

Targeting Illicit Networks, Terrorist Organizations, and Criminal States



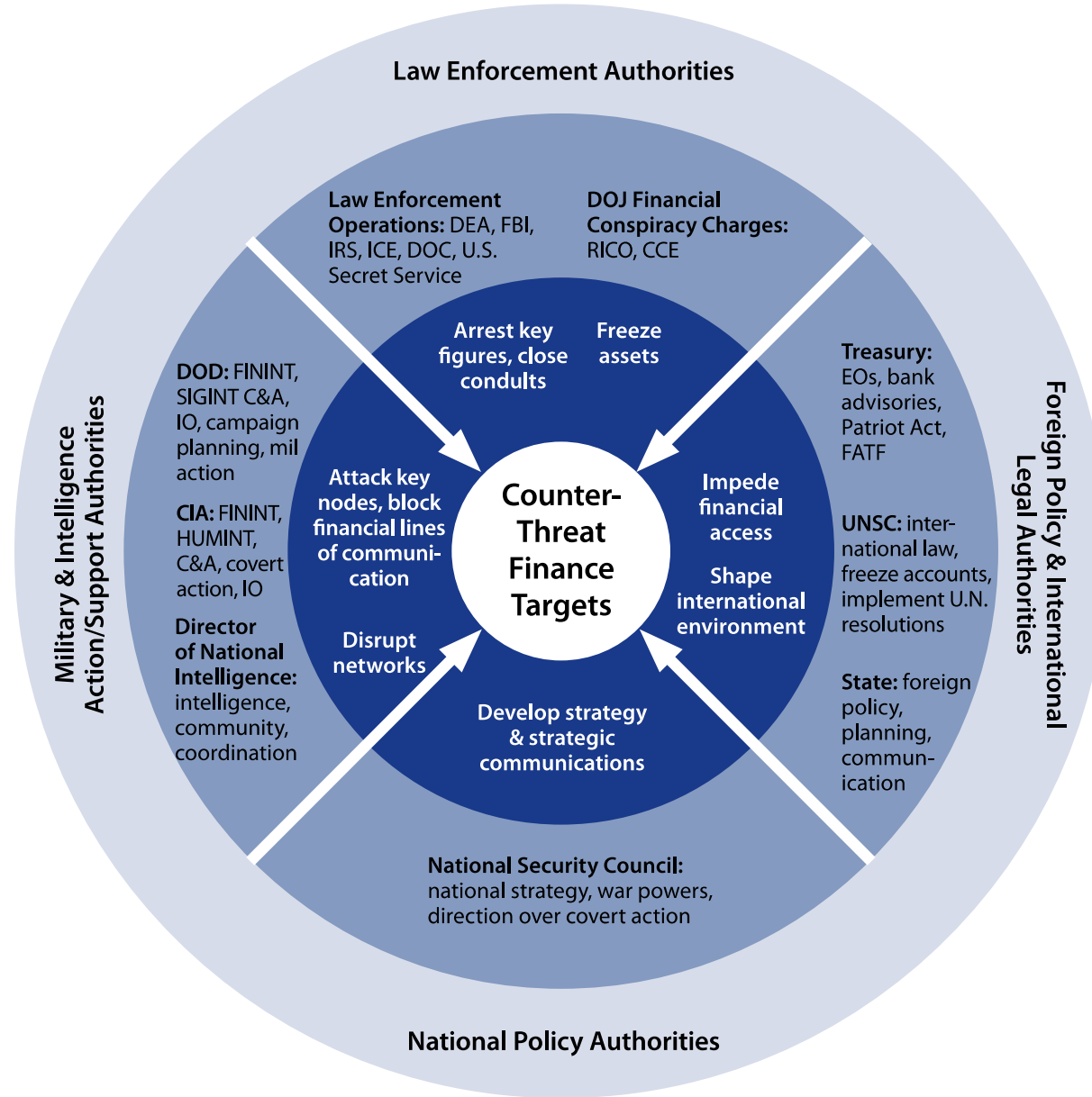
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For Vancouver International Security Summit
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“Money is the Sinew of War,” Cicero

- North Korean Illicit Activities Initiative, 2001-2006
 - Targeted North Korea as a “criminal state”
- DEA Project Cassandra, 2008-2014
 - Targeted Hezbollah as a “narco terrorist organization”
- Operation Tidal Wave II—Economic War Against the Islamic State, 2014-2016
 - Employing kinetic force against terrorism finances
- Iran Maximum Pressure Strategy (soon to be revived?)
 - Employing sanctions and strategic enforcement operations to drain regime finances
- Development of Comprehensive China Pressure Regime, 2019-2021 (soon to be revived?)
 - Targeting Communist China using sanctions, law enforcement, and technical operations

COUNTER-THREAT FINANCE: BALANCING NATIONAL SECURITY RESOURCES



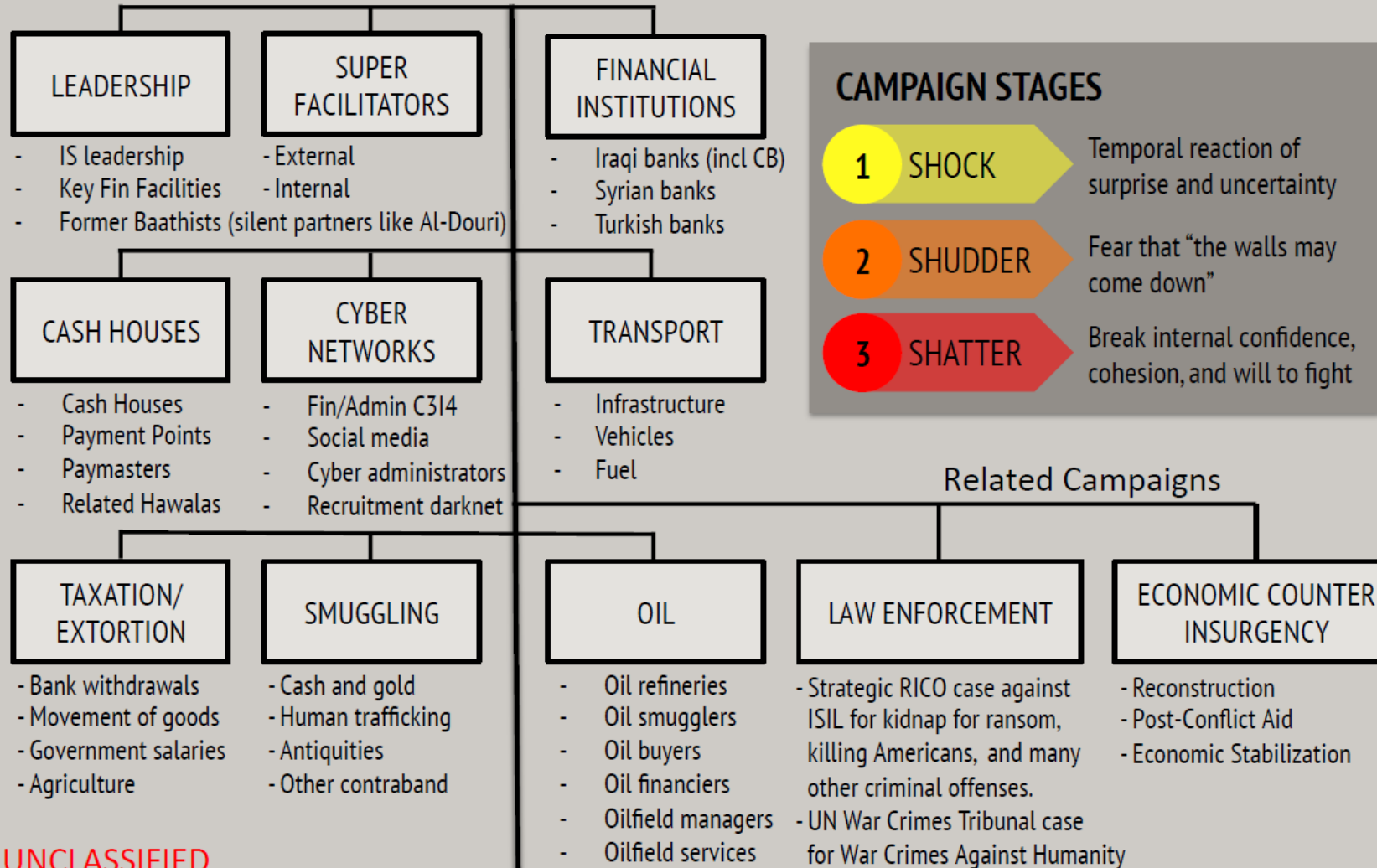
Principles of Economic Coercive Action

Whether pursuing Kim Jong Il, Slobodan Milosevic, A.Q. Khan or al Qaeda, roughly the same organizational methodology and principles of coercive operations can be observed:

- Target money, the *sine qua non* of an organization's existence.
- To effectively apply coercive pressure:
 - » Focus on finances as a primary target.
 - » Target financial nodes, actors and organizations that are most important to the organization's ability to function, especially their "soft operational" underbelly (financiers, banks, front companies, accountants, lawyers, administrative personnel, etc.).
 - » Channel effects across their financial order of battle (i.e., target against and across a model of how the opponent organization is financed and financially operates).
 - » Attack the opponent's "business model" as well as businesses.
 - » Synchronize activities within distinct time and space to amplify the effects of actions.
 - » Draw on a deliberate planning matrix and campaign plan to maintain discipline and effect.
 - » Aim to affect key people and organizations in the target countries: Make it personal for those you are trying to coerce.
 - » Leverage law enforcement evidence to underline legitimacy of actions and create coalitions.
 - » Channel activities and finances to locations where you have operational advantage.
 - » Aim for lasting disruption, not just interruption.
 - » Increase costs, reduce access to capital and "squeeze" financial resources to limit freedom to operate.
- Wage a campaign, not just a series of "battles," creating a unified, whole-of-government plan that builds cascading effects against an opponent to shock (create a temporal reaction of surprise and uncertainty), shudder (create fear "the wall may come down and cause people to flee) and, if needed, shatter (break their internal confidence, cohesion and will to fight).
- Organize to collect and analyze the necessary information to plan operations and assess overall campaign progress. The conventional intelligence community is not configured to perform the requisite financial and complex network analyses required.

Counter Threat Finance Campaign Logical Aiming Points ISLAMIC STATE IN IRAQ AND LEVANT (ISIL)

Priority Areas for Coordinated Action



UNCLASSIFIED

The New York Times

U.S. Drops Bombs Not Just on ISIS, but on Its Cash, Too

By Matthew Rosenberg

Jan. 20, 2016



WASHINGTON — With sanctions, blacklists and other measures doing little to financially break the Islamic State, the United States has turned to a far simpler tactic to empty the group's coffers: It is literally blowing them up.

American warplanes have struck nine depots where the group is believed to have stashed tens of millions of dollars in cash, said Col. Steven H. Warren, a spokesman for the American-led coalition. The strikes began in the summer and the latest came Monday in Mosul, Iraq, he said, showing a video in which plumes of cash could be seen fluttering about in the moments after a building was demolished by a bomb.

Colonel Warren, who spoke via video teleconference from Baghdad, could not say how much money had been destroyed in Mosul — “tens of millions of dollars” was the estimate offered — or whether the bills were Iraqi dinars, American dollars or some other currency. But he did offer up a catch phrase for the tactic: “Strike the Daesh cash, as we call it around here.”

The ISIS money man: Biggest intelligence raid in US Special Forces' history exposes spreadsheet-loving jihadi accountant behind terror group's \$1million-a-day oil operation

- Abu Sayyaf was killed in a May, 2015 raid by US Special Forces in Syria
- Documents seized in the raid gave more intelligence than 'any Special Forces operation in history,' a State Department official has said
- Recent review of documents revealed how Abu Sayyaf ran ISIS oil fields
- He was known as fearsome boss who oversaw cash-only fuel trade
- In oil field salary negotiations, slave ownership was taken into account
- Picture shows Abu Sayyaf counting huge stacks of cash from oil sales
- Even after US destroyed 30% of ISIS oil infrastructure, daily sales still amount \$1 million, documents reveal

By ANTON NILSSON FOR DAILYMAIL.COM

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U.S. bombs ISIS oil trucks, looking to strangle revenue

November 16, 2015



Wakil Kotsar/AFP/Getty Images

On Monday, U.S. A-10 attack planes and AC-130 gunships attacked a fleet of trucks the Islamic State has been using to smuggle oil out of Syria, a major source of income for the militant group. According to initial assessments, the U.S. aircraft destroyed 116 of the 295 trucks at the facility near Deir al-Zour, Syria. The U.S. had refrained from attacking the tankers earlier out of concerns about civilian casualties, [The New York Times reports](#), and U.S. jets dropped leaflets an hour before the bombing telling drivers to abandon their trucks, among other actions designed to spare civilian lives. ISIS used its fleet of about 1,000 tanker trucks to earn up to \$40 million a month to fund its operations. The operation was planned before the ISIS-linked terrorist attacks in Paris on Friday. —Peter Weber

