



TARGETING TRANSNATIONAL ILLICIT SUPPLY CHAINS

Testimony to the House Subcommittee on National Security, International Development, and Monetary Policy.

Delivered at the 4 March 2020 Hearing entitled, "The Trafficker's Roadmap: How Bad Actors Exploit Financial Systems to Facilitate the Illicit Trade in People, Animals, Drugs, and Weapons."

Spoken Testimony by Gretchen Peters, Executive Director

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Chair Waters, Ranking Member McHenry, distinguished members of the Subcommittee: Thank you for giving me the opportunity to testify.

I am the executive director of the *Center on Illicit Networks and Transnational Organized Crime* and a co-founder of the Alliance to Counter Crime Online.

I have a long history tracking transnational organized crime and terrorism. I was a war reporter in Afghanistan and Pakistan and authored a book about the Taliban and the drug trade. That got me recruited by U.S. military leaders to support our intelligence community. I mapped transnational crime networks for Special Operations Command, the DEA and CENTCOM, and I still provide training to the intelligence community on how illicit actors hide and launder money transnationally.

In 2014 and 2015, I received grants from State Department and Fish and Wildlife Service to map wildlife supply chains, running investigations in South Africa, Kenya, Tanzania, Gabon and Cameroon.

Those projects illuminated two key trends:

One. At the transnational level, wildlife supply chains converge directly with other serious criminal activity, from drugs to human trafficking.

Two. An enormous amount of organized crime has moved online. I'm going to discuss that issue shortly.

Let me start by examining criminal supply chains. Distinguished subcommittee members, I have mapped the supply chains for drug trafficking organizations, wildlife criminals, timber traffickers and terror organizations, among others. Criminal supply chains look the same no matter what illicit commodities they move. Just like commercial firms, illicit organizations operate across a transnational sphere of operations in order to maximize comparative advantage. This also helps them launder and hide profits.

I have submitted a graphic of what we call the Martini Glass Model. It breaks down the criminal supply chain into three sectors:

- The production sector, where raw materials are cultivated or produced,
- The distribution sector, where goods are shipped transnationally, and
- The retail sector, where goods are sold to consumers.

Both ends of the criminal supply chain, the production and retail sectors, are characterized by having many actors who earn low profit margins. These may be the farmers in Colombia or Afghanistan who grow drug crops, or the guys selling dime bags on street corners. These actors are the most visible aspect of the crime, and therefore they are frequent targets of law enforcement. But they are inconsequential to the overall supply chain, and easily replaced.

Controlling the supply chain are those in the stem of the Martini Glass – the distributors, or traffickers. They tend to finance the entire supply chain. They have much higher profit margins and they are much harder to replace when interdicted.



In 2017 I published an article called “The Curse of the Shiny Object,” which was submitted as part of my testimony. In it I described how human beings have a strong tendency to fight problems where they are visible. This intuitive and usually well-intended response to visible cues often produces inefficiencies and can result in spreading greater harm. This is the curse of the “shiny object” – when the attention-grabbing aspect of a problem distracts from identifying and countering the core drivers.

The Shiny Object Curse impacts crime policy – think of the billions of dollars the U.S. government spent spraying the drug crops in Colombia and Mexico, or the Broken Windows and Stop and Frisk policies here at home. Congress has also poured millions of dollars into anti-poaching projects across Africa, aiming to stem a conservation crisis that threatens rhinos and elephants with extinction. But poachers, like drug farmers, are inconsequential to the overall wildlife supply chain.

The anti-poaching unit in Kruger National Park has shot or arrested more than 300 poachers, for example, but few middlemen and only a single exporter have been brought to justice in South Africa.

Perhaps the most striking example of the curse is the “Rhinos Without Borders” effort, which is airlifting 100 rhinos from high-poaching areas in South Africa to safer places in neighboring Botswana. The process, which involves darting the



animals with tranquilizers, and then shifting them using a combination of helicopters and cargo planes, is expensive and risky in and of itself. It takes at least three months to move each animal and costs a breathtaking \$45,000 per rhino.

The rhino airlift represents a highly visible response to the most emotional aspect of the crime: the iconic animals being slaughtered. It is hard to imagine a shinier object than a 3-ton pachyderm. But my entire team could operate for a month on the budget needed to move just one animal. And in that month, we could identify the kingpin responsible for financing the poachers, and plan an undercover operation to build a body of evidence against him.

It's more efficient – and you have more impact – by targeting traffickers. If you break the stem of the Martini Glass, you disrupt the supply chain for longer, and you disconnect the actors at either end.

The Martini stem is also where significant convergence occurs. Traffickers move multiple illicit goods. Their skill set is to move shipments through the global transport system. Money launderers clean the illicit profits, and don't care if they come from human trafficking, drugs, nuclear material. It's just money.

In 2016, when supporting DEA's Special Operations Division, I had the opportunity to listen to undercover recordings of a major African trafficking network.

The kingpin bragged about moving drugs, ivory and people. He would say, "we have a route through Mombasa. And we also have a route into Dar es Salaam. We also have a route into Maputo."

The kingpin wasn't talking about roads or runways. He was talking about corrupt pathways.

Distinguished members, we have a law enforcement regime organized around what's in the box being smuggled, when we should be focused on dismantling the systems that allow smuggling to occur. We also must put more focus and funding into fighting corruption, which greases the system.

Lastly, I'd like to address the issue of online crime. Just like commercial commerce and communications, a large portion of illicit activity has shifted online. But the laws governing tech are out of date.

Section 230 of the Communications and Decency Act grants expansive immunity to tech firms for user-generated content, even when its criminal activity.

This quarter century old law, passed at a time when most people connected to the Internet by dial up, did not anticipate a world where tech algorithms drive connectivity – whether it's to help friends share cat videos or drug cartels marketing opioids to folks in recovery.

These algorithms allow trafficking networks to market to far greater numbers of customers, in effect facilitating those in the stem of the Martini Glass to do their job more efficiently.

Tech industry leaders would like you to believe that illicit activity is mainly confined to the dark web.

But study after study show that surface web platforms, including but not limited to Facebook, Twitter, Google and Instagram, have become ground zero for serious organized crime syndicates to connect with buyers, market their illegal goods, and take payments.

We are in the midst of an addiction crisis claiming the lives of more than 60-thousand Americans every year. And it's well known that Chinese traffickers are selling fentanyl-laced opioids through fake pharmacies that advertise through search engines and social media.

A brick and mortar pharmacy would face serious civil liabilities for selling illegal, unregulated medicines.



But Google can host thousands of illegal online pharmacies, facilitating their illicit sales, without such concern. Facebook can carry ads for these pharmacies, and not face liability.

We want to see reforms to CDA 230 to:

- Strip immunities for hosting terror and serious crime content;
- Regulate that firms must monitor their systems for organized crime and report any activity they find to law enforcement; AND
- Appropriate funds to law enforcement to contend with what will be a deluge of data.

Distinguished committee members, I want to request your support to reform CDA 230.

And I have also submitted amendments to both proposed bills, CONFRONT and the Stopping Trafficking Bill, to specify the need for government research into how criminal networks are exploiting cyberspace.

I hope you will consider my amendments as you put both bills forward, and I thank you for focusing on the important issue of fighting transnational crime.

Online Resources:

How wildlife traffickers move goods online: <http://bit.ly/2Sxj5JW>

The Alliance to Counter Crime Online: <http://www.counterincrim.org>

The Center on Illicit Networks and Transnational Crime: <http://www.cintoc.org>

Time to Reform CDA230: <https://www.youtube.com/watch?v=HJuXYGKMhZI>

Articles and reports submitted:

Breaking Criminal Supply Chains: <https://www.cintoc.org/congressional-testimony>

The Curse of the Shiny Object: <https://cco.ndu.edu/News/Article/1311348/the-curse-of-the-shiny-object/>

The Curse of the Shiny Object

How Humans Fight Problems Where They Are Visible, And Why We Need to See Beyond

BY GRETCHEN S. PETERS

Human beings have a strong tendency to fight problems where they are visible. This intuitive and usually well-

intended response to visible cues often produces inefficiencies and can result in spreading greater harm. This is the curse of the “shiny object”—when the attention-grabbing aspect of a problem distracts from identifying and countering the core drivers.

The curse impacts many aspects of life. It can cause the U.S. Government (USG) and other organizations to overcommit resources to fight visible symptoms of security problems, while initiatives to counter the structural or systemic drivers of those problems are under-resourced if not entirely ignored. In the worst cases, initiatives to restore order have ended up spreading greater harm by targeting people or entire communities that are victims, not drivers, of the original security problem.

States and law enforcement agencies could have more impact if they focus on fighting the less visible drivers of disorder. While more complex, striking at core drivers of crime will ultimately have greater, longer-lasting impact, and cause less harm.



The purpose of this article is to describe a common and often harmful tendency in the way people approach problems, in particular social disorder. The article will describe the shiny object curse, and offer several examples where the curse has had grievous impacts on U.S. national security interests. I will show how a similar tendency in law enforcement practice—the so-called “broken windows” approach—has been misinterpreted in such a way that its utility has been lost.

The article concludes with reflections on the ramifications of the shiny object curse for national and international security.

Treating the Disease, Not the Symptoms

The curse of the shiny object can be found anywhere. Imagine a patient presents herself to a doctor with skin lesions. If the doctor simply prescribes a topical cream to treat the lesions (the symptom), and fails to identify that the lesions are a result of an autoimmune deficiency disease (the cause), the doctor has fallen prey to the curse. In a far worse scenario, imagine a doctor treats a patient’s crippling headaches with an addictive pain medicine, not diagnosing a malignant growth in the patient’s temporal lobe. In time, the patient ends up addicted to narcotics and suffering from brain cancer. The patient now has more problems than before; harm has increased, and the core problem remains unsolved.

The shiny object curse manifests itself in similar ways in the international security and law enforcement arena. Like the proverbial iceberg, visible only at its tip, society’s most complex threats are far more profound than what we easily observe. Confronting these threats effectively requires a comprehensive response that understands and addresses the profound drivers, not just the visible symptoms. Strategies to restore order must be designed to diminish, not increase harm.

Our Minds at Work

To understand the shiny object curse, we must look at three well-documented aspects of the human psyche. First, human beings have a demand for order in their communities. Multiple assessments have found that visibly maintaining order, sometimes called “disorder policing” or “community policing,” can cause a reduction in crime and an increase in public confidence in the state, while communities allowed to fall into visible disarray can experience a correlated crime increase and decrease in state confidence— more on this complex dynamic later.¹

A second, related issue is that visual stimulation deeply impacts the mind. Recent studies have found that the brain’s visual cortex, once thought to only process incoming information, also plays a powerful role in decision making and shaping values.² What we see around us has a tremendous impact on our perception of order, and how to restore it.

Terrorist groups capitalize on this, spreading fear and disrupting order through dramatic attacks that have profound impacts on national psyches, economies, elections, defense spending, and policy. As recent elections in the United States and Europe have also demonstrated, some constituencies respond positively to candidates who promise visible approaches to impose order, such as building border walls or banning immigrants.

This relates to the third relevant aspect of the human psyche; the fact that humans are not the objective, rational creatures we believe ourselves to be. In fact, our subconscious routinely shapes our decision making process, providing justifications when contradictory evidence conflicts with our existing beliefs or desires.³ The simultaneous presence of contradictory ideas or information is known as “cognitive dissonance.”

The rationalization process allowing individuals to justify foolish or immoral behavior, or to believe wrong information, is called “motivated reasoning.” An example of this is, “I know smoking is bad for me, but it helps keep my weight down.”

In some cases it results in individuals doubling down on bad decisions or finding justification for bad ideas, strategies, and untruths.⁴ If a person has already decided the answer, he or she will not behave rationally, nor look at evidence objectively.

In the security and law enforcement realm, these three psychological forces create a feedback loop, resulting in the shiny object curse:

- Disorder, particularly when highly visible or shocking, produces a demand for order to be restored.
- States respond with interventions designed to restore order, often treating the visible symptoms of disorder rather than its core drivers.
- Highly visible interventions may soothe some constituencies, while distressing others. These interventions will often provide political rewards for elected officials, who won’t have to endure the costs.



- In some cases, these interventions will make the problem worse.
- Policymakers and members of the public may realize that the interventions are having limited or even negative impact, but will find reasons to justify and perpetuate them nonetheless, even doubling down on clearly failing strategies.

The Curse at Work in Counternarcotics

The shiny object curse has struck U.S. counternarcotics policy on multiple occasions, in particular with regard to the eradication of narcotics crops in Colombia and Afghanistan. When coca and opium poppy fields blanketed the countryside in both countries, USG policymakers decided that the best way to reduce the flow of illicit narcotics was to destroy the fields.

Despite being dangerous, complex, and costly, eradication has often been the dominant pillar of multi-pronged counternarcotics strategies in both countries, gobbling up the bulk of resources, sucking focus from other potential interventions, and complicating military and diplomatic efforts to stabilize war-torn rural areas.⁵

Eradication is complex because drug cultivation tends to occur in remote, rural areas where the state has limited control and resources, and where ground eradication forces are susceptible to corruption. Also, when eradication may bring political benefits to some elected officials, there will be longer-term costs that outweigh any short-term gains.

Multiple studies have concluded that eradication programs have produced more harm than good, causing environmental degradation, economic upheaval, and a sharp decline in public support, as they sent impoverished rural communities, which often farmed coca and opium out of desperation, into the welcoming arms of insurgents.

Colombia

Previously a transit country that mainly processed and trafficked cocaine, Colombia began increasing its coca output in the 1980s and by 2000 was growing 70 percent of the world's coca, having surpassed Bolivia and Peru to become the world's largest producer.⁶ At its height, Colombia's coca crop covered more than 160,000 hectares, and for decades, eradication through aerial spraying was the dominant response.⁷

From 2004–14, on average 218,000 hectares were sprayed annually.⁸ Multiple studies have concluded that this response did more harm than good. Eradication programs may have convinced people in Bogota and the United States that action was being taken, but they also caused serious negative economic and political consequences in the impacted areas.

The spraying killed all crops, meaning that some poor rural communities were driven into deeper poverty by eradication, whether or not they grew coca. Thus, such villages ended up planting more coca, or sought protection and/or financing from communist rebels, who in turn gained greater influence in the countryside and were themselves drawn into trafficking drugs to finance their insurgency.⁹

Overall eradication failed to dramatically impact the price of cocaine yet, when it did affect price, it merely encouraged farmers in other parts of Colombia to get into coca cultivation, thus ensuring that national output levels remained steady. Other negative consequences were harder to measure.

Glyphosate, known in the United States by its commercial name Roundup, is the active ingredient used in the herbicides sprayed in Colombia.¹⁰ Although authorities have repeatedly claimed that aerial eradication is harmless, scientific analyses have concluded that incessant spraying in bio-diverse regions produced negative long-term effects to fauna, flora, and water sources, and also harmed legal agricultural output and public health.¹¹

From a tactical and financial standpoint, aerial spraying was also a bad investment. Farmers found and implemented various adaptations to protect their crops, which so reduced the impact of the chemicals that 32 hectares of coca needed to be sprayed in order to kill just one-hectare worth of output.¹²

Various analyses concluded that it cost \$240,000 for every kilogram of cocaine ultimately removed from the retail market through spraying, or more than five times the retail value of the cocaine.¹³

In 2006, Colombia shifted gears, radically diminishing emphasis on spraying, putting more resources into interdiction of drug cartels and destruction of drug labs. The number of hectares being sprayed dropped by 40 percent, while the number of cocaine seizures climbed by 60 percent and the number of drug labs destroyed grew by a quarter.¹⁴



This new strategy cut the global supply of cocaine by more than half, causing a spike in retail cocaine prices.¹⁵ Identifying and countering the drug cartels, and interdicting the cocaine supply chain at a level where cocaine had greater value, ultimately had a much greater impact than eradication. This not only impacted the value of the retail cocaine market, but also coca cultivation, which dropped 40 percent.¹⁶

One study found that, for every cocaine lab detected and demolished, coca production decreased by a corresponding three hectares, as demand for coca dropped.¹⁷ On top of that, processed cocaine represents a product of far greater value than coca leaves per kilo. The amount of money lost when a cocaine shipment was captured and destroyed was magnitudes greater than losses incurred when a coca field was destroyed.

Identifying and countering the drug cartels, and interdicting the cocaine supply chain at a level where cocaine had greater value, ultimately had a much greater impact than eradication.

Moreover, it is magnitudes harder for crime syndicates to adapt and replace workers at the trafficking phase of the supply chain than at the farming phase. Alternative livelihood projects in Colombia generally were assessed to be poorly implemented and resourced when compared to Colombia's eradication efforts, yet multiple studies concluded they still had more promise, both in the short and long run, because they addressed the drivers of coca cultivation—poverty, lack of access to markets, and insecurity.¹⁸

One alternative livelihood program that was viewed as successful, if just briefly, was the Plan de Consolidación Integral de la Macarena, which successfully integrated state presence into a coca-growing region through a variety of programs focused on increasing police and judicial presence, while also improving healthcare, education, and economic opportunities.¹⁹ This model improved social and economic indicators in a short period, but was nonetheless canceled by the government.²⁰

Afghanistan

For counternarcotics experts, shifting from Bogota to Kabul was like watching a bad movie all over again. With pink poppy fields carpeting the rural south, the 2001–08 USG drug strategies relied almost entirely on eradication, with comparatively miniscule resources applied to interdiction, public education, and demand reduction. This imbalance predictably produced the same results it had in Colombia; despite billions spent on eradication efforts, poppy output increased steadily from 2002–08. Rampant corruption and poor implementation led the eradication teams to mainly destroy the fields belonging to Afghanistan's poorest farmers, since rich, politically connected growers could escape eradication through bribery.²¹

Compared to the resources poured into eradication, efforts to impact other aspects of the heroin business were under-resourced. Until around 2008, traffickers based in Pakistan and Iran continued to smuggle heroin and import precursor chemicals with little fear of disruption from law enforcement. Hawaladars and other money service businesses could launder drug money with virtual impunity.

In other words, the bulk of efforts to combat the Afghan heroin trade focused on the one, highly visible aspect of the drug supply chain, the point where the drugs were grown. Another key problem with counternarcotics efforts in Afghanistan centered around the reluctance of either Afghan authorities or their U.S. partners to confront prominent individuals, tribes, and constituencies involved in the opium trade out of concern for potential effects on other political outcomes or counterterrorism operations.

Afghan officials argued to USG officials that counternarcotics strategy must be balanced “with the requirement to project central authority” across Afghanistan and should not target prominent tribes whose support was needed.²² This meant that counternarcotics efforts were not applied evenly, and actions that brought short-term political gains for a few elected officials or corrupt eradication teams, spread longer-term harm in rural areas by strengthening the Taliban insurgency, which itself profited from the opium trade.

In communities where the United States or local forces implemented a heavy-handed approach, they suffered heavy casualties and failed to implement order.²³ Eradication at times took a huge toll on communities and eradicators alike, sparking insurgent attacks and community-led rebellions.²⁴ In 2013, for example, 133 members of the eradication forces lost their lives to attacks by insurgents and communities trying to protect their crops.²⁵



Meanwhile in places where alternatives were made available, or where communities were engaged regularly to be part of the process, it was possible to restore order, even in just pocket-sized districts surrounded by violence.²⁶ As with Colombia, the solution in Afghanistan is not a heavy-handed approach. Rather it is a nuanced, holistic approach that generally improves security and confidence that the state—and foreign forces—can together provide order and are on the side of the community.

The Curse in the Conservation Realm

Africa's elephant population has plunged by a staggering 111,000 in the past decade, with multiple countries, including Tanzania and Mozambique, losing more than 50 percent of their herds to poaching. The global rhino population has plummeted by more than a quarter in a poaching surge that has grown 90-fold since 2007.²⁷ Elephant ivory is sought after for jewelry and decorative objects, while rhino horn is prized as a palliative in traditional Chinese medicine. Unless something can be done to halt the current poaching crisis, both animals will become extinct within a decade.

Conservation groups, private foundations, and governments are pouring millions of dollars into fighting this scourge. The focus of most of these efforts, as well intentioned as they may be, is fighting the problem only where visible, and neglecting the less visible drivers of the problem.

Wildlife crime is a transnational organized crime challenge. Animals are being poached or illegally harvested at unsustainable rates and fed into transnational illicit supply chains that deliver end products to consumer markets. This criminal market is visible at either end of the global supply chain: at its beginning where the animals are killed, and at its end, where the products are retailed. It is at those two points where the majority of the interventions are taking place.

Those controlling and financing the wildlife supply chain are less visible—and motivated by the huge profits they can earn from trafficking in wildlife parts. The global market for illicit ivory is valued at \$4 billion per year, while rhino horn now sells for more than gold or cocaine per ounce.²⁸

On the African end of the crisis, many organizations are mounting Herculean efforts to protect the animals, a challenging prospect especially given that pachyderms live across vast, wild spaces, and can cover huge terrain during their daily travels. To keep them safe, parks, reserves, private ranches, and conservancies install costly, high-tech fences and surveillance systems that include hidden cameras, animal collars and even drones.²⁹

Security teams and paramilitary forces patrol parks and conservancies, some of which have become bloody war zones. One rhino in Kenya even has his own 24-hour bodyguard unit.³⁰ In interviews with people in the field, they acknowledge they are fighting a losing battle, but many continue to double down instead of modifying their strategy. This is the curse of the shiny object, distracting attention from the drivers, and focusing it on the visible.

The anti-poaching unit in Kruger National Park has shot more than 300 poachers, for example, but few middlemen and only a single exporter have been brought to justice in South Africa.³¹ Perhaps the most striking example of the curse is the "Rhinos Without Borders" effort, which is airlifting 100 rhinos from highpoaching areas in South Africa to safer ones in neighboring Botswana.³² The process, which involves darting the animals with tranquilizers, and then shifting them using a combination of helicopters and cargo planes, is expensive and risky in and of itself. It takes at least three months to move each animal and costs a breathtaking \$45,000 per rhino.³³

Projects like the rhino airlift are understandable in a region where corruption is rampant and political will to counter organized crime is low. The airlift also represents a highly visible response to the most emotional aspect of the crime: the iconic animals being slaughtered. It is hard to imagine a shinier object than a 3-ton pachyderm. It is noteworthy that, across Africa, there are far fewer efforts, all of them poorly resourced compared to anti-poaching and animal protection efforts, aiming to identify and interdict the traffickers moving ivory and rhino horn to Asia, or to counter the corrupt state actors who protect these illicit markets.

This is significant for three reasons.

- First, most poachers cannot afford to hunt without receiving financing from criminal bosses; most cannot even afford to buy the bullets they fire, which sell for more than \$20 per round.³⁴ Therefore, interdicting the criminal bosses will have a cascading effect down the supply chain, causing poachers to lose this critical financing.



- Second, when interdiction strategies focus on the trafficking stages where the greatest increase in value occurs, criminal profits decline far further than when policies are aimed at the early stages of procurement.
- Third, it is harder for crime syndicates to adapt and replace goods and people when they are lost to seizure or arrest at the trafficking phase.

It is critical to understand these aspects of the supply chain in order to design a strategy that has the most disruptive impact. In many parts of Africa, the local kingpins are more or less known; however, those fighting the problem struggle to build a solid body of evidence and put forward successful cases in often corrupt court systems.

As in other crime sectors, there appears to be a limited number of syndicates moving the vast majority of endangered wildlife parts transnationally. A few targeted operations mounted alongside the existing physical efforts to protect the herds could have a profoundly disruptive impact in a relatively short period of time, buying more time for the animals at risk of extinction.

Lastly, there is the corruption problem, another invisible driver. Few groups across Africa have mounted anticorruption campaigns to support anti-poaching efforts. A handful of community-based projects have found success in protecting animal herds when coupling tactical protection efforts with projects focused on simultaneously interdicting poaching syndicates, while also collaborating with and protecting local communities, improving economic opportunities, and reducing graft at the local level.³⁵

Zakouma National Park in Chad, which lost 90 percent of its elephants from 2002–10, today has a healthy and growing elephant population and also a stable environment for local communities.³⁶

The nongovernmental organization Africa Parks was brought in to manage Zakouma in 2011, weeding out corruption among rangers in the Rhode Island-sized sanctuary, improving capacity, equipment, and discipline, and improving lives for local villages by building schools and health clinics.³⁷

There is also cautious optimism about Garamba National Park in the Democratic Republic of Congo where park managers are working to professionalize the rangers, fight corruption, and provide protection and jobs for communities in and around the park. Community buy-in and popular support are present in nearly all projects in Africa that have succeeded in reducing poaching.³⁸

Poaching decreases in places where local communities have ownership or partial ownership of reserves or a share of the revenue from reserves, as well as jobs.³⁹ Implementing these strategies may be more complex, but they are ultimately no more expensive than installing hi-tech surveillance systems or airlifting multi-ton animals to safer places. Moreover, they produce multiple positive outcomes for local communities, including greater general stability and increased confidence in the state.

Broken Windows Policing

In 1982, prominent criminologists George L. Kelling and James Q. Wilson published a paper in *The Atlantic* arguing that, “at the community level, disorder and crime are usually inextricably linked, in a kind of developmental sequence.”⁴⁰

Their broken windows theory was based on a 1969 experiment, which parked a car without plates and its hood open in a run-down part of the Bronx. The vehicle was vandalized within 10 minutes of being parked, at first by affluent-looking white people, and virtually destroyed within 24 hours of being parked.

Meanwhile, another car parked in affluent Palo Alto sat for a week untouched, until the researchers returned and smashed a window with a sledgehammer, after which, it was destroyed within a few hours, again by predominantly white people.⁴¹

In both neighborhoods, visible indicators that order was not being maintained appeared to lead to further vandalism and crime. The authors of the article explicitly argued that race played no intrinsic role in maintaining order, citing the case study of a white police officer whom they tracked as he patrolled a mostly black neighborhood in Newark, where he collaborated with community members to both define and maintain order.

Rules of the street, the authors argued “were defined and enforced in collaborations with the ‘regulars’ ...another street might have different rules, but these, everybody understood, were the rules for this neighborhood. If someone violated them, the regulars not only turned to [the officer] for help but also ridiculed the violator.”⁴²



Community members and the security enforcer alike agreed on the rules and collaborated to enforce them. Enforcement was not arbitrary, but impacted rule-breakers who engaged in begging, petty theft or loitering, or who were visibly inebriated or harassing others. When these basic rules were enforced, the level of more serious crime also went down. Even though the Newark neighborhood was poor, it was secure, and people enjoyed a sense of community.⁴³

The idea that Kelling and Wilson wanted to impart was that, if police focused on countering disorder and less serious crime in communities, they could reduce public fear, increase confidence in the police, and deter more serious crime.⁴⁴

When police operated in collaboration with the community, residents themselves helped take control of their neighborhoods and also prevented more serious crime from infiltrating.⁴⁵

Unfortunately, this deceptively simple broken windows narrative was often misinterpreted. In 1993, Rudy Giuliani was elected mayor of New York City on a campaign promise to reduce soaring crime and clean up the streets. Giuliani embraced the broken windows theory, and implemented a program in which disorder was aggressively policed and all violators were ticketed or arrested.

The New York City Police Department cracked down on misdemeanors, arresting people for smoking marijuana in public, spraying graffiti, and selling loose cigarettes.⁴⁶ Police also focused on cleaning up the New York City subway system, which at the time suffered 250,000 turnstile jumpers every day.⁴⁷ Their aggressive response seemed to work. Almost instantly, crime began falling, and the murder rate plummeted. Giuliani called the strategy miraculous, and was reelected in 1997.

However the Giuliani approach—many criminologists now refer to this as “zero tolerance” or “stop and frisk” policing—has come under fire. First, criminologists began to note that crime had dropped at corresponding rates around the United States, including in other big cities that did not implement New York’s approach.⁴⁸ Some began to question whether Giuliani’s approach had anything to do with New York’s crime decrease.

Moreover, minority communities and civil rights groups hit back against “zero tolerance,” saying such policies caused police to disproportionately target minorities, thus increasing disorder and mistrust amid rising complaints of police misconduct.⁴⁹ More recent high-profile killings of African Americans by white police, such as Michael Brown, who was stopped for jaywalking in Missouri, and Eric Garner, who was confronted for selling loose cigarettes in New York, were said to be examples of broken windows policing run amok.

George Kelling, one of the authors of the original broken windows article himself hit back against the way his theory had been applied, writing in 2015 that, “broken windows was never intended to be a high-arrest program,” and had been grossly misinterpreted.⁵⁰

Other academic analyses have come to the same conclusion. One 2015 study published in the *Journal of Research in Crime and Delinquency* found that “disorder policing strategies generate noteworthy crime control gains,” but that “the types of strategies” implemented can matter greatly.⁵¹

Comparing 30 different instances of disorder policing, the study concluded that aggressive order maintenance strategies focused on making high numbers of arrests do not generate significant crime reductions.⁵² In contrast, it found that “community problem solving approaches” seeking to change “social and physical disorder conditions” can produce significant crime reductions.⁵³

It found examples of successful strategies that yielded consistent crime reduction effects across a variety of violent, property, drug, and disorder outcome measures.⁵⁴ These findings support the idea that police and other security forces should pay attention to visible signs of disorder when seeking to reduce more serious crimes in neighborhoods. The key to success is that they focus on a community cooperation model over a zero-tolerance or stop and frisk model.⁵⁵

The 2015 study concluded that, “in devising and implementing appropriate strategies to deal with a full range of disorder problems, police must rely on citizens, city agencies, and others in numerous ways.”⁵⁶ Moreover, a sole commitment to increasing misdemeanor arrests is likely to undermine relationships in low income, urban communities of color, where distrust between the state and citizens is most profound.⁵⁷

As Kelling put it in his 2015 article, levels of crime and demand for order remain high in minority and poor communities in the United States, but zero-tolerance approaches have exacerbated the problem.⁵⁸ The final lesson was that disorder problems, and the responses to them, are highly contextualized to local conditions.



Since each community and its problem are unique, so should be strategies to counter them.⁵⁹ Furthermore, it is important to make a distinction between imposing order on the general public, and targeting highly violent syndicates, repeat offenders or gangs. An aggressive program focused on the disorderly behaviors of violent gang members, for example, could include focused deterrence tactics more rigorous than those used in a program to control the more general disorderly conduct of ordinary citizens.

Conclusion

The purpose of this article is to help communities, states, and organizations comprehend and address why they fall into the very understandable psychological trap of the shiny object curse. The most important takeaway should be that identifying root drivers of problems and engaging—not isolating—communities impacted by these threats must be the first order of business.

Community members hold the keys to success, and in every occasion encountered here, they have felt as desperate for peace and security as the rest of us. Trust between the community and the state depends on whether policymakers fall victim to the curse.

The Drivers of Disorder are Typically More Profound than What is Immediately Visible

Therefore, it is imperative that security forces and policymakers alike conduct thorough information gathering and analysis to understand how illicit networks operate, obtain financing, and solicit protection. Just as each community is unique, so must be interventions. Unless a fairly complete analysis is conducted prior to shaping and implementing policy, that policy may cause greater harm than it alleviates.

It Will be Necessary to Engage Communities to Help Fight Disorder

Community members often hold a great deal of intelligence about the drivers of disorder, and are able to identify ringleaders. Moreover, they have an interest in improving levels of order in the place they live, and are vital partners in restoring and maintaining order.

This idea can have relevance for policymakers trying to protect communities domestically, or trying to implement peacebuilding strategies or stability operations abroad.

Elected Officials May Perceive Benefits from Implementing Highly-Visible Interventions that Ultimately Have Negligible or even Negative Impact on Affected Communities

These visible interventions may bring those politicians short-term political gain, or give the appearance that the elected officials are taking action, when in fact the elected officials are avoiding doing what actually needs to be done. Advocating for elected officials to take a tough stand against illicit activity is a complex arena for security forces, but security forces may find useful allies in the community if they already have mutual trust and a solid working relationship.

PRISM

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BREAKING SUPPLY CHAINS



*New tactics to combat illicit trade target
network infrastructures*

Heroin
124.538219 Kg

BY GRETCHEN PETERS AND CHARLES GARDNER

Baitullah Mehsud was reclining on a roof patio in South Waziristan, receiving a leg massage, when he was vaporized by a Hellfire missile. The ruthless leader of the Pakistani Taliban had been blamed for masterminding the 2007 assassination of Prime Minister Benazir Bhutto, as well as dozens of suicide attacks, including the 2008 bombing of the Marriott Hotel in Islamabad that killed more than 50 people.

His death in an August 2009 drone strike, however, brought Pakistan only brief respite from terrorist violence. Within weeks, Hakimullah Mehsud, an even more ferocious warlord, had secured his grip over the Pakistani Taliban. Under his command, the militant network has grown bolder, and its reach has spread. The group now regularly targets military and intelligence installations across Pakistan that were once thought secure. On April 15, 2012, 200 Pakistani Taliban stormed a high-security prison in Bannu, securing the release of almost 400 inmates, among them a number of senior Taliban militants.

There's a similar story in Mexico, now under the grip of the ultraviolent Sinaloa Cartel, considered the most powerful drug trafficking organization in the Western Hemisphere. During the past four decades, the Mexican and U.S. governments have partnered to launch repeated crackdowns against different generations of the group, only to watch each new generation grow progressively stronger, richer and more lethal.

Bags of heroin seized by Thai narcotics police are displayed in Ayutthaya before incineration in September 2011 as part of a government-led anti-drugs campaign. [AP/WIDEWORLD](#)

In fact, the current cartel leader, Joaquín "El Chapo" Guzmán, has been repeatedly ranked by Forbes magazine as one of the most powerful and wealthy people in the world. After his most recent arrest in 1993, he escaped from a high-security Mexican prison hiding in a laundry cart, having reportedly spent more than U.S. \$2.5 million to buy off prison guards.

Evolving networks

Neither terrorism nor narcotics trafficking is a new phenomenon. In recent years, however, contemporary illicit networks have globalized just like legal organizations and businesses. Moreover, links between criminal groups, insurgents and terrorist organizations are deepening. This increasingly matrixed underworld poses a significant threat to global stability and a major challenge for investigators to untangle.

Whether they are made up of drug traffickers, terrorists or some combination of illicit actors, powerful underworld networks that have survived generations do so precisely because they are highly adaptive and resilient to attacks by military and law enforcement. Traditional tactics to go after organizational leaders have often backfired. In response to these attacks, such nefarious groups have only increased their operational security and been forced to become more robust.

In other words, conventional law enforcement and military tactics often have the unfortunate and undesired effect of making their enemies tougher to beat. In many cases, such as the Pakistani Taliban and the Sinaloa Cartel, the new leader who replaces an individual who has been killed or captured is smarter about avoiding capture than his predecessor and more ruthless in his efforts to do so.

On top of that, taking out a network leader doesn't mean the network's business grinds to a halt. Imagine if

someone fired a drone strike into Japan and killed the chief executive officer of Toyota, for example. The firm would be able to continue to produce cars and would likely appoint a new leader who would have better security.

Consider, on the other hand, the impact of an earthquake in 2006 on the Aisin Seiki plant in Kariya, Japan. The tremor sparked a fire that melted 500 precision tools used in the manufacture of proportioning valves for automotive brakes. All Toyota models required the critical valve, which was exclusively produced at the factory. The loss of the Kariya plant forced the entire company to shutter production for more than four months, creating a significant operational disruption.

Business backbones

Conventional law enforcement and military tactics often focus on a target network as a militant or gang-based organization, failing to recognize that most illicit organizations operate just like transnational businesses, concerned with costs, return and revenue, just as major firms such as Toyota function.

The Sinaloa Cartel "functions just like a transnational firm, with operations in more than 40 countries. Its reach is believed to extend across the Pacific to Australia and Japan and across the Atlantic to Eastern Europe, Italy, Portugal, Spain, Germany and several African nations," explains U.S. Attorney for the Southern District of California Laura E. Duffy.

This trend is apparent among major illicit networks around the globe. Powerful crime syndicates, such as Japan's Yakuza or South Asia's D-Company, operate like large diversified conglomerates. They have their fingers in scores of businesses from drug smuggling to regional films, money-laundering networks to construction firms and real estate. Major terrorist organizations

from Hezbollah to al-Qaida have been tied to vast criminal operations, ranging from drug smuggling to used cars (see sidebar this page).

Leaders and U.N. officials around the world recognize that the "corporatization" of crime is a global challenge and one that will require a fresh way of looking at the problem.

"Our understanding of the problem has to improve," says Gary Lewis, the Southeast Asia regional director of the United Nation's Office on Drugs and Crime. "Policy must be based on solid evidence. We cannot keep groping around in the dark. ... The real challenge is to know what we don't know."

A U.S. strategy to defeat transnational threats, which was released in July 2011, calls for attacking terrorist and criminal organizations by "targeting their infrastructures, depriving them of their enabling means and preventing the criminal facilitation of terrorist activities."

But what does this mean? And how can law enforcement and military operations worldwide get on board with strategies that increasingly use private-sector models to attack irregular threats? Using business methodology to analyze illicit networks can help investigators identify key vulnerabilities in these targeted networks that may not be initially apparent.

Understanding the similarities between licit and illicit organizations enables security professionals to illuminate critical vulnerabilities in illicit networks. Both legal and illegal operations:

- Are founded on trusted relations.
- Make efforts to control transnational supply chains to generate revenue.
- Manage funds to optimize risk and return.

A 2010 project for the U.S. Drug Enforcement Administration mapping out the cocaine supply chain from Colombia to the United States revealed just how closely the illicit cocaine supply chain mirrored the movement of legal agricultural crops being grown in South America and imported to the United States. The main differences analysts found in their supply chains were that cocaine transporters masked many of their critical nodes in order to hide from law enforcement.

Supply chain methodology can reveal these hidden activities by illuminating the roles and functions performed by individuals to keep the supply chain operational. By focusing on which roles and functions are critical to the business, one starts to understand which nodes need to be removed (such as the Toyota brake valve) to disrupt the network and interfere with operations.

Just like licit businesses, illicit networks operate transnationally. There are identifiable social networks that enable the "business side" of the transport operation to function. For example, in the cocaine supply chain, one of the critical, high-vulnerability nodes is the role of "cocaine broker," the individual who manages the sale of large-scale drug shipments between South America and Mexico. Investigators and social network analysts discovered that there were few cocaine brokers, and few transportation coordinators who could move the shipments. When one cocaine broker was arrested and removed from the chain, 100 metric tons of cocaine quickly piled up, unable to move along the supply chain.

SHUTTERING HEZBOLLAH'S USED CAR LOT

The Shiite political party Hezbollah is best known as a potent terrorist group and fighting force that receives training, weapons and support from Iran and Syria. However, in the past several years, an international team of investigators has pieced together proof that the organization also sits atop a multibillion-dollar, globalized criminal empire engaged in counterfeiting currencies and goods, gemstone smuggling, credit-card fraud, and laundering narcotics proceeds.

According to a lawsuit filed by the U.S. Department of Justice in December 2011, for example, Hezbollah used the purchase of used cars in America to traffic money between West Africa, the United States, Canada and Lebanon, moving a stunning U.S. \$480 million since 2007.

Hezbollah, which has been fingered in terrorist attacks dating back to 1982, was designated a terrorist organization by the U.S. and other Western governments in 1997. This put severe limits on how the group could access and move funds. Hezbollah got around the restrictions by moving into the criminal underworld, using front companies to "hide in plain sight." Using partner banks, Hezbollah transferred funds to the United States, and the money was used to purchase used cars. The approximately 30 car dealerships involved in the scam had "little or no property or assets" of their own and relied entirely on the cash sent from Lebanon.

The used cars were then shipped to West Africa, primarily Benin, where they were resold. The proceeds from those sales, according to the complaint, were then smuggled by a series of Hezbollah money couriers controlled by a Togo-based operative called Oussama Salhab. His network transferred the cash through Ghana and Togo to Lebanon, where it was then used by Hezbollah to fund itself.

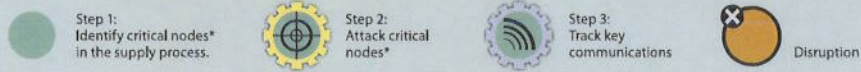
Investigators were able to uncover the scam by following the supply chain of vehicles and the movement of money. They knew they were dealing with a money laundering case because the used car operation in and of itself was losing money. No ordinary business could afford to sustain such losses year after year. They reasoned that only a criminal organization would accept the losses if the vehicles were being used to transfer illicit funds out of the United States.



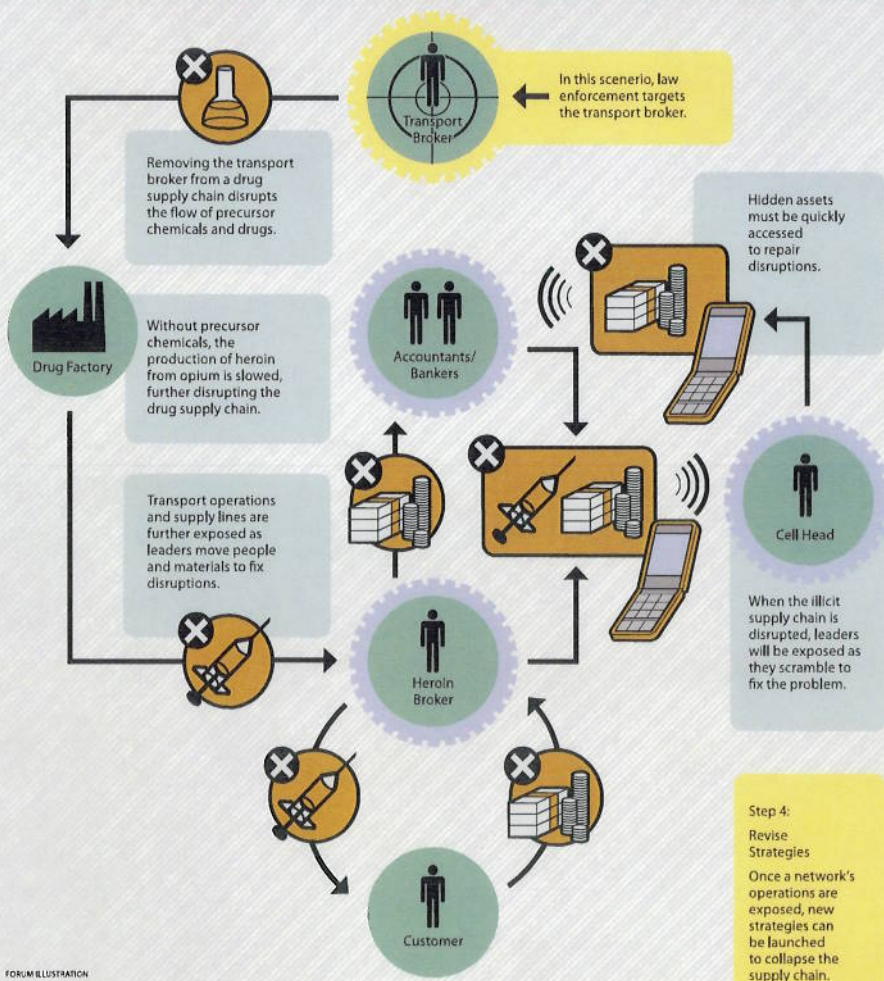
That officials prepare to burn more than 2,400 kilograms of confiscated narcotics including methamphetamine, heroin, opiates, cocaine and psychotropic substances worth an estimated 7.4 billion baht (U.S. \$242 million) in June 2011.

AGENCE FRANCE-PRESSE

Disrupting an Illicit Supply Chain



*Node: A key intermediary who is essential to the supply chain such as an accountant or a cocaine broker. These people generally are not the leaders of a criminal organization or terrorist group.



FORUM ILLUSTRATION

Authorities, however, had not previously focused on capturing transport coordinators or brokers, perceiving them to be insignificant contractors at the edges of family-run drug cartels. In fact, these individuals are central to the supply of cocaine.

Illicit networks also maintain a robust financial bureaucracy to manage cash flows and maintain business functions. During three separate studies on the cocaine supply chain, bulk cash flows from the U.S. to Mexico, and the movement of weapons from the United States, it became apparent that network leaders were less important to day-to-day functioning of the networks than were accountants and bankers.

Network disruption

So the question is, "How does law enforcement put an illicit business out of business?" That is the ultimate goal, after all. By using business methodology, it is possible to discover previously unseen weakness in transnational adversaries, from the Sinaloa Cartel to the Pakistani Taliban, and then to apply pressure to specific nodes that will cause disruptions in the network's supply chain and may force network leaders to reveal themselves to repair the disruption.

TAKING DOWN A NETWORK

How are the key roles and functions of a network identified? First, develop a common lexicon that clearly defines who does what in the network. It is rare that any one organization handles all aspects of the illicit business. Usually, a core network will outsource certain activities to other underworld businesses (just like in legal business). Understanding the critical roles and functions is key to making headway.

Next, identify vulnerable nodes in the operation:

- What part of the business gives the network headaches?
- What segment of the operations is hard or impossible to replace?

This aspect of the methodology is a product of understanding critical business function and the analysis of Impact (volume and velocity) and feasibility (are the capabilities/resources/authorities available to impact the node?) Returning to the example of the transportation coordinator function in the cocaine study, the impact is the product of how much of the commodity the coordinator controls (volume) and the amount of time the coordinator controls the product (velocity).

The feasibility of action analysis assesses whether the capability exists to take legal or kinetic action against the critical node in question. Once the key roles and functions have been identified, addressed and targeted, a supply chain attack strategy can go into effect.



Key information is revealed when an illicit network experiences a supply chain disruption. Leaders are forced to emerge from hiding to fix the problem. They must quickly access hidden cash reserves to repair problems, making it easier to identify and/or seize ill-gotten wealth. One can also discover critical elements about the network's supply lines and transport operations as they move people and material into place to repair the disruption. Most importantly, it is possible to determine how the network responds to breaks in the chain, which makes it possible to launch a strategy that will make it harder, or even impossible, for the network to fix the problem if it suffers a subsequent attack on its supply chain.

South Korean police display plastic pails containing acetic anhydride, a chemical that can be used to make heroin or explosives. They seized the pails from an Afghan man at a police station in Ansan, South Korea.

Understanding the critical nodes of an illicit network puts authorities in a position to stage a multipronged attack on critical nodes of an illicit network and watch it crumble (see infographic). Imagine that a major heroin network in Afghanistan loses its transport coordinator, who is interdicted by NATO troops, and then a week later network leaders discover that their central supplier for acetic anhydride, a key precursor chemical needed to process opium into heroin, has been shut down. Then the bank calls the network chief financial officer to say the network's secret accounts have been frozen.

Identifying vulnerable nodes in the target network's business operations puts authorities in the position to be proactive, rather than reactive. Plus, for those agencies that get rewarded for capturing high-value targets, there's an added benefit. When illicit network leaders are forced to become more public to fix the interruption in their supply chain, they are at risk of being killed or captured. Attacking the network through its supply chain kills two birds with one stone: Law enforcement stops the illicit activity and is in a strong position to interdict the network leaders. ◦

Gretchen Peters is the author of *Seeds of Terror*, an international bestseller that outlines the role heroin has played in three decades of war in Afghanistan. She conducts business analyses of insurgent armies, terrorist groups and other illicit networks.

Charles Gardner, a former chief of the Drug Enforcement Administration's Office of Strategic Intelligence, leads a government-backed supply chain attack strategy effort analyzing licit and illicit supply chains to identify critical vulnerabilities in these transnational networks.