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**REMARKS BY GUEST SPEAKER –
MR. STEVEN DUDLEY, CO-DIRECTOR, INSIGHT CRIME-
TERRORISM AND CRIME IN THE AMERICAS- “IT’S BUSINESS”**

(Delivered at the Second Plenary held on February 21, 2014)

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Honourable Ambassador Eladio Loizaga, Minister of Foreign Affairs of Paraguay and
Vice-Chair of CICTE,

Your Excellency José Miguel Insulza, Secretary General of the OAS,

Your Excellencies Heads of Delegations of the Fourteenth Regular Session of
CICTE, Your Excellencies, Permanent Representatives of the member States of the
OAS, Distinguished Representatives of the Permanent Observers to the OAS,

Your Excellency Ambassador Adam Blackwell, Secretary for Multidimensional
Security,

Mr. Neil Klopfenstein, Executive Secretary of CICTE,

Esteemed delegates and special guests,

Ladies and gentlemen:

Thank you for inviting me to speak today.

I wanted to begin by telling you a story.

In May 2011, an Iranian-American car dealer living in Corpus Christi, Texas
named Manssor Arbabsiar met a man he took for a member of the Zetas criminal
organization.¹

Arbabsiar was moonlighting as a spy for the Qods Force, a special operations unit of
the Iranian Islamic Revolutionary Guard. Specifically, he was working with someone
described as his "cousin," who was a high-ranking member of the Qods.

The man he thought was a Zetas operative, however, was really a Drug Enforcement
Administration informant. The two met numerous times in Mexico where they
hatched a plan to kill the Saudi Ambassador to Washington DC for a fee of \$1.5
million.

The informant strung Arbabsiar along, even pushing him to transfer money as a
down payment into a bank account secretly controlled by the Federal Bureau of
Investigation. Shortly thereafter, in September 2011, with the help of Mexican
authorities, the US captured and charged him with various crimes, including
conspiring to assassinate a Washington DC-based diplomat in the United States.

After the news broke, there was outrage at the highest levels of the US government.

¹ Information for this case can be found in the indictment: Southern District of New York, “US v Manssor Arbabsiar and Gholam Shakur.”



Vice-president Joseph Biden said: the “Iranians are going to have to be held accountable,” before adding, “We're in the process of uniting public opinion toward continuing to isolate and condemn their behavior.”²

Some of the US press also seemed to be stoking the fire. ABC’s Robin Roberts asked the Vice-president: “Is this an act of war?”³

The story illustrates many things, not the least of which is how high the stakes are in this game.

Since the 9-11 attacks, the US has spent millions of dollars in this region trying to answer a difficult question: Will terrorist networks use criminal organizations to help them commit terrorist acts on US soil? Many other governments in this room are wondering the same thing about their own countries.

The Arbabsiar case nicely encapsulates the difficulties in answering this question in a simple “Yes” or “No” fashion.

There seemed to be some truth to the allegations. There are dangerous criminal groups in the region. There are terrorist organizations operating as well. There are states around the world that are either directly or indirectly supporting some terrorist groups’ activities and other states where criminal groups operate with impunity. What’s more, Arbabsiar plead guilty and was sentenced last year to 25 years in a US prison.⁴

At the same time, though, there is also something unbelievable about this story. And the announcement of a “foiled plot” was met with healthy skepticism in the media.

“If Iranian government operatives really did try to contract a Mexican drug cartel to assassinate the Saudi ambassador to the US...then they weren't just being diabolical. They were being fairly stupid,” wrote Time’s Tim Padgett.⁵

Indeed, the facts didn’t add up. Reynosa, Mexico,⁶ the supposed meeting place where the plot was hatched, was not Zetas but Gulf Cartel territory, something the Iranians

² Steven Dudley, “‘Iran-Zetas Plot’ Reveals Sketchy Knowledge of Mexican Underworld,” InSight Crime, 12 October 2011. Accessed 20 February 2014 at: <http://www.insightcrime.org/news-analysis/iran-zetas-plot-reveals-sketchy-knowledge-of-mexican-underworld>

³ Ibid.

⁴ United States Department of Justice Press Release, “Manssor Arbabsiar Sentenced in New York City Federal Court to 25 Years in Prison for Conspiring with Iranian Military Officials to Assassinate the Saudi Arabian Ambassador to the United States,” 30 May 2013. Accessed 20 February 2014 at: <http://www.justice.gov/opa/pr/2013/May/13-nsd-621.html>

⁵ Tim Padgett, “Hiring Narcos to Murder the Saudi Ambassador? If It’s True, Tehran Is Pretty Dumb,” Time, 11 October 2011. Accessed 20 February 2014 at: <http://world.time.com/2011/10/11/hiring-narcos-to-murder-the-saudi-ambassador-if-its-true-tehran-is-pretty-dumb/#ixzz2trefEFyU>



would have known by doing a small amount of research. More importantly, no Mexican criminal group is interested in committing acts of political or terrorist violence on US soil, much less ones involving foreign governments. They are interested in committing criminal acts, mostly in their own territory for their own ends.

As Brookings Institute and noted crime scholar Vanda Felbab Brown has pointed out, criminal groups are “risk minimizers.”⁷

In the end – and perhaps this is because I am not a law enforcement or intelligence agent – something does not add up in the Arbabsiar case. And, even if it were true, it appears to be a one-off, rather than a new, global operational strategy.

There are similar cases that lead to similarly ambiguous conclusions. There is Operation Titan, a joint US - Colombian investigation that unearthed a cocaine smuggling network that stretched from Colombia through Panama and West Africa, and into the Middle East. The go-between was Chekry Harb, alias “Taliban,” who had assembled a network that included Colombian cartels, paramilitaries and guerrillas on the one end, and Hezbollah on the other. Authorities said Harb paid 12 percent of his proceeds to Hezbollah.⁸

The most oft-cited case is that of Ayman Joumaa, an investigation that emerged from Operation Titan. US authorities say Joumaa – a Lebanese national who for years operated from Colombia – moved cocaine and laundered money for various Colombian and Mexican criminal groups, among others, charging a healthy fee for his services.⁹ Presumably, some of these proceeds were making their way to Hezbollah, often with the help of the Lebanese Canadian National Bank.¹⁰

⁶ Richard Esposito and Brian Ross, “Iranians Accused of a Plot to Kill Saudis’ U.S. Envoy,” 11 October 2011. Accessed 20 February 2014 at: <http://abcnews.go.com/Blotter/us-iran-tied-terror-plot-washington-dc-disrupted/story?id=14711933>

⁷ Vanda Felbab Brown, testimony before House of Representatives Committee on Foreign Affairs during a hearing entitled: “Narcoterrorism and the Long Reach of US Law Enforcement,” 12 October 2011. Accessed 20 February 2014 at: <http://www.gpo.gov/fdsys/pkg/CHRG-112hrg70664/html/CHRG-112hrg70664.htm>

⁸ Chris Kraul and Sebastian Rotella, “Drug probe finds Hezbollah link,” 22 October 2008. Accessed 20 February 2014 at: <http://articles.latimes.com/2008/oct/22/world/fg-cocainering22>

⁹ Information for this case can be found in the indictment: Eastern District of Virginia, “US v Aymann Joumma.”

¹⁰ Douglas Farah, “Terrorist Groups in Latin America: The Changing Landscape,” testimony before the House of Representatives Foreign Affairs Subcommittee on Terrorism, Nonproliferation and Trade, 4 February 2014. Accessed 20 February 2014 at: <https://foreignaffairs.house.gov/hearing/subcommittee-hearing-terrorist-groups-latin-america-changing-landscape>



However, none of this criminal activity seemed to move Hezbollah any closer to being a major presence in the region. In fact, there appears to be little ideological affinity between these organizations and no other means of support to the Shiite militant group other than some portion of Joumaa's proceeds. This is in line with both the US State Department's overall picture of the region and some US officials' own assessment of this particular case.

Joumaa "has interaction with Hezbollah," one law enforcement official told ProPublica when the indictment was unsealed. But "there's no indication that it's ideological. It's business."¹¹

If we were to put a label on any of this activity, it would probably just that: it's business. These interactions appear to be, more than anything else, a way to achieve short-term monetary goals. Drug trafficking, contraband, weapons trafficking, diamond smuggling and numerous other activities help the terrorist groups reach these goals. Intermediaries like Harb and Joumaa facilitate these deals and perhaps have some ideological affinity to one or more of these organizations. But this does not mean these organizations have developed longstanding or even short-term working relationships. Security analyst Doug Farah has aptly described them as "one-night stands."

"You have these multiple crossings of these multiple terrorist and organized groups, but it doesn't mean that that's one giant conglomerate out there operating in unison or as a single force," he told a US congressional committee in 2011. "Everyone has their own interest. It's more like a series of one night stands than trying to get married to someone."¹²

In more recent testimony, Farah has taken a much more radical position, claiming numerous governments in the region are strengthening their ties to at least one rebel organization, as well as to Iran.¹³

However, I find these to be mostly unfounded assertions based on old evidence and an assumption that political affinity is ever-lasting and political parties are monolithic. While there are certainly some longstanding political sympathies and perhaps even some relationships that facilitate the operations of some terrorist

¹¹ Sebastian Rotella, "Government Says Hezbollah Profits From U.S. Cocaine Market Via Link to Mexican Cartel," ProPublica, 13 December 2011. Accessed 20 February 2014 at: <http://www.propublica.org/article/government-says-hezbollah-profits-from-us-cocaine-market-via-link-to-mexica>

¹² Farah, testimony before House of Representatives Committee on Foreign Affairs during a hearing entitled: "Narcoterrorism and the Long Reach of US Law Enforcement," 12 October 2011. Accessed 20 February 2014 at: <http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg70664/html/CHRG-112hhrg70664.htm>

¹³ Farah, "Terrorist Groups in Latin America...", op cit.



organizations, there is little to stand up the claims that there is a master plan to destabilize the region via asymmetric war or terrorist attacks across borders.

Like the Arbabsiar case, conspiracy remains mostly in the eye of the beholder and seems to serve a more political purpose than further our understanding of terrorist criminal networks and their relationships to states. Even Farah admits that: "It's dangerous ... to conflate everybody as acting in unison, in concert together in one giant conspiracy when, in fact, it's multiple networks running multiple plans that overlap at different places."¹⁴

That is perhaps the second lesson: there are degrees of danger, and more importantly, types of dangers that we need to be able to identify before deciding a course of action.

At the top of the list are undoubtedly dangers that put civilians at risk. This, of course, has to be region's highest priority. And in the Americas, it is the terrorist organizations of longest standing that remain the greatest threat in this category. These include the Revolutionary Armed Forces of Colombia, or FARC, but also Colombia's other major insurgency, the National Liberation Army (ELN) and the Shining Path in Peru. These organizations continue to target civilians for extortions and kidnappings. In some areas, they exercise more control over civilian life than the state. Still, all three have been greatly debilitated, and the Colombian groups are negotiating a settlement with the government.

Now the danger has become the very real possibility that parts of these groups simply slide into criminal activities following a successful or even partially successful peace or pacification process. More than any other group, the FARC appears on the verge of moving in this direction. At InSight Crime, we identified a number of FARC units, or fronts, as they are known, that are already deeply involved in the narcotics trade and illegal mining activities.¹⁵ These fronts regularly do business with Mexican criminal groups as well as their former rivals in the paramilitary groups who, since their own demobilization, broke into dozens of small and large criminal organizations that continue to plague the country.

This process of criminalization may have already begun for the FARC. By one Colombian intelligence estimate, the guerrillas' central command, the Secretariat, only has control over 15 of its 67 fronts. In some ways, Colombia is a victim of its own success. Command and control in the FARC has become more tenuous as the leadership of the group has shifted operations to neighboring countries. This

¹⁴ Farah, testimony before House of Representatives Committee on Foreign Affairs during a hearing entitled: "Narcoterrorism and the Long Reach of US Law Enforcement," op cit.

¹⁵ See Jeremy McDermott, "FARC, Peace and Possible Criminalization," InSight Crime, 20 May 2013. Accessed 20 February 2014 at: <http://www.insightcrime.org/special---series/peace---with---farc>



criminal migration speaks to a larger regional problem that I will touch on in a moment: a lack of communication and coordination between neighboring states.

Arguably the Shining Path has already criminalized. These days, it appears to act as much as an army for drug traffickers as it does an ideologically-driven organization. In this way, the Shining Path also resembles another criminal group, which is in ascendance in Mexico, known as the Knights Templar. The Knights employ quasi-religious, anti-state political rhetoric to justify their control and repression of rural and urban populations where they traffic narcotics, extort businesses and individuals, and kidnap with relative impunity.

The Knights have also organized sophisticated ambushes of security forces and last year burned a number of energy plants in a series of coordinated attacks. Between their rhetoric and their actions, the Knights look every bit the terrorist group as the FARC, the ELN and the Shining Path. And they serve as a reminder that criminal-terrorist convergence can happen from both ends of the spectrum.

In all of these cases, these organizations share a common bond in that they increasingly depend on drug trafficking and other criminal activities, such as illegal mining and kidnapping, to push their political agendas. Other organizations, such as the EPP in Paraguay, may follow suit, especially given its apparent connections with the FARC. But this group appears to be a much smaller threat at the moment, with as few as 20 soldiers in arms.¹⁶

The second type of danger these organizations pose is that of undermining democracies and replacing the functions of the state. This is certainly the case in places such as Colombia and Mexico. Both countries have a federalist political system, which opens up officials to dangerous, illegal actors who exert their influence via mostly their wealth or their military might.

This problem is decidedly more difficult to tackle. Decentralizing power is inherently democratic. It gives locally elected officials more control over things such as budgetary outlays and security force deployment. But governments that decentralize power without providing the corresponding controls on corruption, or creating adequate security forces to deal with these threats, are setting themselves up for deep problems.

This structural issue is but one that makes states, and more precisely, geographic pockets within states, vulnerable. As Vanda Felbab Brown has pointed out, there are vast areas where, for various reasons, illegal organizations accumulate what she

¹⁶ Charles Parkinson, "Could 20 Guerrillas Be Causing Havoc for Paraguay's Security Forces?" InSight Crime, 16 December 2013. Accessed 17 February 2014 at: <http://www.insightcrime.org/news-briefs/could-20-guerrillas-be-causing-havoc-for-paraguays-security-forces>



calls “political capital,” in which populations tolerate, or in some cases, prefer these organizations to the state.¹⁷

The third and perhaps greatest danger facing the region is the growing political rifts between the member states themselves. It is the proverbial elephant in the room, and colors the way in which numerous issues are approached. It is a cliché but one that still holds: one person’s criminals are another’s freedom fighters.

This attitude permits the movement of illegal organizations; provides spaces for them to meet, interact with other criminal groups, leading to the aforementioned “one-night stands”; gives them safe havens from which they can strategize; opens up legitimate and illegitimate business opportunities; and facilitates money laundering and other important logistical matters.

On a diplomatic and operational level, the effect is more insidious, long-lasting and harmful. At the center of the problem is a lack of trust, which leads to poor or no communication between governments. Unfortunately, without clear communication between member states about what, and who, is the problem and how you plan on working together to tackle this problem, there will be little real progress.

But there are examples where frank, open dialogue between nations has led to better coordination and results. The best example is the recent improvement of Colombia – Venezuela relations, which has led to several cross-border arrests and deportations of dangerous criminals, as well as critical political support in a peace negotiation between the Colombian government and the FARC.

These are obviously two very different solutions to what, in the past, might have been seen as part of the same problem. This type of nuanced approach is only possible if the lines of communication are open.

Thank you for your time. And I wish you the best on your difficult endeavor.

END OF REMARKS

17 Vanda Felbab Brown, "The Purpose of Law Enforcement is to Make Good Criminals? How to Effectively Respond to the Crime-Terrorism Nexus," presentation given to the Potomac Institute for Policy Studies, 13 November 2013. Accessed 20 February 2014 at: <http://www.brookings.edu/research/presentations/2013/11/21-how-effectively-respond-crime-terrorism-nexus-felbabbrown>

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