

Understanding the Transnational Criminal Organization

Report by Captain ® Mitchell Gray



Nexus with Hezbollah

- Mexican Criminal Mafia
- ISIS Terror Network
- African Jihadist Organisations

Lebanon + Mexico Criminals

- Drug Network
- Kidnapping
- Unlawful Killing

Every counterterrorism analyst, policymaker and informed citizen should obtain and study the book *Los Zetas Inc., Criminal Corporations, Energy, and Civil War in Mexico*¹, written by Professor and border expert Guadalupe Correa-Cabrera.² The rise of transnational criminal organizations (TCOs) covers and includes groups like the Zetas, the Islamic State (ISIS) and even Hezbollah. Analysts and policymakers can expect that these groups will copy each other's successes and that these groups will continue to threaten to global security.

Los Zetas Inc illustrates how TCOs can emerge in third world countries rich in resources but suffering from poverty, corruption and impunity. This is important to understand because groups like ISIS can evolve into TCOs and challenge the authority of weak or failed states. Of the world's three revolutionary governments, two are Islamic; Sudan and Iran. In Lebanon the Islamic Hezbollah not only exercises political power but also functions like a TCO.

Lebanon, like Mexico, has a thriving illegal narcotics trafficking industry. In Mexico and Lebanon, the TCOs have the potential to gain access to or even control the hydrocarbon sector. TCOs will likely emerge in resource rich Africa where groups like ISIS, al-Qaeda, Boko Haram, Hezbollah and al-Shabab provide the infrastructure for potential challenges to state authority if not new revolutionary governments who would then control all the states resources both licit and illicit.

Professor Cabrera's pioneering work on Mexico's most violent criminal organization offers insights and analysis readily transferrable to analysis of all TCOs. The United States Department of State describes the Zetas as, "the most technologically advanced, sophisticated and dangerous cartel operating in Mexico." The Zetas are example of how a sophisticated and militarized TCO can even challenge a state's authority. Traditionally, the state has a monopoly on the use of violence. When criminal groups so weaken a state through corruption and violence there can be a breakdown in state authority. As described by author and Lebanese MP Farid Khazen, the breakdown in state authority contributed to the Lebanese civil war in 1975.³

Dr. Correa-Cabrera asserted that Mexico's armed conflict between the state and various criminal groups has characteristics of a "new" or "modern" civil war driven chiefly by economic interests and not ideology. She stated, "The paramilitarization of organized crime (with the creation and expansion of the Zetas and its model), a more violent confrontation between criminal syndicates, and the militarization (and paramilitarization) of Mexico's government strategy to fight illegal actors have produced a situation in the country that can analyzed by utilizing 'civil wars' academic literature."

Among the lessons that can be learned from Los Zetas Inc. is what is important is the new business model used by TCOs and not the group's name. This is true when analyzing Islamic groups where a variety of groups exist but what is important is why they are operating and how they are operating. Likewise, we can learn from this book that groups like ISIS may project an Islamist ideology but as they acquire power, sophisticated weapons, territory and wealth they function like a transnational corporation and may challenge state authority. States can learn from mistakes Mexico has made in combatting groups like the Zetas.

¹ Guadalupe Correa-Cabrera, *Los Zetas, Inc., Criminal Corporations, Energy and Civil War in Mexico*, University of Texas Press (2017)

² Guadalupe Correa-Cabrera is a professor of political science at George Mason University in Washington D.C. She is a frequent contributor and commentator in national and international news media on drug-trafficking issues and drug violence in Mexico.

³ Farid el Khazen, *The Breakdown of the State in Lebanon 1967-1976*, Harvard University Press (2000)



Today we see that Hezbollah has acquired substantial political power in Lebanon's confessional system and they and their allies have acquired a majority in the Lebanese parliament. The United States and several other countries classify Hezbollah as a terrorist organization. Before the September 11 attacks Hezbollah had killed more Americans than any other terror group. Hezbollah has engaged in bombings, kidnappings, assassinations, sabotage and espionage.

Similar to Los Zetas, Hezbollah is directly involved in international narcotic trafficking and money laundering. The fertile Bekka region in eastern Lebanon grows some of the best hashish and poppies in the world and this area is ruthlessly guarded by family mafias who traditionally have bribed and coopted government authorities. All the major political groups in Lebanon, have ties to the drug trafficking business that helped fund the Lebanese civil war from 1975-1990.

There are some fundamental differences between Los Zetas, ISIS and Hezbollah. Los Zetas has no religious ideology. Undoubtedly many members of Los Zetas identify as Roman Catholics but the group is interested in making money and not promoting a religious message. Los Zetas professes no doctrine opposed to "western democracy" or "moral" values as is espoused by most modern Islamic groups which seek to overthrow corrupt regimes and replace them with Islamic governments governed by the Quran and The Sharia (holy law).

Despite the ideological differences, there are similarities to groups like Hezbollah and ISIS. Professor Corraera-Cabrera explained that Los Zetas created a new business model that revolutionized organized crime in Mexico. The old model operated more like a franchise where a drug cartel leased a valuable Plaza (designated border crossing between the U.S. and Mexico such as El Paso, Laredo or Brownsville) for trafficking drugs into the United States. This model saw the government function as a licensee who collected a percentage of profits from the licensee. Likewise, the drug cartels agreed to abide by the governments rules to keep violence at a minimum and to avoid publicity. While this system was thoroughly corrupt, the Mexican government was in full control and state authority was not challenged. It is worth mentioning that Mexico had a long-established corruption network that provided the necessary infrastructure for TCOs to flourish. The existence of corruption networks proliferates the third world and even more developed countries.

Professor Corraera-Cabrera documented that the Zetas were formed in the late 1990s as the security wing for the Gulf Cartel. In order to protect their hegemony over the lucrative Laredo, Texas trade corridor the Gulf Cartel employed defectors from the Mexican army's Special Forces who, for higher pay, brought their military acumen and advanced weaponry to the drug trafficking business. This strategic advantage was soon copied by rivals which helped militarize the conflict. After Felipe Calderon was elected president in 2006, he deployed the Mexican army to confront the bloody cartels but this only increased the murder and violence rates. The wealthy cartels, like the Lebanese drug lords, had bribed or intimidated government officials and security forces which made enforcement almost impossible.

Eventually, the powerful Zetas broke away from the Gulf Cartel and they fought violent wars with other cartels for control over important drug plazas and territory. It was during these years that the Zetas new business model was perfected. The new method employed extreme violence as a marketing technique. This must be understood in light of the Zetas desire to control territory. In the past, cartels were only interested in controlling access to the plazas for drug trafficking.

Why did the Zetas want to control territory? The main reason is that the new business model was based on diversification of activities. The Zetas are not merely a drug trafficking entity.

The Zetas are engaged in other activities including but not limited to: kidnapping for ransom, levying taxes, extortion, hydrocarbon theft, illegal mining, exporting iron ore to China and money laundering. The Zetas gained control over land considered valuable in Mexico's historic oil reforms in 2014 that reopened Mexico's hydrocarbon sector to foreign investment.⁴

According to Professor Cabrera, whose family was extorted by the Zetas in Mexico as well as sources I spoke to, the Zetas extortion racket works as follows: A Zetas representative will visit a business or landowner and explain what the group requires from them. In essence, the victim is extorted drafted to either pay the required tax or abandon their property. Failure to satisfy the Zetas demands would likely result in a horrible death for the person and or his family. This is where the marketing of extreme violence benefits the Zetas business model.

When Los Zetas tortures, dismembers or cruelly murders its victims the ghoulish scene is videoed and posted on social media for display. Likewise, the Zetas, and other groups that operate today, may leave detailed and threatening messages with the victims that explain why the person was killed. These warnings are meant to show the Zetas mean business when they make demands and the macabre proof usually ensures compliance. In essence, when the prospective "customer" is given a Zetas "sales pitch" the customer understands the Zetas brand which is reliable torture and violence. To quote the famous *Godfather* movie, the Zetas make you an "offer you can't refuse."

Therefore, we see that the Zetas method of acquiring assets and territory is directly tied to their sophisticated use of extreme violence that is advertised through their media department. This dark and bloody marketing strategy guarantees the Zetas will succeed in their mergers and acquisitions in most cases. At the same time, the Zetas prevent negative publicity about their corporate strategies by intimidating, kidnapping and killing journalists who write or broadcast stories that group deems negative. Mexico suffers "zones of silence" where no reporting is allowed about the group's activities.

Because the Zetas generate billions of dollars in a variety of illicit businesses and enterprises they have the funds to bribe and pay-off officials at the local, state and federal levels of government. Such officials also risk being intimidated, kidnapped or killed for failure to go along with these rules. Entire local police departments have been disbanded by these tactics. Several Governors have been indicted for their close ties to the criminal groups such as the Zetas.

As Professor Correa-Cabrera stated in her book, "In sum, the Zetas have changed the face of organized crime in Mexico. The new model introduced by them is quite sophisticated and complex, involving several factors. Among these elements, Salvadoran analyst and former guerilla leader Joaquin Villalobos recognizes the 'financial power' generated from different forms of illicit trade (involving different products, not only drugs)."

ISIS, unlike other Islamic terror groups, also seeks to control territory. The ISIS leaders, which include former Iraqi military and intelligence officers, learned that reliance on state sponsors ended

⁴ Mexico expropriated foreign oil interests in 1938 but their state oil company Pemex lacked the capital, skill and technology to profitably explore and develop offshore and shale fields required to realize Mexico's full potential for development which motivated the government to amend the Constitution to permit foreign investment.

badly.⁵ Therefore, the new Islamic State would be self-reliant and establish their new Caliphate where they assumed governmental functions. This required money and a lot of it. Therefore, we observed ISIS operate like a transnational criminal organization (TCO) similar to the Zetas. For example, ISIS entered the petroleum business in Syria and even cooperated with governments like Syria, their purported enemy, with signed oil and gas deals. Likewise, ISIS engaged in the theft of rare art and antiquities and sold them on the black market for sizable sums.

Groups like ISIS, Hezbollah and the Zetas view narco-trafficking from a proprietary perspective. Hezbollah and ISIS seem to discourage if not forbid drug use among its members (excepting ISIS fighters gobbling captagon, an amphetamine, to engage in fatiguing combat and commit unspeakable atrocities) and the Zetas want to sell it more than use it. These groups control the drug supply chain and have access to global financial institutions to launder billions of dollars in cash. Several global banks like Citibank, HSBC and Wells Fargo, to name a few, have been guilty of money laundering over the last few decades. The banks have benefited from huge inflows of cash generated by illicit activities.

The United States Department of Justice has alleged that Hezbollah cooperates with Latin American drug cartels in drug trafficking and money laundering. Likewise, the Zetas have expanded into the United States, Canada and Spain to export drugs into the lucrative European market. While ISIS so far has not engaged in global drug trafficking on the level of Hezbollah it would be dangerous to assume they will not follow this model. ISIS requires funds but their recent setbacks in Syria and Iraq have decreased their revenue from taxes, extortion and the sale of hydrocarbons.

ISIS, like the Zetas, has marketed extreme violence to achieve their objectives. Similar to the Zetas, the corporate history and structure of ISIS reveals a military influence that is required in order to challenge government forces. In essence, the TCO can be expected to develop sophisticated paramilitary capabilities. Hezbollah, on the other hand, migrated more towards “legitimate” means of acquiring power by entering Lebanese politics. Hezbollah’s corporate structure has emphasized charity and social services in order to gain popular support. Hezbollah remains capable of “terror” operations but the group has not resorted to extreme violence and the marketing of that violence as they are achieving their objectives through the political process. However, as Iran’s economy is weakened by a United States led sanctions regime it puts pressure on Hezbollah to secure funds. Hezbollah’s military capabilities now resemble those of a conventional state military force and far exceed the capabilities of a traditional terrorist organization.

While there are significant differences between the ideologies of the TCOs their tactics may be similar. Just as a legitimate business will copy and emulate successful business strategies used by rivals so will the TCOs. If the Zetas employ successful tactics then ISIS can be expected to follow suit regardless of the fact they have different objectives and goals.

The rise of TCOs that follow successful transnational corporation’s business models makes sense in a global economy connected by modern technology. TCOs will compete for control of resources and challenge the states traditional monopoly on the use of violence. Some TCOs have an Islamic ideology while others seem motivated primarily by financial gain. Regardless of ideology, the TCOs of tomorrow will present significant challenges to state authority and if not defeated they could even replace state authority in weak or failed states and control significant territories and resources which will only

⁵ ISIS leaders noted how the Americans supported radical Islam in Afghanistan in the 1980s and also groups in the Balkans in the 1990s but once political goals were achieved the groups were abandoned as having served their purpose.

strengthen their power. This problem will be magnified if the TCOs gain control over nuclear weapons or other sources of mass destruction. The most striking example of the development, growth and power of TCOs is set forth in Los Zetas Inc and this book is an invaluable resource for analysts and policymakers. Other states can study how Mexico has grappled with the emergence of TCOs and learn from their mistakes.

Any nation that suffers from poverty and corruption is subject to the TCO threat and larger countries will want to help prevent these countries from being consumed and challenged by them. In Mexico, the TCOs have so corrupted the government that uncoupling their power from state power will require Herculean efforts by the Mexican people and outside assistance from countries like the United States linked closely to Mexico's economy. Groups like Hezbollah and ISIS indicate that future terrorist groups are likely to follow the TCO model and to defeat them will require detailed study of how these groups emerge and operate.

ABOUT ITCT

ITCT is UK based organisation and founded in 2018. It is a non-political and non-profitable organisation and is a unique think tank in itself. There is not a single organisation around that specifically counters the narratives of Islamic terrorism by using the tools of Islamic Theology. ITCT exposes the root causes of Political Islam and works hard to eliminate it through introducing the actual concept of Islamic Theology.

ITCT conducts a comprehensive research to find out the key elements that draw the most vulnerable people of the society into the fire of religious extremism. ITCT works on three main factors in order to educate the Muslim community:

- That Islamic Terrorism is wrongly associated with Islam
- And is committed by misguided Muslims
- By manipulating religious texts to brainwash Muslims

ITCT has three pillars to stand on:

- **MISSION**
Countering Islamic Terrorism
- **VISION**
Educating Muslim Community
- **OBJECTIVE**
Providing the Solution of Islamic Terrorism

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