts: both the military and the media one.

Regarding the causes of this latently funded terrorism group, that turned into a global threat, one should review the activities of Al Qaeda through the 90's. This terrorist organization had ran dozens of operations in several countries, thereby causing several simultaneous bombings- like those on the embassies in Kenya and Tanzania and targeting to targets as the warship U.S.S. Cole. That culminated in 2001 with the famous attack on September 11 in the United States. Then, to diffuse its points, Al-Qaeda started to aim at smaller targets, making them more unpredictable and undetectable than ever. This time with quite the opposite approach, but always with the same bloody purpose and motive, the so called "micro terrorism" reared from the dust and gained its momentum around the world.

Even if we start from a simple comparison of forms and methods of execution of criminal terrorist actions from ten years ago - in view of the current situation, we will easily discern its expansion, new forms, professionalism and even more aggressive deviance and cruelty. The level of expertise is evidently more different and unfortunately, much improved.

Terrorism is declared an international crime in 1970, at the forth United Nations's Office of Drugs and Crime Congress, in Kyoto, Japan. Terrorism, as an individual work of organized crime, has an ideological and political character. This stems from the object of protection of this incrimination, which is the state and its sovereignty, the economic and political system and the values protected by the regulations. In regard to this, it is undisputable that criminal law and its regulations on protecting the state and its safety, always and in all countries, irrespective of their form of governance, have had great importance in combating the prominent dangers of criminal acts aimed at the country and its sovereignty. But today, the importance of the criminal acts incorporated in the Criminal Codes of each state, grows larger than ever. The terrorism that we combat today, this "war on terror", is everywhere. It is at home, it is within our borders, and that is something the international community seems unprepared to deal with.

### **Financing of Terrorism: sources of funding**

Financing of terrorism is also a global issue nowadays. There is serious absence of statistical analysis of its scope, because there are major problems in the disclosure of sources of funding, starting with the fact that terrorists usually hide their activities through money laundering, establishing anonymous business relationships, transience in the established business relationship, concealing actual occupation (often posing as students), frequent change of address, opening accounts for very small amounts so as not to attract attention, etc.

## **II.1 Charities and Fake Humanitarian Aid**

Terrorist networks often use compromised charities, commercial companies or organizations and companies who have agreed to lobby in support of their goals. For example, some groups are related to branches of charitable organizations in the areas of high risk, respectively - underdeveloped parts of the world where social benefits provided by the state are sparse. Having been disguised as aid, the private funds become much easier to funnel in large quantities. For this reason, Saudi Arabia for example, aware that ISIS fund-raisers may masquerade as humanitarian aid organizations, has blanket-banned unauthorized donations destined for any part of Syria. The government of Kuwait was the single largest donor of “uncommitted” aid to Syria—which means the funds between donor and recipient are not guaranteed to reach a specific cause or destination. Until October 22 2011, around \$200 million since the start of the Syrian civil war in 2011 had been donated to Syria without any official paper trail for the funds, according to the Financial Tracking Service (FTS), a global monitoring service managed by the U.N. Office for Coordination of Humanitarian Affairs (*Financial Tracking Service web source*). The theoretical estimation of the value of assets under ISIS control, including oil reserves, gas reserves, minerals, cash assets, is estimated at 2,260 billion dollars at the end of 2015, which means that their asset value is up for 11 percent compared to late 2014 (“ISIS Financing”, Center for analysis of terrorism, 2016).

## **II.2 Legitimate Business Companies**

Legitimate profit oriented companies can be used as a source of funding that provides material support to terrorist activities. This is an especially risky sector, since the money is legal and it usually goes under the “radar”.

## **II.3 Self-financing**

In some cases, terrorist groups are funded from internal sources, including families, in addition to the criminogenic factors. The amount of money required to mount small attacks can be acquired and private finance by the terrorist or the network behind it, which has its own savings. Terrorist organizations can be very decentralized and self-financing practiced by foreign financial intermediary who is not directly involved in the planning or conducting attacks itself. An example for this are the European operatives for AL Qaeda and ISIS, which are conducting separate attacks and are functioning individually.

## **II.4 Illegal money**

In the past, some terrorist groups happened to have financial and other assistance from countries that finance terrorism, but as a result of international pressure, many of these sources of funding are completely extinct (Libya, Iraq, Iran, Pakistan).

In addition, the new decentralized and autonomous cells often have no access to foreign funding as is the case with traditional terrorist groups. Because of their mobility, this type of terrorist activists use alternative sources of funding, including criminal activities such as arms smuggling, kidnapping, extortion, racketeering, and trafficking and smuggling of narcotics. Basically, any lucrative crimes whose primary purpose is to raise funds, which may include a series of minor frauds. Drug trafficking is at the top of this list (FATF Report: Financial flows linked to the production and profiting of Afghan opiates, 2014;).

ISIS, on the other hand, is a complete financial mystery to the rest of the world. On October 23, Washington's point person in the fight against ISIS—the U.S. Department of the Treasury's Undersecretary for Terrorism and Financial Intelligence David Cohen—acknowledged in a speech at the Carnegie Endowment for International Peace in Washington that “[ISIS] has amassed wealth at an unprecedented pace and its revenue sources have a different composition from those of many other terrorist organizations.” ISIS doesn't “depend principally on moving money across international borders,” he said, but “obtains the vast majority of its revenues from local criminal and terrorist activities.” This presents a formidable obstacle for the U.S. Treasury, which is accustomed to pursuing its enemies by pressuring established banks to expose their criminal clients. ISIS's use of middlemen across the Middle East to smuggle cash in and out of its territory, in addition to employing decades-old smugglers' routes, makes the group especially hard to track.

The reach of ISIS's financial portfolio is broad and lucrative. Highly localized and multiple revenue streams feed the terrorist organization's coffers—generating up to \$6 million a day, according to Masrour Barzani, head of Kurdish Intelligence and the Kurdistan Regional Security Council. Grossing as much as \$40 million or more over the past two years, ISIS has accepted funding from government or private sources in the oil-rich nations of Saudi Arabia, Qatar and Kuwait—and a large network of private donors, including Persian Gulf royalty, businessmen and wealthy families. Until recently, all three countries had openly given hefty sums to rebels fighting Bashar Assad's Syrian regime, among them ISIS. Only after widespread criticism from Secretary of State Hillary Clinton and the international community did Saudi Arabia pass legislation in 2013 criminalizing financial support of terrorist organizations such as Al-Qaeda, Al-Nusra and ISIS. (Di Giovanni, Mcgrath Goodman, Sharkov, 2014)

In August, ISIS was declared “Enemy Number One” by the most senior Islamic cleric in Saudi Arabia, Grand Mufti Sheikh Abdul Aziz al-Sheikh, and Saudi Arabian bomber and fighter planes joined U.S. airstrikes against ISIS. So far, Qatar and Kuwait have not followed suit (Di Giovanni, Mcgrath Goodman, Sharkov, 2014).

## **II.5 Propaganda**

In addition to calling social activities aimed at civilians, paramilitary organization almost always have activities focused on public relations and media, propagating its terrorist ideology.

Terrorist groups always find a different source for raising money, even through propaganda. Through spreading fear among the citizens of the world with gruesome television footages

or social networking, terrorist organizations have ways of recruiting new members and spreading the message of bloodshed and power disguised as religion, and of course this brings them money, voluntary funds given by their recruits. ISIS, in particular, produces the most technologically advanced propaganda yet. Through sophisticated digital means, they have promoted the idea that ISIS has successfully established a caliphate and recruited thousands of new members to join the terrorist organization. ISIS films, which range from minutes to hours long, use Hollywood-style production tricks and special effects to portray ISIS terrorists as heroes and depict fighting for ISIS as akin to playing in a real-life video game. These violent and gruesome depictions are sent out alongside pictures and posts describing romantic, exciting encounters and riches enjoyed by ISIS youth. ISIS propaganda combines the horrifying and tantalizing to deliberately target young adults through social media, portraying life in ISIS territory as glamorous and utopian, and its members as heroic and desirable. Such propaganda fails to disclose the harsh realities of life in ISIS or ISIS-perpetrated atrocities. (Lieberman, 2017;)

## II.6 Oil

ISIS's oil empire stretches across a landmass roughly a quarter of a million square miles and contains around 300 oil wells in Iraq alone, according to the latest data from the Iraq Energy Institute in Baghdad. Some of the biggest seizures include wells and production facilities in Hamrin, with at least 41 wells, and Ajil, with 76. At its peak, ISIS operated around 350 oil wells in Iraq, Al-Khatteeb says. After battling with the Kurdish peshmerga and coming under fire from U.S.-led airstrikes, which began August 8, it lost around 45 of them—including in Ain Zala and Butma—and it torched a few fields as it pulled out. In both locations, the *peshmerga* recaptured wells with a total output of around 15,000 barrels a day. (Di Giovanni, McGrath Goodman, Sharkov, 2014)

ISIS still controls as much as a third of Syria's oil production, according to estimates, using the oil revenue to finance its self-declared caliphate in Syria and Iraq. However, Syria's oil output is only around 30,000 to 40,000 barrels per day (bpd). Before the start of the Syrian War, oil production in the country was nearly 400,000 bpd.

In Syria, most of ISIS' oil is sold to smaller private refineries (non-ISIS members) in the northeast of the country, though the refined crude is often a lower quality finished product. Refiners then sell it on the black market, usually to either the Syrian government or back to ISIS.

Several reports claim that ISIS makes as much as \$3 million a day from its Syrian oil operations. Others dispute that figure, stating that it might be as low as just a few hundred thousand dollars per day. (Daiss, 2016).

## III. Migration as a terrorism threat and the human rights issue

Many argue that the migrant/crime association results from a selection process, since criminals are more likely than others to migrate (Newman, Freilich and Howard 2002). Research has also found that more heterogeneous societies have higher crime rates (Howard, Newman and

Freilich 2002a, 2002b). It is contended that specific migrants, akin to the Trojan horse, serve the interests of outside powers and seek to attack the host nation from within. Right-wing political parties and movements in many nations argue that Arabic and Islamic immigrants pose such a threat and should be monitored closely, and ultimately deported to their countries of origin. (Freilich, Newman, Shoham, Addad, 2002)

According to 2016 statistics of the European Parliament, 87% of Europeans believe the risk of a terrorist attack to be medium to high. They also believe that the top priority to change the situation is to fight against financing of terrorist groups. This means that European citizens are not satisfied with the current steps that are taken for the war on terror to seize.

A third generation of jihadis emerged in 2005, largely unnoticed by the West, when splits within Al Qaeda engendered the emergence of the Islamic State. Europe resulted as its main target. They had new organizational structures and overturned the Al Qaeda's top-down, pyramid-like organizational structure, favouring a bottom-up system, which is also reflected in their modes of financing. As a recent report by news agency Thomson Reuters reveals, the Islamic State's economic system is marked by independence and diversification of funding sources in a post-Al Qaeda world. However, institutions to fight terrorism have not yet moved forward in turn. (Muller, 2017). Not only that they have not made significant steps forward, but they have been faced with a situation where anyone can be terrorist, and anyone can be funding terrorist organisations. The result of the incompetence to take charge of the situation became prominent with the structural migration that hit Europe and is still ongoing.

The refugee crisis in Europe shed a new light to migrants all over the world. Both the Paris and the Nice attacks brought frightening feelings and a vigorous European response to the Syrian refugees: that migration is understood to be a form of barbarian warfare that threatens the European Union (EU). Every refugee and migrant has now explicitly become a potential terrorist – and vice versa. The migrant is a potential terrorist hiding among the crowd of migrants, and the terrorist is a potential migrant ready to move into Europe at any moment. Despite the fact that the attacks in Paris were perpetrated by European citizens, weak border security and migrant 'flooding' are being blamed for the attacks.

"To win their war, fundamentalist terrorists can safely count on the collaboration of their shortsighted enemies" (Bauman, 2015). Suspension of the basic rules of democracy, resentment towards foreigners, the vicious circle between political propaganda and xenophobia, nation-states unable to face a significant phenomenon as migration. The refugee crisis, before and after the attacks in Paris, is the "litmus test" of a global crisis of the West, explains the great sociologist Zygmunt Bauman in an interview with Open Migration. On sensing the political effects Bauman will say that Political profit is currently derived from popular xenophobia – all over Europe with the sole exception of Spain, Portugal and Finland, all three countries safely off the immigration tide's main route. In the traditionally left-wing Vienna, opinion quiz place the violently xenophobic Freedom Party at the same approval level of the Social Democrats. In the Netherlands, playing the xenophobic tune earned Geert Wilders' party ten more parliamentary seats at the expense of Mark Rutte's ruling liberals.

In Germany it pulled the Eurosceptic Alternative for Germany movement out of its political invisibility. In Italy it tripled the quiz in favour of Matteo Salvini's Lega Nord, in reward for his sweeping under the carpet his autonomic ambitions for Lombardy and focusing solely on barring the entry to immigrants, whereas in Great Britain it offered a second lease of life to Nigel Farage's UKIP after its last year electoral debacle. Bauman explains the static in the European Union, so stricken by fear and terror, that it is downgrading its own liberal and democratic principles. A faire cost for an apparent safety.

A research conducted by CATO Institute, "Terrorism and Immigration: A Risk Analysis", 2016, concludes that foreign-born terrorism on U.S. soil is a low-probability event that imposes high costs on its victims despite relatively small risks and low costs on Americans as a whole. From 1975 through 2015, the average chance of dying in an attack by a foreign-born terrorist on U.S. soil was 1 in 3,609,709 a year. For 30 of those 41 years, no Americans were killed on U.S. soil in terrorist attacks caused by foreigners or immigrants. Foreign-born terrorism is a hazard to American life, liberty, and private property, but it is manageable given the huge economic benefits of immigration and the small costs of terrorism. The United States government should continue to devote resources to screening immigrants and foreigners for terrorism or other threats, but large policy changes like an immigration or tourist moratorium would impose far greater costs than benefits (Nowrasteh, 2016).

All governments have an important role to play in screening foreigners who cross their borders, and to exclude those who pose a threat to the national security, safety and wellbeing. In time of "war" against terrorism, this proves to be almost impossible, albeit most needed since migrants have human rights and they deserve a much better treatment than what they are receiving. It is a question of cost, above all, what torments me above all. War means no rights whatsoever to the opponent, it means the state has a right to kill in the name of fighting terrorism. It means war casualties in the form of many innocent migrant men, women and children. Putting up walls, is quite the monument for dying human rights in the name of potential terrorist threats. It is not a victory, it is not a mean to an end, it is not a safeguard, and it is most of all, a sad deafening defeat of modern society.

#### **IV. Conclusion**

The 2016 Global Peace Index shows that the world became a less peaceful place in the last year. Results also show a growing global inequity in terms of the prevalence of peace, with the most peaceful countries continuing to improve while the least peaceful slide deeper into violence and conflict. The report added that 2015 has been the second bloodiest year although it registered a decline by 10 percent in the number of terrorist attacks compared to 2014. The report pointed out that 29,367 people were killed between 2000 and 2015 due to terror-related incidents. It also found that the average death in terrorist attacks in the world is 1.8 per attack and that there have been terrorist attacks by 103 terrorist groups around the world that did not result in any deaths in 2016.



Economy-wise, according to the report, the economic impact of violence on the global economy in 2015 was 13.6 trillion dollars. This figure represents 13.3 percent of the world's economic activity (gross world product) or 1,876 for every person in the world.

The peace in the world deteriorates as militarization is on the rise. Fighting terrorism has had a vicious cost on all progress of principal. It has somehow made us afraid to be progressive and political –wise it has awakened an up rise of the radical right winged parties.

This new forms of terrorism, where anyone and everyone is a possible enemy, a threat, a demise of our world, where terrorism is funded by people in our own cities, possibly even neighbours, it is understandable to be afraid. Today we build our walls, tomorrow we lock our windows and doors, when does it end? Building walls is actually the easiest way. The harder way is to actually find the terrorists and shut down the sources that fund them.

The Council of Europe has issued a damning report of Europe's "abysmal" treatment of refugee children, who have made up about a third of those seeking asylum on the continent over the last two years. This will increase the danger of their possible future radicalisation and incrimination. Tomáš Boček, the Special Representative on Migration and Refugees of *Council of Europe* Secretary General Thorbjørn Jagland, has told the Guardian: "What these children are going through will define who they will become. And it will also define, in some respects, our common future. He adds that he has seen children who had become upset and angry, but also apathetic. And that makes them more vulnerable. Perhaps to radicalisation.

Furthermore, the Council of Europe's report, based on visits to detention centres and camps in Greece, Macedonia, Turkey, France and Italy, warns that migrants and refugees are exposed to violence not only at the hands of smugglers and traffickers, but also as a result of state action and inaction., which is certainly not an appropriate response: rather, child protection measures should be put in place. Guardian states, based on the report, that there were also allegations of sexual harassment and abuse of children the even disproportionate use of force by the police.

To conclude, yes, there is an inherent need to fight terrorism, today more than ever. But the war on terrorism is raging and it seems no one is winning. While no one is winning, progress suffers an immense loss. We become more tolerant of violence we ignore grotesque photographs of children by shutting down our devices and moving on with our "privileged" lives. It has become evident, it seems, that freedom and human rights are a geostrategic privilege. Somewhere between developing technologies, we have devolved as people.

We practice to forget that we are all human. We shut our eyes because of fear and because it simply seems improbable of happening to "us". But we are very wrong. We have put up a disgraceful and frightening standard of apathy. We are scared, we are in terror and so, terrorism wins.

## **Bibliography**

- Boffey, "Europe's treatment of child refugees 'risks increasing radicalisation threat", The Guardian, 2017;
- Di Giovanni, Goodman, Sharkov "How does ISIS fund its reign of terror?", Newsweek, 2014;
- Daiss, "Why Islamic State's (ISIS) Oil Revenue is Plunging?", Forbs, 2016;
- Di Giovanni, Mcgrath Goodman, Sharkov, "Migration, Culture Conflict, Crime and Terrorism" Aldershot, Darmouth Publishing Company, 2005;
- FATF Report:" Financial flows linked to the production and profiting of Afghan opiates", 2014;
- Freilich, Guerette, USA, "Migration, Culture Conflict, Crime and Terrorism", Ashgate e-publishing, 2006;
- Lieberman , "Terrorism, the Internet and Propaganda- A Deadly Combination", 2017;
- "ISIS Financing", Center for analysis of terrorism, 2016;
- Muller, "The war on terrorism financing- a success in disguise?", POLITHEOR European Policy Network, 2017;
- Nowrasteh, "Terrorism and Immigration: A Risk Analysis", 2016;
- Nowrasteh, "Terrorism and Immigration: A Risk Analysis", CATO Institute, 2016;
- Thomas Nail, University of Denver, "A Tale of Two Crises: Migration and Terrorism after the Paris Attacks", Studies in Ethnicity and Nationalism: Vol. 16, No. 1, 2016;

## **Web sources**

[http://economicsandpeace.org/wp-content/uploads/2016/06/GPI-2016-Report\\_2.pdf](http://economicsandpeace.org/wp-content/uploads/2016/06/GPI-2016-Report_2.pdf)  
(visited on 20th of March 2017);

<https://fts.unocha.org/data-search/results/outgoing?usageYears> (visited on 20th of March 2017);

<http://assembly.coe.int/nw/xml/XRef/X2H-Xref-ViewHTML.asp?FileID=10914&lang=EN>  
(visited on the 20<sup>th</sup> of April 2017)

<http://www.e-ir.info/2012/07/22/terrorism-and-the-media-a-dangerous-symbiosis/>  
(visited on the 20<sup>th</sup> of April 2017)