



Financial Crime and Material Support Schemes Linked to al- Qa'ida and Affiliated Movements (AQAM) in the United States: 1990 to June 2014

*Report to the Resilient Systems Division,
Science and Technology Directorate,
U.S. Department of Homeland Security*

November 2014

National Consortium for the Study of Terrorism and Responses to Terrorism
*A Department of Homeland Security Science and Technology Center of Excellence
Based at the University of Maryland*

8400 Baltimore Ave., Suite 250 • College Park, MD 20740 • 301.405.6600

www.start.umd.edu

About This Report

The authors of this report are: Brandon A. Sullivan, Ph.D. Candidate, School of Criminal Justice, Michigan State University; Joshua D. Freilich, J.D, Ph.D., Doctoral Program in Criminal Justice, The Graduate Center & John Jay College, CUNY; and Steven M. Chermak, Ph.D., School of Criminal Justice, Michigan State University. Questions about this report should be directed to infostart@start.umd.edu.

This research was supported by the Resilient Systems Division of the Science and Technology Directorate of the U.S. Department of Homeland Security through Award Number 2009-ST-108-LR0003 made to the National Consortium for the Study of Terrorism and Responses to Terrorism (START). The views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily representing the official policies, either expressed or implied, of the U.S. Department of Homeland Security or START.

This report is part of a series in support of the Prevent/Deter program. The goal of this program is to sponsor research that will aid the intelligence and law enforcement communities in assessing potential terrorist threats and support policymakers in developing prevention efforts.

About START

The National Consortium for the Study of Terrorism and Responses to Terrorism (START) is supported in part by the Science and Technology Directorate of the U.S. Department of Homeland Security through a Center of Excellence program based at the University of Maryland. START uses state-of-the-art theories, methods and data from the social and behavioral sciences to improve understanding of the origins, dynamics and social and psychological impacts of terrorism. For more information, contact START at infostart@start.umd.edu or visit www.start.umd.edu.

Citations

To cite this report, please use this format:

Sullivan, Brandon A., Joshua D. Freilich, and Steven M. Chermak. "Financial Crime and Material Support Schemes Linked to al-Qa'ida and Affiliated Movements (AQAM) in the United States: 1990 to June 2014," Report to the Resilient Systems Division, Science and Technology Directorate, U.S. Department of Homeland Security. College Park, MD: START, 2014.

Contents

Executive Summary.....	1
Introduction	3
Defining Key Terms.....	4
United States Extremist Crime Database	5
Data Collection Process.....	5
Reliability of Open Source Data	6
Units of Analysis.....	7
Findings.....	8
Material Support Schemes	9
Specific Groups Linked to Schemes	11
Links to Violence.....	13
References.....	16

Executive Summary

This research examines the financial crime and material support schemes linked to al-Qa'ida and affiliated movements (AQAM) in the United States between 1990 and June 2014. It addresses a crucial gap in the current knowledge of terrorism, as studies tend to focus almost exclusively on violence as opposed to financial crimes. The data analyzed in this report come from the United States Extremist Crime Database (ECDB) and include information on financial crimes and material support schemes in which at least one perpetrator was indicted at either the state or federal level.

We found that 98 material support schemes and 52 financial schemes linked to AQAM were committed by 286 perpetrators between 1990 and June 2014. The majority involved either monetary (19%) or material support (65%) for terrorism, in which the perpetrators provided money, resources, supplies, equipment, training, personnel, or other critical support to AQAM groups. Among the material support schemes, 60% involved travel, attempted travel, or support for travel overseas to join a terrorist organization or support the AQAM cause more generally; 49% involved general guidance, information, training, or recruitment; and 17% involved the provision of supplies, equipment, or weapons. Monetary and material support schemes were almost exclusively ideologically motivated (97% and 96%, respectively).

Monetary and material support schemes linked to AQAM were more likely to be motivated by ideology than other financial crime schemes, 52% of which were committed for a non-ideological goal, such as profit or greed, and an additional 11% of which were related to AQAM but not committed primarily to further ideological ends. These involved a wide array of financial crime activities, including check, loan, and credit card fraud; money laundering; currency counterfeiting; cybercrime; identity theft; and tax avoidance. The techniques used to carry out these schemes included stealing, selling, or using other people's identities (names and social security numbers) and credit card numbers; falsifying documents for government assistance, bank loans, or insurance claims; passing bank checks with inadequate funds or false accounts; and attempting to disguise money derived from criminal operations as legitimate.

We found central al-Qa'ida to be the group most frequently linked to AQAM financial crime and material support schemes, with 57 schemes involving 102 unique perpetrators linked to the group. Al-Shabaab was linked to the second largest number schemes (22), which involved 42 perpetrators, mostly consisting of those who attempted to join or supported those who wanted to join the group. Another 15 schemes involving 27 perpetrators were linked to the Taliban. Five schemes involving seven perpetrators were linked to the Islamic State of Iraq and the Levant (ISIL), but at least four possible additional schemes/perpetrators have been identified since June 2014. Others were linked to AQAM groups such as Lashkar-e-Taiba, al-Qa'ida in Iraq, the Islamic Movement of Uzbekistan, and al-Qa'ida in the Arabian Peninsula. Finally, some schemes could not be linked to any identifiable organization.

Only 50% of the perpetrators involved in these schemes had a directly identifiable association with AQAM, while others were sympathizers or supporters with indirect connections (33%) or non-extremist collaborators (17%) motivated by non-ideological goals, such as profit. This highlights the importance of examining broader networks of AQAM extremists and their associates, as not everyone involved in financial crime and material support schemes has a directly identifiable connection to an AQAM group. Some were indirectly connected to others in a broader network or were sympathizers who desired to aid or join an AQAM organization but had no formal established ties.

Examining these financial and material support schemes allows for a more comprehensive overview of AQAM-related crime in the United States and lays the groundwork for an in-depth analysis of the links between AQAM-related violence and financial and material support schemes. Our preliminary analysis suggests that at least 20% of AQAM-linked financial crime and material support schemes were linked to violent incidents or plots, and at least 40% were linked to other financial or material support schemes.

Introduction

This report provides an overview of financial crime and material support schemes linked to al-Qa'ida and affiliated movements (AQAM)¹ inside the United States between 1990 and June 2014. It supplements the previous overview we provided of the violent incidents and plots committed or attempted by supporters of AQAM inside the United States between 1990 and 2013 ([Gruenewald, Freilich, Chermak, & Parkin, 2014](#)).

This report on AQAM-linked financial and material support crimes fills important gaps in the literature. First, by using the approach pioneered by LaFree and Dugan (2007), among others, we systematically collected data to construct a comprehensive database on financial and material support criminal schemes. Our database relies upon clear inclusion criteria that we use to produce empirical findings.

Second, our focus on financial crimes linked to AQAM is unique. Most other terrorism studies focus solely on ideologically motivated *violence* and neglect the nexus between terrorism and other types of crime. In other words, because financial crimes are mostly non-violent, they are usually not labeled “terrorist” and are ignored by terrorism data collection efforts. This is an important omission. For example, practitioners involved in counterterrorism efforts (as well as some researchers and others) have noted that some terrorist groups have committed financial crimes to raise money for terrorist attacks and/or to maintain and support their organization. Further, some AQAM supporters have committed “preparatory crimes,” including credit card and financial fraud, to raise funds for specific ideologically driven violent plots (Kane & Wall, 2005; Picarelli & Shelley, 2007; Smith & Damphousse, 2003). In sum, an increasing number of extremists today engage in criminal behaviors that are usually associated with profit-driven criminal

¹ We operationalize AQAM supporters as extremists who adhere to aspects of the following beliefs. They believe that only the acceptance of Islam promotes human dignity. They reject the traditional Muslim respect for “People of the Book,” (i.e., Christians and Jews) and believe that “Jihad” (i.e., to struggle in the God’s path like the Prophet Muhammad) is a defining belief in Islam and includes the “lesser Jihad” that endorses violence against “corrupt” others. They believe that their faith is oppressed by governments in the Middle East and Asia that they view as nominally Muslim and corrupt and in nations that they view as occupying Islamic lands (e.g., Russia/Chechnya). The United States is seen as supporting the humiliation of Islam and exploiting the region’s resources. They consider America’s culture to be hedonistic (e.g., with its support for gay rights, feminism) and view it as negatively affecting Muslim values. They also believe that the American people are responsible for their government’s actions and that there is a religious obligation to combat this perceived assault. They believe that Islamic law—Sharia—provides the blueprint for a modern Muslim society and should be forcibly implemented (Freilich, Chermak, Belli, Gruenewald, & Parkin, 2014). By AQAM, in addition to central/core al-Qa’ida, we refer to al-Qa’ida in Arabian Peninsula (AQAP), al-Qa’ida in the Islamic Maghreb (AQIM), the Taliban, the Pakistani Taliban, al-Shabaab, the Islamic Movement of Uzbekistan, Lashkar-e-Taiba (LeT), the Islamic Jihad Union (IJU), the Islamic Group, Jabhat al-Nusra (al-Nusra Front), al-Gama’a al-Islamiyya, Al-Itihaad Al-Islamiya (AIAI), and Abu Sayyaf. We also include the Islamic State of Iraq and the Levant (ISIL), which is also known as the Islamic State of Iraq and Syria (ISIS), the Islamic State of Iraq (ISI), and the Islamic State (IS) and was formerly known as al-Qa’ida in Iraq. Finally, those with no identifiable group affiliation but with anti-West or anti-U.S. sentiments promoting violent global jihad are included in this report. Violent extremist groups related to organizations or causes dealing with local conflicts are excluded, which includes organizations such as Hezbollah, Hamas, the Muslim Brotherhood, Mujahedeen Khalq, Palestinian Islamic Jihad (PIJ), and Jamaat ul-Fuqra.

behavior (deKieffer, 2008; Dishman, 2005; Hamm, 2007; Horgan & Taylor, 2003; Passas, 2003; Shelley et al., 2005).

Third, since financial and material support crimes are difficult to categorize and quantify, this report extends previous research by creating a unique unit of analysis called the “scheme.” We use the “scheme” to capture the complexities of these offenses. We then systematically identify all financial and material support crimes linked to AQAM in the United States.

Below we first define the key terms used in this report. We then describe how we built the United States Extremist Crime Database (ECDB), focusing particularly on the Extremist Financial Crime Database (EFCDB), from which our data are drawn. We then present findings related to the financial crime and material support schemes linked to AQAM inside the United States.

Defining Key Terms

In this section we define the key terms and concepts used throughout the remainder of the report. Our findings focus on perpetrators linked to AQAM who have committed or attempted to commit financial crime or material support schemes inside the United States. For a scheme to be included in the ECDB, it must first pass a two-pronged test of inclusion (see also Belli, 2011; Freilich et al., 2014).

The first prong of the inclusion criteria requires that offenders have been indicted² on charges related to financial, material support or related criminal activity. These crimes must have occurred at least in part in the United States, and charges must have been issued in a United States court of any jurisdiction between 1990 and June 2014.

- A financial scheme is operationalized as “illicit financial operation involving a set of activities (i.e., techniques) carried out by one or more perpetrators to obtain unlawful gain or other economic advantage through the use of deliberate deception” (see also Belli, 2011; Freilich et al., 2014). These activities might include money laundering, investment fraud, tax avoidance, identity theft, counterfeiting, and banking fraud, among others.
- A material support scheme is operationalized as any act taken to aid terrorist activities and groups, including providing resources, supplies, equipment, training, personnel, or other critical support other than money. Monetary funds provided to support terrorist activities or groups are coded as financial schemes.

² If prosecutors dropped charges against the perpetrators or perpetrators were acquitted on all related charges, they **are not** included in the analysis. Perpetrators who were killed in overseas conflicts (e.g., in Syria) while engaging in material support **are also not** included but are discussed briefly in the findings on material support for terrorism.

The second prong of our inclusion criteria is attitudinal, and requires that, at the time of the crime, one of the perpetrators subscribed to elements of the extremist belief system endorsed by AQAM. Schemes not involving an AQAM supporter but still related to AQAM, such as those in which money or support is provided to AQAM to support a local population, are also included.

We consider a scheme to be ideologically motivated if it is committed to further the AQAM belief system, or to purposely support or finance the activities of AQAM or others who share these extremist beliefs. For example, the provision of supplies or funds to an AQAM group or member to support its extremist ideological goals is considered an ideologically driven scheme. Schemes that are ideologically motivated but have as their primary goal *supporting a specific violent plot* are categorized as preparatory crimes.

Schemes are not considered ideologically motivated if they are related to AQAM but are *not primarily driven* by the desire to further its extremist belief system. These are a hybrid between schemes that are ideological and non-ideological in motive, representing a middle ground between these two broader categories. For example, schemes perpetrated by individuals who are chiefly involved in a business relationship with AQAM are not considered to be ideologically motivated. Other schemes in this category include those that involve at least one AQAM supporter but are driven by purely non-ideological goals, such as profit or greed.

United States Extremist Crime Database

As this report relies solely on data from the United States Extremist Crime Database to generate our findings, we briefly explain how this database was created (see also Chermak, Freilich, Parkin, & Lynch, 2012; Freilich et al., 2014). Again, only financial crime and material support schemes linked to AQAM were analyzed for this report.

Data Collection Process

We collected extremist crime data for the ECDB using a multi-stage process. The first stage involved reviewing over 60 distinct sources to identify financial and material support crimes meeting our inclusion criteria.³

In the second stage, each financial and material support scheme and related perpetrators were systematically searched across 31 web-based search engines, as well as existing terrorism databases,

³ See Freilich et al. (2014, appendix) for a list of these sources.

official sources, and watch-group reports.⁴ Project “searchers” used key information about the crime and perpetrator names to conduct online searches. To ensure that the searches were thorough, our searchers used different combinations (and spellings) of the relevant individuals’ first and last names. The searchers also systematically searched by location, when necessary, to identify relevant court documents. To capture the most relevant media accounts, the searchers focused on obtaining information from national outlets as well as the newspapers specific to the region where the event occurred or where the perpetrator resided.

These searches uncovered all published open source materials on each case, such as media accounts, government documents, court proceedings, indictments, appellate court decisions, videos, blogs, books, watch-group reports, movement-produced materials, and scholarly accounts. This information was digitally archived, and searchers organized it by source type, starting with the most reliable.

In the final stage, the open source information was provided to coders, who searched their assigned cases to verify that the original searches were complete and did not miss important information. The ECDB is relational and consists of data on multiple units of analysis including schemes, perpetrators, and businesses. The coders used the open source materials to code variables related to all of these units of analysis, which are connected to an online relational database.

Reliability of Open Source Data

Searches occasionally uncovered documents from different source types containing conflicting information. These discrepancies evidenced reliability issues related to source type. In these situations, greater weight was granted to the more “trusted” sources. Similar to Sageman (2004, p. 65) “in decreasing degrees of reliability ... [we favor] court proceedings subject to cross examination, followed by reports of court proceedings, then corroborated information from people with direct access to the information provided, uncorroborated statements from people with that access, and finally statements from people who had heard the information secondhand.” Table 1, shown below, lists the source types by decreasing degree of reliability.

⁴ See Freilich et al. (2014, appendix) for a list of these web-based search engines.

Table 1: Ranking of Sources by Degree of Reliability
1. Appellate court proceedings
2. Court proceedings subject to cross examination (e.g., trial transcripts)
3. Court proceedings or documents not subject to cross examination (e.g., indictments)
4. Corroborated information from people with direct access to information provided (e.g., law enforcement and other key informants)
5. Uncorroborated statements from people with that access
6. Media reports
7. Watch-group reports
8. Personal views expressed in blogs, websites, editorials, op-eds, etc.

In addition, the ECDB relies on multiple coders, stressing the importance of addressing potential issues related to inter-rater (i.e., coder) reliability. Unlike projects that collect data at one point in time, the ECDB and other terrorism databases are large-scale ongoing efforts. The ECDB updates values as new information becomes available. Due to the unique data collection processes involved, it is difficult to engage in standard inter-rater reliability practices. Nevertheless, we address this important issue in a number of ways. First, coders are trained. New coders initially code previously coded cases, and both sets of values are compared. Second, coding abnormalities are continually checked across coders. Third, open source coding occurs in stages, which increases the chances that all available information from open sources is captured. Conducting targeted searches based on information uncovered during the initial search presents another opportunity for coders to recheck the past work of fellow coders. Fourth, filling in values for certain ECDB variables requires little interpretation as the variables capture basic facts such as a perpetrator’s race, age, or gender. Fifth, and significantly, we validated all financial and material support scheme records used for this report, verifying that coders systematically applied the coding rules when creating relational records for schemes and perpetrators.

Units of Analysis

The unit of analysis when analyzing AQAM-related crime data in this report is most commonly called the “criminal event,” conceptualized here as a financial or material support scheme. These activities may amount to a variety of offenses punishable under the criminal code. Schemes are distinguished both temporally and spatially. They are committed by a specific number of perpetrators with an identifiable objective over a bounded time period, often in multiple geographic locations. Although financial and material support schemes serve as the main units of analysis in this report, individual perpetrators involved in schemes are also examined. Each perpetrator may have a distinct role in the execution of the

scheme and engage in a variety of different activities, or “techniques,” to further the overall operation. The findings will distinguish between the two units of analysis.

Findings

In this section, we present findings related to the 52 financial crime schemes and 98 material support schemes linked to AQAM and committed by 286 unique perpetrators in the United States between January 1, 1990, and June 30, 2014.

Table 2: Nature of Schemes Linked to AQAM in the United States, 1990 to June 2014			
	Material Support	Financial	Total
Crime to Support Ideological Goals			
Crime to Support General Goals	85 (57%)	34 (23%)	119 (79%)
Crime to Support Specific Violent Plot (Preparatory Crime)	9 (6%)	3 (2%)	12 (8%)
Crime to Support Primarily Non-Ideological Goals but that Involves AQAM	4 (3%)	3 (2%)	7 (5%)
Crime to Support Non-Ideological Goals Committed by AQAM Supporter	0 (0%)	12 (8%)	12 (8%)
Total	98 (65%)	52 (35%)	150 (100%)

Table 2 outlines the nature of the schemes linked to AQAM. The vast majority (87%) was related to ideological goals in some way. Specifically, 79% involved crimes that were ideologically motivated but were not aimed at supporting a specific violent plot. The perpetrators of these schemes were almost exclusively driven to commit these crimes to further their beliefs in an AQAM-related ideology and finance or support a terrorist organization. An additional 8% were ideologically motivated preparatory crimes carried out to facilitate or fund a violent terror plot or some other specific AQAM activity.

The remaining 19 schemes (13%) were not ideologically motivated. Of these, 5% were related to AQAM in their motivation but not primarily driven by ideology. Several of these schemes involved the provision of money or supplies to AQAM with the intent of aiding families of victims or supporting the social services provided by AQAM in certain geographic areas. The other 12 schemes (8%) involved at least one AQAM supporter but were driven by profit, greed, or another non-ideological motive.

Material Support Schemes⁵

We identified 98 material support schemes linked to AQAM involving 192 perpetrators from 1990 to June 2014. Again, material support schemes are designed to aid terrorist activities, groups, or other ideologically motivated activity. This usually consists of the provision of resources, supplies, training, or personnel. To be included in the analysis, some portion of the material support had to occur in the United States. This included perpetrators leaving or returning to the United States over the course of their activities, provided that charges were issued in a U.S. court of any jurisdiction.

Material support schemes linked to AQAM were more frequently motivated by extremist ideology than the financial crime schemes. This is not surprising given that the very nature of these schemes involves supporting terrorism. Ninety-six percent of these schemes were committed to further an ideological goal, with 8% of these supporting specific violent acts. Four additional schemes (4%) were related to AQAM but were not primarily ideologically motivated. No material support schemes were entirely non-ideological.

At least nine additional AQAM supporters engaged in material support for terrorism but were killed overseas and not charged with crimes in the United States. These individuals were killed while supporting the cause but were excluded from the cases in this report. They were linked to several AQAM groups, including al-Qa'ida, the Taliban, and ISIL.

Table 3 illustrates the types of material support schemes linked to AQAM. Of these 98 material support schemes, 60% involved either travel or attempted travel overseas to join an AQAM organization or support the cause generally; 49% involved general guidance, information, training, or recruitment; and 17% involved the provision of supplies, equipment, or weapons.

⁵ Cases involving individuals charged with material support for terrorism who were actually involved in violent plots are coded in the ECDB-Violence database and were discussed in our previous report (Gruenewald et al., 2014). These perpetrators are thus excluded from this report.

Table 3: Material Support Schemes Linked to AQAM in the United States, 1990 to June 2014 (n=98)⁶

Type of Scheme	Schemes	Perpetrators
Travel or Attempted Travel Overseas to Join/Aid AQAM Group/Cause⁷	59 (60%)	108 (56%)
Guidance, Information, Training, or Recruitment	48 (49%)	119 (62%)
Supplies, Equipment, or Weapons	17 (17%)	33 (17%)

Financial Crime Schemes

We identified 52 financial crime schemes linked to AQAM involving 118 unique perpetrators from 1990 to June 2014. As indicated in Table 4, 56% of these schemes involved money dirtying. Money dirtying is the inverse of laundering and involves money from any (legal) source being funneled into illegal activities. Money dirtying captures money transferred or supplied to terrorist organizations that did not derive from criminal activity, with the crime being predicated on the support of terrorism through the provision of funds. Much like material support schemes, these money dirtying schemes were almost exclusively ideologically driven (97%), with only one of 29 not motivated by AQAM goals. Forty-one percent (n=12) were linked to central al-Qa’ida, 17% (n=5) to the Taliban, and 14% (n=4) to al-Shabaab, with the remainder distributed among the remaining AQAM groups.

Table 4: Financial Crime Schemes Linked to AQAM in the United States, 1990 to June 2014 (n=52)⁸

Type of Scheme	Schemes	Perpetrators
Money Dirtying Schemes	29 (56%)	56 (47%)
Banking Schemes	9 (17%)	7 (6%)
Money Laundering	4 (8%)	45 (38%)
Other Schemes	10 (19%)	10 (8%)

Of the remaining schemes, 17% consisted of banking schemes, which involved techniques such as falsifying statements for bank loans and passing bank checks with inadequate funds or false accounts. Four additional schemes (8%) involved money laundering, or converting illicit income from criminal activity to disguise the source of the money. All but one of these involved broader criminal operations, including drug trafficking and cigarette smuggling. The large number of individuals involved in money laundering largely reflects a scheme involving 31 perpetrators (described further below). Finally, 19%

⁶ The number of schemes related to each type of material support is greater than the total number of material support schemes (n=98) because numerous schemes involved several types of material support. Similarly, the number total perpetrators involved in each type of scheme is greater than the total number of perpetrators involved in material support schemes (n=192) because numerous perpetrators were involved in several types of material support.

⁷ At least four additional schemes involving attempted travel overseas to join ISIL have been identified since June 2014.

⁸ Unique perpetrators are counted separately for each scheme type and may be involved in more than one type of scheme.

consisted of a wide array of other financial crime activities, including credit card fraud, currency counterfeiting, cybercrime, identity theft, and tax avoidance.

In contrast to the money dirtying and material support schemes, these other financial schemes were more likely to be driven by non-ideological motives. Specifically, 52% (n=12) were committed for a non-ideological goal such as profit or greed, and an additional 11% (n=2) were related to AQAM but not committed primarily to further ideological ends. The majority of these financial schemes involved at least one perpetrator linked to central al-Qa'ida (63%), while the remainder involved perpetrators linked to other AQAM groups.

Immigration fraud schemes involving the misuse of visas or passports were not categorized as financial crimes unless they had a specific financial component, such as a larger scale operation selling false documentation or stolen identities for profit in the United States. At least 75 potential immigration fraud cases have been identified through our data collection strategies, although a more comprehensive effort would be needed to obtain accurate numbers.

Specific Groups Linked to Schemes

We identified the specific AQAM groups linked to each scheme and provide an overview in Table 5. If a scheme was linked to a particular group, each perpetrator participating in the scheme was coded as being linked to that group. While many of these schemes could potentially be linked to multiple groups, we coded the most prominent group affiliation.

It should be noted that perpetrators involved in AQAM-linked financial and material support schemes were not necessarily members of terrorist groups or affiliated with members. Those with explicit connections to an identifiable AQAM group made up only 50% (n=142) of the perpetrators involved in financial and material support schemes. Others were not directly linked to any members of an AQAM group but sympathized with their ideological goals and wanted to support or join the group. These individuals made up 33% (n=95) of the total perpetrators involved in financial and material support schemes. The remaining 17% (n=49) were non-extremist collaborators, who engaged in criminal activities with extremists for personal profit or another motive aside from promoting the AQAM ideology. However, it should be noted that 30 of these non-extremists were involved in a single profit-oriented scheme involving only one AQAM sympathizer. When this scheme is removed from the analysis, non-extremists make up only 7% (n=19) of all perpetrators.

Table 5: Specific Groups Linked to AQAM-Related Financial Crime and Material Support Schemes in the United States, 1990 to June 2014

Group	Schemes	Perpetrators
Central al-Qa’ida	57 (38%)	102 (36%)
Al-Shabaab	22 (15%)	42 (15%)
Taliban	15 (10%)	27 (9%)
Lashkar-e-Taiba	7 (5%)	29 (10%)
Islamic State of Iraq and the Levant (ISIL)⁹	5 (3%)	7 (2%)
Al-Qa’ida in Iraq	5 (3%)	7 (2%)
Islamic Movement of Uzbekistan	5 (3%)	4 (1%)
Al-Qa’ida in the Arabian Peninsula	4 (3%)	4 (1%)
Other AQAM Group	17 (11%)	36 (13%)
No Identifiable Group	13 (9%)	28 (10%)
Total	150 (100%)	286 (100%)

Of the 150 financial and material support schemes linked to AQAM, 38% (n=57) were linked to central al-Qa’ida, and these involved 102 of the 286 total perpetrators. The vast majority (73%) of all non-extremist collaborators were involved in these central al-Qa’ida-linked schemes. This is primarily due to a single scheme consisting of the laundering of profits from a cigarette smuggling operation, which included one central al-Qa’ida sympathizer and 30 non-extremists who were involved in the scheme purely for profit. When this scheme is removed from the analysis, there were 71 perpetrators (66 extremists) involved in central al-Qa’ida-linked financial and material support schemes. These remaining perpetrators were mostly direct associates of central al-Qa’ida (79%), making it the most represented group. Thirteen percent were central al-Qa’ida sympathizers, and 8% non-extremist collaborators.

Al-Shabaab was linked to 22 schemes (15%) involving 42 perpetrators. All of these were monetary or material support schemes that involved individuals who tried to leave the United States and travel to Somalia to join al-Shabaab or support their efforts. Others facilitated the travel of those who wanted to join al-Shabaab. The largest portion of these schemes was linked to recruitment and fundraising networks based in Minneapolis (ADL, 2013; Leuprecht & Hall, 2013). The majority of these perpetrators were sympathizers (60%) with indirect links to al-Shabaab, while 36% had direct associations with the group.

⁹ This category includes only those schemes connected in some way to the current incarnation of ISIL. Schemes associated with the forerunner to ISIL, al-Qa’ida in Iraq, are coded separately.

The Taliban was linked to 15 (10% of) financial and material support schemes, and these involved 27 perpetrators. These schemes almost exclusively (93%) involved monetary or material support for the Taliban. The perpetrators were a fairly even mix of sympathizers (41%) and direct associates (56%), with only one non-extremist involved. The schemes were almost exclusively (80%) financing operations or other ideologically motivated schemes to support the Taliban's operations or broader ideological goals.

Three percent of all schemes (n=5) (all material support) involved seven individual perpetrators who desired to join the Islamic State of Iraq and the Levant (ISIL) in 2013 and 2014. All of these perpetrators were ISIL sympathizers with little to no known direct group affiliation. Given the ongoing situation involving ISIL and its high profile status, we expect numerous additional schemes linked to ISIL to develop going forward. Indeed, we have continued to identify U.S. citizens or residents attempting to travel to Syria or Iraq to join ISIL or provide other support for ISIL. At least four additional material support schemes that have occurred since June 2014 are not included in this report.

The other 25% of AQAM schemes (n=38) involved 80 perpetrators and were linked to a wide array of AQAM groups, such as al-Qa'ida in Iraq (n=5), al-Qa'ida in the Arabian Peninsula (n=4), the Islamic Movement of Uzbekistan (n=5), and Lashkar-e-Taiba (n=7). These schemes were almost exclusively ideologically motivated (89%) and involved monetary or material support (92%) for these specific terrorist organizations. Most of the perpetrators were direct associates of the groups (65%), while 22.5% were sympathizers and 12.5% were non-extremist collaborators.

The remaining 13 schemes (9%) involved 28 sympathizers with anti-U.S. or anti-Western views but no direct group affiliation. Ten of these schemes involved ideologically motivated monetary or material support, and two of the three remaining schemes were profit-oriented.

Links to Violence

Of the 150 AQAM-linked financial and material support schemes identified, at least 40% were linked to another financial or material support scheme. Many of these were schemes committed by the same perpetrators. Another interesting and important finding was the links between violence and these financial and material support schemes. A preliminary examination of the available data indicated that at least 20% of the financial crime and material support schemes linked to AQAM were associated with violent crimes or plots in the United States or overseas.

These financial and material support schemes can be linked to violence in distinct ways. One involves links to violent homicides or plots in the United States that are captured by the ECDB. There are numerous examples of this and particularly connections between monetary and material support and violent plots. For example, one perpetrator involved in material support with the intent to join ISIL was

also plotting attacks on the Los Angeles or New York City subways. Another perpetrator who supported terrorism with supplies and training was plotting a bomb attack on a bank in Idaho. A third perpetrator supplied personnel and other support to central al-Qa'ida while helping to plan numerous plots, including attacks on Washington D.C. Metrorail stations. Numerous others who provided financial and material support to AQAM were also involved in scoping out targets for violent attacks.

Another link between financial and material support schemes and violence involves violent plots in other countries. For example, one scheme involved the sale of missiles to suspected terrorists to be used specifically against incoming commercial aircraft from the United States. Another perpetrator who provided money, weapons, supplies, and training to central al-Qa'ida was linked to the terrorists who carried out the 2005 London suicide bombings. A third scheme involving the creation of a training camp in Oregon was linked to a violent kidnapping incident in Yemen and other monetary fundraising efforts in London.

Discussion and Conclusion

Our examination has focused on the 52 financial crime and 98 material support schemes linked to AQAM and committed wholly or partly in the United States between 1990 and June 2014. This report highlights the tremendous variation in AQAM-linked criminal activity in the United States and establishes a foundation for further research and policy development.

The majority of schemes involved either monetary or material support for terrorism, consisting of the provision of money, resources, supplies, training, or personnel to AQAM organizations or to support the AQAM cause generally. These schemes were more ideologically driven than other types of AQAM-linked financial crime schemes. Despite this, there were also key differences across these schemes. Only half of the perpetrators, for example, were directly connected to an identifiable AQAM organization. Further research into the different characteristics of material support and money dirtying schemes to examine, for example, how money and resources are solicited and transported and the network connections between individuals who come to support AQAM causes could provide insights for how to identify and prevent these activities.

Other financial crime schemes were less likely to be driven by ideology and were instead motivated by profit or greed. Financial schemes (other than money dirtying, which is similar to material support) have different goals, techniques, and compositions. Each was carried out by one or two individuals to achieve individual as opposed to AQAM objectives, with several being conducted by the same individuals. These non-ideological financial schemes were more similar to financial crime schemes that are not linked to AQAM, in that they were not characterized by extremist connections in the same way that monetary or material support to terrorism were.

Material support and financial crime schemes were linked to numerous AQAM groups, including central al-Qa'ida, the Taliban, al-Shabaab, and ISIL. While central al-Qa'ida was the group most frequently linked to schemes, al-Shabaab was linked to the second largest number of schemes, mostly due to a large number of Somali Americans attempting to join or recruit others to join the group. While most of these schemes occurred over an extended time frame, the large number of individuals attempting to join ISIL since late 2013 is a notable development.

Another important consideration is the fluid nature of the associations between and among the perpetrators involved in these schemes. Not all perpetrators were directly connected to an AQAM group. Some perpetrators were connected to others in a broader network or were sympathizers who desired to aid or join an organization but had no formal established ties. Perpetrators involved in central al-Qa'ida-linked schemes usually had a direct association with the organization. This is in contrast with the majority of al-Shabaab-linked schemes, which appeared to involve sympathizers connected more indirectly to the broader network. However, assessing the strength of perpetrators' connections to verifiable AQAM members or groups is difficult due to the expansiveness of their loosely connected networks. The assessment of which perpetrators were direct associates versus sympathizers is preliminary and relatively simplistic, but warrants further exploration.

This report complements our previous overview of violent incidents and plots committed or attempted by AQAM supporters inside the United States between 1990 and 2013 ([Gruenewald et al., 2014](#)). We have also laid the groundwork for a more in-depth analysis of the links between AQAM-related violence and financial and material support schemes. Our preliminary analysis suggests that at least 20% of AQAM-related financial crime and material support schemes are linked to violent incidents or plots, and at least 40% are linked to other financial or material support schemes. While many of the perpetrators involved in financial and material support schemes did express willingness to fight with terrorist groups, others provided information, guidance, and supplies to AQAM groups to support their ideological goals. These perpetrators may facilitate violence while being unwilling to personally carry out violent attacks. It is important not to ignore these individuals by focusing only on those actually carrying out violent attacks.

The addition of these financial and material support schemes allows for a more comprehensive overview of AQAM-related crime in the United States. The ECDB has a series of planned research projects to further unpack these financial and material support schemes and their links to violent attacks and plots in both the United States and overseas.

References

- ADL. (2013). Al Shabaab's American recruits. Anti-Defamation League. Available at <http://www.adl.org/assets/pdf/combating-hate/al-shabaabs-american-recruits.pdf>
- Belli, Roberta. (2011). *Where political extremist and greedy criminal meet: A comparative study of financial crimes and criminal networks in the United States*. (PhD dissertation), John Jay College, The City University of New York, New York. Available at <http://www.ncjrs.gov/App/Publications/abstract.aspx?ID=256482>
- Chermak, Steven M., Freilich, Joshua D., Parkin, William S., & Lynch, James P. (2012). American terrorism and extremist crime data sources and selectivity bias: An investigation focusing on homicide events committed by far-right extremists. *Journal of Quantitative Criminology*, 28(1), 191-218.
- deKieffer, D. E. (2008). Trade diversion as a fund raising and money laundering technique of terrorist organizations. In T. J. Biersteker & S. E. Eckert (Eds.), *Countering the financing of terrorism* (pp. 150-173). New York: Routledge.
- Dishman, Chris. (2005). The leaderless nexus: When crime and terror converge. *Studies in Conflict & Terrorism*, 28(3), 237-252.
- Freilich, Joshua D., Chermak, Steven M., Belli, Roberta, Gruenewald, Jeff, & Parkin, William S. (2014). Introducing the United States Extremist Crime Database (ECDB). *Terrorism & Political Violence*, 26(2), 372-384.
- Gruenewald, Jeff, Freilich, Joshua D., Chermak, Steven M., & Parkin, William S. (2014). Violence perpetrated by supporters of al-Qa'ida and Affiliated Movements (AQAM): Fatal attacks and violent plots in the United States *Report to the Resilient Systems Division, Science and Technology Directorate, U.S. Department of Homeland Security*. College Park, MD: START. Available at <http://www.start.umd.edu/publication/violence-perpetrated-supporters-al-qa-ida-and-affiliated-movements-aqam-fatal-attacks-0>
- Hamm, Mark S. (2007). *Terrorism as crime: From Oklahoma City to Al--Qaeda and beyond*. New York: New York University Press.
- Horgan, John, & Taylor, Max. (2003). Playing the 'green card' - financing the provisional IRA: part 2. *Terrorism & Political Violence*, 15(2), 1-60.
- Kane, John, & Wall, April. (2005). Identifying the links between white-collar crime and terrorism for the enhancement of local and state law enforcement investigation and prosecution. Washington, DC:

National White Collar Crime Center. Available at

<https://www.ncjrs.gov/pdffiles1/nij/grants/209520.pdf>

LaFree, Gary, & Dugan, Laura. (2007). Introducing the Global Terrorism Database. *Terrorism & Political Violence*, 19(2), 181-204.

Leuprecht, Christian, & Hall, Kenneth. (2013). Networks as strategic repertoires: Functional differentiation among Al-Shabaab terror cells. *Global Crime*, 14(2-3), 287-310.

Passas, N. (2003). Informal value transfer systems, money laundering and terrorism. Washington, DC: Report to the National Institute of Justice (NIJ) and the Financial Crimes Enforcement Network (FINCEN). Available at <https://ncjrs.gov/pdffiles1/nij/grants/208301.pdf>

Picarelli, John T., & Shelley, Louise I. (2007). Organized crime and terrorism. In J. K. Giraldo & H. A. Trinkunas (Eds.), *Terrorism financing and state responses: A comparative perspective* (pp. 39-55). Stanford, CA: Stanford University Press.

Sageman, Marc. (2004). *Understanding terror networks*. Philadelphia: University of Pennsylvania Press.

Shelley, Louise I., Picarelli, John T., Irby, Allison, Hart, Douglas M., Craig-Hart, Patricia A., Williams, Phil, Simon, Steven, Abdullaev, Nabi, Stanislawski, Bratosz, & Covill, Laura. (2005). Methods and motives: Exploring links between transnational organized crime and international terrorism. Washington, DC: National Institute of Justice, Office of Justice Programs, U.S. Department of Justice. Available at <https://www.ncjrs.gov/pdffiles1/nij/grants/211207.pdf>

Smith, B. L., & Dampousse, K. R. (2003). *The American Terrorism Study*. Oklahoma City: Memorial Institute for the Prevention of Terrorism.