

THE HAQQANI NETWORK: A FOREIGN TERRORIST ORGANIZATION

The Haqqani Network is the most lethal terrorist network operating in Afghanistan. It has been linked to several of the most high-profile attacks on U.S. and foreign personnel and is responsible for most spectacular attacks and high level assassinations in Kabul and northern Afghanistan. Formerly led by aging patriarch Jalaluddin Haqqani, the Haqqani Network is currently run by his sons, Sirajuddin, Badruddin and Nasiruddin and their uncle, Ibrahim. In late August, news reports surfaced that Badruddin, the day to day operational commander of the network was killed in a drone strike in North Waziristan. Badruddin's death will seriously alter the day to day efficacy of the network's strategic and operational capabilities. However, his death will not have a serious effect on the network's financial empire, which will ultimately give the network an opportunity to regenerate an operational replacement.

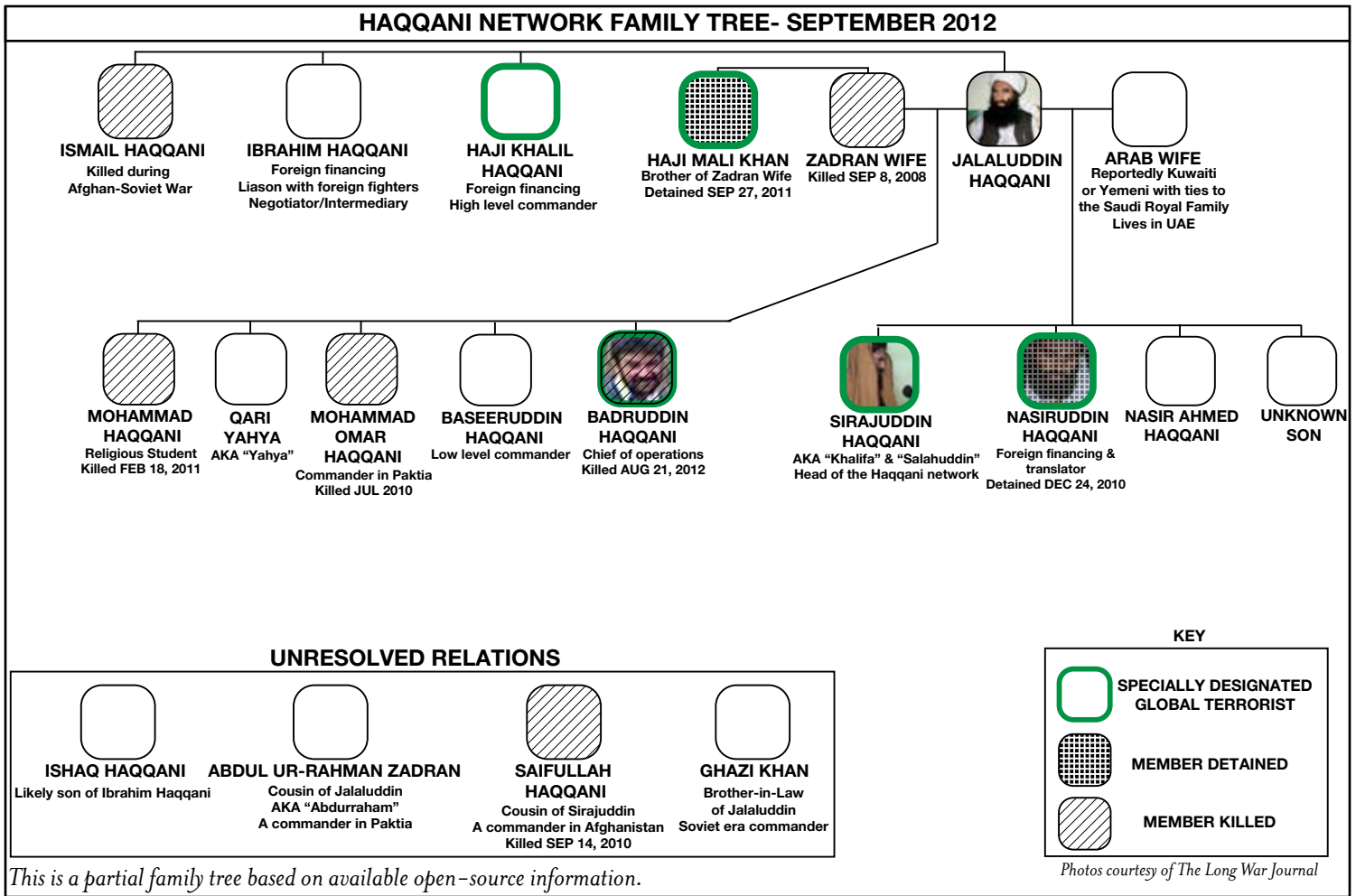
The network also includes many family members living abroad, from Pakistan to the Persian Gulf. Under the leadership of Jalaluddin's sons, the network operates out of a support zone in North Waziristan, Pakistan, opposite Afghanistan's eastern border in the provinces of Khost, Paktia and Paktika.¹

From its sanctuaries in Pakistan's tribal areas, the Haqqani family hosts a variety of high-value terrorists, including senior members of al-Qaeda, Pakistani Taliban, Islamic Movement of Uzbekistan, Lashkar-e Taiba and smaller terrorist entities linked to attacks in the UK. It also supports a global jihadist ideology that transcends objectives in Afghanistan. Defeating or dismantling the Haqqani Network is therefore critical not only to the security transition in Afghanistan, but also to the U.S. global counterterrorism mission.

A critical capability of the Haqqani Network is its financial capacity, which distinguishes them from other insurgent groups operating in Afghanistan. The Haqqani Network business enterprise, comprised of licit as well as illicit elements, extends beyond the region and into the Persian Gulf. Moreover, the network is very likely tied to the Pakistani military industrial complex, which is lucrative. Because of its diversified and robust revenue streams, the Haqqani Network brings to bear a powerful and growing fighting force in Afghanistan. With the U.S. and international troop presence in Afghanistan winding down, this is a grave reality. If the Haqqani Network is not defeated or dismantled by 2014, it may overwhelm Afghan National Security Forces and establish a physical

and logistical presence in Afghanistan that will serve to advance both its own jihadist agenda and the geostrategic interests of the Pakistani security services.

For this reason, coalition forces in Afghanistan have aggressively targeted the Haqqani network; however, the financial depth of the Haqqani Network allows it to regenerate in the wake of kinetic attacks. While the network does assign permanent roles to key personnel, like Badruddin Haqqani, which supports a strategy to defeat the network by reducing key leaders, the financial dimension of the network is what makes the Haqqanis remarkably resilient. This concern also exposes a critical requirement for the network: international business partnerships are vital to the sustainment of the Haqqani financial base that provides directly for its lethal capability in Afghanistan. This critical requirement may also be targeted. As the Haqqani Network clearly qualifies as a Foreign Terrorist Organization (FTO), the State Department may designate it as such. FTO designation effectively prohibits U.S. business dealings with companies affiliated with the network in question, which cascades into international financial isolation. FTO designation could reduce a critical capability of the Haqqani Network by increasing the cost of doing business, reducing access to capital, and constraining the network's financial resources, thereby limiting their freedom to operate in a local, regional, and international context.



This is a partial family tree based on available open-source information.

In June, the Chairmen of the House Intelligence, Armed Services and Foreign Affairs committees joined forces to introduce legislation calling on the State Department to designate the Haqqani Network as a FTO. In mid-August, President Obama signed the legislation. The State Department now has until September 10, 2012 to respond.

THE INTERNATIONAL HAQQANI NETWORK

The Haqqani Network has been an effective fighting force and proxy of the Pakistani security services for the better part of 30 years. Pakistan’s military relies on Pashtun proxies, such as the Haqqanis, to strike Indian targets in Afghanistan; to pressure the Kabul government to align their regional interests with the Pakistanis; and ultimately to expel foreign military forces. It is also possible that the Pakistani proxy strategy is integrated into an overall strategy to contend with the threat of a large scale conflict with India. Currently, the Haqqanis are not only an effective proxy force to exert Pakistani influence in Afghanistan, but also have demonstrated the capability to rein in anti-

Pakistan insurgent groups and even redirect them towards the fight in Afghanistan.

The Haqqanis are not a localized phenomenon, however, and their international relationships extend beyond Pakistan. As early as the 1970’s, Jalaluddin Haqqani, with the help of Pakistan’s security services, began to develop a network of fighters and supporters that extended to the Gulf States, including connections forged with wealthy Saudis and with Saudi intelligence services. They also established fundraising offices in several Persian Gulf countries. The Haqqanis successfully established an assistance program for Gulf-based donors as early as 1980, according to West Point’s Combating Terrorism Center, which may have been enabled by one of Jalaluddin Haqqani’s two wives, an Arab, who resided in the United Arab Emirates.² This financial network laid the groundwork for his close relationship with Arab sponsors, including Osama bin Laden. In fact, a full year before the Soviet invasion of Afghanistan, Jalaluddin sent several of his followers to establish offices throughout the Gulf to raise money and awareness of the threat posed by the recent communist coup in Kabul.³

Later, the Haqqanis were the first to provide Osama bin Laden and his followers with an operational front to wage jihad against the Soviets.

Throughout its history, the Haqqani Network has coordinated with and influenced other militant groups, such as al-Qaeda, who operate on the local, regional and global levels.⁴ The most underappreciated dimension of the Haqqani network is its global character and the central role it played in the evolution of al-Qaeda and the global jihadist movement during the 1980s and 1990s. The relationship between al-Qaeda and the Haqqani Network strengthened significantly during this period, with the latter providing space for al-Qaeda and other militant groups to develop and to initiate a campaign of attacks against the West. As Don Rassler and Vahid Brown discuss in their report, *The Haqqani Nexus and the Evolution of al-Qaeda*, the Haqqani network capitalized on this, availing its Waziristan frontier and resources to a variety of militant actors, including jihadists from the Arabian Peninsula, Kashmir, Punjab, North Africa, and Indonesia, as well as Pakistani madrassa students and ISI agents. In so doing, the Haqqani Network played a key role in the formation and maturation of al-Qaeda and several other jihadi organizations over time. The arrangement was both transactional, whereby the Haqqanis received infusions of manpower and funding as well as international notoriety, and was ideologically aligned.

THE HAQQANIS IN AFGHANISTAN

Despite hosting groups with transnational terrorist agendas, the network has to date directed all of its own terrorist attacks exclusively in Afghanistan. The Haqqanis' primary area of control is in southeastern Afghanistan in the provinces of Khost, Paktika and Paktia, informally known as P2K. The Haqqanis maintain in these provinces sophisticated lines of support, including logistical routes, safe houses, mountain encampments, and other necessary infrastructure. The enormous logistical depth that the Haqqanis maintain in these regions has compromised efforts to restrict their activities. The Haqqanis achieve this depth in part through murder and intimidation tactics to coerce the local population. Although recent U.S. and Afghan efforts are effectively reducing the network's immediate fighting capability, the network is still able to regenerate. Thus, the Haqqanis continue to maintain significant influence over the security environment, the Afghan government, and the population in the southeast.

Within Afghanistan, the Haqqanis have expanded their zone of attack outside of P2K.⁵ Since at least 2005, the expansion of the network in areas such as Logar, Wardak, Nangarhar, Laghman, and Kapisa has enabled the Haqqanis to plan, resource, and execute spectacular attacks in Kabul that have become the hallmark of the network. Two of the most memorable attacks attributed to the Haqqanis were the September 2011 and April 2012 attacks on the Headquarters of the International Security Assistance Force (ISAF) and the U.S. Embassy, both of which are located in heavily fortified compounds in Kabul. The attacks earned a strong rebuke from U.S. Ambassador to Afghanistan Ryan Crocker who described the Haqqanis as "a group of killers, pure and simple," and said they may be a faction of the Afghan insurgency that is irreconcilable.

Some terrorism specialists erroneously argue that the Haqqanis are more interested in money than in ideology, despite their long and clear history of close ties to foreign terrorist organizations, such as al-Qaeda, and their demonstrable efforts to undermine the security of the Afghan state. Controlling the security environment in Afghanistan and cultivating the global Jihadist movement are priorities for the network and are not mutually exclusive. Ultimately, the Haqqanis are intent on positioning themselves as the strongest insurgent group in Afghanistan in order to control conditions that advance a regional jihadist agenda. At this time, it does not appear that the Haqqanis wish to govern Afghanistan, though they will likely seek to shape national decisions in Kabul to facilitate objectives shared with the Pakistani security services. Whether or not the Haqqanis will provide for a large scale reconstitution of al-Qaeda and their affiliates remains to be seen, but the network's past activities and current support for and protection of these groups in Pakistan demand that the Haqqani Network be treated as a Foreign Terrorist Organization.

THE HAQQANI BUSINESS ENTERPRISE

The Haqqanis maintain licit and illicit business interests stretching from Afghanistan and Pakistan to the Persian Gulf, and possibly beyond. The network operates or partially owns many licit businesses, such as car dealerships, within some of Pakistan's most populous cities. It also owns money exchanges and construction companies in Afghanistan and Pakistan, in addition to commercial and residential real-estate holdings, import-export operations,

and transport businesses.⁶ There is plenty of evidence to suggest that many of these licit endeavors are inextricably linked with the vast economic empire of the Pakistani military industrial complex, a phenomenon detailed at length in Ayesha Siddiqi's book *Military Inc.*⁷ The Haqqanis also maintain lucrative smuggling networks to strip timber, minerals and other precious goods from Afghanistan and smuggle them out of the country for sale. Noted authors, Ahmed Rashid and Gretchen Peters separately wrote that the Haqqanis also profit significantly from kidnapping, extortion, and protection rackets on both sides of the Durand Line.⁸

In addition to their licit and illicit business interests, the Haqqanis also maintain an international fundraising network which serves to resource their tactical and operational activities. According to the United Nations, Haqqani Network operatives maintain links to the Gulf states, South and East Asia, and possibly as far as South America.⁹ In fact, the Haqqanis' international fundraising efforts have been well-documented for some time. Many of these same connections and relationships have endured. Khalil Haqqani, brother of the network's founder, Jalaluddin, was listed by the United Nations Security Council resolution 1988 for being associated with al-Qaeda and serving as one of the key fundraisers for the Haqqanis outside of Pakistan.

Khalil is just one node of the network's diversified financial network. Jalaluddin's son, Nasiruddin, is a well-known financier for the network. The United Nations Security Council resolution 1989 described Nasiruddin as an emissary for the Haqqani Network who spends much of his time raising money.¹⁰ In 2004, Nasiruddin traveled to Saudi Arabia with a Taliban associate to raise funds for the Taliban. From at least 2005 to 2008, Nasiruddin collected funds for the Haqqani Network through multiple fundraising trips, including regular travel to the United Arab Emirates in 2007 and another to the Gulf in 2008. In late 2009, Nasiruddin Haqqani received several hundred thousand dollars from al-Qaeda-associated individuals in the Arabian Peninsula to use for Haqqani Network activities.

WHY DESIGNATION MATTERS

Since at least 2011, the State Department has been debating whether or not to add the Haqqani Network to the FTO list, which includes over 50 organizations, many of whom pale in comparison to the lethality and geographic reach

of the Haqqanis. Rather than designating the entire network, the State Department designated a handful of the network's commanders under Executive Order 13224, which allows all property subject to U.S. jurisdiction to be seized and prohibits U.S. persons from engaging in any transactions with such individuals. Unfortunately, designated individuals can transfer their assets, and few network commanders maintain assets subject to U.S. jurisdiction. However, designating the entire network as a terrorist organization allows the U.S. government to pursue facilitators of the network and target the network's global business enterprise. This designation could meaningfully impair the international fundraising and business efforts that allow the Haqqanis to fund their terrorist attacks, foreign fighter training, and radicalization programs.

Furthermore, designating the Haqqanis as an FTO will allow for freezing or seizing of assets, preventing second- and third-party institutions from doing business with the network, and working with regional allies to crack down on the network's external operations. The FTO designation will also allow the U.S. government to pursue facilitators of the network, including preventing second- and third-party institutions from doing business with network associates. Not surprisingly, some of the channels that the Haqqani Network uses are the very same ones that al-Qaeda and other international terrorists use to manage and operate their own financial activities. Labeling the Haqqani Network as an FTO also messages Pakistan's military leadership that continued support for and tolerance of Haqqani Network operations is no longer acceptable to the United States.

Targeting financial nodes, actors, and organizations that provide the network with its global financial resources will allow the United States to attack the Haqqanis' entire business model, not just the individual businesses it owns and operates. As counter-illicit finance expert Dr. David Asher noted in a seminal report on coercive economic statecraft and U.S. national security, the aim of such measures should be to inflict lasting disruption, not simply interruption. A well-coordinated and aggressive campaign against the Haqqani Network would increase their costs of doing business, reduce access to capital, and squeeze the network's financial resources, thereby limiting their freedom to operate in a local, regional, and international context.

A distinguished list of bipartisan Senators, including Senators Levin, Burr, Kirk, Feinstein, Chambliss

and others, have all encouraged the State Department to designate the Haqqanis. After a May 2012 trip to Afghanistan, Senator Feinstein wrote a letter to Secretary Clinton arguing that the Haqqanis meet the criteria for designation, demonstrating that the organization is foreign, engages in terrorist activity, and threatens the security of U.S. citizens and/or the national security of the U.S. In the letter, Feinstein wrote that the State Department announced that it was conducting a “final formal review” on whether or not to designate the Haqqanis in November 2011. Feinstein’s letter was signed by Senator Chambliss; Congressman Rogers, the Republican chair of the House Permanent Select Committee on Intelligence; and Congressman Ruppberger.

IMPLICATIONS FOR PAKISTAN

Concerns over Haqqani FTO designation may stem from an impression that such a move would imperil the United States’ diplomatic relationship with Pakistan. In truth, the civilian government in Pakistan and the Pakistani military likely do not share perspectives on the Haqqani Network, and in this matter, designating the Haqqani Network as an FTO addresses Pakistan only indirectly. Furthermore, as the Pakistani military is complicit through the Haqqani Network in attacks against U.S. and coalition service members in Afghanistan, it is important diplomatically to address the matter of their involvement in some way. Particularly as there are other diplomatic levers available, in the context of Pakistan’s financial crisis and American, coalition, and IMF loan commitments, concern for Pakistani military sentiments should not impede Haqqani Network FTO designation.¹¹

It is possible that the Pakistani security forces will attempt their own leverage in response. Ground routes that supply U.S. and foreign troops in Afghanistan were closed by the Pakistani military in protest of a cross-border helicopter strike in Pakistani territory in November of last year. In early July, Secretary Clinton expressed regret for the losses suffered by the Pakistani military, and the roads were reopened. Despite the diplomatic significance of this episode, however, military leaders in Afghanistan were still able to rely on the northern distribution network (NDN), which is more cumbersome and more costly. It is unlikely that the Pakistanis would play this card again due to their urgent dependence on U.S. aid and the rumored backlash they experienced from the licit and illicit business community during the previous closure. It is also possible that the Pakistani security forces will attempt to increase

their support to the Haqqani Network and other proxies in Afghanistan in order to intensify the fight for U.S. and international forces. The U.S. should consider a broader strategic response in this case.

IMPLICATIONS FOR THE TALIBAN

For the State Department, another concern may stem from a desire to support peace talks with the Taliban. Special Representative for Afghanistan and Pakistan, Marc Grossman, had been tasked with reaching out to the Taliban to discuss a possible high-level peace deal in order to end to the war. The effort has been plagued with problems. Pakistani security forces, which rely on the Taliban as their proxy force in Afghanistan, have been keen to dominate the discussion where possible and obstruct outreach efforts. Furthermore, within the Taliban, there has been considerable conflict over whether or not to engage the Americans and the Afghan government in preliminary talks. However, the Haqqani connection to the Taliban is limited to its most irreconcilable elements, namely Mullah Omar. While Haqqani FTO designation may appear to run counter to Taliban reconciliation, it actually preserves the original intent of reconciliation to distinguish individuals and groups who wish to integrate into Afghan political society from those who never will. The Haqqanis, like Mullah Omar and extremist elements of the Taliban, are fundamentally irreconcilable. Thus designating the Haqqanis reinforces the distinction.

In August 2011, according to Ahmed Rashid’s “Pakistan on the Brink,” Ibrahim Haqqani was invited to a meeting with U.S. officials in the United Arab Emirates to discuss his family’s presumptive role in peace talks. Rashid notes that the engagement “did not lead to much and certainly not a negotiation.” Instead, the Haqqanis responded with two massive attacks on the tenth anniversary of 9/11. The first attack was a suicide car bombing of a U.S. base just south of Kabul which injured 77 U.S. soldiers. The second was attacks on the headquarters of the International Security Assistance Force (ISAF) and the U.S. Embassy. Just weeks later, then-Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, told the Senate Armed Services Committee that the Haqqanis had conducted both attacks with support from Pakistan’s intelligence service, the ISI, and that the network receives “active and passive” support by elements of the Pakistani government.¹²

Furthermore, in March 2012, the Taliban abruptly ended all outreach efforts and have since been adamant that they

are no longer interested in talks. Although it is difficult to tell whether this is an edict from Mullah Omar, Pakistani pressure, or the incorrigibles imposing their will, the end result is the same. There is no evidence that Mullah Omar wishes to pursue reconciliation, and without him, the Haqqanis have no reason to follow suit. Accordingly, it appears that FTO designation of the Haqqani Network will not adversely affect peace talks with the Taliban.

CONCLUSION

FTO designation will significantly enhance the disruptive effect that the ongoing military campaign may have upon the Haqqani Network. It can also continue beyond 2014 to apply constraints against this strategic threat; however, the Haqqani Network is so well-established and so extensive at this point that even the introduction of the FTO designation may not be sufficient to render the network incapable of pursuing its jihadist objectives. It will certainly not be sufficient alone after U.S. and international forces transition responsibility for security in Afghanistan. The approach to 2014 requires a post-2014 strategy to contend with the Haqqani Network. This strategy should include both classical counterterrorism components as well as counter threat finance, which involves aggressive pursuit of network facilitators under the auspices of an FTO designation. If the Haqqani Network is allowed to maintain its international business relationships and international fundraising campaign, it will maintain its lethal presence in Afghanistan, and it will grow from Afghanistan after 2014 as a strategic threat to the region.

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NOTES

¹ Jeffrey Dressler, "The Haqqani Network: From Pakistan to Afghanistan," Institute for the Study of War, October 2010.

² Don Rassler and Vahid Brown, "The Haqqani Nexus and the Evolution of al-Qaida," CTC West Point, July 13, 2011.

³ Don Rassler and Vahid Brown, "The Haqqani Nexus and the Evolution of al-Qaida," CTC West Point, July 13, 2011.

⁴ Don Rassler and Vahid Brown, "The Haqqani Nexus and the Evolution of al-Qaida," CTC West Point, July 13, 2011.

⁵ Jeffrey Dressler, "The Haqqani Network: A Strategic Threat," Institute for the Study of War, March 2012.

⁶ Gretchen Peters, "Haqqani Network Financing: the Evolution of an Industry," Combating Terrorism Center- West Point, July 2012.

⁷ Ayesha Siddiqi, Military Inc., Pluto Press, London 2007.

⁸ Ahmed Rashid, *Pakistan on the Brink*, Viking, NY 2012; Gretchen Peters, "Haqqani Network Financing: the Evolution of an Industry," Combating Terrorism Center- West Point, July 2012.

⁹ Khalil Ahmed Haqqani, Security Council Committee pursuant to resolutions 1267 (1999) and 1989 (2011)

¹⁰ Nasiruddin Haqqani, Security Council Committee established pursuant to resolution 1988 (2011)

¹¹ Reza Jan, "Designating the Haqqani Network: New constraints moderating Pakistan's relationship with the U.S.," Critical Threats Project, August 8, 2012.

¹² Statement of Admiral Michael Mullen, Senate Armed Services Committee, September 22, 2011.