

WHERE DO TERROR ORGANIZATIONS GET THEIR MONEY? A CASE STUDY: FINANCIAL RESOURCES OF THE PKK

Terör Örgütleri Parayı Nereden Kazanmaktadır? Örnek Olay Çalışması: PKK'nın Finansal Kaynakları

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Abstract

Terrorist groups need substantial financial resources. After the Cold War period ended and state support faced with sanctions, terrorist organizations began to manage their own financial resources. Given the size of the multi-million-dollar business in terrorism, it is crucial to examine where terrorists find their money. After an analysis of different terrorist organizations worldwide, this study reveals the similarities in financial sources of several terrorist organizations and examines the Kurdistan Workers Party's (PKK) main financial sources, sources such as international smuggling, extortion in Turkey and European countries, illegal trade revenues, mass media, business and cultural organizations, and the United Nation's Makhmour refugee camp.

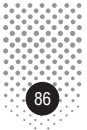
Keywords: Financial sources of the PKK, Transnational crime, Drug trafficking, Human smuggling, Extortion, UN Makhmour Camp, Terrorism, Turkish security forces

Özet

Terörist gruplar kendi finansal kaynaklarını meydana getirirler. Ülkeler arasındaki ihtilafların sona ermesinden ve devlet desteğinin yaptırımlarla karşı karşıya kalmasından sonra terör örgütleri kendi finansal kaynaklarını oluşturmaya başladılar. Terörizmdeki multimilyar Amerikan doları tutarındaki iş dolayısıyla, teröristlerin paralarını nereden bulduklarını incelemek önem arz etmektedir. Dünya genelindeki birçok değişik terörist örgütlerini araştırdıktan sonra, bu çalışma PKK ile farklı terörist gruplarının finansal kaynakları arasında benzerlikler olduğunu ortaya çıkarmakta ve uluslararası kaçakçılık, Türkiye ve

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Avrupa ülkelerinde haraç toplama, yasa dışı ticaret gelirleri, medya araçları, iş ve kültür örgütleri ile Birleşmiş Milletler Mahmur mülteci kampını içeren PKK'nın ana finansal kaynaklarını incelemektedir.

Anahtar Kelimeler: PKK'nın finansal kaynakları, Uluslar üstü suç, Uyuşturucu kaçakçılığı, İnsan kaçakçılığı, Haraç, BM Mahmur Kampı, Terörizm, Türk güvenlik güçleri.

Introduction

The PKK stands for the Kurdistan Workers Party. PKK is a terrorist organization formally established on November 27, 1978 (Durna *et al.*, 2008). It has been heavily carrying out its armed attacks since August 1984. For years, the PKK has been supported by different countries (Yıldız, 2011, p. 25; Mughisuddin, 1996, pp. 19-20; Coskun, 1996, p. 29); nevertheless, it has sought additional financial resources to facilitate its increased terrorist activities aimed at solidifying and reinforcing of its own existence and ideology.

The PKK is one of the most violent terrorist organizations in the world (Laciner, 2006; Fleischer, 1998). There are some speculations about exact figures of casualties from PKK terrorist activities. According to the Turkish Defense Ministry, 6,653 soldiers and police officers lost their lives; on the contrary, 19,946 PKK terrorists were killed between 1990 and 2009 as stated by Deputy Turkish Prime Minister (Radikal Gazetesi, 2010). Moreover, as of 2010, according to General Command of Turkish Gendarmerie 5,687 civilians died as a result of PKK attacks. The violence aims at demonstrating their decisiveness not only to the Turkish State but also to the Kurdish people in order to establish an administrative system along the lines of an independent Kurdish country, or (an) autonomous Kurdish region(s).

The PKK is a transnational terrorist organization, although it originated in Turkey. It conducts its operations not only in Turkey but also in neighboring countries, such as Iran, Iraq, and Syria. In addition, it has significant power, influence, and operational capacity in countries that are home to Kurdish immigrants, such as England, France, Germany and Holland. Violent attacks mainly occur in Turkey, Iran, Iraq, and Syria whereas organized crime activity, drug trafficking, human trafficking, and tax crime, are more evident in European countries. For years, Western countries have harbored the members of the terrorist organization and its sister organizations. People who were exposed to human rights violations during heavy counterterrorism in Turkey migrated to Europe as asylum seekers. The terrorist organization abused those people's feelings and manipulated their existence. This has allowed the PKK to establish a strong organized crime network from the Golden Crescent Countries to Europe (Yayla *et al.*, 2008).

The vast amount of terrorist activities helped the PKK develop and establish a strong network of financial sources. Drug smuggling being their leading source of financial revenue, provides significant advantages to the terrorist organization because of regional unmanageable geographic characteristics and social, economic, and political conditions (Roth & Sever, 2008). Other important source of finances for the PKK are narcotics, human trafficking, arms smuggling, mass media, money laundering, extortion, ransom, membership fees at business and cultural activities, and abusing the utilities of the United Nation's Makhmour Refugee Camp. This paper elaborates on the following major financial resources of the PKK:

- International smuggling,
- Extortion in Turkey and European Countries,
- Illegal trade revenues,
- Mass media,
- Business and cultural organizations, and
- United Nation's Makhmour Refugee Camp.

With this case study, the authors bring the readers an understanding of financial resources of the PKK. This study develops an understanding of how a terrorist organization raises money for its illegal operations by examining the phenomenon (Yin, 2003). This study answers the question, "How does the PKK finance its operations?" The data and information gathered for this study is drawn from archival records that include statements of the terrorists, court orders and seized documents from the terrorist organization, and from newspapers and the Internet.

1. Financing Terrorism

Given the magnitude of the multi-million-dollar business that terrorism entails, it is crucial to examine where terrorists obtain their money. In the 1980s, the Irish Republican Army (IRA) expanded its simple terrorist organizational structure to a group that began to commit organized crime in order to gain approximately \$7,000,000 a year, an amount required to pay the gunmen and support the expansion of their base in Northern Ireland. During this time, the IRA's financial resources were categorized in to two main methods and several sub methods: "Covert: 1. Bank robberies in the north and south, 2. Extortion, 3. Tax exemption frauds, 4. Gaming machines. Overt: 1. Clubs, social functions, shops, direct collections and subscriptions, 2. Overseas sympathetic contributions" (Adams, 1986, p. 179). However, the methods for financing terrorism are not limited to the aforementioned ones.

It is believed that drug trafficking is terrorism largest financial resource (Thony, 2002). An example of a terrorist group involved in the drug business is Euzkadi ta Askatasuna (ETA, Basque Homeland and Freedom) in Spain (Shabad & Ramo, 2001). Another example is the Shining Path (*Sendero Luminoso*, SL), an ideological movement on the extreme left in Peru, which has used significant resources from the coca and cocaine paste production and trafficking since the mid1980s to maintain and increase its activities. It is believed that around 80 thousands coca growers provided the SL terrorist organization with a minimum of \$10 millions a year between 1987 and 1992 (Palmer, 1989; Palmer, 2001).

Some terrorist groups such as the ETA, the FLNC (National Liberation Front of Corsica), and the IRA have raised funds through extortion; the extortion activities, generally, are justified by the rhetoric of revolutionary tax, or protection money (Thony, 2002, p. 4). While urban terrorists provide money by fraud, extortion, and theft, rural terrorists kidnap foreigners, use banditry, and take money from passengers by stopping their cars. For instance, in the 1970s, the military wing of the People's Revolutionary Army of Argentina (ERP) obtained \$30 millions from bank robberies and kidnapping for ransom (Harris, 1983). Another example is the German Baader-Meinhof terrorist group that raised \$185,000 from six bank robberies in 1972 (Bell, 1997). In the early 1970s, the terrorist organizations in Argentina also obtained their funds from bank robberies and kidnapping of local and foreign business people who were ransomed for significant amounts of money (Falkoff, 1989). Another terrorist group that raised funds from kidnapping is Italy's Red Brigade terrorist



organization (Anon, 1978). In Turkey, one of the financial resources of the THKP-C (Turkish People's Liberation Party-Front) terrorist organization was robberies to money exchange offices and jewelry stores (Demirel, 2001).

Several terrorist groups have also been engaged in the diamond business. Because most diamond buyers do not ask information on the source of the stones they purchase, there is virtually no risk of trafficking in diamonds. Interestingly, opposing groups can work side by side in this business, a very popular one in the diamonds areas of Sierra Leone, the Democratic Republic of Congo, and Angola (Farah, 2004).

One important financial resource for a terrorist organization is a foreign country rival to the terrorist organization's origin country, or foreign profit and nonprofit organizations connected with the terrorist organization. The argument is that if foreign entities and governments are not involved in terrorist sponsorships, the domestic peace and security in another country would be ensured. For example, the terrorists supported by North Korea have attempted to assassinate South Korean presidents several times. PKK is another terrorist organization receiving foreign financial support (Albin, 1989; Falkoff, 1989; Jenkins, 2003; Lutz and Lutz, 2004).

After the Cold War ended and states support of terrorist organizations faces stringent sanctions, terrorist organizations began to set up their own financial resources. They have been abusing globalization to their advantage by engaging and working with legitimate businesses and thus money laundering. Instead of relying on one source, terrorist organizations began to develop alternative sources of finance, including drug and arm trafficking, human smuggling, robbery, copyright violations, counterfeit goods, check fraud, as well as investment in business sector and penetration of charities (Gunaratna, 2002; Gunaratna, 2004). They also began to raise funds by using the Internet. Through their websites or emails, terrorist groups make appeals and sell goods. They set up online businesses that at first glance appear quite legal. Additionally, they raise funds through online organizations give the impression of being a humanitarian charity. Moreover, extortion, fraud, gambling, and brokering are their online financial resources (Gruen, 2004; Williams, 1998).

2. Financing PKK

Based on the given experiences around the world, this study reveals the similarities of financial resources of several terrorist organizations with the PKK. The following methods demonstrate the major financial resources in Turkey and abroad that have been used by the terrorist organization here discussed to carry out its activities.

2.1. International Smuggling

2.1.1. Drug Trafficking

Terrorism and drug smuggling have joined forces in recent decades. As a result, millions of people have died in many countries. The PKK is one of such terrorist organizations that have utilized drug smuggling as a major financial resource to support its criminal activities since 1980s.

Regional characteristics, such as destabilized governments, socio-economic handicaps, and geographic conditions facilitate a terror organization's ability to make money

by producing, transporting, and distributing narcotics (Roth & Sever, 2008). The PKK's annual revenues reached approximately quarter billion Euros in recent years according to Turkish Army officials (JTW, 2008). Several authorities also indicate that the PKK is one of the most notorious organizations when it comes to enjoying benefits from drug smuggling in Turkey, the Middle East, the Central Asia, and Europe (Haut, 1998; TNP, 2003; Alkan, 2004; Cagaptay, 2007; and Roth, & Sever, 2008).

2.1.2. Attaining/Producing Narcotics

The PKK has been active specifically in Turkey's Eastern and Southeastern regions. These regions are home to predominantly Kurdish people who have been targeted by the PKK. For years, the violent behavior of the terrorist organization has shocked its inhabitants. The PKK has successfully recruited thousands of poor and less educated people from such regions (Ekici & Phelps, 2008). The sharp mountainous geographic conditions make it very difficult for security forces to control the region. Until the end of 1990s, the PKK utilized these limitations to its advantage and thus dominate the region.

The terrorist organization has established illegal cross-border trade routes and check points in the Eastern and Southeastern regions of Turkey neighboring Iran, Armenia, Iraq, and Syria. The similar socio-cultural characteristics of the region and also Kurdish ethnic identity facilitated the cooperation between the terrorist organization and other criminal groups in drug smuggling. In addition to the neighboring countries, the PKK organizes drug trafficking activities with the Golden Crescent countries of Afghanistan, Pakistan, and Iran, which are the main source of narcotics for the terrorist organization.

After receiving base morphine from the Golden Crescent region, the PKK members process it with acetic anhydride to produce heroin at their mobile laboratories. In this way, the terrorist organization can make significant amounts of money than by simply delivering produced heroin to organized crime groups in Europe. Drug trafficking has long been a serious threat in the Eastern and Southeastern regions of Turkey.

2.1.3. Smuggling Activities

Several Kurdish organized crime groups have been found to be working in conjunction with the PKK on drug trafficking activities. As indicated by the U.S. Drug Enforcement Agency in 1995, the PKK has an effective system that produces, transports, and traffics drugs throughout Europe. Moreover money laundering funnels the money back into the terrorist organizations (Haut, 1998). In this sense, then a top PKK leader, Semdin Sakik, stated on April 13, 1998,

Protection money collected from Kurdish mafias who are effective in European countries and from other drug traffickers from European countries, where the drug trafficking ends and drugs are distributed, gathered in Germany was sent to Damascus (Sakik, 1998).

Despite the denials of the PKK, the terrorist organization established close working relations with Kurdish organized crime clans (Haut, 1998). Especially because of the risk of losing the political support of European societies' the PKK's top leaders do not readily accept any claim of direct involvement in drug trafficking. However, reports from different international institutions' reveal the terrorist organization's direct and indirect cooperation with organized crime groups from Golden Crescent to Europe. The leader of the PKK, Abdullah Ocalan stated several Kurdish mafias and clans dealing with drug trafficking gave



money, around 200 million dollars during 1990s to the PKK (Pek & Ekici, 2007).

At the beginning, the PKK only demanded protection money from the drug traffickers. Subsequently, the terrorist organization arranged its own system to transfer and distribute narcotics from the source countries to the European consumer countries. The PKK increased the revenue stemming from drug trafficking. For this reason, the PKK through Kurdish crime clans recruited street dealers to conduct and effective delivery of drugs. They controlled the drug sector in several European countries, especially in England, Germany, Netherland, and France (see appendix A).

Kurdish crime clans were an exceptionally suitable choice, to the point that the terror organization selected certain crime organizations' leaders to coordinate the drug trafficking for the PKK. Foreign drug traffickers also cooperated with the terrorist organization. *Appendix A* reveals the financial support the PKK received from Iranian drug traffickers. In this regard, the head of the PKK, Abdullah Ocalan, in his statement to the court on February 21, 1999, said:

"...I ordered to get protection money from drug traffickers...I heard my brother, Osman Ocalan, cooperated with some Iranian drug traffickers and officials in drug trafficking...some members have been involved in drug trafficking through Romania to European countries...several members are dealing with drug trafficking widely in foreign countries..."(Ocalan, 1999).

The terrorist organization adopted the South American terrorist organizations' model that establishes a fake firm and hires personnel to conduct its drug delivery activities. In parallel with the South American model, the PKK abuses political and cultural foundations as main bases for the drug delivery network. Sympathizers of the PKK are significantly employed in drug delivery since the ideological cause of the PKK successfully motivated them.

European societies treated Kurdish initiatives favorably due to intense lobbying campaigns for the PKK who fights for a free Kurdish state. As a result, the PKK sympathizers founded 392 social and political institutions in different European countries (Hurriyet, 2008). These legal foundations have acted as facilitators to expand the terror organization's influence in drug delivery activities. At least, these social and political institutions have served as meeting centers for drug traffickers.

Asylum seekers connected with the PKK have also been a resource for maintaining an effective drug distribution. For instance, a militant, H. A., who went to Sweden with a forged passport and applied to Swedish officials for asylum in 1983 as a member of the PKK, was accused by his relatives for dealing with drug trafficking in their statement after German police caught them while they were transferring 25 kg heroin into Germany. Upon receiving that information, Swedish law enforcement officials charged the asylum seeker with drug trafficking and sentenced him to 12 years in prison. The person served his remaining sentence in Turkey after he was deported from Sweden back to Turkey.

In sum, the PKK is involved in drug trafficking and forces drug dealers to pay money to the terrorist organization. Another method that the PKK uses to maintain a smooth relationship among domestic and foreign drug dealers in the region is conflict resolution. The terrorist organization has behaved as the authority on the drug trafficking routes from the Golden Crescent countries through Turkey, former Soviet countries, Balkans- to the European countries since the 1980s.

2.1.4. Human Smuggling

Human smuggling serves as another financial resource to the PKK. The PKK has close connections with human smuggling organizations located in Iraq, Iran, Syria, Afghanistan, Bulgaria, Romania, Albania, Hungary, and Italy. It organizes human smuggling from Middle East and Asian countries to European countries to increase its financial profits, recruit new members, and enhance its influence in the region.

The terrorist organization, first, obtains travel documents from its members who have no criminal records and are eligible to have passport, ID card, and a visa. Later, the terror organization's specialists counterfeit documents to smuggle people who seek to travel from Middle Eastern countries to European countries. In addition to providing forged travel documents, the terrorist organization makes the necessary arrangements at different countries to facilitate people's travel procedures. Having an extensive network in different strategic countries allows PKK to effectively control human smuggling activities while earning significant amount of money and having power over people who migrated illegally with their support.

M. M., in his statement on May 4, 2004, indicated that he had organized the smuggling of Kurdish people from Germany to United Kingdom since 1991 by providing forged travel documents until PKK militants kidnapped him. The terrorist organization demanded he pay 70,000 pounds as a punishment. The PKK warned M. M. to stop human smuggling since the smuggled were potential recruits for training in the terrorist organization's Iran and Iraq camps. As has been noted by M. M., PKK threatened other human traffickers and forced them to cooperate with them in their human trafficking activities, and to make regular payment from their income (Istanbul Counter Terrorism Department, 2004).

Another victim of human smuggling, K. A. stated on January 4, 2004, he paid 2,000 Euro for a travel arrangement from Istanbul to Germany; however, he was caught in Romania while hiding in the Bucharest Kurd Cultural Foundation. Subsequently, he was deported back to Turkey (Istanbul Counter Terrorism Department, 2004). As has been noted from these cases, PKK has significant control on the smuggling of human beings in the region. It is a major financial resource as well as a significant opportunity for exploitation as they to force people to make regular payments and recruit those asylum seekers for future activities in different countries.

2.2. Extortion in Turkey and European Countries

Extortion is another financial resource of the PKK. The terrorist organization forcibly collects money, in the form of so-called taxes, from people, especially from Kurds, to support their terrorist activities. Not only Turkish citizens, but also Syrian, Iraqi, and Iranian citizens suffer this type of grievances. The so-called taxation occurs in Turkey and in foreign countries.

2.2.1. Extortion in Turkey

During the third PKK Congress was held at Helvi Camp (later on Mahsun Korkmaz Training Academy) in Lebanon on October 25-30, 1986, financial issues were discussed and the conclusion was to maintain a stable budget that would be handled by specifically appointed individuals who would be in charge of establishing the regulations. The so-called Act of Taxation was declared after the third congress to provide financial resources to the terrorist



organization's activities (see appendix B). The taxation was generally on goods, protection services, and business revenues.

With this Act in place, the PKK could demand money as a tax from Kurdish businesspersons and wealthy Kurdish people by issuing receipts. Withal this process, the terrorist organization is also able to gather intelligence about the individual's economic situation. People resisting so-called taxation are punished violently. For example, C.K.P., a Kurdish building contractor, indicated that he was often threatened by the PKK militants to make the payment. He was warned violently and reminded several times of the payment. Since he denied paying the extortion money, he was attacked by the terrorist organization in Diyarbakir and later shot him in Istanbul (see appendix C).

In particular, between 1988 and 1995, when the terrorist organization was very active in the eastern and southeastern regions of Turkey, they collected significant amounts of money. While these activities were in the past carried out by illegal ERNK Committee members, today they are conducted by Turkey Front Activities Unit, a unit that works under the organization ERNK, later renamed as Democratic Liberty Confederation. In addition to forcibly collecting money, the ERNK covers such criminal activities by exploiting legal NGOs.

2.2.2. Extortion in Foreign Countries

Kurdish nationals of Turkey, Iraq, Syria, and Iran living in foreign countries mostly European countries are forced to give money to the terrorist organization. The countries where most of the extortion activities take place are: Germany, Romania, Russia, Holland, Denmark, France, Italy, Switzerland, England, Libya, and Saudi Arabia.

Concerning this issue, Abdullah Ocalan, stated on February 21, 1999:

"...the money collected in Europe is sent to members in Iran and Iraq by couriers. In European countries, annually, 30 millions German Mark is collected as fees... Arms smuggling is a crucial financial resource; I approved the activities and directed them... At Baskale Hakkari region, in addition to drug smuggling, arm and livestock smugglings are also carried out; there are custom units of the organization that regulate such activities along the borders..." (Ocalan, 1999).

Semdin Sakik, a former leader of PKK stated on April 13, 1998, as follows:

"...the money collected from Kurdish people living in Europe, from publications in Greece, and from taxations in Turkey provides a financial support to the organization..." (Sakik, 1998).

Because of the PKK's terrorist activities, the EU and the United States have officially identified the PKK as a terrorist organization. Therefore, the PKK diminished its violent behaviors to Kurdish people in its extortion activities. As a result, especially in Germany, France, Netherlands, and England, the amount of money gained from extortion activities was reduced and instead the PKK has focused on collecting funds through the a "legal" method of donations' from foundations.

2.3. Illegal Trade Revenues

Illegal trade revenues, so-called "customs," collected from smugglers on the borders of Turkey, Iran, and Iraq, are another significant financial resource for the terrorist organization.

Since 2002, Iran has carried out several operations against PKK camps and so-called

custom areas that decreased the terror organization's illegal trade revenues in Iran. On the other hand, due to a lack of a strong governmental presence, the PKK significantly increased its activities in the Northern Iraq. For example, the terrorist organization established four so-called custom areas near the Turkey-Iraq border, which are: (1) Mosul, (2) Bele Kati, (3) Zap, and (4) Haftanin. Throughout those so-called custom control zones, the terrorist organization collects protection money for trade security from international truck drivers transferring commodities mainly from and to Turkey, or over Turkey. Besides, PKK founded political and economical organizations in Baghdad, Mosul, Makhmour, and Kirkuk regions.

In this regard, an arrested lifelong terrorist O.O., on May 2, 2005, indicated in his statement that the terrorist organization had collected money as a customary regulation, in particular, around borders where smuggling activities had been occurring heavily. As stated by the same terrorist, "There are four to six terrorists at each custom checkpoint. At the big custom checkpoints, there is a team consisting of 12 people. The amount of custom regulation money varies based on value of materials. Much money is collected for narcotics and wine whereas less money is collected for oil and sugar" (Istanbul Counter Terrorism Department, 2004).

Another terrorist, Z.K., stated on May 21, 2005 the following:

"...we were applying taxation as custom to the vehicles trading from Iraq to Iran illegally. One third of the value of commodity was being collected as material or money. The taxation was continued from September 1993 until the Turkish Air Force's air strike to Zeli Camp (in January 1994)" (Istanbul Counter Terrorism Department, 2004).

As this statement highlights, the PKK has had significant control over illegal trade revenues in the Turkey-Iran-Iraq triangle due to a lack of a strong governmental presence, intensive local supports, and mountainous terrain.

2.4. Mass Media

The PKK also has several media facilities, some of them are founded with illegal money, earned from drug trafficking or some of them, although legitimate businesses, they cooperate covertly with the PKK. Roj TV, initially named Med TV, was established on March 30, 1995 in Belgium to address Kurdish people for the terrorist organization's propaganda. There is a financing process in supporting Roj TV facilities.

The PKK canalizes the illegal money to the TV station to broadcast ideological programs targeted specifically to Kurdish people. Then Kurdish businessmen pay for commercial ad to support the TV workers.

In addition to Roj TV, PKK controls several publications in different countries, mainly in Turkey and European countries. The terrorist organization forcibly sells those publications in particular to citizens of Turkey, Iran, Iraq and Syria living in foreign countries. Some publications, such as Serxwebun, do not have a fixed price. The terrorist organization set the price according to buyer's income level. Those who refuse to buy these publications are punished or brutally attacked (Istanbul Counter Terrorism Department, 2004). *Table 1* shows the major legal and illegal publications controlled by the PKK.

Table 1. Major legal and illegal publications connected with the PKK

Legal publications	Illegal publications
Berfin Bahar	Serxwebun
Ozgur Halk Dergisi	Berxwedan
Genç Bakış Dergisi	Yasamda Kadın
Azadiya Welat Dergisi	Arjin
Ozgur Kadının Sesi	Sterka Ciwan
REWŞEN Name	Andok
Munzur	Cudi
	Ozgur Politika Gazetesi
	Careseri
	Artes

2.5. Business and Cultural Organizations

Business and cultural organizations are also part of the PKK's financial support network. Early political support from European societies facilitated the establishment of numerous Kurdish business, cultural, and humanitarian institutions. These organizations and their sub organizations act as the political base of the terror organization (Yayla *et al.*, 2008). Moreover, the PKK not only forces these legal entities to spread its ideology but to serve as cover for its illegal activities.

Table 2. Major legal business, cultural, and humanitarian institutions related to PKK in European countries

CDK	Coordination of Europe Kurdish Democratic Society
CENI	Kurdish Woman Peace Bureau
FED-BIR	Great Britain Kurdish Foundations Federation
FED-KOM	Holland Kurdish Foundations Federation
FEKAR-KURDISTAN	Swiss Kurdistan Culture and Worker Federation
FEK-BEL	Belgium Kurdish Foundations Confederation
FEYKA-KURDISTAN	France Kurdistan Foundations Federation
FEY-KART	Swiss Kurdish Foundations Federation
FEY-KOM	Austria Kurdish Foundations Confederation
FEY-KURD	Denmark Kurdish Foundations Confederation
İSVİÇRE HALK KONSEYİ	Swiss People Council
KARSAZ	Association of Kurdish Employers
KNK (KUK)	Kurdistan National Congress
KON-KURD	Europe Kurdish Foundations
KURDISKA RADET ISVERIGE	Swedish Kurdish Foundations Council
MARSILYA HALK KONSEYİ	Marseille People Council
NORWEÇ	Oslo Foundation
YEK-KOM	Germany Kurdish Foundations Confederation

Table 2 shows the major legal organizations supporting the PKK in several European countries. Money laundering, so-called taxation, and donations are the major extortion mechanisms used by the PKK through the legal identity of these business and cultural organizations in Europe. The Kurdish people of Turkey, Syria, Iraq, and Iran are forced to contribute or “donate” to these Kurdish business and cultural organizations by pressuring them to attend the social gatherings, such as parties and festivals, arranged by these organizations; thus indirectly they are forced to support the terrorist organization. If someone refuses to make a contribution, the PKK intimidates him/ her to do so. According to German Ministry of Interior Report, “2007 Annual Report on the Protection of the Constitution” in 2006 and 2007, the PKK collected 1.4 million Euros as protection money from Kurdish people in the North Rhine Westphalia state, Germany (Hurriyet, 2008).

2.5.1. KON–KURD

KON-KURD is an umbrella organization consisting of several business organizations. It includes several confederations, federations, and foundations. These organizations are political bases of the PKK that force people to join social activities. It is a significant financial resource that like the others forcibly collects money in several European countries, such as Romania, Russia, UK, Germany, Netherlands, France, Denmark, Belgium, and Greece.

The following are the organizations that comprise the KON-KURD: YEK-KOM (Germany Kurdish Confederation), FED-BIR (Great Britain Kurdish Federation), KURDISKA RADET ISVERIGE (Sweden Kurdish Council), FEY-KOM (Austria Kurdish Confederation), FEK-BEL (Belgium Kurdish Confederation), FEY-KURD (Denmark Kurdish Confederation), FEKAR-KURDISTAN (Switzerland Kurdish Cultural and Labor Federation), FED-KOM (Netherlands Kurdish Federation), FEYKA-KURDISTAN (France Kurdish Federation), FED-KA (Australia Kurdish Federation), NORWEÇ (Oslo Foundation), KARSAZ (International Kurdish Employers Foundation), KEB (Kurdish Shopkeepers Foundation), and MED (MED Shopkeepers Foundation). These 17 business and cultural organizations are manipulated by the PKK to collect money to support their activities.

2.5.2. KARSAZ

The International Kurdish Employers Foundation (KARSAZ) regularly controls Kurdish businessmen’s revenues and covers its money laundering activities by manipulating and falsifying their financial records. Around 1,000 businesses are members to KARSAZ. Accordingly, a terrorist, M.B.O., apprehended on July 7, 2003, stated that “KARSAZ was founded as a financial resource of PKK in European countries; to this end, KARSAZ arranges many activities among businessmen working in European countries and Turkey...” (Istanbul Counter Terrorism Department, 2004).

2.5.3. HSK-Heyva Sor a Kurdistane (Kurdish Red Crescent)

The Kurdish Red Crescent was founded in Germany as a humanitarian organization working for public good. It collects donations in Germany but it also the Internet through which reach donors around the world. In this process, the Kurdish Red Crescent utilizes the Internet, especially, to reach people living in industrialized countries. On its website, www.rojname.com, the Kurdish Red Crescent’s president claims that they are a charitable organization, serving as a bridge between the wealthy and the poor and calls out to the wealthy living



in European countries to help the poor and needy Kurdish people through his organization (RNN, 2007). The Kurdish Red Crescent collects donations; however, it turns the money it collects directly to PKK's members. Moreover, it broadcasts commercials on Roj TV and places advertisements in Free Policy Newspaper (Ozgur Politika) that cooperate with the PKK. Differently stated, it financially supports the agencies related with the PKK.

2.5.4. HIK (Hereketa Islamiya Kurdistane-Islamic Movement of Kurdistan)

The Kurdish people are conservative and respectful of a communal way of life. Islam, the major religion of the Kurdish people has a significant impact on their daily life. As a result the PKK utilizes, or abuses religious issues to recruitment more members and increase local support (see appendix D). The PKK founded some sub organizations, such as the Kurdistan Imams Union, Kurdistan Mullahs Union, and Kurdistan Religious Union. Afterwards, the terrorist organization combined all those so-called religious sub organizations under one organization, the Islamic Movement of Kurdistan. It was formally established on December 26, 1993.

The Kurdish Islamic Movement takes away the "*sadaqat alfitr*" (the charity given to the poor at the end of the fasting in the Islamic holy month of Ramadan) and "*zakat*" (the giving of a fixed portion of one's wealth to charity, generally to the poor and needy). Both *sadaqat alfitr* and *zakat* are given to the poor and needy people by religious mandate in Islam. The money given by Islamic motives are handed over to the PKK which has Marxist and Leninist Ideology by HIK. Although, Marxist and Leninist ideology is opposed to Islam as a religion, the terrorist organization twists its ideology and pretends to be in accordance with religious mandates. According to statements from the terrorists M.I., A.B., and Z.M., they learned of the connection between HIK and PKK from ROJ TV via broadcasted religious programs (Istanbul Counter Terrorism Department, 2004).

2.6. United Nation's Makhmour Refugee Camp

The Makhmour Refugee Camp is a United Nations camp located in northern Iraq bordering Turkey. The camp accommodates up to 30,000 refugees, the majority from Turkey. Around 500 PKK members stay in the camp and control the Makhmour Refugee Camp's logistics and services. For example, the terrorist organization uses the camp's hospital for its own injured members. In the camp, the terrorist organization places its members as refugees under fake pretenses so as to prepare them to legally request asylum from European Countries.

Conclusion and Discussion

A terrorist organization cannot survive without any financial support. Although access to legal financial resources is forbidden in a given country, a terrorist organization can sustain its activities and attacks if it can find opportunities to gather sufficient money in other countries. Despite governmental efforts to prevent it from accessing financial support, the PKK has significant financial resources allowing it to support its members and carry out its attacks. Access to resources in various countries and not just in Turkey, allows the PKK to support itself. It couldn't finance its members and activities if it were to depend on resources in Turkey alone.

National and international policymakers should develop physical preventive

mechanisms against the provision of legal and illegal financial resources for terrorism. For example, an effective and functional border security system is a core requirement to prevent smuggling, drug trafficking and human smuggling. In order to maintain such a border security system, Turkey may persuade neighboring countries and international organizations such as NATO, United Nations, and the Organization for Security and Co-operation in Europe to analyze the region's particular geographic conditions and redesign the borders according to their current needs. Structural border alterations should be supported with a professional border security organization. There should not be any shortage of personnel, building, technology and legal procedures. Turkey needs to negotiate with neighboring countries, especially Iraq and Iran, how to regulate their borders so as to create easily and effectively controllable territories. The establishment of a professional and highly mobilized border security organization or a set of organizations will work if properly coordinated.

Millions of Turkey's Kurdish people migrated but most of them to European countries. The PKK approaches those people with ethnocentric and religious rhetoric and successfully organizes them through legal and illegal means involving social, cultural, and economic activities. Overt and covert donations emerge as a significant financial resource for the PKK. Additionally, the PKK is very able to utilize transnational organized crime groups that engage in a variety of criminal activities, but especially drug trafficking and human smuggling. The PKK can gain large amounts of money through extortion, or protection money from organized crime groups. Turkey has to pursue sincere bilateral cooperation with the affected countries and initiate effective international programs that will require sanctions against maladaptation in counter financing of terrorism. Having intensive diplomatic relations with European and neighboring countries as well as its international organizations is a workable way to controlling and eradicate the flow of financial resources from abroad that terrorist organizations receive.

This study reveals that a terrorist organization can produce many lucrative financial resources in its country of origin and in various countries at once. Pragmatism is a major motive that drives a terrorist organization to utilize any useful means to attain its goals and objectives. It is better to keep in mind that terrorist organizations are smart and they are ready and able to transfer knowledge and experience between each other, or by using the digitalized world. After the 9/11 attacks on the US, a first in that countries history, there has been a global understanding that terrorism can threaten any country in the world.

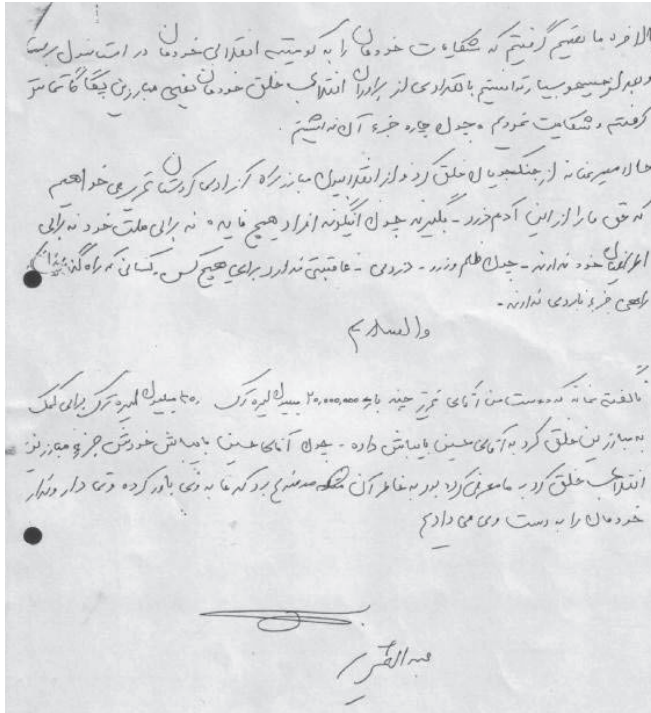
Notes:

1. Turkish texts, court statements and interrogation records were translated into English by the authors.
2. Persian document was translated into English by a Persian doctorate student.
3. The names of criminals and terrorists were coded by using the first letters of the names.

Appendices:

Appendix A

A Persian document written by two Iranians (A. and S.) and seized in Ahmet's (code name) house after an operation in Istanbul on December 29, 1992.



Translation of Persian Document

Finally we decided to send our complaint to our revolutionary committee in Istanbul and after searching a lot we could contact some of our revolutionary brothers, i.e. PKK militia, and made a complaint since we had no other choice.

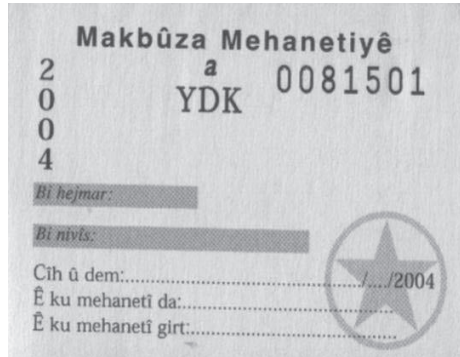
Now eagerly we ask the Kurdish People Militia and the revolutionary fighters for the freedom of western Kurdistan to fight for our rights with this evil person because people like him has no benefit either for their nation nor for the ones around them. Since oppression and thievery have no benefits for anyone. Those who follow the wrong path have no other way than de-struction.

Va Salaam

To emphasize that my friend Mr. Aziz several times paid 20 million Turkish Lira, 40 million Turkish Lira, to Mr. Baybasin for helping Kurdish People Militia because Mr. Baybasin was claiming to be a Kurdish Revolutionary Militia, this is why we gave him whatever money that we had.

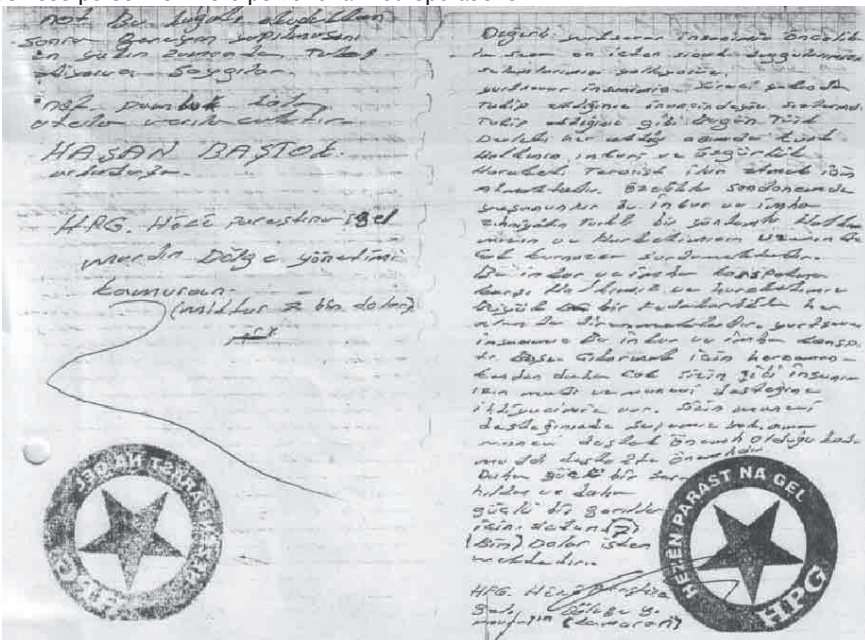
Appendix B

The document belowleft details the so-called taxation procedure in rural areas. The document belowright is a so-called receipt given to taxpayers by PKK.



Appendix C

This is a taxation document given to a business person on November 27, 2005 by HPG in Istanbul. HPG is an armed branch of PKK. HPG demanded 7,000 US dollars from the business person for more powerful armed operations.



Appendix D

An ideological hand-written flier that promotes the PKK's ceasefire and calls all Muslims and Islamic organizations to support the PKK against "cruel and violent" Turkey Republic.



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