Chapter 3

Terrorist Groups’ Resourcing Menu

Ideally, the leadership of a terrorist organization seeks the resourcing that has the best attributes: (1) support that is simple and does not require too much expertise to access and exploit; (2) security from discovery or confiscation by the law or others who wish to do the terrorist organization harm; and (3) availability of large amounts of resources without expending too much effort to attain them. There is no easy and secure way to acquire, move, and store resources, so terrorist groups will have to balance the specific resourcing options available, hoping to find the right mix that, at a minimum, will allow them to maintain an acceptable operational tempo, or better yet, to step up their campaign. In order to meet their needs, terrorist organizations have a “menu” of options. Just as a menu in a restaurant may limit a diner’s choices, but does not determine them, so too does the menu I discuss in this chapter. Once some form of resourcing is chosen, over time it will come to affect the behavior of the organization. Path dependence emerges, so that choosing alternative resourcing strategies appears prohibitive, even though the original course of action has its own considerable difficulties.

Furthermore, terrorist resourcing is embedded in the larger international monetary and trade regimes, and it is buffeted by those regimes, just as they, too, are changed by terrorist resourcing. For example, globalization of the international monetary system has opened up whole new possibilities for terrorist groups to acquire, launder, and use financial resources on a global scale, giving them the potential for access to funds and other resources almost anytime and anywhere. At the same time, the larger international monetary system has responded by making terrorists’ use of the system more
difficult, such as through the implementation of the Financial Action Task Force’s recommendations against money laundering and terrorism finance. This has forced terrorist groups to modify their practices if they want to continue to access funds as easily without those funds either being frozen or traced back to the terrorist group itself.

**Acquiring, Moving, and Storing Resources**

Terrorism resourcing can be divided into a framework with three levels: activities accomplished to earn money; strategies to move the money from the location where it has been collected to where it will be stored or where it is needed; and means of storing such money or value until it is needed. This framework then assesses whether that money or other resources are internal or external to the terrorist group. The former are collected, moved, or stored within the organization, whereas the latter must move through some entity outside the organization’s control, such as commercial banks.\(^3\)

Al Qaeda has earned money internally from Usama bin Laden’s personal wealth, from front companies that he controlled, and through assets brought into the organization by other members. It has then internally moved its money via bulk cash smuggling thanks to its operatives and by over- and underbilling through its front companies. It has also stored that money internally by depositing it in banks sympathetic to or controlled by the group. These internally generated funds and other stores of value never leave the immediate control of al Qaeda.\(^4\)

Al Qaeda has also used external sources for its financial needs. Money has been earned through charitable contributions and from returns on investments, all routinely moved via wire transfers or other business transactions allowed by legitimate trade and monetary regimes. The proceeds are then stored in bank accounts, stocks, bonds, and real estate. What differentiates externally held finances from internal ones is that the former is not entirely controlled by al Qaeda. For instance, bank accounts can be frozen and various business transactions made illegal, and donors can choose to send their funds elsewhere.\(^5\)

The various means of terrorist resourcing identified in this framework are listed in table 3.1. The first three columns illustrate whether a specific resourcing method is used by the terrorist group to acquire the means necessary to survive and operate, used to move them to where they are needed, or store them for later use (or a combination