

# The Price of Terror - How ISIS Generates Funds

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The Islamic State of Iraq and Syria (ISIS) is a spinoff of the al-Qaida terrorist group active in the Middle East. The group strives to bring Muslim-inhabited areas around the globe under its control and claims to be a religious authority for all Muslims. As a Sunni extremist group, it adheres to global jihadist principles known as Jihadist Globalism. This applies to an aggressive and violent set of religious and political ideologies that form the strategies and agenda for this terror group. The overarching goal is to set up a powerful global caliphate. The title of caliph refers to an Islamic political religious leader. By calling itself a caliphate and utilizing global jihadist principles, ISIS is attempting to create a worldwide Muslim movement.

ISIS has grown tremendously since its beginnings as a spinoff group from al-Qaida, generating revenue from each territory it has conquered. It has recently been called the world's richest terrorist group, with an estimated \$2 billion on hand. This figure is astoundingly higher than the funds available to the Taliban, Hezbollah and al-Qaida.

ISIS's quest for funding began long before it seized oil fields in northern Iraq and eastern Syria. The terror group began utilizing methods of extortion and imposing tariffs. The territories ISIS conquered were chosen carefully, with its strongholds set up in areas where it could achieve maximum funding for its cause.

ISIS militants were extorting local business owners along their journey to set up strongholds. They began with the Syrian province of Raqqa, continued into Iraq through Fallujah and ended in Mosul. They would demand payment, and if they did not receive it, they would respond with violence or kidnapping.

ISIS has focused on establishing control over territories and funding. It has targeted commercial centers, denser cities and heavily traveled roads. ISIS is believed to be taking in an estimated \$3 million a day in illicit proceeds to fund its cause.

The group generates funds through the following:

- **Donations from wealthy individuals from the Persian Gulf :** These donations were from wealthy Arabs in the Persian Gulf who believed in the group's ideology, majority of which came from Qatar.
- **Recruitment :** ISIS's recruitment efforts have a global reach and are aimed at young people adept with the Internet and social media. These recruiters are located in the Middle East, Europe and the Western world, looking for jihadi supporters in mostly non-Muslim regions such as the United States, United Kingdom and Canada.
- **Kidnapping and ransom :** The majority of the kidnapped victims are from European and Western countries, who are employees of large corporations, many of whom discretely pay the ransom to secure the release of their employees.
- **Human trafficking :** Women and young girls of all ages are taken from their villages where ISIS militants have set up a stronghold. Bidding for these girls usually begins around \$10 to \$25 and can go as high as \$150.
- **Extortion, taxes and checkpoints :** ISIS collects taxes on anything it believes to be of value; businesses, commercial vehicles, cell phone towers, etc. All non-Muslims are required to pay an infidel tax to ensure their safety so as to terrorize nonbelievers into submission or tax them until they convert or die.

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- **Robbery** : The Islamic State of Iraq and al-Shams (Isis) has become the richest terror group ever after looting 500 billion Iraqi dinars - the equivalent of \$429m (£256m) - from Mosul's central bank, according to the regional governor.
- **Oil smuggling** : IS exports about 9,000 barrels of oil per day at prices ranging from about \$25-\$45.

ISIS's criminal activities have made it the most-funded terrorist group in history. The accumulation of its sizable wealth has allowed the group to increase its operational scope, attain weapons and resources and recruit local and foreign fighters.

The multifaceted and dangerous relationship ISIS has cultivated for each fundraising method has been exceptionally calculated and profitable. Through the exploitation of known smuggling routes on Turkey's border, it has used the black market to sell oil, natural resources and looted goods. Similarly, the group has profited from banks lacking in sanctions and wire controls of laundered money and illegally donated funds.

Recently, at the International Conference on Peace and Security in Iraq, the main topic was ensuring all United Nations members are strictly abiding by Security Council Resolution 2170, which calls for all countries to ensure their companies and civilians are prohibiting terrorist financing. It also calls for countries to implement effective sanction programs that encompass social media technologies since statistics point to money flowing through tools such as, but not limited to, Facebook, YouTube, WhatsApp and Twitter.

If countries in the Middle East strengthen their money-laundering policies and police efforts for black-market trade, they may begin to put a small dent in ISIS's efforts to amass its fortune.

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