**Chapter 12. The crime-terror nexus in Syria and Iraq**

Christina Steenkamp

**Abstract**:
This chapter investigates the connection between the Islamic State of Iraq and Syria (ISIS) and organized crime in Iraq and Syria. It argues that the crime-terror nexus here is one where an organization whose primary aim is overwhelmingly political, largely develops its own use of organized crime methods to raise funds for its political and military aims – with some opportunistic cooperation with existing organized crime networks. The chapter outlines the involvement of ISIS in oil smuggling, the illegal trade in antiquities and human trafficking (including kidnapping). Its shows how three factors determine the nature of the nexus in this case:  pre-existing networks and practices of organized crime; the availability of valuable resources and lastly, ISIS's objective of territorial control and state building. The chapter ends with a consideration of ISIS's involvement in organized crime since the fall of the Caliphate.

**Keywords:**
Iraq; Syria; ISIS; organized crime; conflict

*Introduction*
By late 2014, the Islamic State of Iraq and Syria (ISIS) controlled a vast territory that stretched across north-western Iraq and the north-east of Syria. Not only was it notorious as a brutal terror group, but it was also widely seen as the wealthiest terrorist organization that had ever existed.[1]

Although the bulk of its wealth came from taxes levied on the populations under its control in Iraq and Syria, this chapter investigates another significant source of income for ISIS: its relationship with organized crime. It will argue that ISIS is primarily a hybrid organization where the terrorist group develops 'in-house' organized crime capabilities (Schmid 2018, p. 15), but that it also collaborates with existing organized crime networks when it is expedient. ISIS is primarily a political organization and its involvement in the illegal economy

---

[1] ISIS is also known as the Islamic State of Iraq and al-Sham; ISIL (Islamic State in Iraq and the Levant), or by die Arabic acronym of 'Daʿesh'. Some also refer to it simply as 'Islamic State'.

is a means to realize political ends. Yet, their organized criminal activities were crucial to its existence and its political goal of establishing a financially self-sufficient Islamic state (a Caliphate). In terms of the three types of nexus between organized crime and terrorism described in chapter 3 (Paoli and Fijnaut, 2020, this volume), ISIS involvement in organized crime could be classified as a more extreme form of the imitation nexus where the organization pursued political change by using terrorist methods whilst being heavily engaged in organized crime activities . This chapter argues that three factors determine the nature of this crime-terror nexus: the pre-existence of organized crime networks and activities; the availability of valuable resources and lastly, ISIS's objective of territorial control and state building.

Various scholars have examined the nexus between organized crime and terrorism (for example, De Boer and Bosetti 2015; Dishman 2005; Hutchinson and O'Mally 2007; Lacher 2012; Oehme 2008; Makarenko 2004; Sanderson 2004; Shelley and Picarelli 2005).  This chapter adds to this literature by analysing a recent example of the crime-terror nexus in a context of violent conflict: the involvement of ISIS in organized crime during the conflicts in Syria and Iraq.

ISIS has been selected as the main case study of a terrorist organization in this chapter on the crime-terror nexus in Syria and Iraq because it was the largest insurgent group which operated in both states simultaneously, and – since logistics are important - because it is the group on which most information is available. ISIS was by no means the only jihadist organization in this region who engaged in state building or large-scale terrorism: Jabhat al-Nusra, for example, also provided a rudimentary social and political administration in the areas it controlled in Syria, and Al Qaeda in Iraq carried out large-scale attacks against United States (US) forces. However, ISIS was unique in its centralized military capability and ambitious state building agenda in Iraq and Syria. This justifies the focus on ISIS here.

The chapter is structured as follows: Section 1 provides brief background on the conflicts in Iraq and Syria in order to contextualize the existence of the ISIS. Section 2 will then map the origins and objectives of this group, and Section 3 will identify some of the conceptual complexities in examining terrorism and organized crime. After providing the intellectual context and background to the case study, the chapter then proceeds to the analysis of ISIS's involvement in organized crime. Section 4 identifies oil smuggling; the illegal trade in antiquities; and human trafficking (including kidnapping for ransom) as three noticeable examples of ISIS's stake in organized crime. It finds that ISIS exhibits hybridity in its involvement with organized crime and elaborates on the factors which determine this hybridity. Section 5 considers recent developments in Iraq and Syria since the decline of the Caliphate and confirms its resurgence and renewed involvement in organized crime by early 2020. The chapter concludes in section 6.

## 1. Conflict in Iraq and Syria

In a highly controversial move, the United States of America (USA) and its allies invaded Iraq in 2003 and deposed the 24-year brutal dictatorship of Saddam Hussein and the Arab Socialist Ba'athist party. The invasion was followed by a violent backlash by Shia militias and Sunni tribal groups against the foreign presence and resistance to the new Iraqi government. The minority Sunni population regarded the Shia-dominated central government of Prime Minister Al Maliki (2006-2014) as increasingly sectarian, ineffective and corrupt. A Sunni insurgency or 'Awakening' was led by tribal leaders in the west of the country and the central government eventually lost control over these territories. It is widely accepted that the very origins of ISIS lie in the chaos that followed this US-led invasion of Iraq and the 'Awakening' that followed (Glazzard et al. 2017, p. 8). In addition, many of the former military and intelligence officials from Saddam Hussein's army joined ISIS because they shared similar Sunni interests and felt alienated by the new Shia dominated government. They are widely seen as a determining factor in ISIS's initial military successes in Iraq (Krause 2018, p. 229).

By early 2019, the total civilian death toll in Iraq since 2003 was estimated to be around 200 000 (Iraq Body Count 2019). According to these figures, the periods 2003-08 and 2014-17 (when ISIS was at its most influential in Iraq) were the most violent periods. There has also been a significant increase in organized crime in Iraq since the fall of the Saddam regime (in Green and Ward 2009).

The Syrian civil war started in early 2011 when Syrians staged peaceful popular uprisings to demand that the regime of Bashar al-Assad release political prisoners and initiate political reforms. In response, Assad suggested some modest, but misplaced, political reforms and ordered the army to clamp down on the protests. Violence on both sides escalated and by late 2011, soldiers who had defected from the Syrian armed forces formed the Free Syrian Army (FSA). By 2012, Syria was officially enmeshed in civil war.

The causes of the conflict include recent increases in inequality and high youth unemployment, as well as a popular dissatisfaction with high levels of corruption and the complex patron-client relationships upon which the Syrian Ba'athist regime was based (Erlich 2014; Sörenson 2016). Eventually, it was estimated that more than 1000 armed groups were involved in the conflict (Al-Abdeh 2013). These groups included the Assad government, ISIS, the Sunni Jihadist group Jabhat al Nusra; the YPG (the Kurdish People's Protection Units) and other Islamist groups (Al Jazeera 2016; Crowcroft 2015). There were also many semi-permanent smaller groups who intermittently cooperated with larger groups.

The conflict quickly became highly internationalized: Gulf States supported the Sunni Islamist groups, but Russia, Iran and Hezbollah from Lebanon fought alongside the regime. Turkey intervened to limit the influence of the Kurdish YPG and US-led airstrikes against ISIS

(and other Islamist groups) started in 2014. By 2018, there were concerns that the Syrian conflict was becoming a proxy war for tensions between Iran and Israel, and the Kurdish-Turkish rivalry (McKernan 2018).  The Syrian conflict resulted in the worst humanitarian crisis since the Second World War, with more than five million refugees and around 500 000 people dead.

### 2. ISIS: Origins and objectives

As a Sunni Salafist-Jihadist organization, ISIS advocates a conservative and militant version of Islam which sees anyone who opposes its version of the religion as an enemy (Sandal 2018)[2]. As the name suggests, one of ISIS's central objectives is to recreate a Caliphate as a state for 'true' Muslims. This Caliphate was intended to transcend international borders, which explains why ISIS is active across the Middle East and further afield: ISIS has a presence in Iraq, Syria, Yemen, Libya, Nigeria, South-east Asia and across the Sahel, for example.[3]

Although the organization enjoyed its greatest successes in the years since 2011, it had been in existence in some form or another since the late 1990s (Lister 2015, p. 89). Its Jordanian leader Abu Musab al-Zarqawi operated covertly in Jordan and Afghanistan and had ties with al-Qaeda and the Taliban in the late 1990s and early 2000s (Ingram et al. 2020, pp. 3-4).  Al-Zarqawi led Al Qaeda in Iraq (AQI) during the post-2003 insurgency, but his perceived fanaticism and strict implementation of the *takfiri* ideology which rejected other versions of Islam, alienated the wider Al Qaeda leadership who feared it will estrange non-Sunni Muslims (Gaffney 2018, p. 341; Sandal 2018, p. 25). His attempts at establishing a viable Islamic state were relatively unsuccessful and he was killed in 2006.  Abu Bakr al-Baghdadi became leader in 2010. By 2012 the Sunni revolt against the Iraqi government had benefited AQI and the formation of ISIS was officially declared later that year when Al-Baghdadi's organization took control of the city of Raqqa in Syria. In mid-2014 ISIS captured Iraq's second largest city, Mosul.  At the height of the Caliphate in January 2015, ISIS controlled vast swathes of Iraq and Syria stretching from Aleppo in western Syria, though Raqqa (the 'capital' of the Caliphate), including the oil fields of Deir al-Zour in eastern Syria, to the city of Mosul in northern Iraq and further south towards Baghdad, altogether covering about 100 000 square meters of territory (BBC 2018; Johnson, in Krause 2018, p. 230). An estimated 10 million people lived in the Caliphate at this time (Swanson 2015).

---

[2] Ingram et al. (2020, footnote 2) provide a good basic explanation of these terms: Salafism is a politico-religious ideology that follows the original texts and practices of early Islam. Salafi-Jihadists are militants who ascribe to the Salafist ideology but advocate violent methods, rather than political methods, to reach its aims. ISIS also has a *takfiri* element to its approach, because it advocates the excommunication of Muslims who do not adhere to a Salafist ideology.

[3] Consistent with its emphasis on targeting alternative cultures, ISIS also claimed responsibility for large-scale terrorist attacks against Western and infidel targets globally, such as the 2015 Paris bombings which killed 130 people, or the Easter Sunday attacks on churches and luxury hotels in Sri Lanka in April 2019 in which more than 250 people died.

Al-Baghdadi's right-hand military men were former high-ranking officers from the Saddam-era Iraqi army and by 2015, ISIS had approximately 25 000 full-time fighters across Iraq and Syria (Lister 2015, pp. 89-90).[4] In addition, the new leaders transformed the organization's structure by making it more hierarchical and bureaucratic with a chain of command that spanned different levels of governance.

This post-2010 incarnation of ISIS proved highly successful in exploiting weak governance and became adept at establishing itself in areas where there is conflict, a thriving war economy and a collapse of the central authority (Weiss and Hassan 2015; Glazzard et al. 2017, p. 13): in Iraq, the catalysts for ISIS was the fall of Saddam Hussain and the resulting Sunni insurgency, and in Syria it was the outbreak of civil war and the weakening of the Assad regime. Krause (2018) argues that ISIS had three faces: it was an insurgent group aiming to overthrow regimes (including in Syria and Iraq), a state (exemplified by its provision of social, economic and political governance) and a revolutionary movement (which a new vision for Islamic life and society). The insurgent and statist character of ISIS required significant amounts of funding – and the following sections will illustrate how organized crime provided a solution.

ISIS was undoubtedly a ruthless and repressive organization which orchestrated a police state in the territories under its control. Indeed, the extent of its repression became one of the main reasons for popular discontent with its power. However, the organization successfully used the provision of goods and services to initially acquire some degree of legitimacy amongst the population. ISIS eradicated the banditry and small-scale gangsterism that plagued many communities across Iraq and Syria as central authority withered (Fromson and Simon 2015, p. 40). In addition, ISIS ran health facilities, schools, bakeries and a system of civil and religious law-enforcement (Abdul-Ahad 2018). It provided food and money to the poor and elderly, capped rent prices, maintained local infrastructure and energy provision and provided free bus transport (Lister 2015, p. 94).

### 3. Organized crime, conflict and terrorism
The study of organized crime is particularly challenging when organized crime takes place during violent conflict. Firstly, it is challenging to determine the true intentions of the actors involved in the illegal economy in a conflict context: is violence aimed at acquiring political goods, or at maximising economic self-interest? Secondly, investigating empirical research as part of the crime-conflict nexus is challenging due to the (un)reliability of quantifications of crime. Who are the sources and what are their (often competing) agendas? (James 2012 p. 227) It is also often unclear which legal code has been applied to label actions as legal or illegal (Hansen 2014, p. 65). A third complication is that even when a certain activity is

---

[4] There is no agreement on the total number of combatants fighting on behalf of ISIS, and estimations vary wildly from 17 000 suggested by the Pentagon to 200 000 alleged by the Kurdish forces (Fromson and Simon 2015, p. 9).

illegal, it might still enjoy enormous legitimacy amongst the local population (Felbab-Brown 2009). This is an important consideration in the study of organized crime in conflict contexts: normative distinctions between what are 'legal' or 'illegal' activities do not necessarily resonate with issues of legitimacy on a local level (Cockayne and Pfister 2008, p. 13). There may be competing versions what is an acceptable economic activity and what is not. The illegal economy often provides employment opportunities to vulnerable populations when the state is unable to provide a social or economic safety net. Local populations depend on these networks and economic opportunities, despite its illegality.

The United Nations (UN)'s Palermo definition of organized emphasizes its collective nature, its endurance, its extra-legal nature and that it is primarily intended to make a profit, but this conceptualization has several weaknesses.[5] As an organization, ISIS meets many of these criteria, but it is primarily a political conflict actor, rather than primarily motivated by profit. Its involvement in organized crime is a method it uses in pursuit of military, political and social aims.

Schmid (2018, p. 14-15) identifies six possible ideal type manifestations of the relationship between organized crime and terrorism. The sixth ideal type is 'when terrorist groups use organized crime methods as violent hybrid organizations…developing these in-house to generate funds for their political struggle, without linking up with an external organized crime group' (Schmid 2018, p. 15).  This chapter shows how ISIS chiefly resembles this type of violent hybrid organization, but that it does, at times, cooperate with existing organized crime networks.

### 4. ISIS and organized crime

Gaffney (2018, p. 341) argues that ISIS's success was due to its military prowess, its ability to attract large numbers of recruits to its cause, its astute use of social media and technology and its hefty cash reserves.  This section investigates the sources of these 'cash reserves' by focusing on the group's involvement in organized crime.

ISIS deliberately eschewed becoming dependent on foreign donations in order to maintain its autonomy and not be vulnerable to changes in donor support (Gaffney 2018, p. 346). Its structural and financial independence also meant that it enjoyed strategic self-determination and could withstand traditional counter-terrorism strategies which focus on eliminating international funding streams (Lister 2015, p. 89).

ISIS controlled a very lucrative taxation regime and levied fees on the populations under its control, as well as looting banks and industries and confiscating assets when it gained new

---

[5] Schmid (2018) provides a good overview of the conceptual dimensions and puzzles inherent to discussions of the relationship between 'organized crime' and 'terrorism' and considers the weaknesses of the dominant definitions of organized crime.

territory (Heissner et al. 2017). In addition, it became indirectly involved in various organized crime schemes that operated in the areas they controlled, including smuggling; people trafficking and the taxation of trafficked goods that cross its territory (Kan 2014 pp.72-3). Many of these activities were already well established by the time ISIS arrived. The group instigated transactional schemes where it permitted some organized crime groups to continue their activities, on the proviso that they pay 'taxes' at checkpoints where they cross through ISIS territory. One such example is the smuggling of the amphetamine Captagon through Syrian territory. Captagon is produced in Syria and Lebanon and trafficked to the Arabian Peninsula via Turkey and Jordan. It is believed that ISIS was not directly involved in the production of the narcotic, but rather, that it taxed the trafficking of Captagon through the areas under its control (The Global Initiative 2016, p. 23).

However, ISIS was also directly driving many of the organized crime activities that occurred in its territory. This chapter focuses on three organized crime activities to illustrate the nature of the crime-terror nexus involving ISIS in Iraq and Syria: its involvement in oil smuggling, the looting and smuggling of archaeological artefacts and human trafficking and kidnapping.

This section will examine each of these three types of activities and illustrate how three factors are important in determining the feasibility of these activities. The first factor is the existence of pre-war organized crime networks in Iraq and Syria. The Saddam and Assad regimes, respectively, were deeply involved in smuggling networks. By the time ISIS emerged, there were already established networks and traditions in place which underpinned a smuggling economy. Iraq's history of sanction busting smuggling networks run by the regime created an oil smuggling network which ISIS could exploit. Also, in Syria, the Assad regime has long been involved in smuggling drugs, oil and consumer goods to and from neighbouring states. These traditions of smuggling meant that ISIS inherited networks and trade routes which could facilitate its own engagement in organized crime, whether directly or indirectly. The context of war and a weakened central state provided a further stimulus to organized crime in these countries.

The second factor in understanding the success of ISIS's involvement in organized crime is that Iraq and Syria provided ISIS with valuable resources which could be exported internationally and generate significant income. The valuable nature of these resources translates into high profit margins for those involved in organized crime.

A third determining factor in ISIS's fundraising strategies was its political goal of establishing a functioning state in the areas under its control, coupled with its insistence on being self-financed. This means that the organization had a strong motivation to find steady and lucrative funding streams, and it developed a bureaucratic machinery to regulate this. ISIS's control over a vast territory which spanned two states (effectively eroding the international

border between parts of Syria and Iraq) facilitated organized crime networks and trafficking routes (Kan 2014, p. 76).

The remainder of this section will consider three organized crime activities which proved valuable to ISIS: oil smuggling; the illegal trade in antiquities and human trafficking (including kidnapping for ransom). Throughout, it will be shown how the three factors (existing organized crime networks; the presence of valuable lootable resources; and the group's emphasis on territorial expansion and state building) determined the nature of the crime-terror nexus in Iraq and Syria.

*4.1. Oil*
The organization's smuggling of oil and natural gas was its largest source of income at its peak in 2014/5. ISIS meticulously controlled oil extraction and was involved in oil refineries (often in collaboration with private entrepreneurs and Syrian government power utilities) and relied on traffickers to move the oil to local or international markets (Swanson 2015). At the height of its power, it controlled around 80 per cent of Syria's oil fields (including the largest oil producing area of Deir az-Zour) and produced up to 80 000 barrels of oil per day (Almohamad and Dittmann 2016; Swanson 2015; Daragahi and Solomon 2014). It also controlled smaller oil fields in Iraq. Estimates vary, but some report that the organization earned approximately US$2 million per day from oil in Syria and Iraq and it generated between $435-550 million in revenue in 2015 (Lister 2015; Heissner et al. 2017, p. 8). ISIS sold the oil to various local and international buyers – including to adversaries such as the Syrian government or Kurdistan (Daragahi and Solomon 2014). These transactions took place through a series of middlemen (Almohamad and Dittmann 2016 p. 11; Speckhardt and Yayla 2016). The oil smuggling network which ISIS joined was already well established and encompassed northern Iraq, southern Turkey, north-eastern Syria and parts of Iran (Daragahi and Solomon 2014).

The very lucrative nature of the oil trade quickly made it a prime focus of counter-terrorism efforts. Russian and US-led airstrikes on ISIS's oil and gas facilities in late 2015 destroyed much of its refining capacity and Turkey clamped down on oil smuggling across its border (Swanson 2015). In addition, many of the skilled engineers and technical experts on whom the oil industry depends, have left or been killed. By late 2017, oil production in ISIS territories had all but ceased (Heissner et al. 2017).

ISIS's involvement in black market oil extraction and trafficking in Iraq and Syria illustrates a blend of indirect and direct involvement in this activity. Three factors determine the nature of the crime-terror nexus here: Firstly, there was an established tradition of oil smuggling involving the Saddam and Assad regimes in Iraq and Syria, respectively. In Iraq, the UN-backed Oil for Food Programme introduced large-scale international sanctions against Iraqi oil, which led to the development of a thriving region-wide oil smuggling economy with

regime participation in an effort to bypass these sanctions (Andreas 2005, pp. 353-4). The Assad regime in Syria became complicit in these sanction-busting activities in Iraq by allowing oil and other goods to be smuggled though its territory to and from Iraq. Indeed, since the 1970s the Syrian state has been heavily involved in the smuggling of drugs, oil, weapons and consumer goods from or to Iraq, Turkey and Lebanon (Herbert 2014). While ISIS was directly involved in extracting and sometimes refining the oil, it relied heavily on these existing smuggling networks to transport the oil to markets further afield (Solomon et al. 2016).

Secondly, oil is undoubtedly a highly profitable natural resource and Iraq and Syria have significant oil reserves. In 2019 Iraq was the sixth largest oil producer in the world (US Energy Information Administration 2020), and although Syria's production is far lower, ISIS controlled Syria's largest oil producing region. Control over the oil industry was a primary aim of the central ISIS leadership from the start and it remained one of the few aspects of the Caliphate that was overseen by ISIS central command (Solomon et al. 2015).

Thirdly, ISIS's control of territory and meant that it was able to physically control the extraction and selling of oil from these areas. Its emphasis on state building and governance in the Caliphate also explains their bureaucratic ability to manage the profit-rich oil industry in its territory.

### 4.2. The illegal antiquities trade

ISIS's destruction of the ancient Syrian city of Palmyra with sledgehammers and pickaxes in 2015, and its smashing of statues from ancient Nineveh in the Mosul museum in 2014 are some prominent examples of the organization's public rejection of non-Islamic culture and heritage (Curry 2017). Yet, ironically, it also participated in the illegal trading of antiquities from archaeological sites in its territory. New evidence shows that ISIS was directly involved in the selling of Syrian artefacts up to late 2018 on international markets – often smuggled hidden under vegetables in trucks or sewn into the linings of travellers' clothes (UN Security Council 2020, p. 18). Although it received widespread attention, the profits from antiquities smuggling are now thought to have been relatively modest (Heissner et al. 2017, p. 8). While ISIS certainly would have been selling some of the antiquities looted from museums and archaeological sites onto international markets (as did other rebel groups in the Syrian conflict), it probably made more money from selling digging permits and charging transit fees for individuals or other groups to extract and sell artefacts in neighbouring states (Heissner et al. 2017, p. 8).

The three factors identified as being central to understanding ISIS's involvement – and success- in organized crime (pre-existing organized crime networks; the availability of lootable resources and its emphasis on state building and territorial control) are also relevant to an understanding of the role of antiquities in ISIS's fundraising portfolio. Firstly,

the illegal antiquities trade was well established in Iraq and Syria before ISIS appeared on the scene. Aerial photographs of excavation sites show that there was a significant increase in large- and small-scale illegal excavations since the outbreak of the conflicts – and the war in Syria, in particular (Casana 2015, p. 147). ISIS was able to tap into this established illegal economy by setting up a permit-granting system and taxing the trafficking of artefacts by smugglers through its territory. ISIS became involved in these existing organized criminal networks, but it can also be interpreted as an illustration of how ISIS is primarily a political organization which engages in organized crime activities to meet its political objectives, rather than an organized crime group per se.

Secondly, Iraq and Syria's status as prime sites of archaeological importance meant that it contained valuable resources which are desirable on international markets.

Thirdly, ISIS emphasis on territorial control meant that it was able to establish a physical presence to regulate the extraction and regulation of the antiquities. Its control over territory in a region which is archeologically rich and close to the international antiquity markets in Turkey and Lebanon, determined the viability of participating in an existing illegal trade of artefacts. Its state-building capacity meant that it was able to regulate, tax and benefit from this trade.

### 4.3. Human trafficking and kidnapping

The previous two examples (the extraction and smuggling of oil and antiquities) illustrated ISIS's direct involvement in organized crime, as well as their cooperation with existing smuggling networks. Human trafficking and kidnapping for ransom illustrates ISIS's status as a violent hybrid organization where it developed its own in-house capacities particularly well.

ISIS earned an estimated maximum of around US$40 million from ransoms in 2014 (Lederer 2014; Heissner et al. 2017). Whilst this amount pales in comparison with the oil-generated revenue, it attracted international attention due to its kidnapping of foreign (including western) journalists and aid workers. Western aid workers who have been kidnapped by ISIS in Syria include Kayla Mueller, for whom ISIS reportedly demanded $6 million (Walmsley 2015). However, ISIS predominantly focused on the kidnapping and ransoming of local civilians. For example, in February 2015 ISIS took more than 220 Assyrian Christians hostage from villages in north-east Syria and demanded ransoms of $100 000 per prisoner (Shaheen 2015). There is strong evidence that ISIS must have made millions of dollars in ransom from the staged release of these hostages throughout 2016 (Hinnan 2016). The estimated income from kidnapping during that year came to $10-30 million (Heissner et al. 2017, p. 8).

One case of human trafficking attracted significant attention: In August 2014 ISIS abducted thousands of Yazidi women from the Sinjar region of northern Iraq.[6] They were sold on slave markets across Syria and Iraq (UN 2016; Weiss and Hassan 2015, pp. 231-232). According to ISIS's philosophy, the enslavement of the Yazidi was permitted because they were polytheists (Al-Dayel et al. 2020, p. 3).

Two factors are particularly helpful in explaining the nature of the crime-terror nexus around kidnapping for ransom and human trafficking by ISIS. The first factor (existing organized crime networks) may not provide an effective explanation in this example. However, ISIS's emphasis on territorial control enabled it to kidnap civilians for ransom in newly captured cities and towns and its religious ideology provided a justification for the kidnapping and trafficking of religious minorities. Its aim of state building and governance meant that it devised a formalized system for managing its slave trade (Al Dayel et al. 2020, pp. 12). This set out, in detail, how slaves should be classified and treated accordingly. The second factor, the availability of profitable resources (in the shape of civilians, religious minorities and the presences of foreign journalists and aid workers due to the conflict), helped to make this a viable and profitable economic undertaking.

### *5. ISIS and organized crime after 2017*
ISIS and its affiliates have remained highly active in other parts of the world such as North Africa; South-East Asia and Central Africa, despite its misfortunes in the Middle East. The final consideration for this chapter is what has become of ISIS since it lost its Caliphate in Iraq and Syria? With the loss of its territory by 2017 in Iraq and its final defeat at the Battle for Baghouz in early 2019 in Syria, ISIS has also lost its access to the lucrative resources in these areas. Burke (2017) argues that ISIS's emphasis on territorial expansion was indeed one of its main weaknesses: expansion was needed to provide the organization with recruits; weapons and resources (such as oil, antiquities and communities) which could be exploited for financial gain. Yet, once it had established its dominance over Sunni areas in Iraq and Syria, it had nowhere left to go as it reached a dead-end against the borders of Turkey, Israel and Jordan and the Shia dominated areas of Iraq.

ISIS certainly faced several setbacks in recent years: not only did it lose its territory, but its leader Abu Bakr al-Baghdadi was killed by US forces in 2019. Despite some initial optimism that ISIS has been defeated, it was clear by early 2020 that ISIS may have been down, but it certainly was not out. Reports from Iraq in late 2019 showed that ISIS was reorganising in the country and increasing its attacks on Kurdish and Iraqi forces (Guerin 2019). A UN Security Council report in early 2020 confirmed that the presence of ISIS was, once again, becoming increasingly evident in Iraq and Syria and their involvement in organized crime resumed (UN Security Council 2020). In both countries, the ISIS leadership continue to make

---

[6] Al Dayel (2020) provide a very detailed account of ISIS's management of the trafficking and enslavement of the Yazidis.

payments to the families of deceased fighters, which means that they must have access to funding systems. Much of this funding come from existing financial reserves, the establishment of front companies and other mainstream business initiatives (UN Security Council 2020, p. 17). However, as they are re-establishing themselves militarily in the Middle East, ISIS is also rebuilding their ties to organized crime. They have been continuously involved in the smuggling and sale of antiquities in both countries. In Syria, ISIS is again reportedly openly operating extortion networks and in Iraq, it regularly mounts fake checkpoints disguised as local armed forces to accumulate funds (UN Security Council 2020, p. 17).

This resurgence of ISIS should not be surprising: many of the same conditions which enabled it to rise to power in the first place, are still in place in Iraq and Syria by the beginning of the decade – not least of which are the continuing political instability and Sunni alienation from the regimes in both countries. In addition, the reduction of US forces in Syria leaves local security forces in the north-east of the country struggling to manage the more than 100 000 detailed ISIS fighters and their family members, whilst parts of Iraq also present a security vacuum within which ISIS could reorganize (UN Security Council 2020, p. 3). This combination of permissive security environments in Iraq and Syria and continuing Sunni political alienation provide fertile ground for a resurgence of ISIS in the Middle East.

*6. Conclusion*
This chapter has argued that the crime-terror nexus involving ISIS in Iraq and Syria is an more extreme form of the imitation type nexus (Paoli and Fijnaut, 2020, this volume) where organized crime became an integral cog in realising the organization's military strategy and its political and religious vision of a Caliphate. While ISIS developed 'in-house' capabilities (such as oil extraction, kidnapping and the trafficking of slaves), they also cooperated with pre-existing organized crime networks. There is no evidence that organized crime had become the primary goal for the group – as has happened in other cases discussed in this book. The chapter focused on three areas of organized crime activities where ISIS had considerable interests: oil smuggling, the illegal trade in antiquities and human trafficking (including kidnapping for ransom). It argued that the pre-existence of organized crime networks; the availability of valuable resources and ISIS's emphasis on state-building and territorial control provide explanations for why the crime-terror nexus manifested itself in this way. In addition, the chapter illustrated throughout how the context of violent conflict presented opportunities for ISIS and its organized criminal activities to flourish.

Control over territory was clearly a key factor in determining ISIS's ability to generate income, and indeed, to be self-financing. Ironically, their dominance over territory and populations was also the source of their decline since 2015 when they started losing ground in the face of the success of international air strikes and efforts by Turkish and Kurdish authorities to reduce cross-border smuggling (Heissner et al. 2017, p. 12). As their territory

shrunk, they lost access to oil fields; the size of the taxable population shrank, and the trafficking of illegal goods became more challenging.

It is worth concluding by considering a theme raised earlier in the discussions about popular support for the illegal economy. Oil smuggling and the illegal trade in archaeological artefacts, especially, depend on a significant level of involvement by local populations. In the absence of alternative employment, these communities often depend on these economies for their livelihoods: they are the drivers of the oil tankers; they are the shopkeepers that sell food to the workers at oil refineries; the men digging in makeshift mines for artefacts. These economic activities may be illegal by international standards, but for these communities, they are not illicit. It is important that counterterrorism strategists who advocate the destruction or targeting of organized crime activities and networks keep in mind that it might alienate the local population and drive them into the arms of insurgent groups who claim to protect their livelihoods. The population in vast areas of Syria and Iraq have been stuck between a rock and a hard place for some time: they were at the receiving end of ISIS's brutality, but the counterterrorism strategies which targeted ISIS and its organized crime empires also destroyed their livelihoods.

**References:**

Abdul-Ahad, G. (2018), 'The bureaucracy of evil: How Islamic State ran a city', *The Guardian*, 29 January, accessed 6 April 2020 at https://www.theguardian.com/cities/2018/jan/29/bureaucracy-evil-isis-run-city-mosul.

Al-Dayel, N., A. Mumford and K. Bales (2020), 'Not yet dead: The establishment and regulation of slavery by the Islamic State', *Studies in Conflict & Terrorism*, **43** (6), 1-24.

Al Jazeera (2016), 'Syria's civil war explained', *Al Jazeera*, 14 December, accessed 28 January 2017 at http://www.aljazeera.com/news/2016/05/syria-civil-war-explained-160505084119966.html.

Al-Abdeh, M. (2013), 'Rebels, Inc.', *Foreign Policy,* 21 November, accessed 2 January 2017 at http://foreignpolicy.com/2013/11/21/rebels-inc/.

Almohamad, H. and A. Dittmann (2016), 'Oil in Syria between terrorism and dictatorship', *Social Sciences*, **5** (2), 20-36.

Andreas, P. (2005), 'Criminalizing consequences of sanctions: Embargo busting and its legacy', *International Studies Quarterly*, **49** (2), 335-360.

BBC News (2018), 'Islamic State and the crisis in Iraq and Syria in maps', 28 March, accessed 20 April 2019 at https://www.bbc.co.uk/news/world-middle-east-27838034.

Burke, J. (2017), 'Rise and fall of Isis: its dream of a caliphate is over, so what now?', *The Guardian*, 21 October, accessed 2 April 2020 at https://www.theguardian.com/world/2017/oct/21/isis-caliphate-islamic-state-raqqa-iraq-islamist.

Casana, J. (2015), 'Satellite imagery-based analysis of archaeological looting in Syria', *Near Eastern Archaeology*, **78** (3), 142-152.

Cockayne, J. and D.R. Pfister (2008), *Peace Operations and Organized Crime* (The Geneva Papers), Geneva, CH: The Centre for Security Policy, accessed 6 April 2020 at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1127871.

Crowcroft, O. (2105), 'Syria Conflict: Who are the major players fighting in the bloody Syrian civil war?', *International Business Times*, 1 October, accessed 21 January 2017 at http://www.ibtimes.co.uk/syria-conflict-who-are-major-players-bloody-complex-civil-war-1522027.

Curry, A. (2017), 'Ancient sites damaged and destroyed by ISIS', *National Geographic*, 5 November, accessed 6 April 2020 at https://www.nationalgeographic.co.uk/history-and-civilisation/2017/11/ancient-sites-damaged-and-destroyed-isis.

Daragahi, B. and E. Solomon (2014), 'Fuelling Isis Inc.', *Financial Times*, 21 September, accessed 23 March 2020 at https://www.ft.com/content/34e874ac-3dad-11e4-b782-00144feabdc0.

De Boer, J. and L. Bosetti (2015), 'The crime-conflict "nexus": State of the evidence', *Occasional Paper*, **5**, Tokyo, JP: United Nations University Centre for Policy Research.

Dishman, C. (2005), 'The leaderless nexus: When crime and terror converge', *Studies in Conflict & Terrorism,* **28** (3), 237-252.

Erlich R. (2014), *Inside Syria: The Backstory of Their Civil War and What the World Can Expect*, New York, NY, USA: Prometheus.

Felbab-Brown, V. (2009), *Shooting Up: Counterinsurgency and the War on Drugs*, Washington, DC, USA: Brookings Institution Press.

Fromson, J. and S. Simon (2015), 'ISIS: The dubious paradise of apocalypse now', *Survival*, **57** (3), 7-56.

Gaffney, F. (2018), 'Islamic State' in Andrew Silke (ed.), *Routledge Handbook of Terrorism and Counterterrorism*, London, UK: Routledge, pp. 341-350.

Glazzard, A., S. Jesperson, T. Maguire and E. Winterbotham (2017), 'Islamist violent extremism: A new form of conflict or business as usual?', *Stability: International Journal of Security and Development*, **6** (1), 1-19.

Green, P. and T. Ward (2009), 'The transformation of violence in Iraq', *British Journal of Criminology*, **49** (5), 609–627.

Guerin, O. (2019), 'Isis in Iraq: Militants 'getting stronger again'', *BBC News*, 23 December, accessed 2 April 2020 at https://www.bbc.co.uk/news/world-middle-east-50850325.

Hansen, W. (2014), 'The organized crime-peace operations nexus', *Prism: A Journal of the Center for Complex Operations*, **5** (1), 63-79.

Heissner, S., P.R. Neumann, J. Holland-McCowan and R. Basra (2017), *Caliphate in Decline: An Estimate of Islamic State's Financial Fortunes*, London, UK: International Centre for the Study of Radicalisation and Political Violence.

Herbert, M. (2014), 'Partisans, profiteers, and criminals: Syria's illicit economy', *Fletcher F. World Affairs*, **38** (1), 69-86.

Hinnan, L. (2016), 'The Syrian bishop who saved 226 hostages from ISIS', *The Independent*, 6 December, accessed 30 April 2019 at https://www.independent.co.uk/news/world/middle-east/syrian-bishop-mar-afram-athneil-saved-226-christian-hostages-isis-a7458376.html.

Hutchinson, S. and P. O'Malley (2007), 'A crime–terror nexus? Thinking on some of the links between terrorism and criminality', *Studies in Conflict and Terrorism*, **30** (12), 1095-1107.

Ingram, H.J., C. Whiteside and C. Winter (2020), *The ISIS Reader: Milestone Texts of the Islamic State Movement,* New York, NY, USA: Oxford University Press.

James, M. (2012), 'The other civil society: Organized crime in fragile and failing states', *Defence Studies*, **12** (2), 218-256.

Iraq Body Count (2019), Home Page, accessed 10 April 2019 at https://www.iraqbodycount.org/.

Kan, P.R. (2014), 'Defeating the Islamic state: A financial-military strategy', *Parameters*, **44** (4), 71-80.

Krause, P. (2018), 'A state, an insurgency, and a revolution: Understanding and defeating the three faces of ISIS' in Feisal al-Istrabadi and Sumit Ganguly (eds), *The Future of ISIS: Regional and International Implications*, Washington DC, USA: Brookings Institution Press, pp. 223-246.

Lacher, W. (2012), *Organized Crime and Conflict in the Sahel-Sahara Region*, Washington DC, USA: Carnegie Endowment for International Peace.

Lederer, E.M. (2014), 'UN: ISIS got up to $45m in ransoms', *Daily Star*, 25 November, accessed 30 January 2016 at http://www.dailystar.com.lb/News/Middle-East/2014/Nov-25/278829-un-isis-got-up-to-45m-in-ransoms.ashx.

Lister, C. (2015), 'Assessing Syria's jihad', *Survival*, **56** (6), 87-112.

Makarenko, T. (2004), 'The crime-terror continuum: Tracing the interplay between transnational organized crime and terrorism', *Global Crime*, **6** (1), 129-145.

McKernan, B. (2018), 'Instead of winding down, why is Syria's war getting worse?', *The Independent*, 13 February, accessed 13 February 2018 at http://www.independent.co.uk/news/world/middle-east/syria-civil-war-assad-regime-rebels-eastern-ghouta-isis-killed-iran-israel-kurds-turkey-a8207286.html.

Oehme, C.G. (2008), 'Terrorists, insurgents, and criminals—growing nexus?', *Studies in Conflict & Terrorism*, **31** (1), 80-93.

Sandal, N. (2018), '"Apocalypse soon" revolutionary revanchism of ISIS' in Feisal al-Istrabadi and Sumit Ganguly (eds), *The Future of ISIS: Regional and International Implications*, Washington DC, USA: Brookings Institution Press, pp. 17-37.

Sanderson, T.M. (2004), 'Transnational terror and organized crime: Blurring the lines', *SAIS Review of International Affairs*, **24** (1), 49-61.

Schmid, A.P. (2018), *Revisiting the Relationship between International Terrorism and Transnational Organised Crime 22 Years Later*, The Hague, NL: The International Centre for Counter-Terrorism.

Shaheen, K. (2015), 'ISIS appears to have killed three Christian hostages in Syria', *The Guardian*, 8 October, accessed 22 April 2019 at https://www.theguardian.com/world/2015/oct/08/isis-killed-three-christians-hostages-syria-assyrian-ransom.

Shelley, L.I. and J.T. Picarelli (2005), 'Methods and motives: Exploring links between transnational organized crime and international terrorism', *Trends in Organized Crime*, **9** (2), 52-67.

Solomon, E., G. Chazan and S. Jones (2015), 'Isis Inc: how oil fuels the jihadi terrorists', *Financial Times*, 14 October, accessed 7 April 2020 at https://www.ft.com/content/b8234932-719b-11e5-ad6d-f4ed76f0900a.

Solomon, E., R. Kwong and S. Bernard (2016), 'Inside Isis Inc.: The journey of a barrel of oil', *Financial Times*, 29 February, accessed 7 April 2020 at https://ig.ft.com/sites/2015/isis-oil/.

Sörenson, D.S. (2016), *Syria in Ruins: The Dynamics of the Syrian Civil War: The Dynamics of the Syrian Civil War*, Santa Barbara, CA, USA: Praeger.

Speckhard, A. and A.S. Yayla (2016), ISIS revenues include sales of oil to the al-Assad regime', *ICSVE Brief Reports*, accessed 23 March 2020 at https://www.icsve.org/isiss-revenues-include-sales-of-oil-to-the-al-assad-regime/.

Swanson, A. (2015), 'How ISIS makes its money', *Washington Post*, 18 November, accessed 6 April 2020 at https://www.washingtonpost.com/news/wonk/wp/2015/11/18/how-isis-makes-its-money/.

The Global Initiative Against Transnational Organized Crime (2016), *The Nexus of Conflict and Illicit Drug Trafficking Syria and the Wider Region*, Geneva, CH: The Global Initiative Against Transnational Organized Crime, accessed 4 January 2017 at http://globalinitiative.net/publication-the-nexus-of-conflict-and-illicit-drug-trafficking-syria-and-the-wider-region/.

UN (2016), *UN Commission of Inquiry on Syria: ISIS is Committing Genocide Against the Yazidis*, Geneva, CH: UN Human Rights Council, accessed 20 April 2019 at https://www.ohchr.org/EN/HRBodies/HRC/Pages/NewsDetail.aspx?NewsID=20113&LangID=E.

UN Security Council (2020), 'Twenty-fifth report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2368 (2017) concerning ISIL (Da'esh), Al-Qaida and associated individuals and entities', New York, NY, USA: United Nations Security Council, accessed 1 April 2020 at https://undocs.org/S/2020/53.

US Energy Information Administration (2020), 'What countries are the top producers and consumers of oil?', accessed 6 April 2020 at https://www.eia.gov/tools/faqs/faq.php?id=709&t=6.

Walmsley, K. (2015), '"If not us, then who?" In the bull's eye of ISIS', *CNN News,* 14 March, accessed 9 April 2019 at https://edition.cnn.com/2015/03/14/intl_world/iyw-aid-workers-in-danger/index.html.

Weiss, M. and H. Hassan (2015), *IS: Inside the Army of Terror*, New York, NY, USA: Regan Arts.