

ISIS IS AN OPERATIONAL RISK

“However beautiful the strategy, you should occasionally look at the results.” **Winston Churchill**



Anne Searle

Annie Searle is Principal of Annie Searle & Associates LLC – also known as ASA Risk Consultants – an operational risk consulting and research firm that provides independent risk assessments and roadmaps for critical U.S. infrastructure sectors like banking and finance

Like you, I am deeply outraged at the increasingly horrific actions of the Islamic State of Iraq and the Levant (ISIS or ISIL), which in late June of 2014 rebranded itself to this designation, announced the formation of the Caliphate, and named its Caliph: “We clarify to the Muslims that with this declaration of *khilāfah*, it is incumbent upon all Muslims to pledge allegiance to the *khalīfah Ibrāhīm* and support him (may Allah preserve him). The legality of all emirates, groups, states, and organizations, becomes null by the expansion of the *khilāfah*’s authority and arrival of its troops to their areas.” Since then, we have seen ISIS become more powerful as it aims to reclaim all lands that were once part of the Ottoman Empire.

ISIS presents a safety risk to those residing in territory within the Ottoman Empire unwilling to convert, whether already some brand of Muslim or of another faith, like Christians. It also presents a strong social media risk with its recruitment program conducted primarily through YouTube, Facebook, and Twitter. On the transactional risk side it depends upon being able to buy

and sell oil and move funds inside or outside the financial infrastructure in order to keep up with heavy operational costs of doing business.

A number of countries have signed up to take ISIS on, including the United States and England. Sasha Havlicek of the Institute for Strategic Dialogue, a London-based research organization, noted in a *New York Times* article that reported out on the 60 nation summit held in February that “The problem is that governments are ill placed to lead in the battle of ideas,” Havlicek said as she called for private companies to become involved in what she called “the communications problem of our time.” [Julie Hirschfield Davis, “Obama Urges Global United Front Against Extremist Groups Like ISIS,” *New York Times*, February 18, 2015].

A more recent article in the *Washington Post* suggested that the dream of bringing all Muslims into the Caliphate’s tent is eroding rapidly: “Reports of rising tensions between foreign and local fighters, aggressive and increasingly unsuccessful attempts to recruit local citizens for the front lines, and a growing incidence of guerrilla attacks against Islamic

State targets suggest the militants are struggling to sustain their carefully cultivated image as a fearsome fighting force drawing Muslims together under the umbrella of a utopian Islamic state.” [Liz Sly, “Islamic State appears to be fraying from within,” *Washington Post*, March 8, 2015].

So what can we do? In January, hacking group Anonymous declared online war with ISIS. A month later, Anonymous claimed responsibility for targeting nearly 800 Twitter accounts, 12 Facebook pages and over 50 email addresses because of their links with ISIS. Anonymous, a non-nation-state, has also talked about taking down a nation state (Saudi Arabia) because it houses many wealthy donors to ISIS, which would be itself an act of terrorism. Partnering with the NSA to

pinpoint ISIS clandestine operations with tools like Google Maps has merit, however, especially on the operational side, for the anti-ISIS coalition. The National Security Administration’s cyber ops folks could team up with Anonymous to gather even more data like weapons caches, key individuals, and networks. Such a partnership could avert any claim that Anonymous is not part of a nation state effort. (Just quietly call me to let me know if this coalition is already in action.)

Director of National Intelligence James Clapper estimates in his February report that “Since the conflict began in 2011, more than 20,000 foreign fighters – at least 3,400 of whom are Westerners – have gone to Syria from more than 90 countries.” More vigilance by the owners of social media sites

like YouTube, Twitter and Facebook can significantly reduce the number of foreigners who join ISIS. Twitter and Facebook have already stepped up to more aggressively suspend the accounts of those sympathetic to or part of ISIS, and it is to be hoped that such efforts, including on YouTube, will be increased. But I suspect more can be done.

The financial risk from a complicated transactional

Unusually sophisticated fringe groups like Anonymous should be invited to the table as well, since they have a great deal of experience in taking down online entities

infrastructure that does not look like traditional banking systems has been a real challenge. David Cohen, US Department of Treasury Undersecretary for Terrorism and Financial Intelligence identified the problem in a speech at the Carnegie Endowment for International Peace: “[ISIS] has amassed wealth at an unprecedented pace and its revenue sources have a different composition from those of many other terrorist organizations.” It doesn’t “depend principally on moving money across international borders,” he said, “but obtains the vast majority of its revenues from local criminal and terrorist activities.” It’s estimated that multiple revenue sources generate up to \$6 million a day, sometimes through private donations from rich Mideasterners to alleged charitable or humanitarian organizations, and often through ransoms as well. ISIS middlemen are also expert at using mobile applications to arrange fuel and oil deliveries through the black market.

Clearly new tools and strategies are needed to choke off such lucrative activities that keep ISIS operating on the ground. I recommend a meeting of the best public and private minds to drill down in the two specific operational areas where gaps exist at ISIS: banking and finance, and social media. Unusually sophisticated fringe groups like Anonymous should be invited to the table as well, since they have a great deal of experience in taking down online entities that include ISIS, al-Qaida, and similar groups.

I have not discussed military risk here because I assume that there is a united forces strategy to put an effective fighting force on the ground and in the air, a goal that is still somewhat distant. **TRU**