

Funding sources for terrorist organizations

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Terrorist organizations, like any other organization require funds to run its operations. However, for an organization to acquire funds there must be a source or a means of generating those funds. Research by the U. S. government, in their fight against terrorism, reveals the different methods through which terrorist make and channel funds for terror activities (Kaplan, 2006). They include; drug trafficking, extortion, donations, money laundering, and prostitution. They use the funds for maintaining their networks, recruiting, planning, buying weapons, finance their supposedly legitimate businesses, and build infrastructure in areas of operation. According to Ehrenfeld (2002), terrorist operations such as selling illegal drugs, prostitution, and donation, in most cases, takes place in countries far away from their area of operation. Therefore, funds made must be channeled to them without being detected. Funds from drugs are obtained either by directly distributing the drugs or extorting drug traffickers. Drug money can be channeled either by carriers that ship money notes together with other goods or distributing funds to various wire transfers and registering them as processing expenses incurred in the transfers.

The second method of extorting funds form businesses, farms, schools, as well as, other drug traffickers, is said to be taxation fee or payment for protection and security provided to hide it true purpose. These funds are given to individuals that relay the amount collected to the organization. Third method, on donations or charity involves making multiple deposits to a single account consistent to donations made to a private charity firm (FATF,

2015). Forth methods on money laundering, funds are channeled using mechanisms such as fabricated invoices and loans, purchase of luxurious items, company shares, estates, or investing in casinos and hotels. Finally, funds obtained through prostitution are channeled through an individual that collects from them. Some prostitutes could be victims of human trafficking.

Reference

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