

# Following the Money

in the Age of Irregular Conflict

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## Introduction

There is an old saying among investigators that **if you want to understand a criminal or insurgent organization, do not start with its ideology or its weapons. Start with its money.** Money is the bloodstream of threat networks. It pays fighters, buys silence, corrupts officials, moves influence, and sustains operations long after leaders are killed or arrested. **Countering Threat Finance (CTF)** emerged from this basic insight.

It rests on a simple but unpleasant fact. Most modern threats are not defeated by firepower alone. **They survive, adapt, and regenerate because their financial lifelines remain intact.** In today's security environment, threat finance sits at the intersection of irregular warfare, transnational crime, and global finance. Terrorist groups, insurgencies, and criminal organizations more and more operate as hybrid networks, blending ideological motives with profit driven behavior. Countering them requires understanding how money moves, how it hides, and how it quietly reshapes power long before violence appears.

## What Threat Finance Really Is

Threat finance is more than merely drugs or terrorism in isolation. It is about the financial mechanisms that enable adversaries to operate below the threshold of war. These mechanisms include drug trafficking, human smuggling, extortion, fraud, illegal mining, wildlife trafficking, and cybercrime.

The money generated from these activities is rarely left in cash. It must be moved, cleaned, stored, and reinvested. Countering Threat Finance focuses on identifying, disrupting, and exploiting those financial flows. It seeks to expose how funds are raised, where they are laundered, and how they are ultimately used to support hostile activities.

In practice, CTF is less about chasing dollars and more about mapping relationships.

**Every transaction leaves a trace. Every transfer connects people.** Over time, those connections form a picture of the network itself.

## How Threat Networks Launder Money

Modern threat networks are pragmatic. They do not rely on a single laundering method. They layer techniques, often combining old fashioned cash movement with sophisticated financial tools. A frequently used technique remains bulk cash smuggling. Drug cartels in Mexico and Central America still move enormous sums across borders in vehicles, aircraft, and maritime routes. Cash avoids banking scrutiny, but it is risky. That risk pushes organizations to seek alternatives. Trade based money laundering is one of the most

most effective tools.

Cartels and criminal groups manipulate invoices, over or under price goods, and move value through legitimate trade flows. A shipment of electronics may be priced far above market value, allowing excess funds to move quietly across borders. This method blends criminal proceeds into the global supply chain, aiding detection difficult without deep trade analysis. Shell companies and front businesses provide another layer. Restaurants, car dealerships, construction firms, and import-export companies serve as vehicles for mixing illicit funds with legitimate revenue. These businesses commonly operate within regions having weak oversight or corruption, but they also appear in major financial centers.

The scale can range from small family owned shops to complex multinational structures. Digital finance has expanded the problem. Cryptocurrencies, internet payment gateways, and informal value transfer systems allow funds to move rapidly and anonymously. Terrorist organizations and criminal networks have increasingly used crypto not because it is invisible, but because it complicates jurisdiction and attribution. Even when transactions are traceable on a blockchain, identifying the human actors behind them remains difficult. Diaspora networks are also involved. Funds raised through donations, charities, or informal remittance systems can be diverted to support illicit activity. In some cases, the donors are unaware. In others, the ambiguity is deliberate. This gray space between legal and illegal activity is where threat finance thrives.



## Transnational Crime and the Financial Ecosystem

Transnational criminal organizations operate less like gangs and more like decentralized enterprises. Mexican cartels, for example, do not simply sell drugs. They control logistics, financial services, enforcement, and corruption networks. Their financial arms are often more disciplined than their gunmen.

The same applies to other regions. Illegal mining networks in parts of Africa use gold to store and transport value. Wildlife trafficking groups in Southeast Asia move money through legitimate tourism and shipping firms. Cybercriminals userransomware payments to fund further

operations, reinvesting profits into better tools and access.

What connects these cases is adaptability. When one laundering route is exposed, the network shifts. This is why CTF cannot be static. It must evolve as quickly as the adversary.

## How Countering Threat Finance Works

CTF begins with intelligence, but not the kind associated with satellites or intercepts. Financial intelligence draws from bank reports, customs data, tax records, corporate registries, and law enforcement investigations. Analysts look for patterns that do not fit normal economic behavior. Sudden spikes in trade volume.

Repeated transactions just below reporting thresholds. Complex ownership structures that serve no business purpose.

Once identified, these patterns become entry points. Investigators map networks by following transactions outward, linking accounts, companies, and individuals. This process often reveals unforeseen links between criminal groups, extremist organizations, and corrupt officials. Legal tools matter here. Sanctions, asset freezes, and forfeiture authorities allow governments to disrupt networks without firing a shot.

When used effectively, they impose friction, uncertainty, and mistrust inside adversary organizations. Money held in limbo is money that cannot buy loyalty or weapons. Equally important is exploitation. Financial data can provide targeting intelligence, reveal leadership hierarchies, and expose safe havens. **In irregular warfare, information is often more valuable than disruption alone.**

## The Strategic Value of CTF

Countering Threat Finance is most effective when integrated into an overall approach. On its own, it rarely collapses a network overnight. But it shapes the environment. It raises costs. It forces adversaries to take risks. It exposes them to law enforcement and intelligence penetration.

There is also a political dimension. Financial action can be taken quietly, incrementally, and often with international cooperation. This makes it especially useful in gray zone competition, where overt military action would heighten tensions.

However, CTF is not a silver bullet. It needs

endurance, coordination, and sustained political will. Financial systems are vast. Jurisdictions differ. Private sector cooperation is uneven. And adversaries learn.

## Why CTF Matters More Than Ever

In a time when conflict increasingly avoids open battle, money becomes a primary weapon and vulnerability. Threat networks understand this. They invest heavily in financial expertise, corruption, and concealment.

Countering them requires equal sophistication. CTF forces states to face difficult realities. Criminal money flows through legitimate systems. Financial institutions are not merely victims but sometimes unwitting enablers. Demand driven economies create incentives that enforcement alone cannot erase.

Yet following the money remains one of the few approaches that consistently reveals the true shape of the threat. **Ideologies shift. Leaders die. Routes change. But financial necessity endures.**



## Conclusion

Countering Threat Finance is not glamorous work. It lacks the drama of raids or arrests. It unfolds slowly, using spreadsheets, ledgers, and quiet cooperation across borders. But it strikes at the foundation of modern threat networks.

Through comprehending how money is raised, laundered, and used, CTF exposes the connective tissue between crime, terrorism, and irregular warfare. It turns the adversary's strength into a liability.

In a realm where influence often hides behind complexity and deniability, following the money remains one of the most reliable ways to bring hidden threats into the light.

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