

TERROR-CRIME NEXUS?
TERRORISM AND ARMS, DRUG, AND HUMAN TRAFFICKING
IN GEORGIA

Master of Arts in Law and Diplomacy Thesis

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ABSTRACT

This paper examines the links between terrorism and arms, drug, and human trafficking in Georgia. It recognizes the increasing nexus between international terrorism and transnational organized crime in Georgia and the South Caucasus in general. Specifically, it considers 1) the rise and threat of international terrorism and transnational organized crime, 2) the transnational significance of the geography, society, and political systems and economies in the Caucasus, 3) the indicators of terror-crime collusion in Georgia specifically, and 4) the policy implications to counter the terror-crime nexuses.

A qualitative study, this paper uses a methodology called Preparation of the Investigation Environment (PIE) to determine the existence and extent of collusion between terrorists and organized criminals. This methodology was developed by American University's Transnational Crime and Corruption Center (TraCCC) under a Department of Justice grant and resulted in a paper entitled, *Methods and Motives: Exploring Links between Transnational Organized Crime & International Terrorism*. This framework provides a terror-crime interaction spectrum, which results in five categories of terror-crime collusion and utilizes twelve indicators to analyze interaction.

Analysis in this study led to the following collusions: First, terrorists and organized criminals are using the same routes as arms, drug, and human traffickers. Second, terrorists are financing their activities from drugs and arms trafficking, but not human trafficking. As a result, third, terrorists can be more effectively countered by the penetration of drug and arms trafficking networks.

INTRODUCTION

The New Silk Road in the Trade of Terrorism and Organized Crime

Since the end of the Cold War and the subsequent proliferation of failed or failing states, transnational actors have increasingly taken advantage of gaps in law enforcement and security. Operating across borders (or transnationally), non-state actors with illicit intentions, such as terrorists and criminals, have become major components in the local, regional, and global problems that all states face today. As terrorists and criminals have gained in stature, reports of collusion between these traditionally operationally separate groups in “gray areas” of the world have only increased, particularly in weak or failing states. As one such region, the Caucasus has not escaped unscathed from terror-crime collaboration. While links between terrorism and arms, drug, and even human trafficking are suspected,¹ a so-called “nexus” between terrorism and illicit trafficking in the Caucasus is unclear and worthy of study.

In many parts of the world—including the republic of Georgia—arms, drug, and human trafficking are reportedly linked to terrorism.² Potentially, terrorists could use trafficking routes to transport operatives and trafficking profits to finance their activities. While terrorists often depend on drug and arms trafficking for income, their reliance on profits from human trafficking does not appear to be as strong.³ In places where human

¹ See, for example: Glenn E. Curtis, *Involvement of Russian Organized Crime Syndicates, Criminal Elements in the Russian Military, and Regional Terrorist Groups in Narcotics Trafficking in Central Asia, the Caucasus, and Chechnya* (Washington, DC: Federal Research Division: Library of Congress, 2002).

² Louise Shelley, “Human Trafficking: Transnational Crime and Links with Terrorism,” Testimony given before the US House Committee on International Relations, Subcommittee on International Terrorism, Nonproliferation, and Human Rights, June 25, 2003, (accessed June 7, 2006); available from <http://www.american.edu/tracce/resources/publications/shelle18.pdf>.

³ Shelley, “Human Trafficking: Transnational Crime and Links with Terrorism.”

trafficking makes up a significant portion of organized crime, such as parts of the former Soviet Union, a link with terrorism is suspected.⁴ In Georgia, terrorism and all varieties of trafficking have only grown since independence, making the country and the Caucasus critical to international security.⁵ The potential for collusion between terrorist and criminal groups only adds to an already unstable security situation.

Historically a transit region between Central Asia, the Middle East, and Eastern Europe, the Caucasus has been implicated as a transit route for both terrorists and criminals—a modern-day “Silk Road” in the trade of international terrorism and transnational organized crime. Practically speaking, transnational actors like terrorists and criminals pose a particular challenge for law enforcement officials, who typically operate nationally, not internationally. The lack of cooperation between law enforcement officials on the local, national, and regional level has only exacerbated the threat of terrorism and organized crime in this region. By investigating and identifying the interaction between terrorists and criminals, policy makers can more effectively assist both security and law enforcement officials counter *both* terrorism and organized crime.

This study will examine the link between terrorism and arms, drug, and human trafficking within the Caucasus. International terrorists may use the same routes as transnational organized criminals such as arms, drug, and human traffickers within the Caucasus. Terrorist groups also may be financing their activities arms, drug, and human trafficking. Yet, the existence and extent of the “nexus” between terrorist and trafficking routes in the region is unknown. By understanding the link between terrorism and

⁴ Shelley, “Human Trafficking: Transnational Crime and Links with Terrorism.”

⁵ Kenneth Yalowitz and Svante E. Cornell, “The Critical but Perilous Caucasus,” *Orbis* 48, no. 1 (2004): 382-398.

trafficking in the region, government officials can more effectively create policies to counter terrorism and trafficking in the Caucasus.

Question

While a link or “nexus” between terrorism and arms, drug, and even human trafficking is suspected, the nature of such a nexus is at best ambiguous in Georgia. Separately, the country remains at risk for both terrorism and trafficking. In order to determine if a nexus exists between terrorism and human trafficking, this study asked the following questions:

- 1. Are terrorists using the same routes as arms, drug, and human traffickers?**
- 2. Are terrorists using arms, drug, and human trafficking to finance their activities?**
- 3. Given a terror-crime “nexus,” what are effective ways of countering terrorism and arms, drug, and human trafficking?**

The first two questions attempt to clarify the existence and extent of interaction between the terrorists and criminals, establishing if a true terror-crime “nexus” has formed. Based on those findings, the third question examines the policy implication of the relationship between terrorist and criminal groups.

Hypothesis

Independently, terrorism and trafficking in the Caucasus are both entrenched and thriving. They are transnational threats, which have local, regional, and international dimensions. However, it is unclear whether or not terrorism and trafficking are mutually

exclusive phenomena or whether they are related. By implication, a terror-crime “nexus” may exist, as terrorists and criminals take advantage of the same relaxation in regional security and collude.

Based on indications from past studies, which suggest that a terror-crime nexus has emerged in Georgia,⁶ this study suggests the following hypotheses:

- 1. Terrorists are using the same routes as arms, drug, and human traffickers.**
- 2. Terrorists are using arms, drug, and human trafficking to finance their activities.**
- 3. Given the existence of a terror-crime “nexus,” it may be easier to counter terrorism by penetrating arms, drug, and human trafficking groups.**

The first two hypotheses will be answered based on Preparation of the Investigation Environment (PIE), an innovative methodology which looks at links between terrorism and crime that are appropriate for analysis and investigation. The third hypothesis will be answered based on qualitative policy analysis of current counter-terrorism and counter-trafficking initiatives in the Caucasus.

Structure

This is a qualitative study on the interaction between international terrorism and transnational organized crime consistent with current theories on terror-crime interaction.

Chapter I examines the dual problems of international terrorism and transnational organized crime. The phenomena of the “new terrorism” and the “new crime” are post-

⁶ For a comprehensive example, see: Louise I. Shelley and others, *Methods and Motives: Exploring Links between Transnational Organized Crime & International Terrorism* (US Department of Justice: National Criminal Justice Reference Service (NCJRS), 2005), 64-68, (accessed June 9, 2006); available from <http://www.ncjrs.gov/pdffiles1/nij/grants/211207.pdf>.

Cold War developments, which grew out of instability in newly independent regions of the world. This chapter will also examine the extent of collusion between terrorism and organized crime in a post-Cold War context.

Chapter II is a close look at the transnational nature of the situation in the Caucasus. It will look at a region of the world, which has served as a crossroads of culture and trade for hundreds of years. This chapter will consider the geographic, societal, and political and economic dimensions of the Caucasus, making the region a place of potential and actual conflict today.

Chapter III is an analysis of the links (or lack thereof) between terror and crime groups in Georgia. This analysis employs the methodological framework for the “Exploring Links between Transnational Organized Crime and International Terrorism” as outlined out by Louise I. Shelley and others in the US Department of Justice sponsored project entitled: *Methods and Motives: Exploring Links between Transnational Organized Crime & International Terrorism*.⁷ This methodology provides both academic researchers and government analysts with a structure to identify and assess interactions between terrorists and criminals.

Chapter IV is an analysis of current US policies in the Caucasus to counter terrorism and organized crime, specifically arms, drug, and human trafficking. Based on the results of PIE, policy analysis will define the problem, identify the policy options, look at measures of effectiveness and cost, and assess risk and uncertainty. Finally, based on policy analysis, this chapter will offer a number of US policy recommendations to counter both terrorism and trafficking within the Caucasus.

⁷ Louise I. Shelley and others.

Methodology

The analysis of potential terror-crime interaction in this study is based on a methodology known as **Preparation of the Investigation Environment (PIE)**,⁸ which was derived from Intelligence Preparation of the Battlespace (IPB).⁹ Following IPB, analysts and investigators determine what is known and unknown about an adversary in order to determine the adversary's next move.¹⁰ Like IPB, PIE allows analysts and investigators to approach terror and crime groups both tactically and strategically. Using PIE, analysts and investigators identify areas of potential terror-crime collaboration and interaction, thereby generating intelligence on future terrorist activity.¹¹

The PIE method of analysis is a three-step process, which culminates in the identification of watch points and indicators. First, analysts and investigators map the areas where terrorist and crime groups are operating, develop typologies of the behavior patterns of the group, and detail the organization of specific crime and terror groups.¹² Second, analysts and investigators identify the following watch points, or broad categories of potential terror-crime interaction:¹³

1. Open activities in the legitimate economy
2. Shared illicit nodes
3. Communications
4. Use of information technology (IT)

⁸ Louise I. Shelley and others, 6.

⁹ For more information on Intelligence Preparation of the Battlefield (IPB), see: Jamison Jo Medby and Russell W. Glenn, *Street Smart: Intelligence Preparation of the Battlefield for Urban Operations*, (Santa Monica, CA: RAND Corporation, 2002) (accessed June 9, 2006); available from http://www.rand.org/pubs/monograph_reports/MR1287/MR1287.ch2.pdf.

¹⁰ Louise I. Shelley and others, 22.

¹¹ Louise I. Shelley and others, 23.

¹² Louise I. Shelley and others, 28.

¹³ Louise I. Shelley and others, 28.

5. Use of violence
6. Use of corruption
7. Financial transactions & money laundering
8. Organizational structures
9. Organizational goals
10. Culture
11. Popular support
12. Trust¹⁴

Third, and finally, they collect and analyze information that indicates interaction between terrorist and criminal activity.¹⁵ These indicators of terror-crime collusion form the watch points. If indicators are clear and present, this points to the existence of terror-crime interaction.

The PIE methodology rests on a terror-crime continuum. Terms such as “nexus” or “hybrid” commonly used to describe terror-crime interaction throughout academic literature remain too imprecise for a study of this nature. Thus, PIE analysts have created a terror-crime interaction spectrum, which details the relationship between terror and criminal activities, including activity appropriation, nexus, symbiotic relationship, hybrid, and transformation.¹⁶ (Note: The terror-crime interaction spectrum will be detailed in the following chapter on the theories behind the rise of and collusion between international terrorism and transnational organized crime.)

The research for this study came from a variety of sources, including: academic literature; interviews with Georgian government officials, policy makers, and policy

¹⁴ Louise I. Shelley and others, 44-57.

¹⁵ Louise I. Shelley and others, 28.

¹⁶ Louise I. Shelley and others, 35-39.

analysts; and official reports from both the US government and international organizations. Much of the primary research was gathered during the summer of 2006, while the researcher was based in Tbilisi, Georgia at the Transnational Crime and Corruption Center-Caucasus Office (TraCCC-CO). Because of the covert nature of the phenomena, information on terrorism and arms, drug, and human trafficking was often difficult to access and incomplete. The researcher made every effort to identify multiple sources for each incident of terrorism and trafficking. The analysis in this study is the researcher's alone and not attributable, unless otherwise noted.

Literature Review

Before the September 11th, 2001 attacks, and the evidence of increasing terrorism collusion, researchers generally described links between terrorism and organized crime (if any at all) as involving similar “methods, not motives.”¹⁷ In short, they argued that while terrorists and criminals might occasionally share the same methods, they ultimately had diverging motives. While “...the criminal is not concerned with influencing or affecting public opinion: he simply wants to abscond with his money or accomplish his mercenary task...so that he may reap his reward and enjoy the fruits of his labors,”¹⁸ the goal of the terrorist, by contrast, “is ultimately to change ‘the system’—about which the ordinary criminal, of course, couldn’t care less.”¹⁹

¹⁷ See, for example: Louise Shelley and John Picarelli, “Methods Not Motives: Implications of the Convergence of International Organized Crime and Terrorism,” *Police Practice and Research* 3 (2002): 305-318.

¹⁸ Bruce Hoffman, *Inside Terrorism* (New York: Columbia University Press, 1998), 42.

¹⁹ Hoffman, 42.

The 9/11 attacks alerted analysts that the once popular view of “methods, not motives” had become too restrictive in the face of the “new terrorism”²⁰ and the “new crime,”²¹ in which the motivations of terrorists and criminals appeared to converge. The evidence of increasing interaction between international terrorists and transnational criminals has challenged the “methods, not motives” maxim. Although the pattern remains partially true, terror and crime groups, who operate transnationally, are increasingly collaborating with one another *and* adopting similar objectives.²² Just as transnational criminals and international terrorists are increasingly sharing both organizational and operational characteristics and partnering with one another,²³ researchers strive to define the terror-crime relationship.

Researchers in the field of terror-crime interaction have made various attempts at qualitatively describing the link between terrorism and organized crime, often referred to as a “nexus” of terror and crime groups. A comprehensive and contemporary approach to describing terror-crime interaction is the Crime-Terror Continuum (CTC),²⁴ which forms the basis of PIE’s Terror-Crime Interaction Spectrum,²⁵ which will be discussed in greater detail in the following chapter. By far, the most prevalent literature on the terror-

²⁰ Russell D. Howard, “Understanding Al Qaeda’s Application of the New Terrorism—The Key to Victory in the Current Campaign,” in *Terrorism and Counterterrorism: Understanding the New Security Environment*, ed. Russell D. Howard and Reid L. Sawyer (Dubuque, Iowa: McGraw Hill Contemporary Learning Series, 2006), 91-106.

²¹ Louise Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” *Brown Journal of World Affairs* XI, no. 2 (2005): 101-111.

²² Shelley “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 109-110.

²³ Thomas M. Sanderson, “Transnational Terror and Organized Crime: Blurring the Lines,” *SAIS Review* XXIV, no. 1 (2004): 49.

²⁴ Tamara Makarenko, “Terrorism and Transnational Organized Crime: the emerging nexus,” in *Transnational Violence and Seams of Lawlessness in the Asia-Pacific Linkages to Global Terrorism*, ed. Paul Smith (Hawaii: Asia Pacific Centre for Security Studies, 2002), 9.

²⁵ Louise I. Shelley and others, 35.

crime nexus concerns the so-called “narcoterrorism.”^{26 27} Other studies look at the link between terrorism and other forms of transnational crime such as money laundering, illicit traffic in arms, and trafficking in persons amongst others.

Operational Definitions

There are manifold definitions of terrorism and little agreement within academic or governmental literature. In fact, reportedly 109 governmental definitions for terrorism came into existence between 1936 and 1981.²⁸ As a result, academics have attempted to specify a definition for terrorism that encompass this diffuse phenomenon. While some argue that terrorists follow logical processes and that terrorism is a product of political strategy,²⁹ others suggest that “political terrorists are driven to commit acts of violence as a consequence of psychological forces.”³⁰ Still others concentrate on the wider audience rather than the recipients of acts of terrorism, specifying that “terrorism is a theater” in the sense that “terrorists want a lot of people watching and a lot of people listening, and not a lot of people dead.”³¹ Terrorism is often divided into types such as state terrorism,

²⁶ The term ‘narcoterrorism’ was coined by Peruvian President Fernando Belaunde Terry. He described terrorist attacks against anti-narcotics police in Peru as narcoterrorism. Now, narcoterrorism more commonly refers to the interaction between terrorism and drug trafficking, and will be used so in this study.

²⁷ Common examples of groups, which engage in both terrorism and drug trafficking, include the FARC (*Fuerzas Armadas Revolucionarias de Colombia*) in Columbia, the Kosovo Liberation Army (KLA) in the Balkans, the Taliban and Al-Qaeda in Afghanistan, and the Tamil Tigers in Sri Lanka.

²⁸ Alex Schmid, *Political Terrorism: A Research Guide to Concepts, Theories, Data Bases and Literature* (New Brunswick: Transaction, 1983).

²⁹ Martha Crenshaw, “The logic of terrorism: Terrorist behavior as a product of strategic choice,” in *Origins of Terrorism: Psychologies, Ideologies, Theologies, States of Mind*, ed. Walter Reich (Washington: Wilson Center Press, 1998), 7-24.

³⁰ Jerrold M. Post, “Terrorist psycho-logic: Terrorist behavior as a product of psychological forces,” in *Origins of Terrorism: Psychologies, Ideologies, Theologies, States of Mind*, ed. Walter Reich (Washington: Wilson Center Press, 1998), 25-42.

³¹ Brian M. Jenkins, “International Terrorism: A New Mode of Conflict,” in *International Terrorism and World Security*, ed. David Carlton and Carlo Schaerf (New York: John Wiley & Sons, 1975), 15.

religious terrorism, criminal terrorism, political terrorism, and oppositional terrorism,³² but it is fairly universally emphasized that terrorism has political roots.³³

Bruce Hoffman offers probably the most comprehensive definition of terrorism as the “deliberate creation and exploitation of fear through violence or the threat of violence in the pursuit of political change.”³⁴ Hoffman further qualifies terrorism as involving the following characteristics:

- ineluctably political aims and motives;
- violent—or, equally important, threatens violence;
- designed to have far-reaching psychological repercussions beyond the immediate victim or target;
- conducted by an organization with an identifiable chain of command or conspiratorial cell structure (whose members wear no uniform or identifying insignia); and
- perpetuated by a subnational group or non-state entity.³⁵

Hoffman’s definition encompasses both groups and activities; he describes both terrorists and terrorism. Accordingly, Hoffman’s definition is particularly applicable to terror-crime interaction in this study, which emphasizes both terrorist groups and activities.

Cutting-edge definitions of terrorism allow for the inclusion of the “new terrorism” or “catastrophic terrorism,” which is part of the fourth wave³⁶ of terrorism and

³² Eqbal Ahmad, “Terrorism: Theirs & Ours,” in *Terrorism and Counterterrorism*, ed. Russell D. Howard and Reid L. Sawyer, (Dubuque, Iowa: McGraw Hill, 2006), 49.

³³ Ahmad, 52.

³⁴ Hoffman, 43.

³⁵ Hoffman, 43.

³⁶ Historically, terrorism has evolved through four waves: the Anarchists of Russia in the 1880s, the colonial revolutions in the 1920s, the New Left in the 1970s, and today’s religiously-inspired terrorism. For more information, see: David Rapoport, “Generations and Waves: The Key to Understanding Rebel Movements,” Paper presented at a meeting of the Ronald W. Burkle Center for International Studies

focused on mass casualties and millennial visions of apocalypse. Brigadier General (R) Russell D. Howard offers a basic definition that allows room for this new terrorism, identifying terrorism as the deliberate targeting of civilians through fear, violence, or the threat of violence for the pursuit of power and/or political ends.³⁷ Howard and others further qualify the new terrorism (which will be covered in the following chapter more extensively) as international in nature, committed by transnational non-state actors, and allowing for collusion with other non-state entities such as organized crime groups.

Like terrorism, the definition of organized crime is also commonly debated. Within the US government, it varies widely across the state and national levels. Crime experts have also offered multiple characterizations of organized crime, comparing crime groups to corporations, explaining criminal organizations as kinship networks, identifying the patron-client nature of criminal relationships, and specifying the perpetual and monopolistic dimensions of organized crime.³⁸ A traditional assessment of organized crime involves:

“A non-ideological enterprise that involves a number of persons in close social interaction, organized on a hierarchical basis for the purpose of securing profit and power by engaging in illegal, and legal, activities which yield high profits while offering relatively low risks.”³⁹

Definitions of organized crime, however, apply primarily to nationally-based crime syndicates. Like terrorism, the “new crime” (which will also be comprehensively described in the following chapter) that developed in a post-Cold war context has transnational characteristics and scope of operation.

“Seminar on Global Affairs” in Bunche Hall at UCLA, November 7, 2003 (accessed January 18, 2007); available from http://www.international.ucla.edu/cms/files/David_Rapoport_Waves_of_Terrorism.pdf.

³⁷ Brigadier General (Ret.) Russell D. Howard (Director, Jebson Center for Counter Terrorism Studies, The Fletcher School of Law and Diplomacy), in discussion with the author, September 12, 2006.

³⁸ Howard Abadinsky, “Definition and Structure of Organized Crime,” *Organized Crime* (Boston: Allyn and Bacon, Inc., 1981), 1-22.

³⁹ Abadinsky, 20.

From the beginning, definitions of transnational organized crime noted a link to violent activities such as terrorism. When the United Nations (UN) first defined “transnational crime” in 1975, the original definition was an all-inclusive term, which included organized crime and violence of transnational and comparative international significance (e.g. terrorism).⁴⁰ Subsequent UN definitions of transnational identified eighteen categories of activity, including terrorism and organized crime.⁴¹ A product of globalization and the technology revolution of a post-Cold war economy, transnational organized criminal groups have been identified as posing a significant threat to international security.⁴² Although a non-traditional security threat, transnational organized crime seriously threatens the very fabric of society in crime producing countries like Georgia as well as crime receiving countries.⁴³

Transnational organized criminal activity encompasses a diverse range of activities, which take place in licit and illicit parts of the economy. For example, criminal activities include smuggling of narcotics, trafficking in persons, arms trafficking, illegal trade in cigarettes, illicit trade of environmental products, smuggling of art and antiques, smuggling of automobiles, pirating, and cyber crime.⁴⁴ A truly transnational phenomenon, it operates across the local, national, and international levels as a result of globalization.⁴⁵ This research paper specifically looks at arms, drug, and human

⁴⁰ UN, *Report of the Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders* (A.CONF.56/10) (Geneva, 1975). Cited in: Gerhard O.W. Mueller, “Transnational Crime: Definitions and Conceptions,” *Transnational organized crime* (London: Frank Cass, 1995), 13.

⁴¹ UN, *Fourth United Nations Survey of Crime Trends and Operations of Criminal Justice Systems* (1995). Cited in Mueller, 14.

⁴² Phil Williams, “Transnational Criminal Organizations and International Security,” *Survival* 36, no. 1 (1996): 96-113.

⁴³ Williams, “Transnational Criminal Organizations and International Security,” 96-113.

⁴⁴ Louise Shelley, John Picarelli, and Chris Corpora, “Global Crime Inc.,” in *Beyond Sovereignty: Issues for a Global Agenda*, ed. Maryann Cusimano Love (Wadsworth: Thomas, 2003), 147-151.

⁴⁵ Shelley, Picarelli, and Corpora, 154-156.

trafficking as known transnational organized criminal activities in the Caucasus region and the links to terrorism.

I. TERRORISM AND ORGANIZED CRIME

The Rise of International Terrorism and Transnational Organized Crime

In the aftermath of the Cold War, while the developed world moved into a “conflict-free” zone, in the developing world, such struggles have continued. No longer under the specter of the East-West nuclear conflict, the developed world lost interest and incentive for influencing the developing world. Countries of the developing world were perilously unprepared to institute effective security and law enforcement measures within a power vortex. Accordingly, portions of the developing world have been racked by authoritarianism, cultural disintegration, social deprivation, and economic despair and even state failure.⁴⁶ The existence of failed or failing states raises concerns about the following issues, first, that interstate violence was expanding to include trans-border threats, involving non-state actors and activities (such as terrorism and crime), and second, that these threats tended to originate from weak governance in the developing world.⁴⁷ Without effective governance of national security and law enforcement specifically, failed or failing states are breeding grounds for new forms of international terrorism and transnational organized crime that took advantage of this permissive environment to operate across borders and even in tandem for mutual benefit.

The New Terrorism

In the 1990s, many terrorist groups of the 1990s underwent a so-called ‘revolution in terrorist affairs,’ in which their motivations and operational structures altered to fit the

⁴⁶ Stefan Mair, “The New World of Privatized Violence,” *IPG* 2 (2003): 11.

⁴⁷ Stewart Patrick, “Weak States and Global Threats: Fact or Fiction?,” *The Washington Quarterly* 29, no. 2 (2006): 33.

new global situation. While terrorism of the past was mostly politically motivated and state-sponsored, the terrorism of the 1990s tended to be religiously oriented—particularly by Islamic extremism—or ethnically focused.⁴⁸ Terrorist groups were also no longer primarily hierarchical organizations, but networks of relatively independent cells.⁴⁹ Previously terrorists aimed to attract attention while incurring a minimal loss of life; by contrast, new terrorists are interested in the dramatic impact of conducting mass casualty attacks.⁵⁰ While the more traditional terrorism of the 1970s and 1980s has not disappeared entirely, since the 1990s the “new terrorism” increasingly dominates the international scene.

This new terrorism, epitomized by al-Qaeda and the September 11th attacks, has fundamentally challenged the world security situation, and has implications for both international and US domestic security. The US has lost its sense of invulnerability, and threats have become manifest.⁵¹ Terrorism has also become more violent; terrorists desire both attention and mass casualties.⁵² The new terrorists are better financed, with income from multiple illegal and legal sources and therefore independent of state sponsors.⁵³ Terrorist groups are better trained, are more difficult to penetrate, and may even have access to weapons of mass destruction.⁵⁴ Terrorism has become truly global and conducted by transnational, non-state actors.⁵⁵

The new transnational terrorism developed outside of the state structure by networks of non-state actors operating in loosely organized global networks. As

⁴⁸ Mair, 17.

⁴⁹ Mair, 17.

⁵⁰ Mair, 17.

⁵¹ Howard, 93-94.

⁵² Howard, 94-95.

⁵³ Howard, 96-98.

⁵⁴ Howard, 98-101.

⁵⁵ Howard, 95-96.

transnational actors, the new terrorists do not have to answer to government structures, are able to operate across borders, and have access to diverse sources of funding and technology.⁵⁶ Unlike the state-sponsored terrorists of previous years, the new terrorists are not tied to any one state and thus not susceptible to traditional diplomacy or military deterrence; a state does not exist with which to negotiate or against which to retaliate.⁵⁷ Because of their trans-border nature, the new terrorists are even more difficult to counter than traditional terror networks.

The New Crime

Like the evolution in terrorism, a similar progression in organized crime took place in the 1990s. While past crime groups developed within state structures, in a post-Cold War environment, the “new crime” groups have formed a very different relationship to the state.⁵⁸ Groups associated with the “new crime” thrive in ungoverned regions of the world, such as failed states and separatist regions, and are also frequently trans-border in character. Similar to new terrorist groups, new transnational crime groups increasingly operate in networks of small cells.⁵⁹ Just as the styles of terrorism from the 1970s and 1980s have not disappeared entirely, Cold War era organized crime has not become obsolete. However, the new crime increasingly dominates the crime scene around the world, effectively challenging law enforcement officials, who remained grounded in a particular nation.

⁵⁶ Howard, 96.

⁵⁷ Howard, 96.

⁵⁸ Louise Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” *Brown Journal of World Affairs* XI, Issue 2 (2005): 101.

⁵⁹ Mair, 19.

The differences between traditional organized crime groups and new crime groups in their relationship to the state become particularly clear in three main areas. First, while traditional organized crime groups were often nationalistic, new transnational crime groups often do not have interests that coincide with the state on even that level.⁶⁰ Second, while past crime groups were dependent upon a particular nation for contracts and services, the newer variety of crime group thrives in an environment without governmental control.⁶¹ Third, while traditional organized crime groups use corruption as an operative tool to influence state officials, new, transnational crime groups depend upon institutionalized corruption within government⁶² so that they can operate and function outside of the state.

The new crime groups are particularly adept in transcending borders and operating transnationally: “they operate outside the existing structures of authority and power in world politics and have developed sophisticated strategies for circumventing law enforcement in individual states and in the global community of states.”⁶³ In contrast to conventional legal transnational organizations, they operate across national boundaries while engaging in activities to circumvent government controls. The lack of governance in failed states—which begets weak law enforcement, border control, and prosecution for crime—creates the ideal permissive environment for the new crime syndicates. This environment both serves as an incubator for new crime groups, and makes it extremely difficult to counter them.

⁶⁰ Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 106.

⁶¹ Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 106.

⁶² Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 106.

⁶³ Phil Williams, “Transnational Criminal Organizations and International Security,” 100.

A particularly challenging development is the relationship between crime and terrorism. While traditionally organized crime groups have avoided association with terrorists, groups engaged in the “new crime” may actually build links with terrorist groups.⁶⁴ Crime and terrorist groups find common ground in the exploitation of illicit markets such as those in arms, drug, and people.⁶⁵ Like terrorists, crime organizations thrive in a disordered and violent environment. There are indications that international terrorists and transnational organized criminals of the 1990s and beyond, emanating from ungoverned and marginalized regions of the world, are increasingly converging in their use of “privatized violence”⁶⁶ to attain specific goals.

Methods and Motives

Terrorists and criminals can be classified according to four categories: first, their objectives; second, their target groups; third, the geographical scope of their violence; and fourth, their relationship to the state monopoly on violence.⁶⁷ In the first two categories, terrorists and criminals tend to be somewhat distinct. While criminals are historically motivated by profit opportunities, terrorists are typically motivated by political (or religious) objectives.⁶⁸ Criminals mainly target the “organs of force,” that is, law enforcement officials, military officials, or even competing criminals; terrorists, in contrast, even use force against unarmed civilians.⁶⁹

⁶⁴ Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 106.

⁶⁵ Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 103.

⁶⁶ Stefan Mair, “The New World of Privatized Violence,” *The Washington Quarterly* 29, no. 2 (2006): 11-12. In this article, Mair actually differentiates amongst criminals, terrorists, warlords, and rebels as the primary ideal types of privatized violence. For the purposes of this study, only terrorists and criminals will be discussed here.

⁶⁷ Mair, 11-12.

⁶⁸ Mair, 12.

⁶⁹ Mair, 12.

In all four categories, international terrorists and transnational organized criminals of the 1990s and beyond are increasingly converging in this use of “privatized violence.” In the last two categories, the convergence is most apparent: both international terrorist and transnational crime groups operate on a global scale without a specific territorial or regional emphasis.⁷⁰ Furthermore, these terrorists and criminals are content to coexist in symbiosis with the state monopoly.⁷¹ In fact, many international terrorist or transnational organized crime groups even require an operational state structure in order to achieve their goals.

In the first two categories, the convergence between terrorists and organized criminals is increasingly gaining attention as both take on similar objectives and target groups: criminals are gaining political motivations, while terrorists are focusing on gathering profits. Likewise, terrorists are targeting the organs of force, while criminals are increasingly using force against civilians. Indications suggest both are benefiting from their convergence of targets and objectives. In some cases, there has even been a transformation from crime group to terrorist group and *vice versa*.⁷² The key is in the observation of the methods and motives of terrorists and criminals.

As mentioned in the introduction, in the past, the interaction between terrorism and organized crime was often described as “methods, not motives.” In short, terrorists and criminals had similar methods of attaining their goals (the categories of geographical scope and relationship to the state monopoly), but diverging motives to do so (the categories of objectives and target groups). Yet, in a post-Cold War context, terrorists and criminals increasingly share both methods *and* motives for attaining their goals. This

⁷⁰ Mair, 12.

⁷¹ Mair, 12.

⁷² Shelley and others, 36.

collusion, while primarily occurring in failed states or ungoverned regions of the world, has spill-over potential to rock the developed world. The 9/11 attacks demonstrated that terrorism and crime have evolved to truly transnational phenomena.

Terror-Crime Nexus

Since the end of the Cold War and particularly since the attack on the World Trade Center and the Pentagon, the increased interaction of international terrorist and transnational crime groups has gained global attention. The increased constriction of the flow of financial support to terrorist groups appears to have encouraged such organizations to become more entrenched in criminal activity and *vice versa* are mounting.⁷³ Accordingly, combating international terrorists and transnational organized crime groups has become increasingly challenging to law enforcement because of increased terror-crime interaction.

Commonly referred to as a “nexus”⁷⁴ between terror and crime groups, international terrorist and transnational crime groups are increasingly undergoing transformation, convergence, and in some cases even partnership with one another. There are indications that terror and crime groups are increasingly sharing organizational and operational characteristics [the independent variable]. The result is an increased interaction [the dependent variable] between these groups, dependent upon the specific organizational and operational goals.

A number of factors are enabling the “nexus” between international terror and transnational crime groups. Since the end of the Cold War, the proliferation of failed or

⁷³ Sanderson, 49-61.

⁷⁴ “Nexus” is used here merely as a common description of terror-crime interaction. The term “nexus” will be operationally defined later in this paper.

failing states has only enhanced opportunities for interaction between terror and crime groups. Such weak states provide ideal bases for transnational criminal enterprises involved in the trafficking of drugs, weapons, people, and other illicit commodities.⁷⁵ Absent the rule of law, failed states create conditions perfect not only for the rise of the “new terrorism” and “new crime,” but also for collusion between international terror and transnational organized crime groups.

Globalization and the technology revolution have only complicated the security environment. The dynamics of globalization have created “a situation where the structure, authority (legitimate power), law and political order [of a state] have fallen apart,” and, as a result, power is channeled to “what is left of the formal institutions of the state (which are invariably corrupt), local warlords and gang or mafia leaders.”⁷⁶ Globalization and the technology revolution have spurred increased access to communication, travel, surveillance, and information,⁷⁷ and thus supported the sharing of organizational and operational characteristics between terrorists and criminals, which has in turn only facilitated a terror-crime “nexus.”

Corruption of local and state officials, the final piece of the puzzle, has allowed illicit or violent leaders to assume positions of strength within a power vacuum. Operating transnationally, new terror and crime groups “thrive on the shadow economy, the absence of an effective state, and endemic corruption.”⁷⁸ Terrorism, crime, and corruption, an “unholy trinity,” are entrenched in local communities and remain

⁷⁵ Patrick, 38.

⁷⁶ Susan Willett, “Globalization and the Means of Destruction: Physical Insecurity and the Weapons Industry at the turn of the Millennium,” in *Globalization and insecurity: Political, Economic, and Physical Challenges*, ed. Barbara Harriss-White (New York: Palgrave, 2002), 190-191.

⁷⁷ Sanderson, 50.

⁷⁸ Louise Shelley, “The Unholy Trinity: Transnational Crime, Corruption, and Terrorism,” 102.

unaffected by national or international efforts to control their activities. All of these factors together have created the key conditions for the association and collaboration of criminal and terrorist elements in society. Relying on similar operational and organizational structures, terrorists and organized criminals have the potential to interact, collaborate, and transform along with one another.

Terrorists may readily rely on organized crime to finance their activities through trafficking in illegal goods such as arms and particularly drugs. Since the end of the Cold War, the proliferation of light arms and radiological materials in the former Soviet Union has made far more possible these links between terrorism and arms trafficking.⁷⁹ Drug trafficking is by far the most profitable method of generating revenue for terrorist groups.⁸⁰ Recently, however, human trafficking has been linked to terrorism and organized crime within academic material. Human cargo is just as easily transported as drugs, nuclear weapons, WMD materials, or even terrorists,⁸¹ and can be an extremely profitable 'commodity.'

As evidence of terror-crime collusion has emerged, researchers attempted to piece together a typology of interaction between terrorist and crime groups. There are a number of increasingly similarities between terrorism and organized crime:

- Both are generally rational actors.
- Both use extreme violence and the threat of reprisals.
- Both use kidnappings, assassinations, and extortion.
- Both operate secretly, though at times publicly in friendly territory.

⁷⁹ Sanderson, 51.

⁸⁰ Sanderson, 52.

⁸¹ Sanderson, 57.

- Both defy the state and the rule of law (except when there is state sponsorship).
- For a member to leave either group is rare and often fatal.
- Both present an asymmetrical threat to the United States and “friendly” nations.
- Both can have “interchangeable recruitment” pools.
- Both are highly adaptable, innovative, and resilient.
- Both have back-up leaders and foot soldiers.
- Both have provided social services, though this is much more frequently seen with terrorist groups.⁸²

From these indications, it appears that the links between terrorism and organized crime are entrenched and growing. This is particularly concerning since terror-crime interaction only increases the effectiveness of both international terrorism and transnational organized crime.

Collusion between terrorist and criminal groups may take on varying levels of interaction. For example, while some terrorist and criminal groups may operate opportunistically in partnership, others may be converging or transforming into a single terror-crime entity. To effectively assess the operational capabilities of terrorist and criminal groups, which collude with one another, the extent of the interaction must be assessed.

⁸² Sanderson, 53.

Terror-Crime Interaction Spectrum

Investigators have described the interaction between terrorist and criminal groups as a great many things, including ‘unholy alliance,’⁸³ ‘marriage of convenience,’⁸⁴ ‘transformation,’⁸⁵ ‘lethal cocktail,’⁸⁶ and most commonly as a ‘nexus.’ These terms, however, are not specific enough and fail to adequately describe different phenomenon across multiple cases. Depending upon their characteristics, motivations, and operations, terror and crime groups may have different degrees of interaction.

Tamara Makarenko has proposed a model known as the *crime-terror continuum* (CTC), which delineates seven relationships between the terror and criminal groups. The continuum can be used to establish past and current threat levels as well as predict the future danger from crime-terror association. The centerpiece of the CTC is the “fulcrum point,” where criminal and terrorist motives converge. She divides the interaction between criminal and terrorist groups into seven points along the continuum, and subsequently into four general groups: alliances, operational motivations, convergence, and the “black hole” syndrome.⁸⁷

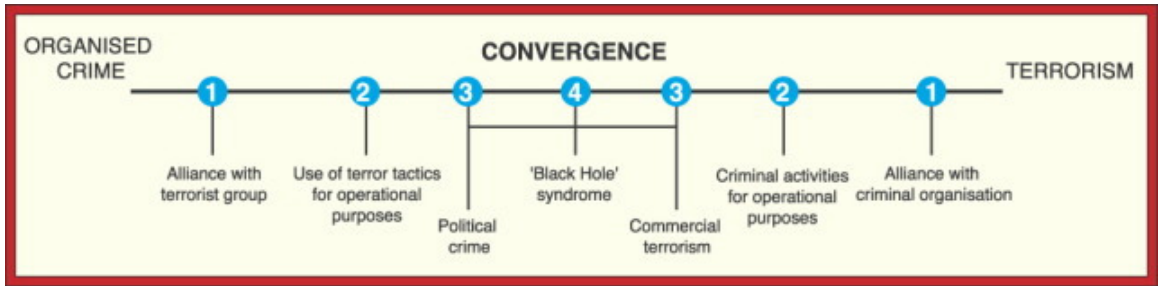
⁸³ Lyubov Mincheva and Ted Robert Gurr, “Unholy Alliances? How Trans-state Terrorism and International Crime Make Common Cause,” Paper presented at the annual meeting of the International Studies Association, Panel on Comparative Perspectives on States, Terrorism, and Crime, San Diego, March 24, 2006, 2.

⁸⁴ Mincheva and Gurr, 2.

⁸⁵ Chris Dishman, “Terrorism, Crime and Transformation,” *Studies in Conflict and Terrorism* 24 (2001): 43-58.

⁸⁶ Sanderson, 59.

⁸⁷ Tamara Makarenko, 9.

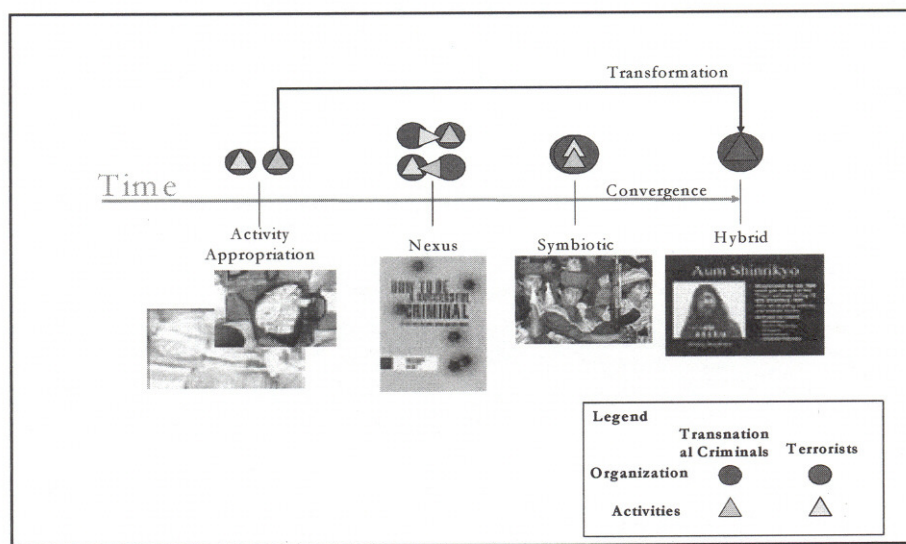


This model more clearly illustrates that the divisions traditionally believed to exist between terrorism and organized crime are outdated: terror and crime groups often work in tandem rather than in isolation. It also depicts the state of flux that characterizes new terror and crime groups, as their motivations and operations evolve overtime. The CTC appears to be the prototype model for the terror-crime interaction spectrum, which Shelley uses as the basis for the PIE methodology.

Drawing upon prior research on terror-crime interaction such as Makarenko's CTC, the Transnational Crime and Corruption Center (TraCCC) has created a "terror-crime interaction spectrum," which identifies the points of convergence between terrorists and criminals:⁸⁹

⁸⁸ Tamara Makarenko, "A Model of Terrorist-Criminal Relations," *Jane's Intelligence Review* (August 1, 2003).

⁸⁹ Louise I. Shelley and others, 35.



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This terror-crime interaction spectrum effectively describes the development of interaction between activities and groups associated with international terrorism and transnational organized crime. Five points along the continuum describe the interaction between terrorist and criminal groups: 1) activity appropriation, 2) nexus, 3) symbiotic relationship, 4) hybrid, and 5) transformation.

Activity appropriation is a relationship in which terror and crime groups adopt similar methods without working together. Terror and crime groups form a nexus when they begin to rely on the support and expertise of the other group. A more cooperative relationship, one of mutual benefit or dependence, is referred to as a symbiotic relationship. A relationship which involves the sharing of methods and motives is known as a hybrid. Finally, transformation occurs when terrorist groups abandon political motives entirely for criminal objectives. Similarly, criminal groups can transform

⁹⁰ Chart: **Terror-Crime Interaction Spectrum**, in: Louise I. Shelley and others, 35.

themselves completely from crime-based organizations into terrorist groups, although this is a rare occurrence.⁹¹

Lyubov Mincheva and Ted Robert Gurr fashioned another approach to terror and crime interaction that incorporates social movement theory, conflict analysis, and criminology. Specifically, they propose that three factors affect terror-crime interactions: first, the existence of transnational nationalist, ethnic, and religious movements, second, the occurrence of armed conflict, and third, the constraints that facilitate or impede complex transnational exchanges of illegal commodities.⁹² Based on these factors, Mincheva and Gurr propose a model of terror-crime interaction, which suggests ideological, pragmatic, predatory, and opportunistic interdependence as the four general types of terror-crime interaction.⁹³

The use of a methodology such as PIE or the use a structure to analyze the terror-crime nexus like Makarenko's CTC or Mincheva and Gurr's theory of terror-crime interaction is a relatively new development in the research of terror and crime interaction. More commonly, academic tend to describe the interaction of terror and crime groups in a purely qualitatively.⁹⁴ Exceptions to this include researchers that have a systems

⁹¹ However, there is some evidence that transformation may be a more common occurrence. Chris Dishman argues that some terrorist groups have completed transformed into transnational crime groups and are more interested in profits than politics. See: Chris Dishman, "Terrorism, Crime, and Transformation," *Studies in Conflict and Terrorism*, no. 24 (2001): 43-58.

⁹² Mincheva and Gurr.

⁹³ Mincheva and Gurr.

⁹⁴ Examples include: Alison Jamieson, "Transnational Organized Crime: A European Perspective," *Studies in Conflict and Terrorism*, no. 24 (2001): 377-387; Roy Godson, "The Political-Criminal Nexus and Global Security," in *Menace to Society: Political-Criminal Collaboration Around the World*, ed. Roy Godson, 1-21, (New Brunswick, NJ: Transaction Publications, 2003); Phil Williams, "Transnational Criminal Organizations: Strategic Alliances," *The Washington Quarterly* 18, no. 1 (1995): 57-72; John P. Sullivan and Robert J. Bunker, "Drug Cartels, Street Gangs and Warlords," *Small Wars and Insurgencies* 13, no. 2 (2002): 40-53. Note: This is a subset of such articles and not an exhaustive list my any means.

perspective to understand violence in a structured environment.⁹⁵ Because of the comprehensiveness of PIE, this particular methodology will be used in this thesis. The PIE is a rigorous methodology that can be used to examine both illicit activities and illegitimate groups. It also represents a forward-looking methodology that can be applied to predict the future collusion of terror and crime groups. These predictions, in turn, have implications for policy; they can be used to introduce preventative policies in order to preclude future terror-crime collusion.

The Security Threat of Terror-Crime Interaction

While in the short term, organized crime such as drug trafficking as well as the operation of shadow economies and informal markets give many people the opportunity of economic advancement otherwise not available in the legal economy, in the long term, organized crime and the associated market will likely add to instability.⁹⁶ Criminalization can lead to widespread disaffection, protest movements, and ultimately terrorism.⁹⁷ Transnational crime is a lucrative enterprise, providing opportunities and support for violent groups while simultaneously destabilizing the state. Thus, the resultant terror-crime nexus has long-term destabilizing consequences that outweigh any short-term stability effects.

The motivation for terror-crime alliances is significant; the interaction between transnational terrorism and crime has strategic significance for both groups. By entering

⁹⁵ For example, see: Troy S. Thomas and Stephen D. Kiser, "Lords of the Silk Route: Violent Non-State Actors in Central Asia," *INSS Occasional Paper* 43 (2002).

⁹⁶ Phil Williams, "Criminalization and Stability in Central Asia and South Caucasus," in *Faultlines of Conflict in Central Asia and the South Caucasus: Implications for the U.S. Army*, ed. Olga Oliker and Thomas S. Szayna (Santa Monica, CA: RAND, 2003), 71.

⁹⁷ Williams, "Criminalization and Stability in Central Asia and South Caucasus," 72.

into alliances, they can learn each others tactics and strategies. For example, by adopting “loosely networked cell structures,” terror and crime groups can more effectively avoid penetration by law enforcement and security services. The cellular nature of terror and crime groups allows them “to set up or close down operations overnight, maintain distance between operational and planning cells, move and use financial resources quickly and secretively, and make decisions without headquarters’ approval.”⁹⁸

Both security and law enforcement officials are increasingly finding it difficult to penetrate international terror and transnational crime groups, operating in tandem, for a number of reasons. For one thing, government officials typically approach terrorism and crime as separate phenomena, one best countered in the security realm and the other through law enforcement. Even after the 9/11 attacks, when it was clear that al Qaeda financed itself through crime, government officials still generally approached terror and crime separately. By understanding the attributes of terror-crime collusion, security and law enforcement officials will more easily be able to counter both transnational terrorism and crime simultaneously.

Furthermore, policy makers have historically approached the issues of crime and terrorism separately. While terrorism is viewed as an international security issue that requires cooperative international efforts to fight it, “crime is perceived as a domestic problem” that should be tackled with separate law enforcement responses within each country.⁹⁹ Yet, terror-crime interaction not only has local, national, or regional significance, it is also a threat on the international level. To a certain extent, the 9/11 attacks alerted the US and the developed world to the fact that the problems of the

⁹⁸ Sanderson, 54.

⁹⁹ Svante E. Cornell, “The Interaction of Narcotics and Conflict.” *Journal of Peace Research* 42, no. 6 (2005): 753.

developing world are increasingly leaping national borders and therefore are of global concern. International terrorist groups such as al Qaeda increasingly depend heavily on transnational crime in order to commit attacks.

This and other transnational terror-crime groups are better combated using policy, which recognizes the connection between terrorism and crime. As the 9/11 attacks fade from memory, policymakers risk forgetting the links between terror and crime, and concentrate on both separately. There is already evidence that this is the case: while US policymakers have concentrated on terrorism since the 9/11 attacks, European policymakers have emphasized transnational crime.¹⁰⁰ Many regions of the world, including the Caucasus, would benefit from a comprehensive policy towards terrorism and crime that combats both in concert.

¹⁰⁰ Shelley, "The Unholy Trinity: Crime, Corruption, and Terrorism," 110.

II. THE CAUCASUS

Background

The Caucasus lies at the heart of the Silk Road, the ancient crossroads of trade between Asia, Europe, and the Middle East. As a region of geopolitical significance, local, regional, and international powers alike have long attempted to determine the tone in the Caucasus. After centuries of exploit and exploration, the Caucasus is a patchwork of societies and cultures. Still a major junction between east and west, the Caucasus has become a transit route for opportunists such as terrorists and traffickers alike in a post-Soviet context. In order to understand these transnational threats to regional security, it is important to consider the transnational nature of aspects of the Caucasus. The transnational nature of geography, society, and the political-economic system all play a role in creating the regional security and law enforcement situation.

Geographically speaking, the Caucasus is surrounded by Russia to the north, Turkey and Iran to south, the Caspian Sea to the east, and the Black Sea to the west. Strategically, the civilizations of the Caucasus have from ancient times until the present been subject to invasion and conquest by often more powerful actors from outside of the region. The Caucasus Mountains, which geographically divide the North and South Caucasus, act as natural buffers between the Russia to the north and Armenia, Azerbaijan, and Georgia to the south. The Lesser Caucasus range extends through northern Armenia, making north-south travel difficult, but not impossible.

A patchwork of societies and cultures, life in the Caucasus is often roiled by ethnic and religious difference. Since the end of the Cold War and the collapse of the

Soviet Union, these differences have erupted into open conflict as local authorities declared their independence from weak, newly-established post-Soviet national governments. Problematic separatist regions in the South Caucasus include Abkhazia and South Ossetia in Georgia and Nagorno-Karabakh in Azerbaijan. Ethno-religious conflicts in the North Caucasus such as in Chechnya and Dagestan only add to an unstable security environment in the South Caucasus.

The South Caucasus consists of the former Soviet Republics of Armenia, Azerbaijan, and Georgia. As former Soviet states, these three share the common challenge of transitioning their political system and economy from socialism and communism to democracy and market capitalism. The transition, however, has in no case been without complications and is nowhere entirely complete. As a result, the break-up of the Soviet Union also introduced an unstable political and economic environment within the Caucasus. Varying degrees of corruption in national governments have added additional challenges. At the same time, globalization and the technology revolution have created greater linkages between the outside world and the Caucasus, further adding challenges.

Due to its geographical position, locally-based separatist conflicts, and a general lack of political and economic stability, the Caucasus has wrestled with a highly volatile security situation. Transnational terrorists and criminals have only taken advantage of the unstable environment. Weak security law enforcement structures combined with a culture of corruption in government have proven to be an intractable problem; national governments have proven unable to combat terrorism and crime independently and certainly not with the force in collusion. The following section will take a closer look at

the geographic, societal, political, and economic structures within the Caucasus which have made it susceptible to these transnational threats.

Geography

The first contributor to regional insecurity in the Caucasus is its geographic location. Historically, the Caucasus was an intersection point, and thus point of rivalry, between the Russian, Ottoman, and Persian empires. The interests of their counterparts (Iran, Russia, and Turkey) are entrenched in the region today. Thus, the region is adequately described as a crossroads of culture and conquest. Today, the countries of the South Caucasus—Armenia, Azerbaijan, and Georgia—border three states (Iran, Russia, and Turkey) and two bodies of water (the Black Sea and the Caspian Sea) making the South Caucasus a borderland of interlocking trade routes and imperial struggle. These three regional powers, with their history of dominance, continue to influence life in the Caucasus. Since the end of the Cold War, two new players on the scene, the US and the EU, have recognized the geo-strategic position of the Caucasus and instituted policies in the region, adding to the complexity of international actors involved.

The Caucasus is a predominantly agricultural region with few valuable natural resources. The critical exception to this are the vast oil and gas resources of the Caspian Sea. Currently being tapped by Azerbaijan, these reserves are an alternative to others from the Middle East or Central Asia. Azeri oil is transported to Turkey on the Baku-Tbilisi-Ceylon pipeline, which opened in 2004. A similar gas pipeline is currently under consideration along the same route. These gas pipelines avoid both regional mountain ranges, the upper Caucasus and the lower Caucasus.

Transnational Significance [Geography]

From a geological perspective, the Caucasus region is mainly steppe, which is interrupted by the two Caucasus mountain ranges. The region to the south of the North Caucasus, also known as Transcaucasia, extends into the Armenian plateau. The higher of the two ranges, the remote North Caucasus Mountains are generally difficult to cross. The rugged landscape of the upper Caucasus mountain range provides ample location for hiding in caves and caverns in the mountains.

The Pankisi Gorge, a region of low elevation in the North Caucasus Mountains, has historically served as a transit point from Georgia to Chechnya. Recently, it has supported the shipment of arms to the Chechnya and other violent parts of the North Caucasus. Additionally, the Gorge has acted as a sanctuary for both refugees and foreign fighters during the war in the Chechnya, and is allegedly a base for training activities.

Geopolitically, Armenia, Azerbaijan, and Georgia are sandwiched between three major regional powers—Russia, Iran, and Turkey. During Soviet times, the borders to Iran and Turkey were the borders of the Soviet Union and closed to trade and travel. Since the end of the Cold War, the border with Turkey has opened, allowing for commerce and along with it influence from these regional powers. The Russian border with the South Caucasus was not delineated in Soviet times and remains in some places disputed to this day, while the border with Iran is complicated by the close Armenian-Iranian relationship and Iranian coolness towards the Azerbaijani.¹⁰¹

¹⁰¹ Svante Cornell, “Iran: a reluctant neighbor,” in *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus* (Surrey, England: Curzon Press, 2001), 318-319.

The Caucasus region has always held great strategic geo-strategic significance for Russia. As the “gateway to the Middle East,” by controlling the North Caucasus and parts of the South Caucasus—and particularly Georgia—Russia has been able to shape the influence of the Islamic world. The Caucasus has been a source of Islamic extremism, which has resulted in terrorist attacks in Moscow, not to mention the conflicts along Russia’s southern border in Chechnya and Dagestan. Much to the chagrin of Georgian authorities, Russia has retained two of its bases in Georgia, which are strategically located near the Black Sea—in Batumi, Ajara and in Akhalkalaki, Samtskhe-Javakheti.¹⁰² Russian also has bases in Abkhazia and South Ossetia for peacekeeping purposes.

Iran attempts to use its position relative to the Caucasus in order to counter American influence in the region and combat American isolation of Iran from the world. It therefore shares a common foreign policy goal with Russia, which also would like to minimize American influence. Although Iran has a large Azeri population in the northern regions of its territory, it supported Armenia in the Nagorno-Karabakh conflict.¹⁰³ The number of Iranians which are ethnically Azeri (15-20 million) far exceeds the number of Azeris in Azerbaijan (6 million);¹⁰⁴ and Iran does not want to encourage the formation of a greater Azerbaijan.

Turkey, in opposition to the other great powers, would like to minimize Russian and Iranian influence in the region.¹⁰⁵ Turkey is particularly interested in promoting

¹⁰² As of May 31, 2005, Russian signed an agreement to withdraw troops from these bases by the end of 2007 (Batumi) and 2008 (Akhalkalaki). See: Molly Corso, “Some in Georgia worry that the Russian base withdrawal deal comes with a catch,” *Eurasia Insight*, June 1, 2005 (accessed March 28, 2007); available from <http://www.eurasianet.org/departments/insight/articles/eav060105.shtml>.

¹⁰³ Yalowitz and Cornell, 111.

¹⁰⁴ Cornell, “Iran: a reluctant neighbor,” 318.

¹⁰⁵ Yalowitz and Cornell, 111.

trade with the region and, to this end, supports the pipeline, which will bring Caspian oil and gas from Azerbaijan through Georgia to Turkey. Although allied with Azerbaijan with respect to Nagorno-Karabakh,¹⁰⁶ Turkey prefers to avoid regional conflict at all costs. Unlike Iran, Turkey is in favor of reduced Russian influence in the region and thus remains supportive of increased US presence in the Caucasus as a counterweight to both Russia and Iran.

Since the end of the Cold War, the US has slowly become interested and involved in the Caucasus region. Initially, the US deferred to Russia as the regional great power. However, as private American companies became interested in Caspian Sea energy resources, Washington began to be concerned about Russian intentions in the region.¹⁰⁷ In a post-Cold War context, the US was particularly concerned with stifling the spread of radical Islam from Iran.¹⁰⁸ Alarmed about unnecessary Russian and Iranian influence in the region, the US was a primary motivator behind the Baku-Tbilisi-Ceylon pipeline, which effectively avoids both Russian and Iranian territory.

Particularly after the 9/11 attacks, the US also developed an interest in the Caucasus due to its strategic location as a transit region, both north-south and east-west. The Caucasus has been described as a part of a potential “zone of stability,”¹⁰⁹ stretching from the Balkans to Central Asia. As a result, the US government has initiated programs aimed at increasing antiterrorism capacity and building up border guard capabilities in all three countries of the Caucasus. The featured program is the Georgian Train and Equip

¹⁰⁶ Yalowitz and Cornell, 111.

¹⁰⁷ Yalowitz and Cornell, 113.

¹⁰⁸ Yalowitz and Cornell, 113.

¹⁰⁹ Yalowitz and Cornell, 113.

Program (GTEP),¹¹⁰ which is a military-to-military program aimed at modernizing the Georgian military to Western standards as part of the “war on terror.”

In contrast to the American military approach, the EU has provided development aid to the Caucasus, focusing on its location as a modern-day Silk Road linkage between East and West. Concentrating on the economic development of the Caucasus, the EU has funded infrastructural improvements such as roads, bridges, and ports.¹¹¹ As a regional player, however, the EU is divided on its economic interests. The EU’s dependence upon Russia for energy has only stifled EU policy in the Caucasus region as it fears treading into the Russian sphere of influence.¹¹² The lack of agreement among EU member states often results in a policy of “no policy” from the EU, which cannot act without member state support.

Society

A region of diverse and disparate ethnicities, the Caucasus is ripe for the kind of ethno-religious conflict that emerged in the aftermath of the Cold War. Within the regions of Abkhazia, Ajara, and South Ossetia in Georgia, *de facto* leaders have emerged to challenge the central government in Tbilisi. Essentially autonomous under Soviet rule, both Abkhazia and South Ossetia fought to retain this independence in the early 1990s. While the situation in Adjara been more or less resolved, the conflicts in Abkhazia and

¹¹⁰ In 2004, GTEP was reorganized and renamed the Georgian Sustainment and Stability Operation (GSSOP).

¹¹¹ Yalowitz and Cornell, 113.

¹¹² Yalowitz and Cornell, 113.

South Ossetia fester to this day. Peacekeepers contain violent incursions in both regions, but a permanent settlement remains elusive.¹¹³

In Azerbaijan, a similar separatist conflict in Nagorno-Karabakh also remains deadlocked. Azerbaijan and Armenia have not settled the territorial dispute over Nagorno-Karabakh, which is a large Armenian enclave within the territory of Azerbaijan. The war over Nagorno-Karabakh (1992-1994) ended in a ceasefire that left 20 percent of Azerbaijani territory under *de facto* Armenian control.¹¹⁴ While intensified peace talks provide hope for eventual resolution of the conflict, a solution may prove elusive. Both Azerbaijan and Armenia are currently increasing military spending and preparing new military doctrines, which indicate larger and more focused militaries.¹¹⁵

In the North Caucasus, Chechnya has been struggling for independence through the two bloody wars. The savage conflict has spilled over to Dagestan, which itself contains over 32 ethnic groups.¹¹⁶ In addition to ethno-nationally, many fighters in Chechnya are motivated by the Islamic. While the First Chechen War (1994-1995) was primarily a war of national liberation involving local militants, the Second Chechen War (since 1999) has religious overtones and has attracted foreign fighters from the Arab world. Years of war and the subsequent collapse of Chechen society have only contributed to the radicalization of youth in both ethnic and Islamic terms.¹¹⁷

¹¹³ Tanya Charlick-Paley with Phil Williams and Olga Oliker, "The Political Evolution of Central Asia and the South Caucasus: Implications for Regional Security," in *Faultlines of Conflict in Central Asia and the South Caucasus*, ed. Olga Oliker and Thomas S. Szayna (Santa Monica, CA: RAND Corporation, 2003), 37.

¹¹⁴ Charlick-Paley with Williams and Oliker, 35.

¹¹⁵ Charlick-Paley with Williams and Oliker, 35.

¹¹⁶ "World: Islamic roots in Dagestan," *BBC News*, August 25, 1999 (accessed March 28, 2007); available from <http://news.bbc.co.uk/1/hi/world/europe/416586.stm>.

¹¹⁷ Yalowitz and Cornell, 107.

Beyond the simmering conflicts mentioned above, many other regions in the Caucasus hold the potential to erupt into open conflict. Within the Caucasus Mountains, there are multiple ethnic groups, which may prove to be destabilizing forces. The tribal people of Svaneti, for example, are known to be highly independently-minded as well as fierce warriors. The central government in Tbilisi is barely in control of the Armenian-populated Javakheti region, the southwestern region of Adjara, or the western region of Mingrelia.¹¹⁸ The summer 2006 crisis in the Kodori Gorge, in which the regional leader declared his independence from Georgia, further illustrated the risk of conflict and separation in a segmented society.

Transnational Significance [Society]

Most—if not all—of the conflicts in the Caucasus involve ethnic groups divided by state borders. For example, the South Ossetians in Georgia are ethnically tied to the North Ossetians in Russia. During Soviet times, as early as 1920, the South Ossetians have indicated their interest in unification with their neighbors to the north based on their common ethnic identity.¹¹⁹ The greater region of Ossetia, which includes both North and South Ossetia, is predominately Ossetian.¹²⁰

Similarly, the Abkhaz also have strong historical and ethnic links with the ethnic groups of the North Caucasus.¹²¹ In fact, the conflict in Abkhazia and later in Chechnya was supported by a coalition of Caucasians, the Confederation of Caucasian Peoples,

¹¹⁸ Yalowitz and Cornell, 108.

¹¹⁹ Svante E. Cornell, *Autonomy and Conflict: Ethnoterritoriality and Separatism in the South Caucasus – Cases in Georgia* (Stockholm, Sweden: Uppsala Universitet, Department of Peace and Conflict Research, 2001), 188.

¹²⁰ Jonathan Aves, *Georgia: From Chaos to Stability?* (London: The Royal Institute of International Affairs, 1996), 35.

¹²¹ Aves, 27.

which was formed in 1989 in Sukhumi and is made up of sixteen ethnicities.¹²² Unlike South Ossetia, Abkhazia was less Abkhaz than Georgian before the war; ties to other Caucasians serve to bolster their claims for independence.

The Kists, who reside in the Pankisi Gorge, are Georgian nationals, but actually ethnically Chechen and Ingush through language and culture. Because of their ethnic, linguistic, and cultural ties, the Kists have provided support for the conflict in Chechnya. In the recent past, they have provided refuge for foreign fighters transiting to Chechnya from the Middle East as well as sanctuary for fighters evading Russian troops in Chechnya. Foreign fighters have also used the mountainous passes in the Pankisi Gorge as an avenue from Georgia to Chechnya.

Adjara is a predominately Muslim section of Georgia, bordering Turkey to the South. Although separatist tendencies in Adjara have not been as acute as those in Abkhazia and South Ossetia, relations between Adjara and the central government in Tbilisi have been tense since Georgian independence.¹²³ Because of trade with Turkey and the port city of Batumi, Adjara enjoys economic prosperity unknown to other regions of the country.¹²⁴ Economic prosperity is the primary source of tensions within Adjara, not necessarily ethnicity. Adjara also hosts a Cold War era Russian base, employing large numbers of local workers, while maintaining a Russian footprint in Georgia.¹²⁵

Javakheti, located in southern Georgian on the Armenian border, similarly harbors a Russian base, which employs local workers.¹²⁶ Isolated from the rest of the country, the

¹²² Aves, 27.

¹²³ Aves, 41.

¹²⁴ Edmund Herzig, *The New Caucasus: Armenia, Azerbaijan, and Georgia* (New York: Royal Institute of International Affairs, 1999), 46.

¹²⁵ Herzig, 46.

¹²⁶ Herzig, 46.

population is dependent upon the base for economic well-being. The population of Javakheti, which is 90% Armenian, tends to place its loyalties with Armenia and even Russia rather than Georgia. Some anxiety remains amongst Georgians that Javakheti will become Georgia's "Nagorno-Karabakh."¹²⁷ The situation is further complicated by the potential return of the Meskhetian Turks, which were deported from the region to the Central Asia during Soviet times.¹²⁸ The return of Meskhetian Turks is opposed by both Georgians and local Armenia alike.

The conflict in Nagorno-Karabakh is particularly worrisome. The basis for the war between Armenia and Azerbaijan (1992-1994),¹²⁹ the unresolved conflict in Nagorno-Karabakh involves the actual militaries of two nation-states, unlike the non-state actors that dominate the struggles in the other separatist regions. Despite the name sometimes applied, the situation in Nagorno-Karabakh is far from a "frozen conflict:" tensions between Armenia and Azerbaijan always have the potential to flare up again, tipping the entire Caucasus region into violence. Azerbaijan (like Georgia with respect to Abkhazia and South Ossetia) does not have the military capacity to take back Nagorno-Karabakh.¹³⁰ However, increased military spending in Azerbaijan has the potential to change the *status quo*.

Ultimately, instability in the separatist regions is shaped by transnational factors as well as the drive toward independence. Outside of the control of traditional law enforcement and security mechanisms, the separatist regions potentially and actually create breeding grounds for both terror and crime within the Caucasus. This tendency

¹²⁷ Herzig, 46.

¹²⁸ Aves, 45.

¹²⁹ Yalowitz and Cornell, 106.

¹³⁰ Yalowitz and Cornell, 106.

towards terrorism and criminality in the various regions has been complicated by the challenge of transitioning the political systems and economies of the South Caucasus republics since the end of the Cold War.

Political System and Economy

The forced migration of a large subset of the Armenian, Azerbaijani, and Georgian populations as a result of the ethnic conflicts of the 1990s through the present has only been complicated by the evolving political and economic situations of these post-Soviet states. All three Caucasus nations have proven unable to completely reform their state bureaucracies and economies, provide adequate law enforcement, and establish the rule of law. In recent years, Azerbaijan, Armenia, and Georgia have made process in liberalizing their economies. However, politically, the Caucasian governments have made little progress in building stable state institutions.

On the surface, it appears that all three Caucasus countries have made progress in the transition to democracy. For example, they have adopted new constitutions, held presidential and parliamentary elections, and have taken major steps in passing political legislation.¹³¹ Democratic reforms included measures to establish political parties, to institute new electoral systems, and to restructure the executive, legislative, and judicial branches.¹³² However, a closer examination of the steps taken indicates that the reforms are both incomplete and their future uncertain.

One exception to this is Georgia, where democracy was significantly advance by the recent non-violent revolution. Prior to this “Rose Revolution” of 2003 and the

¹³¹ Herzig, 23.

¹³² Herzig, 23.

subsequent installation of Mikheil Saakashvili as president in 2004, Georgia was bordering on state failure. Saakashvili's election led to the introduction of vital political reforms that were impossible under the previous presidency of Eduard Shevardnadze. While Saakashvili's election has focused international attention on Georgia and the potential for revitalization of democracy in the region, the verdict is still out on the transition to fully consolidated liberal democracy.

Azerbaijan, Armenia, and Georgia collectively experienced significant recessions in the post-Cold War time period. Beginning with the ethnic conflicts of the late 1980s (see above), the destructive cycle was only exacerbated by the collapse of the Soviet Union.¹³³ The situation is improving with an influx of foreign money from various sources. Azerbaijan has profited from its oil and gas sector, while Armenia has been able to tap into remittances from the Armenian diaspora. Georgia by contrast has become more dependent upon the Western aide particularly from the US. Because regional conflicts remain unresolved, foreign direct investment is low as the Caucasian economies are viewed as too politically "risky."¹³⁴

In recent years, there have been indications that the economies in the region are finally improving. In 2000 and 2001, there were several instances of double-digit growth,¹³⁵ some due to foreign investment in the oil industry. Such investment, however, has bifurcated the economy between the oil sector and everything else, creating a two-tiered economy rather than consistent growth.¹³⁶ Economic development has largely been concentrated in Azerbaijan and Georgia with Armenia lagging significantly behind.

¹³³ Yalowitz and Cornell, 110.

¹³⁴ Yalowitz and Cornell, 110.

¹³⁵ Williams, "Criminalization and Stability in Central Asia and South Caucasus," 74.

¹³⁶ Williams, "Criminalization and Stability in Central Asia and South Caucasus," 74.

Azerbaijan has oil resources to draw upon, while Georgia serves as an east-west transport route.¹³⁷ Armenia, in contrast, has not been able to achieve high levels of growth in part due to the continuing blockade with respect to the separatist conflict.¹³⁸

In addition to the incomplete economic and political transitions, post-Soviet corruption in government has run rampant in the governments of Azerbaijan, Armenia, and Georgia. Throughout the nineties, the Georgian government was a particularly weak and corrupt institution. Azerbaijan and Armenia, while institutionally slightly less corruptible,¹³⁹ were far from immune from the scourge. This endemic corruption is a significant contributor to political and economic instability.

Transnational Significance [Political System and Economy]

In the past, terrorism did not play a serious role in the Caucasus. Criminal groups such as the Russian mafia, on the other hand, have a long and unsavory history within the region. With the break-up of the Soviet Union, and the resulting changes to the political system and economy of the region, the Caucasus has increasingly become a playground for both terrorists and criminals. The common lack of political and economic reform in the Caucasus has served to promote localized networks of international terrorists and transnational criminals across the region.

The lack of political reform on the national level has lead to a lack of political control on the local and regional levels: governance, such as it is, often takes place in localized units. Incomplete political control on the national level and the subsequent porous borders have allowed for the development of arms, drug, and human

¹³⁷ Herzig, 146.

¹³⁸ Herzig, 145-146.

¹³⁹ Yalowitz and Cornell, 109.

trafficking.¹⁴⁰ These grim commodities traverse the border across Abkhazia and between North and South Ossetia with particular ease. Conflict regions in Dagestan and Chechnya, among others, further facilitate the movement of potential fighters and the smuggling of illicit goods.

Due to the economic straits the Caucasian nations find themselves in, financial transactions have relocated to the “black market.” As illicit trade has increase, it has co-opted officials in government. The black markets of the Caucasus are particularly problematic in the separatist regions with *de facto* governments, out of the reach of the central government. Poverty and unemployment combined with low salaries has only facilitated the black market economy and instigated the corruption of government officials,¹⁴¹ who offend work in concert with smugglers or are complicit in illicit smuggling.

Corruption in government and a lack of financial controls on the economy facilitate terrorist and criminal activities within the Caucasus.¹⁴² During the war in Abkhazia, corrupt officials were often affiliated with paramilitary organizations such as the Mkhedrioni and the National Guard fighters.¹⁴³ The leaders of these paramilitary organizations consolidated their power through their networks in powerful ministries such as the Ministry of Internal Affairs and the Ministry of Defense.¹⁴⁴ These groups, furthermore, dabbled in more profitable forms of organized crime, including drug and arms trafficking.¹⁴⁵

¹⁴⁰ Louise Shelley, IREX Speech, Tbilisi, Georgia, September 26, 2004, (accessed June 9, 2006); available from www.american.edu/traccc/resources/publications/shelle73.doc.

¹⁴¹ Yalowitz and Cornell, 110.

¹⁴² Louise Shelley, IREX Speech.

¹⁴³ Aves, 54.

¹⁴⁴ Aves, 54-55.

¹⁴⁵ Aves, 54.

The transnational nature of the rugged geography, social discord, as well as the political and economic challenges in the Caucasus have created a region that is ripe for illicit transnational actors such as terrorists and organized criminals. As the individual nation-states of Armenia, Azerbaijan, and Georgia struggle to transition from Soviet times, they are perilously unprepared to control gray areas—geographically, socially, politically, and economically. Lying at the heart of the Caucasus, Georgia is particularly affected by transnational trends. The next section will consider Georgia as a case study in the link between international terrorism and transnational organized crime.

III. TERRORISM AND ARMS, DRUG, AND HUMAN TRAFFICKING IN GEORGIA

Case Study: Georgia¹⁴⁶

Since the end of the Cold War, political, economic, and social changes within the countries of the former Soviet Union instigated a new set of problems, including illegal migration, terrorism, organized crime, and corruption.¹⁴⁷ Both terrorist and criminal groups have taken advantage of the lack of law enforcement and regional security within the former Soviet Union, effectively transforming themselves into transnational actors with nefarious intentions. As transnational actors, terrorists and criminals cross borders and openly transgress national laws, effectively operating outside of the state.

In the Caucasus, transnational terrorism has acquired an Islamic emphasis; religious extremism has filtered in from the Middle East. Transnational terrorism in the Caucasus has been fueled by regional conflicts. Specifically, the war in Chechnya has evolved from a localized, ethnic conflict (the First Chechen War, 1994-1996) to a focal point for foreign fighters who emphasize Islamic extremism (the Second Chechen War, 1999-present). Foreign fighters associated with the conflicts in separatist regions have instigated terrorist incidents in Russia, Georgia, and elsewhere.¹⁴⁸ The Pankisi Gorge, a haven for foreign fighters in the past, now principally serves as one of many transit channels on the northern Georgian-Russian border.¹⁴⁹

¹⁴⁶ This case study (as well as the introduction to this thesis) will be published as: Traugher, Colleen M. "Terror-Crime Nexus?: Terrorism and Arms, Drug, and Human Trafficking in Georgia." *Connections* VI, no. 1 (Spring 2007): 47-63.

¹⁴⁷ Georgi Glonti, "Trafficking in Human Beings in Georgia and the CIS," *Demokratizatsiya* 9, no. 3 (2001): 382-398.

¹⁴⁸ Yalowitz and Cornell, 107.

¹⁴⁹ Kakha Khizanishvili (Director, Police Academy, Georgian Ministry of Internal Affairs), in discussion with the author, July 13, 2006.

Since the collapse for the Soviet Union, arms, drug, and human trafficking have also developed into highly lucrative criminal activities within the former Soviet republics,¹⁵⁰ including Georgia. The trafficking of arms both to and from Georgia has skyrocketed since the end of the Cold War, promoting regional conflicts in Abkhazia, South Ossetia, and Chechnya.¹⁵¹ Drug trafficking is perhaps the most profitable of these criminal enterprises, with a reported \$1 billion in drugs flowing through Georgia annually.¹⁵²

In contrast to arms and drug trafficking, the covert nature of human trafficking makes it difficult to estimate the number of people trafficked each year. In the Caucasus, the number of human trafficking cases for sexual exploitation alone is estimated to be from 10,000 to 15,000 people annually.¹⁵³ Unfortunately, there are no reliable statistics for the number of cases involving human smuggling. Although investigators disagree on the total number of people smuggled and trafficked per year, they concur that the problem is both significant and growing.

The Indicators

Using the Preparation of the Investigation Environment (PIE) approach, the following section contains a collection of data from Georgia, divided into watch points based on organizational forms, goals, and culture. Based on an analysis of common forms of terrorist and criminal behavior, the section will locate the indicators of terror-

¹⁵⁰ Glonti, 382-398.

¹⁵¹ Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia*, (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 32-34.

¹⁵² *Moscow Interfax* report from Tbilisi, April 22, 2002 (FBIS Document CEP2002042000161), as quoted in: LaVerle Berry and others, *Nations Hospitable to Organized Crime and Terrorism* (Washington, DC: Federal Research Division: Library of Congress, 2003), 58.

¹⁵³ Glonti, 382.

crime cooperation. Ultimately, the existence and extent of terror-crime collusion in Georgia will be described along the terror-crime interaction spectrum.

Open activities in the legitimate economy

Terrorists—and, to a greater degree, criminals—can and do operate openly within the Georgian society and the economy. For example, non-state armed groups in both Abkhazia and South Ossetia have either official or unofficial links to the *de facto* regimes in these separatist regions. Furthermore, Okan, a coal mining company in Abkhazia, has been implicated in the illicit transit of workers from Turkey into Abkhazia.¹⁵⁴ Activities associated with human trafficking are prevalent in the open economy.

Flagrant incidents of human trafficking are a significant problem in Trabzon, the Turkish Black Sea port, which is located on the Georgian border,¹⁵⁵ which has become a major route of human trafficking. Here, notably, women are even trafficked by other women; these women are extremely poor, typically rural, often illiterate,¹⁵⁶ and thus in desperate search of employment. They often use employment agencies, which turn out to be nothing more than fronts for human trafficking operations.

Shared illicit nodes

Both terrorists and criminals have established regularized routes through Georgia and the South Caucasus. The Transnational Crime and Corruption Center – Caucasus

¹⁵⁴ Ministry of State Security of the Government of Abkhazia in Exile, 2003. Cited in: Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia* (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 36.

¹⁵⁵ Alexandre Kukhianidze (Director, Transnational Crime and Corruption Center – Caucasus Office (TraCCC – CO)), in discussion with the author, July 27, 2006.

¹⁵⁶ Kukhianidze, discussion.

Office (TraCCC – CO)¹⁵⁷ and the Organization for Security and Cooperation in Europe (OSCE) Mission to Georgia¹⁵⁸ have documented some such routes of illegal activities in the country. Terrorists tend to travel through Georgia originating from the south (the Middle East) and the east (Afghanistan). Since terrorist destinations are typically areas in Russia, such as Chechnya and Dagestan, Georgia is used mainly as a transit country. As recently as early 2006, the Georgian Ministry of Internal Affairs uncovered a case in which a Saudi national attempted to transit Georgia by relying on the Chechen network in Tbilisi and elsewhere in Georgia.¹⁵⁹

Drugs *en route* to the lucrative markets of Russia travel from Afghanistan through Dagestan and Georgia, both of which are transit sites.¹⁶⁰ Drug traffickers also transit through the Pankisi Gorge, South Ossetia, and Abkhazia in order to reach Russia,¹⁶¹ and drugs are trafficked to Georgia from Azerbaijan.¹⁶² A major exit point for drug traffickers is through Sarpi, Georgia to Turkey.¹⁶³ Under Aslan Abashidze, the former *de facto* leader of Adjara, Batumi had become a major transit port for drugs.¹⁶⁴ Abashidze was also involved in trafficking drugs from Turkey to Russia.¹⁶⁵ Drug trafficking

¹⁵⁷ Kukhianidze, Kupatadze, and Gotsiridze, 11.

¹⁵⁸ Bogdan Udriste (Advisor, OSCE Mission to Georgia, Personal Communication), in discussion with the author, September 28, 2006.

¹⁵⁹ Giorgi Gabunia (Head of Counterterrorism Center, Ministry of Internal Affairs of Georgia), in discussion with the author, July 18, 2006.

¹⁶⁰ Khizanishvili, discussion.

¹⁶⁰ Gabunia, discussion.

¹⁶¹ Georgi Glonti (Director, Department of External Affairs, Georgian University of Social Sciences), in discussion with the author, July 25, 2006.

¹⁶² Sven Holdar (Deputy Head of Human Dimension Office, Organization of Security and Community in Europe), in discussion with the author, July 7, 2006.

¹⁶³ Holdar, discussion.

¹⁶⁴ Khizanishvili, discussion.

¹⁶⁵ Glonti, discussion.

remains a problem in this region; in 2004, a substantial quantity of heroin was found on the Georgian-Turkish border in a double-bottom lorry.¹⁶⁶

Outside of heroin and marijuana trafficking, Subutex smuggling accounts for 60 percent of the drug market in Georgia.¹⁶⁷ A synthetic drug intended to be used for opium addiction, Subutex actually comes to Georgia from Western Europe, typically originating in France, Belgium, and Holland.¹⁶⁸ Criminals use second-hand cars to transport the drug. Subutex can generate a huge profit in Georgia: while it is sold for 1 Euro in Belgium, it sells for 100 Euros in Georgia. In one case, 1,000 tablets were found in a car, which would have generated \$100,000 in profit.¹⁶⁹ The smuggling of Subutex is a relatively new phenomenon with the potential to have a huge impact on Georgia if left unchecked.

After the end of the Cold War, more than 270 sources of radiological materials were discovered by the Georgian Ministry of the Environment,¹⁷⁰ including research reactors and radiological waste. Others were abandoned in forests by Russian troops as they withdrew. The trafficking route for radiological or nuclear materials through Georgia flows from Central Asia through the Caucasus to the Middle East:¹⁷¹ one common route is from Russia through South Ossetia to Batumi or Armenia. There have been at least two cases in which traffickers of radiological materials attempted to sell materials in Batumi. In one case, the traffickers were detained on the Georgian-

¹⁶⁶ Glonti, discussion.

¹⁶⁶ Gabunia, discussion.

¹⁶⁷ Kukhianidze, discussion.

¹⁶⁸ Kukhianidze, discussion.

¹⁶⁹ Kukhianidze, discussion.

¹⁷⁰ Kukhianidze, discussion.

¹⁷¹ Kukhianidze, discussion.

Armenian border; in the other, they were detained as they attempted to smuggle the materials out of Armenia.¹⁷²

Human victims of trafficking typically come from two regions: the eastern South Caucasus (specifically, Armenia and Azerbaijan) or the former Soviet Union (particularly Belarus, Moldova, and Ukraine).¹⁷³ They transit Georgia, ultimately destined for Turkey or the Middle East.¹⁷⁴ The Ministry of State Security of the government of Abkhazia in exile has uncovered a number of cases of human smuggling from Turkey to Abkhazia. In one case, twelve people from Turkey were detained at the Rukhi Bridge on the border between Abkhazia and Georgia.¹⁷⁵ allegedly, the coal mining company Okan offered them employment in Abkhazia for \$700 to \$1,000 per month.¹⁷⁶

The Georgian Coast Guard discovered another incident involving human smuggling from Turkey to Abkhazia, in which at least four people were smuggled to Abkhazia to work in a coal mine, ostensibly with high salaries.¹⁷⁷ When the miners instead found themselves working under slave-like conditions, they attempted to escape by boat, and were intercepted by the Georgian Coast Guard.¹⁷⁸ Furthermore, the

¹⁷² Kukhianidze, discussion.

¹⁷³ Glonti, discussion.

¹⁷⁴ Glonti, discussion.

¹⁷⁵ Ministry of State Security of the Government of Abkhazia in Exile, 2003. Cited in: Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia*, (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 36.

¹⁷⁶ Kukhianidze, Kupatadze, and Gotsiridze, 36.

¹⁷⁷ Department of the Border Guard of Georgia, 2003. Cited in: Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia*, (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 36.

¹⁷⁸ Kukhianidze, Kupatadze, and Gotsiridze, 36.

Georgian Department of Intelligence has implicated Turkish ships in the trafficking of groups of five or six women from Russia to Abkhazia and on to Turkey.¹⁷⁹

Use of violence

Recent terrorist attacks in Georgia include a car bomb explosion outside of the police station in Gori, Georgia (February 2, 2005)¹⁸⁰ and an unsuccessful grenade attack on U.S. President George H.W. Bush in Tbilisi's Freedom Square (May 20, 2005).¹⁸¹ In another incident (January 22, 2006), high-voltage electricity lines were destroyed.¹⁸² In 1999, there was an explosion in Zugdidi (Abkhazia).¹⁸³ In the Caucasus, a terrorist attack occurred when Chechen terrorists held a school hostage in Beslan, Russia across the border from Georgia in North Ossetia. While the terrorists were mostly Chechens, the group included two people of Middle Eastern origin.¹⁸⁴ The group reportedly came to Beslan from South Ossetia—a separatist region in Georgia—through the Roki tunnel.¹⁸⁵

In the past, news reports have indicated the presence of slavery or forcible servitude in Abkhazia. For example, "Region Inform," the Russian information agency, reported that officials at a Russian border checkpoint apprehended a man who was trying

¹⁷⁹ Department of Intelligence of Georgia, 2003. Cited in: Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia*, (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 36.

¹⁸⁰ "World Briefing | Europe: Georgia: Car Bomb Kills 3 Policemen," *New York Times*, February 2, 2005, (accessed October 24, 2006); available from <http://query.nytimes.com/gst/fullpage.html?res=9D03E7DB133BF931A35751C0A9639C8B63>.

¹⁸¹ Elaine Quijano, "Secret Service told grenade landed near Bush: U.S. officials investigating alleged incident in Georgia," *CNN.com*, May 10, 2005, (accessed October 24, 2006); available from <http://www.cnn.com/2005/WORLD/europe/05/10/bush.georgia/index.html>.

¹⁸² Khizanishvili, discussion.

¹⁸³ Gabunia, discussion.

¹⁸⁴ Energy Security Analysis, Inc. (ESAI), "Russia's Counterterrorism Strategy after Beslan – Regional Implications," Weekly Intelligence Briefing, September 20, 2004 (accessed October 24, 2006); available from <http://www.esai.com/pdf/Wb092004.pdf>.

¹⁸⁵ Vladimir Socor, "JCC, 'Peacekeeping' Formats in South Ossetia shown to be Untenable," *Eurasia Daily Monitor* 2, Issue 199 (2005): (accessed October 24, 2006); available from http://www.jamestown.org/publications_details.php?volume_id=407&issue_id=3506&article_id=2370394.

to illegally cross into Russia.¹⁸⁶ Originally from Murmansk, Oleg Kalinov claimed that he had been forced to work as a slave in Abkhazia since 1993. Moreover, reports of slavery were confirmed in the summer of 2006, after troops from the Georgian Ministry of Internal Affairs retook the Kodori Gorge, a region on the periphery of Abkhazia, and officials discovered the presence of slaves amongst the Abkhazian inhabitants.¹⁸⁷

Use of corruption

Particularly in the past, such as when the Pankisi Gorge was a significant problem, high-ranking Georgian state authorities have been implicated in illicit activities.¹⁸⁸ The involvement tended to occur at the departmental chief level and higher. In 2000, there were fighters of both Chechen ethnicity and Middle Eastern origin in the Pankisi Gorge.¹⁸⁹ Chechen field commanders allegedly gave money to the Georgian government and tried to build sympathy with the locals in order to remain there.¹⁹⁰ At the same time, there was significant evidence of drug trafficking in the Pankisi Gorge.¹⁹¹ This is an example of direct collusion between terror and crime groups. Some terrorist threat still remains from the Pankisi Gorge; it will take time for the problem to be

¹⁸⁶ Cited in: Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling Through Abkhazia and Tskhinvali Region of Georgia* (Tbilisi, Georgia: American University's Transnational Crime and Corruption Center (TraCCC), 2004), 36.

¹⁸⁷ Zaza Jgharkava, "Possible case of slavery discovered in Svaneti," *Georgia Today*, Issue 318, August 10, 2006 (accessed October 24, 2006); available from http://www.georgiatoday.ge/article_details.php?id=1615.

¹⁸⁸ Glonti, discussion.

¹⁸⁹ Gabunia, discussion.

¹⁹⁰ Gabunia, discussion.

¹⁹¹ Marc Hulst (Counter-Trafficking Programme Officer, International Organization for Migration), in discussion with the author, July 11, 2006.

resolved.¹⁹² Recently, South Ossetia has taken over as the country's main hub for drug trafficking, with both Georgia and Chechen criminal groups involved.¹⁹³

In the recent past, both criminal and terrorist groups have had more opportunity for collusion in Georgia proper through the patronage of government officials. During the tenure of Aslan Abashidze, the Adjara regime was notorious for its links to Chechen terrorist groups and Russian organized crime groups. Furthermore, in Georgia, law enforcement and border guards throughout the country were commonly known to be corrupt even in the aftermath of the Rose Revolution,¹⁹⁴ allowing for freedom of movement and action for terrorists and criminals alike. There is evidence to suggest that criminals continue to be protected by buying off government officials.¹⁹⁵

Much of the former Georgian system encouraged corruption related to all kinds of trafficking. The old Georgian passport is extremely easy to forge; the photo can be changed, and the passport could be used multiple times. In one case, a passport was used at least fifteen different times by different people.¹⁹⁶ It is relatively easy and inexpensive to buy falsified documents in Georgia for as little as \$400,¹⁹⁷ which only encourages further trafficking activities. As recently as 2001, firms and agencies within Georgia facilitated visa brokerage.¹⁹⁸ These firms also assisted in the smuggling of people, but not trafficking for prostitution purposes.

Financial transactions & money laundering

¹⁹² Hulst, discussion.

¹⁹³ Khizanishvili, discussion.

¹⁹⁴ Khizanishvili, discussion.

¹⁹⁵ Holdar, discussion.

¹⁹⁶ Glonti, discussion.

¹⁹⁷ Holdar, discussion.

¹⁹⁸ Hulst, discussion.

Chechen terrorist groups maintain known financial links to global Islamic extremists of Sunni Muslim affiliation, or *Wahhabis*.¹⁹⁹ These foreign fighters transit Georgia in order to reach Chechen freedom fighters based in the Pankisi Gorge. Chechen-led groups have used the Pankisi Gorge for training camps, taking advantage of the lawlessness of this corner of Georgia. Chechens use the mountainous northern border to transport supplies, information, and particularly money,²⁰⁰ some of which is carried across the northern border by foreign fighters to support the conflict in Chechnya.

There have been a number of kidnappings in which victims, mostly wealthy foreigners, were taken to the Pankisi Gorge.²⁰¹ The victims were often involved in the bank business, and thus individuals of some financial means. In these instances, just like terrorist groups, the traffickers benefited directly from the lawlessness in the Pankisi Gorge. The kidnappings were not organized by the Chechens, but by criminal groups in negotiation with the separatist rebel groups.²⁰² Currently, the Georgian government has largely regained control of the Pankisi Gorge. The separatist regions of South Ossetia and Abkhazia, however, remain uncontrolled; incidents of kidnappings have been prevalent in these trouble areas.²⁰³

Organizational structures

Since Georgia gained independence, over one million people have left the country.²⁰⁴ Many have fled by using smuggling networks, which charge from \$5,000 to

¹⁹⁹ Hulst, discussion.

²⁰⁰ Khizanishvili, discussion.

²⁰⁰ Gabunia, discussion.

²⁰¹ Gabunia, discussion.

²⁰² Gabunia, discussion.

²⁰³ Gabunia, discussion.

²⁰⁴ Holdar, discussion.

\$10,000 for safe passage.²⁰⁵ In 2004, thirteen women from Uzbekistan were found in an apartment in Tbilisi *en route* to Dubai; the traffickers included both Armenians and Georgians.²⁰⁶ This is an example of more decentralized, loosely-knit network, which is typical of transnational organized crime. Although there are few documented examples of the exposure of such an organizational structure, similar surreptitious networks are likely in operation.

Culture

The Chechens and Kists in Georgia share common cultural roots and speak the same language. As mentioned previously, prior to Georgian military operations in Pankisi Gorge, terrorists and foreign fighters from Chechnya were based there. Today, Chechen refugees are the main group remaining,²⁰⁷ although foreign fighters freely transit the region. In addition, terrorist groups in Chechnya have used young Chechen women as suicide bombers.²⁰⁸ Chechens have also been involved in the illegal smuggling of human beings to the region, directly connecting terrorism to human trafficking.

In total, only 2.5 million ethnic Georgians live their eponymous state with a total population of 4.6 million. In addition to the Kists in the Pankisi Gorge, ethnic and religious minorities throughout Georgia assist in the transit of individuals through the country. For example, over 300,000 Muslims live in Georgia: the diaspora close to Tbilisi functions as support group for traffickers. Muslim Chechens within Tbilisi have

²⁰⁵ Holdar, discussion.

²⁰⁶ Holdar, discussion.

²⁰⁷ Khatuna Madurashvili (Program Director, Refugee Council of Georgia, United Nations Association), in discussion with the author, July 18, 2006.

²⁰⁸ Kukhianidze, discussion.

in the past sheltered and continue to harbor foreign fighters as they transit the country, destined for the independence struggle in Chechnya.²⁰⁹

Popular support

According to the Georgian Ministry of Internal Affairs, the separatist region of South Ossetia has had significant and ongoing links to terrorists and terrorist activity, including training camps for foreign fighters.²¹⁰ Furthermore, chemical weapons, radiological weapons, and even nuclear devices have been transported through South Ossetia for nefarious purposes.²¹¹ South Ossetian armed groups have backed such illicit transshipments, in an attempt to defend the separatist region.

As separatist regions where Tbilisi has no control, South Ossetia and Abkhazia are the logical transit zones for smuggling in Georgia. Unregulated people are reported to enter South Ossetia through the Roki tunnel.²¹² From there, these people easily transit through to Georgia. Abkhazia is also a transit zone, but less conducive to the passage of migrants: while the Sochi border separating Russia and Abkhazia is largely uncontrolled, the mountainous geography makes it difficult to cross Abkhazian borders.²¹³

Terror-Crime Nexus?

Applying the PIE methodology reveals a number of points of terror-crime collusion in Georgia, demonstrating the hypotheses put forth in this paper. First, both terrorists and human traffickers in Georgia benefit from a general lack of law

²⁰⁹ Gabunia, discussion.

²¹⁰ Gabunia, discussion.

²¹¹ Gabunia, discussion.

²¹² Hulst, discussion.

²¹³ Hulst, discussion.

enforcement and loose border control—problems which are endemic to Georgia and its neighbors in the Caucasus. As a result, both terrorists and criminals use similar—often the same transshipment routes. As such, the first conclusion of this study is: **Terrorists are using the same routes as arms, drug, and human traffickers.** In the sense that terrorists and human traffickers are benefiting from the same environment, terrorists and human traffickers are “linked.”

This study has shown that “narcoterrorism” and arms-supported terrorism is present in Georgia. Notably, this study has revealed that *direct* collusion between terrorists and human traffickers, although implicated in limited literature as noted previously, is not evident within Georgia. Thus, the second conclusion of this study is: **Terrorists are using arms and drugs trafficking—but not human trafficking—to finance their activities.** Thus, terrorists and drug traffickers have formed a “nexus” or even, in some cases, a “hybrid” organization, while terrorists and arms traffickers have formed a “symbiotic relationship.” In contrast, terrorists and human traffickers in Georgia most adequately resemble “activity appropriation” along the terror-crime continuum and have not yet progressed to the status of “nexus.” Indicators of collusion between terrorists and human traffickers are generally less apparent across Georgia.

The previous two conclusions have direct implications for counter-terrorism and counter-trafficking policy in Georgia. Accordingly, the third conclusion is: **Because of the “nexus” and “symbiotic relationship” between terrorism and drug and arms trafficking (respectively), terrorism may be countered by penetrating drug and arms trafficking networks. However, since a terror-crime “nexus” does not exist between terrorism and human trafficking, terrorism and human trafficking should**

be countered separately. Unlike countering “narcoterrorism” and arms-financed terrorism through infiltration to counter affiliated terrorist groups, there is little value in countering terrorism by infiltrating human traffickers.

IV. POLICY ANALYSIS: COUNTERING THE TERROR-CRIME NEXUS

Problem Definition

Overview

As PIE analysis demonstrates, transnational actors taking advantage of the lack of law enforcement and security in the region threaten the Caucasus. Terrorists and organized criminals are transiting the Caucasus via shared routes. The situation is further complicated by the varying degrees of collusion between terror and crime groups. While collaboration between terrorists and drug traffickers is relatively high, collusion between terrorists and arms traffickers is less extensive. The association between terrorists and human traffickers is low enough to be non-existent.

The terrorism and trafficking problems of the Caucasus are not simply a local problem, but also have regional and international dimensions. Terrorism and trafficking are problems which pose serious threats to Armenia, Azerbaijan, and Georgia as well as their larger regional neighbors of Iran, Russia, and Turkey. Furthermore, the persistence of international terrorism and transnational trafficking in the Caucasus has international implications for the US and its “global war on terrorism” as well as international efforts to counter smuggling.

Historically, policy makers and academics have approached the issues of terrorism and organized crime separately. While terrorism is viewed as an international security issue requiring cooperative international efforts to fight it, crime is perceived as a domestic problem that should be tackled by separate law enforcement responses within

each country.²¹⁴ The September 11, 2001 attacks only brought terrorism further to the forefront of international awareness. Organized crime, on the other hand, has tended to remain a threat under international radar.

A more cohesive approach would be highly beneficial to those fighting both phenomena, particularly in the Caucasus, as crime and terror activities often overlap and the groups even interact, conducting financial or operational transactions that strengthen both crime and terror. While the security services and intelligence agencies of nation states engage in collaboration across borders to a limited degree, the existence and extent of a “global order of law enforcement” is unknown.²¹⁵

In sum, terror and crime groups are colluding in the Caucasus with varying degrees of interaction. This terror-crime interaction in the region is a local phenomenon with a regional and global impact. Terror and crime are both promoted in the Caucasus through the lack of effective counterterrorism and counter trafficking policy talking both phenomena simultaneously at the regional as well as the international levels. A more integrative approach may more effectively stop both terror and crime by attacking their points of intersection.

The following section, which contains policy analysis and recommendations, will focus on the US response to the situation in Georgia. Sharing a border with volatile Chechnya and struggling with two separatist regions within its territory, Georgia faces the greatest problems in the South Caucasus both controlling terrorist transit and struggling to regain control of breakaway regions that act as incubators for organized crime. Georgia and the Caucasus in general is of great strategic significance to the US

²¹⁴ Cornell, “The Interaction of Narcotics and Conflict.” 753.

²¹⁵ Mathieu Deflem, “Global Rule of Law or Global Rule of Law Enforcement? International Police Cooperation and Counterterrorism,” *The Annals of the American Academy* (2006): 241.

government; the region serves both as a battleground in the fight against terrorism and an asset in furthering the international campaign against illicit smuggling.

Georgia

Although Georgia has taken steps to counter terrorism as well as trafficking in arms, drugs, and humans, this South Caucasus country continues to struggle with both phenomena. While not always directly linked, both enterprises benefit from the same lawlessness and the lack of a secure environment. Georgia has employed a number of limited policies to counter terrorism and trafficking separately; yet the government of Georgia has been relatively unsuccessful in countering both phenomena simultaneously. Individual policies have proven ineffective to varying degrees for various reasons.

In 2005, a counterterrorism center was created in the Georgian Ministry of Internal Affairs. With this new center, the Ministry significantly enhanced its ability to gather and analyze data in one centralized location. The center is dependent upon the cooperation of the Special Services, foreign intelligence, Ministry border guards, financial monitoring services, and allies. Border security, an endemic problem to Georgia, has particularly improved in the recent past as a result of the increased cooperation of multiple departments under the guidance of the counterterrorism center. In fact, within the last year, ten people were detained on the Georgian border because they did not have the proper documents;²¹⁶ in previous years, such border detentions were not possible.

²¹⁶ Gabunia, discussion.

In 2005, over ninety Georgian officials participated in Antiterrorism Assistance (ATA) programs sponsored by the US Department of State.²¹⁷ Georgian troops have participated in the US Department of Defense sponsored Georgian Train and Equip Program (GTEP) and the subsequent Georgian Sustainment and Stability Operations Program (GSSOP), which are intended to enhance Georgia's counterterrorism capabilities and address the festering Pankisi Gorge problem. Despite the best work of GTEP and GSSOP, the Pankisi Gorge and the northern border in general remains a transit location for foreign fighters, and Georgian troops are forced to continue operations to clear the Pankisi Gorge of terrorists.²¹⁸ Furthermore, the Gorge remains a location of arms and drug trafficking, as well as smuggling of money and supplies.

The problems with arms, drug, and particularly human trafficking have gained a higher profile within Georgia in recent years. To combat human trafficking, the Georgian government has introduced legislation focused on prosecution, protection, and prevention of the crime.²¹⁹ Georgia has also introduced reforms to its border guards and custom agencies to combat the threat from arms and drug smuggling.

Despite these efforts, the Russian-Georgian border remains relatively open to illegal crossings.²²⁰ Georgia has been unable to handle the growth of drug trafficking, particularly in the Pankisi Gorge and the lawless separatist regions. While new legislation and reforms represent important attempts to reign in all three forms of illicit

²¹⁷ US Department of State, Office of the Coordinator of Counterterrorism, *Country Reports on Terrorism*, April 2006, 100 (accessed May 27, 2006); available from <http://www.state.gov/documents/organization/65462.pdf>.

²¹⁸ US Department of State, Office of the Coordinator of Counterterrorism.

²¹⁹ US Department of State, *Trafficking in Persons Report*, June 2005 (accessed June 4, 2006); available from <http://www.state.gov/g/tip/rls/tiprpt/2005/46606.htm>.

²²⁰ Jaba Devdariani and Blanka Hancilova, "Georgia's Pankisi Gorge: Russian, US, and European Connections," *Center for European Policy Studies (CEPS) Policy Brief No. 23* (2002): 8.

smuggling, for the time being, Georgia remains a significant transit state for arms,²²¹ drugs,²²² and humans.²²³

The threat from both terrorism and illicit smuggling in Georgia remains acute. While Georgia taken steps to approach these issues such as reorganizing the Ministry of Internal Affairs, accepting foreign assistance from the US, and instituting legislation to contain human trafficking and control porous borders, the threat from both terrorism and trafficking persists. These policies, while well intentioned, approach each issue independently and fail to reap the benefits of attacking both issues simultaneously. Although close analysis reveals the links between terrorism and trafficking, the evidence of terror-crime nexuses has not gained awareness on the policy level.

Policy Options

- **Option 1: Increase efforts to integrate policy towards terrorism and organized crime in the Caucasus.** This option is a two-step recommendation. First, it suggests increasing US support for counter crime initiatives. Second, it recommends integrating those initiatives with counter terrorism policies already in place. A more cohesive policy, it presents an innovative approach to counter terrorism and counter crime within the Caucasus.

²²¹ US Department of State, Office of the Coordinator of Counterterrorism.

²²² Central Asia-Caucasus Institute Silk Road Studies Program, "Country Factsheets, Eurasia Narcotics: Georgia 2004," 2004 (accessed March 28, 2007); available from http://www.silkroadstudies.org/new/inside/research/narcotics_crime/FactSheet/2004/Georgia.pdf.

²²³ Protection Project, "Georgia," (accessed June 9, 2006); available from www.protectionproject.org/georgia.doc.

- *Pros* – The linkage of efforts to counter terror and crime in the Caucasus represents a forward-looking step. The option recognizes that counter terror and crime efforts can be best sustained by attacking them together in the region.
 - *Cons* – The increased emphasis on efforts to combat both terror and crime will necessitate a decreased commitment to other areas of domestic policy. Within a developing country such as Georgia, this would put more pressure on already limited resources.
- **Option 2: Stay the course in the Caucasus.** US government policy has focused on terrorism as the primary threat to security in the Caucasus. This option recommends continuing the policy of military to military cooperation. However, it does not include a recommendation to increase efforts to combat crime.
- *Pros* – Georgia’s contribution to fighting terror has been particularly noteworthy considering the challenges in the region, not to mention the Georgian commitment to Operation Iraqi Freedom (OIF). As the war on terror stretches American resources in the region, non-US troops have proven to be important to OIF. Furthermore, through training and equipment transfer, American military involvement has succeeded in modernizing Georgian infantry units for use within the region.
 - *Cons* – The major concern is that commitment to the war on terror has overstretched the capacity of Georgia’s security services. The rotation of troops through Iraq has not left Georgia with enough troops to staff a

sufficient number of soldiers through troubled regions of internal conflict in Georgia.

- **Option 3: Do nothing.** The “do nothing” option involves discontinuing the counterterrorism policies in the Caucasus and not instituting additional policies to combat organized crime. After the current policies have been accomplished in the Caucasus, the “do nothing” option recommends withdrawing US support.
 - *Pros* – US forces otherwise stationed in Georgia can be more directly employed in OIF. Likewise, US officials involved in counter crime initiatives can be applied to US cases. In short, the US government can more directly apply these financial resources elsewhere.
 - *Cons* – A major side-effect would be the loss of US influence on a state in transition and a region at risk. The possibility of alienating and isolating Georgia by withdrawing support is not an imaginable danger. Ultimately, this move would disrupt the Georgian-American bilateral relationship.

Policy Recommendations

The US government should recognize that terrorism and arms, drug, and human trafficking are linked to varying degrees, but all benefit from the same lack of security. While terrorists and drug and arms traffickers tend to work hand-in-hand, terrorists and human traffickers both benefit from porous borders and lack of law enforcement. While terrorist and trafficking groups are not necessarily colluding to form a “nexus,” they do engaged in similar activities.

- **Option 1 in the recommended policy choice: Increase efforts to integrate policy towards terrorism and organized crime in the Caucasus.**

Counter-Terrorism Policy Recommendations

- It is necessary for Georgia to deepen and enhance coordination of regional and international counter-terrorism efforts. Transnational terrorism does not have borders: greater integration of Georgia within international organizations such as NATO may be crucial.
- The Georgian Ministry of Internal Affairs should continue its effective utilization of the counter-terrorism department, while ramping up inter-agency coordination.
- Georgian troops should continue to train and modernize. Georgia should be prepared to support stability operations in the case that regional conflicts expand further into Georgian territory.
- Georgian border guards need to work more closely with officials from their neighboring states: Armenia, Azerbaijan, Russia, and Turkey.

Counter-Trafficking Policy Recommendations

- Law enforcement officials in Georgia need to work with their counterparts in neighboring states that also host trafficking routes, particularly Turkey. They also should work closely with international partners.
- The Georgian Ministry of Internal Affairs should create a special department (modeled after the counter-terrorism department) to facilitate inter-agency action within the law enforcement community.

- Recognizing the collusion between terrorists and traffickers in arms and drugs, Georgian law enforcement officials must use this information to infiltrate appropriate groups.
- Georgia needs to pursue and enact bilateral policies with neighboring countries. As they are transnational issues, arms, drug, and human trafficking can only be countered with transnational cooperation.

Measures of Cost (MOC) and Measures of Effectiveness (MOE)

Cost: Implementing effective policies to counter terrorism and trafficking will have a number of costs on the local, regional, and international levels. The Georgian government will have to invest more in their law enforcement apparatus, particularly with a respect to border control. On the regional level, coordination of policies needs to occur between the countries of the South Caucasus (Armenia, Azerbaijan, and Georgia) as well as with their larger neighbors (Iran, Russia, and Turkey). International players as well as international organizations will play a role in financing and implementing policy within Georgia. All of these costs involve both financial costs as well as opportunity costs of investing in these areas rather than other areas.

Effectiveness: The effectiveness of the policy can be measured by the effect or the result of the policy on Georgian specifically and the Caucasus in general. Effectiveness here is defined as the number of apprehensions in reported cases of terror-crime collusion. Since the policy option presented here applies to both terror and crime, individually as well as collectively effectiveness can also be measured by the number of apprehensions in either terror or criminal activity. Specifically, the MOE will involve

apprehending potential terrorists and criminals by monitoring the cases of illegal border crossing. Calculating the MOE will require effective interagency collaboration within government. Beyond internal governmental issues, effectiveness will be dependent upon improvements on coordination between players on the local, national, regional, and international levels.

Risk and Uncertainty

Risk: By linking the efforts to counter both terror and crime, the Georgian government will most likely have to increase recruitment and training in both the security and law enforcement sectors of its budget. Such an increase means a commensurate decrease in other areas of the budget which could have a destabilizing effect in this developing democracy. Although American and international investment in Georgian efforts will help, it cannot completely defray the significant contributions required.

Note: The risks involved with not implementing policy are greater than those above. As a nation in transition to democracy, Georgia does not have the resources or the wherewithal to transform its security and law enforcement apparatus without US support. The end of funding would also mean the end of security and law enforcement transformation. Georgia simply does not have the financial resources or the know-how to modernize without outside support.

Uncertainty: A major uncertainty is the extent of future collusion between terror and crime groups. As demonstrated, the collusion varies according to the type of trafficking as well as the location of the terror-crime nexus. While, theoretically, terror-crime collusion could diminish, the previously mentioned current trends suggest that

terrorists and criminals will continue to use the region as a refuge and battleground. Terror-crime interaction is likely to remain a threat to stability and security in Georgia and the Caucasus in general for the foreseeable future.

The reaction of regional players, particularly Russia, Turkey, and Iran, remains unclear. Before US involvement in counterterrorism policy in the region, Russia expressed interest in more military and ultimately political involvement in Georgia and the Caucasus.²²⁴ The possibility that Russian military commanders could take independent military action is not unimaginable.²²⁵ In comparison, Turkey presents perhaps the least threat to US policy in the Caucasus. By contrast, Iran remains a wild card in the South Caucasus. In the past, Iran's support for non-state armed groups in the Middle East. Furthermore, recognizing the West's threat from the drug trade, Iran has threatened to 'flood' the western market with heroin.²²⁶ The instability of the Iranian regime under Mahmoud Ahmadinejad makes it difficult to predict Iran's intentions.

The future of the ungoverned "grey areas" within the Caucasus, including Abkhazia, Chechnya, Dagestan, Nagorno-Karabakh, the Pankisi Gorge, and South Ossetia remains unknown. Chechnya and Dagestan remain hotspots in the global struggle inspired by Islamic extremism. A cavernous refuge along the Russian-Georgian border, the Pankisi Gorge has the potential to again be a catalyst of conflicts, linking the North Caucasus to its southern neighbors. As separatist regions, Abkhazia, South Ossetia, and Nagorno-Karabakh remain outside of central government control in both Georgia and Azerbaijan. Such unresolved conflicts in both the North and South

²²⁴ Kurt M. Campbell and Michele A. Flournoy, *To Prevail: An American Strategy for the Campaign against Terrorism*, (Washington, D.C.: The CSIS Press, 2001), 251.

²²⁵ Campbell and Flournoy, 251.

²²⁶ As cited in: Jahangir Arasli, "The Rising Wind: Is the Caucasus Emerging as a Hub for Terrorism, Smuggling, and Trafficking?," *Connections* VI, no. 1 (Spring 2007): 5-26.

Caucasus only serve to add uncertainty to an already political and economically unstable region of the world.

Anticipated Objections

Some critics view terror-crime interactions (such as the ones investigated here) with a great deal of skepticism. They argue that suggestions of interaction between terrorism and organized crime are largely based on fiction rather than fact. Furthermore, they indicate that *past* terror-crime links do not determine the *present* situation or *future* collusion. Ultimately, some critics allege that terrorism and trafficking, including the arms, drug, and human varieties, are mistakenly linked together.²²⁷

Because of the covert nature of both terrorism and trafficking, they are right to be skeptical of any indication of a link or “nexus” between terrorism and trafficking. Any study of terrorism or organized crime is only as good as the supporting data. Analysis in this study, however, has demonstrated that terror-crime interaction does indeed exist and poses an increasing problem. Just like any other research, the information in this study is only as current as when written and only as accurate as sources indicate.

Summary

In order to effectively counter transnational terrorism and organized crime, policy makers must be able to adopt multiple approaches. Transnational terrorism and

²²⁷ Nicole J. Jackson, “The trafficking of narcotics, arms and humans in post-Soviet Central Asia: (mis)perceptions, policies, and realities,” *Central Asian Survey* 24, no. 1 (2005): 44-46. For more information see: Nicole Jackson, “A theoretical and empirical explanation of the processes of securitisation and desecuritisation: international and regional organizations’ rhetoric toward illegal migration and transnational organized crime in Central Asia,” Paper presented at a workshop on Illegal Migration in Asia, Chinese Academy of Social Sciences, Beijing, China, October 10, 2004.

organized crime are both a local threat and a global one. On one hand, they are the product of societal and state governmental dysfunctions; on the other hand, they result from a lack of multilateral international law enforcement. The policy recommendations here allow policy makers to approach terror and crime from both national and regional perspectives.

The policy analysis here provides analysts with a box of tools to look at terrorism and organized crime from multiple perspectives. Just as important, policy makers must approach countering organized crime, including human trafficking, through using an interdisciplinary approach. In the case of human trafficking, national leaders must recognize the importance of both law enforcement and security approaches, without neglecting a development perspective.

Human trafficking, in contrast to arms and drug trafficking, is an issue of human security as well as criminality. In countering human trafficking, policy makers are not only concerned about the national security threat of the enterprise, but also the violation of human rights and health.²²⁸ Although not directly linked to terrorism, human trafficking remains a problem endemic to the Caucasus region. As a criminal rather than terrorist enterprise, human trafficking is more adequately countered through a prevention, prosecution, and protection approach.

²²⁸ Jackson, "The trafficking of narcotics, arms and humans in post-Soviet Central Asia: (mis)perceptions, policies, and realities," 43.

CONCLUSION

This study has illuminated the links between terrorism and trafficking in Georgia. It revealed that terrorism is linked to the trafficking of arms—and particularly of drugs—in this country. While this study did not find evidence of links between terrorist and human trafficking groups in Georgia, it did point to common indicators between these two enterprises within Georgia. By creating a more secure environment and reinforcing the rule of law, security and law enforcement officials would go a long way in countering both terrorism and trafficking across the board.

The policy recommendations in this thesis represent forward-looking steps for both the Georgian and US governments. The recommendations are both sufficient and necessary options to stem the linkage of terror and crime in Georgia specifically, and within the Caucasus in general with the support of regional and international players. The penetration of crime groups signifies a tried and true practice applicable to the field of counter terrorism. The recognition of the nexus of policies is critical to counter the interaction of terror and crime activities.

Since the Rose Revolution in November 2003, a new, proactive regime has come into power in Tbilisi. The stagnation of the previous decade appears to be a thing of the past; the new president, Mikheil Saakashvili, is willing and able to implement new policies, which aim to change much of the *status quo* within Georgia. Change, however, does not happen overnight. Terrorism, crime, and corruption still persist in Georgia, even in the aftermath of the Rose Revolution. As the new regime introduces new policies, it must aim for long-term solutions.

The new political climate—at least in a portion of the Caucasus—is both a challenge and an opportunity. The transnational nature of the Caucasus will continue to threaten regimes in their capacity to counter both terror and crime. The nexus between terrorism and organized crime increases with the globalization of the world. The coordination of terror and crime policies is a chance to stem the tide in the Silk Road in the trade of the terrorism and trafficking. Although challenging, such a program to counter the terror-crime nexus is an unmistakable opportunity in the prediction, prevention, and preemption of illicit activities.

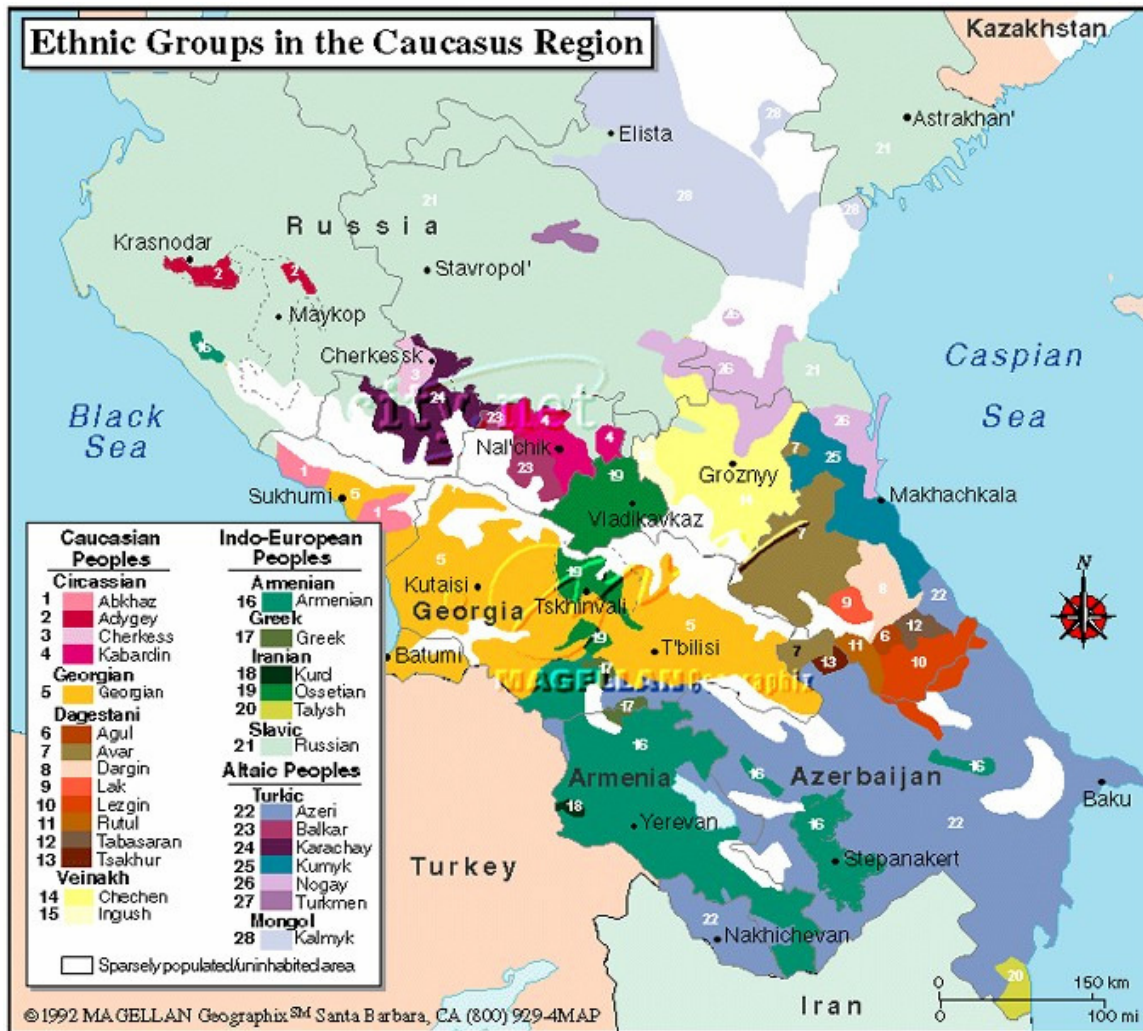
APPENDIX

Figure 1: Geographical Map of the Caucasus²²⁹



²²⁹ Caucasus Information Portal (accessed March 10, 2007); available from <http://www.caucasus.ge/images/Caucasus-map-D.gif>.

Figure 2: Ethnic Map of the Caucasus²³⁰



²³⁰ GlobalSecurity.org, Military, Countries, Georgia, Maps (accessed March 10, 2007); available from <http://www.globalsecurity.org/military/world/georgia/maps.htm>.

Figure 3: Political Map of Georgia²³¹



²³¹ GlobalSecurity.org, Military, World, War, Georgia (accessed November 12, 2006); available from <http://www.globalsecurity.org/military/world/war/georgia.htm>.

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