



International Non-Military Measures against ISIL

Terrorism

Near East > Iraq; Near East > Syria

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The following report is based on open source reporting.

Overview

Military developments in Syria such as the recent Russian military intervention continue to generate widespread international attention as the Syrian conflict enters its fifth year and the Islamic State of Iraq and the Levant (ISIL) remains a violent, capable force. ISIL faces military opposition from numerous entities, including Syrian rebels, the Syrian regime (with support from Iran and Hezbollah), opposing terrorist groups, the Iraqi government (supported by Iran and Iraqi militias), and the international anti-ISIL coalition composed of dozens of nations. ISIL's sophisticated military skill and brutality has been key to its success in Iraq and Syria. However, its ability to generate cutting-edge propaganda to promote its ideology and gain sympathizers and members across the globe, added to its largely self-reliant, robust financial system, has contributed heavily to its success as well. Along with international military efforts, the global community is also working to counter the message ISIL promotes in its propaganda, stem the continual flow of foreign fighters into Iraq and Syria, and sever financial resources. This report will look at ISIL's non-military strengths and some of the international non-military efforts designed to counter these activities.

Terrorist Designations

ISIL has been designated as a terrorist organization by numerous governments and inter-governmental organizations (IGOs), including the U.S. Department of State, the European Union (EU), Turkey, Saudi Arabia, Australia, Canada, the United Kingdom, and many others. For each entity, designations may bring different punitive measures. The U.S. Department of State Foreign Terrorist Organization (FTO) designation is designed to curb terrorism financing, identify and isolate FTOs, deter donations and economic transactions, and signal to other governments concern for the group.

Many governments and IGOs also target ISIL leadership, supporters, and facilitators with sanctions: its leader, Abu Bakr al-Baghdadi, is among those individuals listed on the United Nations al-Qa'ida Sanctions List; and in late September 2015, the U.S. Department of Treasury designated 15 key ISIL leaders and facilitators in one of numerous recent designations designed to freeze assets of designated individuals and target the group's financial networks.



In another effort to target ISIL leadership, Rewards for Justice (RFJ), a program in the Department of State's Diplomatic Security Bureau, has begun offering financial rewards for information on top ISIL leaders and facilitators, such as ISIL's self-declared caliph Abu Du'a, spokesman Abu Mohammed al-Adnani, and senior official Abd al-Rahman Mustafa al-Qaduli. The RFJ program has been successful in the past in bringing to justice Uday Hussein, Qusay Hussein, Ramzi Ahmed Yousef, Mir Aimal Kansi and other notorious individuals.

ISIL's Financial Revenue Streams & International Measures

Since ISIL declared a caliphate in Iraq and Syria in July 2014, the group has become one of the world's most well-financed terrorist organizations. Estimates in late 2014 indicate that ISIL made between US\$1-3 million per day solely from oil revenues. Unlike other terrorist groups, ISIL is largely self-financed, and operates mainly outside of the formal financial system. The majority of ISIL's financial revenue stems from oil sales, extortion, crime, taxation, ransom payments, and to a lesser degree, support from foreign donors. While ISIL income is impressive, it also has outlays most other terrorist groups do not have. Unlike most terrorist groups, ISIL's governance of a large swath of territory necessitates a structured, growing economy. By targeting the group financially, its ability to support itself and those living under its rule will be heavily impacted, and its ability to operate outside Iraq and Syria may be limited over the long term.

Oil

ISIL controls numerous oil fields from which it continues to extract oil for its own use, and for refining and sale, primarily in Syria (and to a much lesser extent in Iraq). In 2014, ISIL reportedly generated around \$100 million in oil revenues, although in 2015 this figure is believed to have likely declined due to falling world oil prices, coalition air-strikes targeting transportation networks of smuggled oil, and efforts to crack down on oil smuggling, particularly by the Turkish government along the Turkey-Syria border.

Along with the above efforts, the U.S. Government has sought to identify and sanction individuals involved in the later stages of selling and trading smuggled oil, who may have some involvement in the formal economy and may be easier to identify.

Estimates of ISIL Revenues in 2014[i]

Source of Revenue

Estimated Revenue

Seizing the state-owned bank assets

\$500-\$800 million

Taxation

\$20-\$70 million

Oil trafficking

\$100 million

Kidnapping for Ransom



\$25-\$45 million

Agriculture theft

\$10-\$50 million

Border tariffs

\$10-\$50 million

Artifact smuggling

Unknown

Capture of weapons and supplies from Iraqi Security Forces

\$20-\$50 billion

Financial sanctions are targeting individual facilitators and banks that process their transactions. Additionally, Turkish authorities have undertaken measures to counter smuggling efforts, and the Kurdish Regional Government and Iraqi government have increased steps to seize suspected ISIL shipments of oil.

Extortion & Kidnapping

ISIL has gained international notoriety for the kidnapping and executions of foreign hostages, but, in fact, the majority of ISIL kidnappings target Syrian and Iraqi nationals with the focus on generating ransom payments. The United Nations estimated that ISIL collected between \$35-\$45 million in ransom fees in 2014; while the group demands exorbitant ransom payments for foreign nationals, the majority of its kidnappings are of local nationals, for whom they reportedly receive between \$500-\$200,000 each in ransom payments.

Extortion is also common in ISIL-controlled territories, and difficult to counter outside of regaining territory from the group. Some estimates have found that ISIL generates up to \$360 million annually through its extortion/taxation racket.[i] ISIL has established significant extortion rackets targeting anyone who travels through, conducts business in, or operates in its territory, including heavy financial racketeering of non-Muslim residents. It heavily extorts the agricultural industry, for example, demanding portions of wheat and barley crops, or confiscating machinery from farmers to then rent it back to them.[ii]

The U.S. Government employs a policy to refuse the payment of ransoms or other concession to hostage-takers. The U.S. Department of Treasury is also applying sanctions against those demanding or receiving ransoms on behalf of ISIL. The U.S. Government is also working to develop an international consensus against ransom payment. Many other governments and INGOs follow similar policies. In 2013, the G-8 rejected the payment of ransoms to terrorists, and members of the UN Security Council have twice adopted resolutions reaffirming their shared commitment to seek the safe release of hostages without concessions. Meanwhile, the



United Kingdom's Terrorism Act 2000 prohibits the provision of funds to terrorists under any circumstances.

Smuggling of Antiquities

ISIL has gained notoriety for its targeting of antiquities in both Iraq and Syria for purposes of smuggling and destruction. ISIL views antiquities as a financial opportunity, and takes advantage of the resource by selling items on the very lucrative black market. Exact estimates of ISIL revenues from antiquity smuggling is unclear; however, some reports have estimated that smuggled antiquities may have at one time been the group's second-largest revenue stream. National Geographic has estimated that ISIL and other groups in Syria may have earned tens of millions of U.S. dollars from antiquities smuggling. ISIL currently occupies more than 4,500 archaeological sites.[iii]

ISIL also views antiquities as symbols of idolatry, and frequently destroys sites for purposes of propaganda. In August 2015 it was reported that ISIL blew up a 2,000-year-old temple in the UNESCO-listed Syrian city of Palmyra, one of many sites to be destroyed by the group.

Figure 1 Infrastructure and Resources in ISIL Areas of Operation (Courtesy of Congressional Research Service)

There have been multiple efforts to counter the illegal trade of antiquities. The European Commission prohibits the illegal removal of Iraqi cultural property, while the EU has a similar measure that applies to Syria.

The State Department's RFJ program also offers a reward of up to US\$5 million for information leading to the significant disruption of the sale and/or trade of oil and antiquities by, for, or on behalf of ISIL. The International Council of Museums (ICOM) has begun publishing an Emergency Red List of Syrian Cultural Objects at Risk to help identify objects protected by national and international legislations.

Foreign Donors

Because ISIL is less reliant on foreign donors and networks, and operates outside of formal financial structures more so than groups like al-Qa'ida, the international community's use of sanctions is likely to be less effective than it is against more traditional terrorist groups. However, ISIL does still benefit from foreign donors, many of whom are based in the Gulf States or in Europe; ISIL reportedly generated as much as \$40 million from Saudi, Qatari, and Kuwaiti donors between 2013 and 2014.

The U.S. Government has partnered with some of these countries in bolstering legislation to halt the movement of funds. Additionally, the U.S. is looking to limit ISIL's ability to use Iraqi, Syrian, and international banks. The Iraqi government has issued instructions to financial institutions incorporated in Iraq to prevent wire transfers to and from banks located in



ISIL-held territory. Many governments have already sanctioned most Syrian banks due the ongoing civil war, limiting ISIL's access to the larger international financial system.

Propaganda

ISIL has proven to be proficient at propagandizing via social media, tapping into potential followers and supporters on a global scale. Al-I'tisam Establishment for Media Production is ISIL's propaganda arm, and the Al-Hayat Media Center is focused on distributing propaganda via social media. It makes heavy use of social-media platforms like Twitter to deliver the message that Sunni Muslims have a duty to either fight under the Caliphate or live under it, and to fight against Shi'a domination in the region. It also uses an interpretation of a hadith (a saying attributed to the Prophet Mohammed) in which it was predicted that three armies would emerge before the apocalypse, in greater Syria, Iraq and Yemen, with the greatest army emerging in Syria. Their propaganda is aimed at recruiting fighters, focusing on the Islamic pillars of hijrah (migration), jihad (holy war), and jama'ah (community). ISIL also delivers this message through slick, high-quality videos and magazines (Dabiq).

There are many international efforts underway to counter the message that ISIL is so far successfully promulgating. The Department of State's Center for the Strategic Counterterrorism Communications, is tasked with aggregating and amplifying all USG and ally countermessaging against ISIL. Additional efforts include:

Partnering with the United Arab Emirates to establish a digital communications hub in an effort to counter ISIL's propaganda and recruitment efforts, both directly and through engagement with civil society, local communities, and religious leaders; Launching a peer-to-peer challenge to empower university students globally to develop digital content that counters violent extremist messaging; Coordinating with private-sector partners to organize "technology camps" to develop digital content; The White House has also developed a national strategy to counter violent extremism domestically, focused on the community and local level; and Europol has established a new Europe-wide police unit to track and shut down key figures behind ISIL's social media presence. There are an estimated 46,000 Twitter accounts by the group and its sympathizers, at any given time.

Foreign Fighters

The United Nations reported in May 2015 that approximately 20,000 foreign fighters from around 100 countries have traveled to Iraq and Syria since the beginning of the Syrian conflict in 2011, a large majority of which has joined ISIL. The largest numbers emanate from the Middle East and North Africa, but fighters are coming from nearly every region of the world. ISIL relies strongly on a constant stream of foreign fighters to bring with them money and technology, and to maintain the image that the group is constantly expanding.

Halting the flow of foreign fighters is incredibly difficult. Many countries that have seen citizens leave for Syria and Iraq have instituted travel bans on conflict zones and countries known to facilitate the movement of fighters into conflict zones; Saudi Arabia, for example, and has introduced punishments for citizens found to have fought with terrorist organizations in Syria.



It remains unclear how effective some measures are, as many foreign fighters have no intention of returning to their country of origin and may not be swayed by such repercussions. The United Nations Security Council has pushed efforts to halt the flow of foreign fighters (resolution 2178), calling on countries to take concrete steps to counter foreign terrorist fighters, preventing them from transiting their countries and implementing legislation to enable their prosecution. A large percentage of foreign fighters entering Syria do so via Turkey, where the long border remains the best opportunity to enter the conflict zone. As the terrorism threat in Syria grows, Turkey has made some efforts to crack down on foreign-fighter flows, such as by scrutinizing passengers traveling through the country's airports, train stations, and bus depots; recent reports also note that a safe zone may be created on part of the Syrian border. However, the general outlook is that it still remains relatively easy to enter Syria for a motivated individual.

Outlook

ISIL's ability to self-finance, sustain fighters, and promote its ideology is crucial in its aim to both maintain territory in Iraq and Syria and expand and sustain operations over the long term. At first look, ISIL itself doesn't present an immediate direct security issue to the U.S. private sector, mostly because there are likely no U.S. businesses operating in territory occupied by the terrorist group. However, there are many indirect scenarios where ISIL has a major effect on private-sector security. These include security for personnel affiliated with aid organizations operating in Turkey, Lebanon, and Jordan, working on Syrian cross-border issues, or for Syrian nationals implementing programs inside the conflict zone. They also include security for businesses with facilities in Iraq near ISIL territory or in locations where ISIL has previously attacked; study-abroad or research institutions with faculty or staff wishing to do archaeological or other important work with antiquities close by ISIL territory; or anyone living or working in an area affected by the influx of Syrian refugees from the conflict.

ISIL's success on the ground, militarily but also financially and ideologically, translates into ongoing support for home-grown violent extremists who may conduct attacks in ISIL's name. It also has led to the growth of ISIL-linked groups abroad, such as Sinai Peninsula in Egypt or Najd Province in Saudi Arabia. While the direct private-sector impact by ISIL in Iraq and Syria may be low due to limited U.S. private-sector presence, the group's long-term strength has the ability to inspire and potentially direct attacks abroad.

For Additional Information

For additional information on this report or other developments in the Middle East and North Africa, please contact OSAC's Middle East and North Africa team at OSACnea@state.gov. Below, please see some resources on international efforts to counter terrorism:

U.S. Department of Treasury:

Terrorist Finance Tracking Program (TFTP)

Financial Action Task Force



Office of Foreign Assets Control – Sanctions Programs and Information
Syria Sanctions

U.S. State Department:

Terrorist Designations and State Sponsors of Terrorism

Rewards for Justice

Global Counterterrorism Forum

United Nations Office on Drugs and Crime and Terrorism Prevention

European Union Counter-Terrorism Coordinator

Financial Action Task Force (FATF)

White House Countering Violent Extremism (CVE)

[i] <http://www.fpri.org/articles/2015/06/isil-revenues-grow-or-die>

[i] <https://www.fas.org/sgp/crs/terror/R43980.pdf>

[ii]

<http://www.fatf-gafi.org/media/fatf/documents/reports/Financing-of-the-terrorist-organisation-ISIL.pdf>

[iii]

<http://www.fatf-gafi.org/media/fatf/documents/reports/Financing-of-the-terrorist-organisation-ISIL.pdf>