

Threat Finance

Disconnecting the Lifeline of Organised Crime and Terrorism

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Abstract

Terrorism and organised crime continue to dominate the United Kingdom's National Security Agenda. The importance of tackling the finances of such adversary organisations as a method of threat mitigation has long been recognised. However, despite the existence of relevant legislation and regulation, the current environment continues to favour the adversary. This begs the question as to the extent of the efficacy of legal and regulatory intervention in tackling the threat.

A further challenge has been the inability for key decision makers to confront the new security environment of the 21st century, which has emerged as a result of globalisation accompanied by the ever increasing speed of technological advancements. Furthermore, the existing security environment has resulted in the creation of a new set of security dynamics that is increasingly spawning a variety of asymmetric threats, impacting upon efforts to counter terrorist finances and associated criminal property.

In response, the counter adversary finance effort to date has been disappointing, characterised by the over simplistic adoption of finance, coupled with an over-emphasis on disruption. This in turn frequently further exacerbates the underlying problem. In addition, the inability to tackle the real source by focusing on the numerous low hanging fruit, which are easy targets, whilst neglecting upstream financiers who direct their actions, demonstrates not only the lack of understanding and strategic initiative, but the ineffective use of resources.

In addition, the unwillingness to explore outside organisational comfort zones, both physically and intellectually, has led to an approach that can only be described as a self-certifying prophecy. This is particularly relevant in the international context as the financial activity under scrutiny is global in nature. As such, the lack of appreciation of local market conditions and the global economic network coupled with the direct application of Western practices are more often than not, inappropriate in other cultures and have, and will continue to be counter-productive at a number of levels.

The countering of the financing of terrorism is essentially about the ability to effectively develop and deploy financial intelligence. It is not simply about following the money. The key is how that intelligence is then effectively operationalised. Financial intelligence has the potential to be a multi-faceted weapon that can be used in a number of ways, such as influence. It is not a blunt instrument intended for economic collateral damage turning economic 'rivers' into arid desert wastelands. Instead, if used with respect and understanding, it may be used to redirect the financial river flow to enable draughts to be created in the appropriate locations, starving its intended victims, whilst ensuring continued safe supply to the rest.

This publication aims to serve as an instrument to bridge existing knowledge gaps through the amalgamation of the existing knowledge base in addition to bringing new knowledge to the subject in an attempt to further unite stakeholders. This in turn aims to provide new thinking and direction, both strategically and tactically, in order that the counter-terrorism community is then better equipped to deal with the day-to-day task of countering not only terrorist finance, but terrorism and related organised crime as a whole.

What this new strategy will require, however, is a very different approach and the willingness of the community to embrace change in order to reposition itself in a more appropriate stance against its enemies in the existing asymmetric financial battlefield. Furthermore, achieving such a strategy will undoubtedly require the restructuring of organizations, forces, and doctrines, and perhaps most importantly, a restructuring of 'mind set' in order to address the changing nature of the threats that are most likely to challenge those powers in the asymmetric security environment in the 21st century.