

Policy Brief

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Effective Measures against Extremist Financial Strategies and Networks

How to Implement a "Follow The Money" Strategy to Disrupt non-designated Extremist Entities and Individuals

The **Counter Extremism Project (CEP)** is a non-profit and non-partisan international policy organization that was founded to tackle the threats presented by terrorist and extremist ideologies. CEP develops strategies aimed at disrupting the financial, recruitment, and material support networks of terrorist and extremist groups and their leaders. For further information please visit our [website](#).

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The need for a "follow the money" strategy: connecting government silos of responsibility

This paper aims at informing governments on a federal, state and local level that want to investigate the financial strategies and networks of extremist key actors in a targeted and comprehensive manner. The main objective of implementing a "Follow The Money" strategy in this context is to investigate if illegal activities, such as tax evasion or money laundering are being conducted.

A "Follow The Money" strategy would apply a risk-based approach to a set of non-designated extremist entities and individuals.² Government actions are then prioritized to investigate and disrupt the financial activities of extremist key players and networks that have a strategic function for the respective extremist milieus. The basic concept of "catching big fish instead of small fish", deployed in the fight against serious organized crime is applied in these cases. This strategy can be applied to right-wing extremists, Islamist extremists, left-wing extremists, or other forms of extremism.

Rationale for investigating non-designated right-wing extremist key actors and entrepreneurs:

- 1) Their (political) business model is based on providing logistical support for the creation and dissemination of apocalyptic threat narratives, such as the 'great replacement, 'white genocide' and 'Jewish world government'.
- 2) Such narratives serve to legitimize violence based on racism or anti-Semitism, for example in the form of stochastic violence and terrorism.³
- 3) The dissemination of (and profiting of) such apocalyptic threat narratives might be legal. However, it is worth investigating if self-declared enemies of the state and liberal democracy who are aiming to replace the current political order, pay their taxes properly.

For example, a German extreme-right entrepreneur, who operates at least three commercial businesses and has co-organized extreme-right music festivals, is currently on trial for evading taxes amounting to 141,000 euros.⁴ Such non-designated extremist individuals (or entities) run crowdfunding campaigns or operate commercial businesses. In some cases, collaborations and linkages between extremists and actors in the organized crime milieu are evident (see case studies below).

In many countries, multi-agency structures or administrative approaches⁵ are already being used at federal, state and local level to combat other criminal phenomena, in particular organized crime and money laundering. However, "Follow The Money" strategies to investigate financial activities and networks of right-wing extremists, Islamist extremists, left-wing extremists, or other forms of extremism are rarely, if at all, deployed.

In particular, there is a lack of specialized (temporary) collaborations of all relevant government actors, with the goal of exposing previously unrecognized (illegal) financial activities and network structures. In order for such (temporary) inter-agency collaborations to be implemented effectively, it is necessary for the respective political and agency leadership to commission and actively support such an approach.

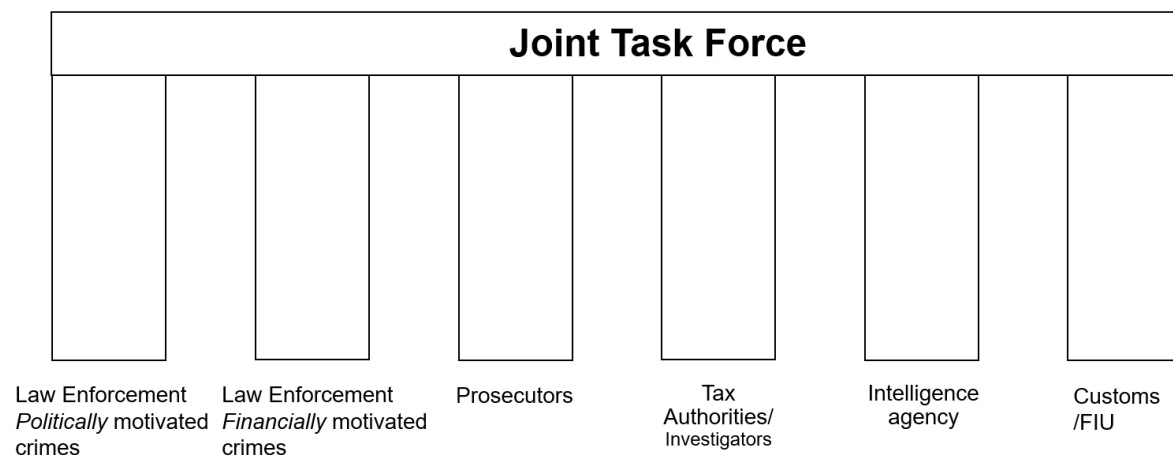
Based on its research into (illegal) financial strategies of right-wing extremist key actors in Germany, the Counter Extremism Project (CEP) has been proposing the implementation of a "Follow The Money" strategy to German policy makers since 2021.⁶ In 2022, the German federal government announced its intention to also effectively combat financial strategies of right-wing extremists and has intensified such efforts in 2024.⁷ In the 16 German federal states (*Länder*), that are primarily responsible for homeland security, such "Follow The Money" strategies, have not been implemented so far. CEP has recently produced a template on how to develop a "Follow The Money" strategy for the state and local level in Germany.⁸

Designing and Implementing a "Follow The Money" Strategy

When designing and implementing a "Follow The Money" strategy on a federal, state or local level, a customized approach is necessary. The existing legal frameworks and the established culture of (non-)collaboration between different government actors as far as countering violence-oriented extremism will be the starting point. The guiding principle is to (temporally) link the relevant investigative government authorities, which generally operate in separate areas of responsibility ("silos") and to combine the existing "toolkits" different government authorities already have to investigate tax evasion, organized crime and money laundering. In the current mode of operations, the gaps between these administrative silos leave room for potentially illegal activities of experienced right-wing extremist key players and movement entrepreneurs, in particular when raising, moving and storing funds.

Connecting the Silos

➤ A "Follow The Money" - Strategy



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Recommendations for the design and implementation of a "Follow The Money" strategy:

- 1) For the structured financial analysis and effective disruption of extremist networks and financial activities, (temporary) inter-agency cooperation structures should be set up. These can take the forms of task forces or inter-agency coordination groups.
- 2) A "follow the money" strategy is established by involving all relevant agencies, in particular law enforcement (departments for politically/religiously motivated crime and for organized crime), the public prosecutor's office, the tax authorities/tax investigators,

and the local authorities (in particular commerce and public order offices). Where applicable, domestic intelligence agencies, customs investigative authorities and the financial intelligence units (FIU) are involved.

- 3) A review of the applicability of the legal framework, in particular with regard to data protection and tax/bank secrecy, takes place.
- 4) Administrative measures and strategies from the official "toolbox" for combating organized crime and/or money laundering, such as joint operations and structural investigations, are assessed regarding their applicability here.
- 5) A risk-based mapping exercise, either on the national or local level is conducted. This is aimed to take stock of the most relevant extremist key players and movement entrepreneurs in a particular area to generate a list of potential targets that would cause the most damage to the overall extremist milieu if their financial activities are disrupted. Tax audits are carried out on these targets to identify possible illegal financial strategies.
- 6) Business activities and real estate ownership of the identified most relevant extremist key players and movement entrepreneurs are checked for potential money laundering activities. The identification of previously unrecognized illegal activities can lead to the confiscation of assets, such as real estate ("Follow And Take The Money").
- 7) Training programs, in particular for local authorities (public order, finance and commerce offices) are created to help identify and deal with commercial activities of the key extremist players and movement entrepreneurs. The aim is to raise the awareness of local authorities of the extremist milieu in their area and the key stakeholders within it. This activity should be implemented in cooperation with qualified civil society actors.

A more detailed template for a design and implementation of a "Follow The Money" strategy at a federal, state and municipal level is available on request.

Case Study Germany - Right-wing extremist (RWE) financial activities: non-transparent, inconsistent, cooperative, networked

In general, when assessing the publicly available information concerning the business and company models chosen by German right-wing extremist (RWE) entrepreneurs, the picture can look diffuse and lacking in strategy. While a few main players chose the popular limited liability company (GmbH), many others remain for years in sole proprietorship or similar legal company models. Within these later legal structures the full financial risk and liability remains with the owner of the business. However, these legal structures have minimal financial reporting obligations. Some of the companies with the highest (estimated) turnover in the milieu of violence-oriented RWE are operated in this manner. This diffuse picture contributed to the assessment of government authorities that the financial structures of the RWE milieu in Germany were mostly amateurish. In turn this created a gap in the awareness of government stakeholders concerning the extent and centrality of these structures for the overall functionality of this extremist milieu in the country.

The Counter Extremism Project (CEP) has been offering an alternative interpretation since 2021⁹: part of the RWE scene in Germany has professionalized in recent years and is attempting to build long-term structures through commercial success. These actors, many of whom are well-connected transnationally, are the organizers and profiteers of RWE events such as concerts, festivals, music products, martial arts events and e-commerce/shops for music, clothing and merchandise targeted at the extremist milieu. In some cases, sales amounting to tens of thousands of euros, or even hundreds of thousands of euros, are generated - a large proportion in the form of hard cash.

RWE movement entrepreneurs to this day advertise their products on major social media platforms such as YouTube, TikTok, Facebook, and Instagram.¹⁰ Some own or operate restaurants, fitness studios, construction businesses, tattoo studios or private security companies. Financial resources generated there are decisive factors for the spread of ideology and the establishment of functional organizational structures. In addition, the violence-oriented milieu proactively obtains and distributes legal advice from specialized lawyers, for example on how to behave during house searches or when approached by security authorities. Comprehensive and detailed IT security advice is also being provided.

In summary, it is clear that cooperation and sharing advice seems to be the rule, especially in the violence-oriented RWE milieu. In this context, it seems highly unlikely that an aspect that is so essential for this milieu, the financing of its activities and cadres, is left to chance and the individual preferences of the actors. This also raises the question of the extent to which undetected strategies and methods of tax evasion and money laundering are used.

Case Study United Kingdom - Right-wing extremist financial activities

As CEP research has demonstrated that the financial activities of many RWEs in the United Kingdom are significantly more innovative, diverse, and, at the same time, less publicly visible

compared to the financial strategies of RWE in Germany.¹¹ For example, large scale RWE music festivals, combat sports events, or openly operating RWE commercial entities with significant annual turnover do not seem to exist in the UK anymore. Instead of having a limited number of visible income streams, like RWE key actors in Germany, several key UK RWE actors seem to be engaged in a broad variety of small to mid-size financial operations and activities, which in sum could lead to significant income. CEP's research has identified a broad range of RWE income streams and financial strategies in the UK in 2023. These include:

- Strategic extreme-right donors and funders that continue to inject significant sums into crowdfunding campaigns of key RWE actors.
- Extreme-right key actors have been showing a curious pattern of registering several limited companies (LCs), possibly to avoid tax authority's/company registry/insolvency actions or as a basis for Know Your Customer checks of financial institutions outside the United Kingdom where some of the key actors seem to hold bank accounts.
- Extreme-right key actors use spouses or affiliates to register commercial enterprises, in particular LCs, potentially to avoid monitoring and complicate tracking.
- Key RWEs use their personal bank accounts for ongoing commercial activities.
- Key RWEs use pay-per-engagement/influencer-audience type crowdfunding strategies and a shift towards the use of cryptocurrencies.
- Key RWEs outright promote companies that endorse alternative payment methods as a means of avoiding a perceived unjust tax system.

A "Follow The Money" strategy as described above could therefore be used effectively to uncover the full scope of (illegal) RWE financial networks and strategies in the United Kingdom.

Case study – Linkages between to right-wing extremists and organized crime

Since the 1990s there have been documented cases of linkages and collaborations between RWE and organized crime, or of RWEs repeatedly committing financially motivated crimes (e.g. drug trafficking), in Germany. The case of the "Bruderschaft Thüringen/Turonen" from 2019 demonstrates that there are continuing structural links and networks between politically and financially motivated criminals and organizations.¹² The Turonen were key players in the extreme-right concert and festival scene in Germany, Austria and Switzerland. Members are currently on trial or have already been convicted for money laundering, tax evasion, illegal prostitution, drug and weapons trafficking and aggravated assault. The Turonen maintained (business) relationships with various other RWE movement entrepreneurs in Germany, Austria and Switzerland. CEP has found similar cases of "Neonazi-Mafia" structures in Poland, Austria and the United States.¹³

A "Follow The Money" strategy as described above could therefore be used to more effectively uncover the full scope of (illegal) RWE financial networks and strategies.

Endnotes

¹ Recent publications: https://www.counterextremism.com/de/regional/cep-germany/publication?field_content_variety_target_id_1=1306&combine=Ritzmann

² For example the Financial Action Task Force (FATF): “International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation” – [PDF](#) (2023) and “Ethnically or Racially Motivated Terrorism Financing” – [PDF](#) (2021) and “Guidance on the Risk-Based Approach to Combating Money Laundering and Terrorist Financing - High Level Principles and Procedures”- [PDF](#) (2007)

³ Molly Amman, J. Reid Meloy: “[Stochastic Terrorism: A Linguistic and Psychological Analysis](#)”, Perspectives on Terrorism, Vol. 15, No. 5 (October 2021),

⁴ [Verdacht auf Steuerhinterziehung: Rechtsextremist Frencck kann angeklagt werden | MDR.DE](#) (2023)

⁵ For example: The European Network on the Administrative Approach (ENAA), <https://administrativeapproach.eu/>

⁶ Counter Extremism Project (CEP): Financing patterns and networks of violence-oriented right-wing extremist actors in Germany – (2021) [PDF](#)

⁷ https://www.bmi.bund.de/SharedDocs/downloads/DE/veroeffentlichungen/2022/aktionsplan-rechtsextremismus.pdf?__blob=publicationFile&v=1 (2022) and <https://www.bmi.bund.de/SharedDocs/pressemitteilungen/DE/2024/02/massnahmen-gegen-rechtsextremismus.html> (2024)

⁸ Available upon request via berlin@counterextremism.com

⁹ Counter Extremism Project (CEP): Financing patterns and networks of violence-oriented right-wing extremist actors in Germany – (2021) [PDF](#)

¹⁰ Counter Extremism Project (CEP): The extreme right-wing infrastructure on Facebook, Instagram, YouTube and Twitter in Germany – [PDF](#) (2021) and Misuse Of Online Services By Transnational Right-Wing Extremist And Terrorist Networks – (2022) [PDF](#)

¹¹ Counter Extremism Project (CEP): Financial Strategies Of Right-Wing Extremist Organizations And Actors In The United Kingdom And Germany (2023) – [PDF](#)

¹² [Rechtsextremismus: Die Neonazimafia | ZEIT ONLINE](#) (2023)

¹³ Counter Extremism Project (CEP): The Transnational Nexus of Violence-Oriented Right-Wing Extremism, Terrorism, and Organized Crime (2023) – [PDF](#)