Financing Right-Wing Extremism and Terrorism

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About Project CRAAFT

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Introduction

If ideology is at the heart of extremism and terrorism, then money is its lifeblood. Without money, ideas may well remain simply that. As the adage goes, 'money talks' – but only through the combination of ideas and capital can violent extremists coalesce and disseminate their beliefs, plot and carry out attacks. In the last decade, there has been an exponential growth in right-wing extremism and terrorism around the globe. What was once considered a ‘very low risk to national security’ is now classified as a clear and present danger, with every major Western intelligence community and many supranational bodies, including the UN, noting the increasing threat from the extreme right-wing. Money has played an important role, and this paper analyses how those advocating extreme right-wing violence operate financially. Through such analysis, an appropriate response can be developed.

This paper focuses on the financing of right-wing extremism and terrorism, but within the umbrella terms are myriad different categorisations. For instance, mass media and scholarship use terms including ‘alt-right’, ‘radical right’, ‘far right’, and ‘right-wing extremism’ interchangeably, but these typologies fail to capture important ideological and operational distinctions. Moreover, ‘extremism’ and ‘terrorism’ represent two different, though not disparate, phenomena, not least in the legal sense. Terminological decisions, therefore, need to be explicit rather than implicit for the forthcoming research to be appropriately understood and used. The research and recommendations of this paper relate specifically to the financing of right-wing extremism and terrorism in the context of neo-Nazism, neo-fascism, accelerationism, white supremacism, white separatism, identitarianism, and the Christian Identity movement. In charting the financial practices of extremist and terrorist groups, this paper concentrates on practices employed by government-designated terrorist groups, as well as organisations, militia movements and individuals that openly promote the use of violence for the radical overthrow or reform of the state or global order. As right-wing extremism and terrorism is a global phenomenon that operates irrespective of borders – and has killed hundreds of people across multiple continents in recent years – this paper makes a conscious effort to discuss the financing methodologies at play in various geographical contexts.

A significant proportion of the available scholarship on right-wing extremism and terrorism is ‘concerned with societal factors that lead to radicalisation—but there has been as yet no attempt to understand how these individuals and groups raise funds, in contrast to the focus applied to the financing of Islamist terrorist actors. This gap has begun to be addressed, but, nevertheless, a sustained, focused examination of the financial transactions of the multiplicity of extreme right actors (not only terrorists, but also extremists more broadly) has not been offered.

Analysis of extreme right funding has significant ramifications for counterterrorism efforts. Certain right-wing extremists and terrorists draw inspiration from the rising threat specific attention needs to be paid to how those on the extreme right-wing fund themselves.


3. This thereby excludes what may justifiably be identified as ‘right-wing extremism’ or ‘terrorism’ in relation to single-issue groups, such as those in the anti-abortion movement or militant anti-LGBTQ+ rights campaigners.


Group Fundraising

Those on the extreme right-wing have used a variety of group structures over the last century, from networks with thousands of members to small, regional cells of under 10 people. As a result, methods of raising funds vary, but patterns can be found among major groups around the world. One traditional source of funding has been membership fees, or ‘tithes’ in the case of certain Christian Identity groups, that an affiliated individual is expected to pay annually to help sustain the group’s efforts. Groups including the Ku Klux Klan also allegedly charge an application fee. Relatedly, group paraphernalia including flags and clothing also provides a major source of revenue – KKK robes, for example, are sold at a high cost to members.

They also derive revenue from producing online content, via videos with advertisements on mainstream platforms or exclusive material hidden behind paywalls. Although efforts have been made by many platforms to demonetise radical content, for years this served as a means of fundraising. Extreme right-wing groups also try to crowdfund online, which can prove exceptionally profitable. One report found that fundraising for the legal defence of the creator of neo-Nazi website *The Daily Stormer* raised more than $150,000.

Music represents another major source of funding for those on the extreme right. Not only are graphic, radical lyrics potentially significant radicalising agents, but merchandising including CDs, radio broadcasts, band t-shirts and concert tickets, are all lucrative. In particular, money is made through the hosting of music concerts and multi-day festivals focusing on ‘death metal’ and white power bands. These events have been held all over Europe and North America, either one-off events or annual gatherings marking important dates for the extreme right. Examples of the largest events include the annual Rock Against Foreign Inundation and Rock for Identity in Germany and the Asgardsrei Festival in Ukraine, though there are hundreds of smaller concerts spread across white-majority countries.

With bands from around the world, these events attract international audiences. Event organisers raise funds not only directly through ticket sales (which can cost hundreds of pounds, especially VIP or special access tickets), but also through massively inflating prices on food and drink. While the cost of hosting such events may be high in the case of multi-day, international concerts, they can net organisers anywhere from €100,000 to €250,000.

Martial arts and tactical training is yet another burgeoning revenue stream. There has been a growing trend for combining music festivals with ‘fight nights’, part of a broader push to incorporate physical training into mass gatherings. Venues in Russia have become particularly popular given its lax stance on paramilitaries, though there are smaller-scale programmes in various countries. Groups also raise money via the sale of self-defence equipment and ‘doomsday prepping’ kits, particularly to neo-Nazis.

Many of these forms of financing have now been hindered by coronavirus pandemic restrictions. While certain strains of right-wing extremism do not see coronavirus as a genuine threat to society and those with an anti-state ideology are sceptical of government guidance, the enforcement of regulations against gatherings have hindered the ability of


10. For example, Hitler’s birthday, the dates of Nazi invasions of different countries or the death dates of ‘martyrs’ of the movement.


organisers to put on large public events or even to easily meet to plan their next steps.

**Lone Actor Fundraising**

In the last decade, the majority of extreme right-wing violence and terrorism has been perpetrated by lone actors, in many cases unaffiliated with any specific extremist group. Lone actors killed 77 in Norway in 2011; three at a school in Trollhättan, Sweden in 2015; six at a mosque in Quebec City, Canada in 2017; 51 at two mosques in Christchurch, New Zealand in 2018; 11 at a synagogue in Pittsburgh, Pennsylvania in 2018; 23 at a Walmart in El Paso, Texas in 2019; and nine at shisha bars in Hanau, Germany in 2020. Added to this are hate crimes, non-mass casualty attacks like that in Finsbury Park in 2017 and Macerata in 2018, and the assassination of politicians including British MP Jo Cox and German politician Walter Lübcke. Around the world, lone actor attacks have become the norm for extreme right-wing violence.

Despite what their classification implies, ‘lone’ actors are never truly alone. They plot and perpetrate acts of violence individually, but their radicalisation still relies upon engagement with propaganda produced by others and they often interact with people holding similar beliefs. This has implications not only for understanding the anthropological and psychological elements at play in radicalisation, but also for financing. Lone actors benefit, even if indirectly, from traditional group-funding efforts, as consumers of their print and online content. They also may attend mass gatherings like concerts or martial arts training sessions, or listen to radical music. Such activities may help further solidify the beliefs that motivate their individual acts of violence.

Lone actors have distinctive financial fingerprints, but they still display patterns that are significant for counterterrorism financing policymaking. Lone actors fund their plans via two main revenue streams: individual income from employment; and crowdfunding or public appeals for financial support. There have also been attempts by the extreme right to raise money through buying and selling cryptocurrencies, particularly during the initial bubble.

The impact of the coronavirus pandemic upon lone actor terrorist financing is less apparent. With regard to fundraising, lone actors already have fewer financial needs than groups, meaning, barring job-loss, the pandemic’s impact on their ability to fund their activities would likely prove minimal in any immediate sense. The pandemic may, in fact, further radicalise individuals in the face of ongoing isolation, global financial strain, the non-Western origin of the virus, governments’ top-down deployment of lockdowns and fines, and a general sense of societal uncertainty. This period may prove a time when lone actors turn inwards, make intricate plans, save money, and prepare for when communities begin to open again.

**Spending**

Extremist and terrorist groups, as well as lone actors, spend their money on an assortment of items, not all immediately obvious to observers.

Group-facilitated mass gatherings, fight training camps, music production, and printing materials all have considerable overheads. Venues owned by radicalised or sympathetic owners have proven to be cost effective and secure locations for mass gatherings, but typically such large-scale groupings are held in venues at full cost and with the threat of last-minute cancellation if the venue uncovers the beliefs of attendees. This has been of particular concern in recent years as attempts by local communities to stop these types of events (particularly music festivals) have hurt their bottom line. Local governments’ tactic of last-minute revocation of permission has forced groups to change venues with little notification, and caused some to simply abandon them. In one instance, a combined ban on alcohol and the purchase of the remaining alcohol in local shops by town members led to a dry concert, not only reducing the potential for drunken altercations, but also cutting the profitability of the event. Despite such efforts, mass gatherings still provide significant income, which is spent on hosting similar events in subsequent years, and on other, longer-term goals.

Legal fees are another major cost for extremist and terrorist groups. In addition to criminal charges filed against individual members of such groups, there have been multiple successful attempts to sue groups or their...
Leaders in civil trials. Following a 1999 attack on a mother and child by members of the Aryan Nations group in the US, the Southern Poverty Law Center (SPLC) won a lawsuit that awarded the family a $6.3-million judgment, an amount so substantial that it forced the Christian Identity-inspired Aryan Nations to sell their compound before the group eventually collapsed. In fact, the SPLC has had considerable success in filing suits on behalf of victims and victims' families, with two active cases at present linked to extremism. Several other lawsuits on the grounds of defamation and libel have been and are being brought against extremist and terrorist groups, their media outlets, and specific leaders or individuals. Fighting such lawsuits and paying judgments are ongoing costs for the movement. Of additional note are the fees such groups accrue through fines: intentional or unintentional flouting of laws (from wearing a swastika in Germany, for example, to failure to obey regulations on marches or rallies) frequently result in fines, if not jail time.

Weapons (including guns, bomb materials and knives) are another expenditure for both extreme-right individuals and groups, as are the rentals of cars and trucks used either as weapons or as transport to the site of an attack. The terrorist attack in Halle, Germany that resulted in two deaths in 2019 also demonstrates the use of 3D printing technology in terrorist attacks, as elements of the attacker’s weaponry were printed rather than purchased from a regulated vendor. While 3D printers remain relatively expensive and the live-stream footage of the attack evidences some malfunctioning of the weaponry, in the future price and technical difficulties could be addressed and these untraceable weapons could become commonplace.

Smaller purchases may also prove important in attempts at identifying those individuals being radicalised or plotting violence. For instance, several books are popular among those promoting terrorist violence, including Adolf Hitler’s Mein Kampf, James Mason’s Siege, and William Luther Pierce’s The Turner Diaries. There are multiple publishing houses selling such books, as well as translations of other extremist texts in multiple languages, reprints of early 20th-century texts, and new content that promotes extreme-right narratives. Reading such texts is viewed as essential by many extremist groups. The Base and Feuerkrieg Division, for example, have recruitment procedures that specifically enquire as to what radical books would-be recruits have read, while the website of Identity Evropa (now known as the American Identity Movement) offered potential recruits a reading list.

These purchases focus on the short-term goals of violence and radicalisation. However, some within the extreme right are using funds to help realise longer-term plans. Perhaps the most noteworthy of these is the purchase of land. Findings by MOBIT, a Thuringia-based initiative against far-right activity, and German intelligence agencies have shown how the German neo-Nazi movement has a clear strategy that involves the purchase of land, often in the eastern states. In the state of Saxony, neo-Nazis have purchased 27 properties this year, and 22 last year. Across Germany, ‘right-wing extremists own 146 properties’, though other observers believe this figure to be too low. In the US, a member of The Base reportedly purchased 30 acres of land in rural Washington state in 2018 with plans to use it as a training site.

In addition to using it as a training site, owning land provides radicalised individuals with the ability to meet more privately and avoid issues relating to permits for public marches or with private venues refusing them service. The acquisition of sufficient land, meanwhile, allows for the formation of outposts of radicalised individuals, with the land trading hands between likeminded individuals. An attempt at this occurred in 2014 in the small town of Leith in North Dakota, where a group of neo-Nazis purchased

multiple parcels of land and moved in several families in an attempt ‘to turn Leith into a white supremacist enclave’. The purchase of land allows violent extremists to congregate freely, exchange ideas and plan. For example, the Aryan Nations used an Idaho compound as a meeting space which hundreds of individuals visited and where several violent terrorists met and plotted.

**Counterterrorism Financing Policies and Their Impact**

There has been a push in the last five years by mainstream financial services to restrict or bar extremists from using their banking services, and social media sites have worked to demonetise content produced by designated radical actors. This certainly helped reduce the revenue of several extremist groups and actors. However, the corresponding expansion of cryptocurrency has meant that there are still methods through which these groups can finance and spend, and such transactions are generally untraceable. For example, the Nordic Resistance Movement has received more than 1 million Swedish krona (around £88,000) in cryptocurrency from anonymous donors. This must now be part of the thinking of investigators, and public sector groups and think tanks need to consider innovative ways to monitor the crypto capabilities of these groups and individuals. It should also be noted that while cryptocurrencies are difficult to trace, it is not impossible. For example, looking at transactions using common numerology in extremist circles can provide information on groups, while converting currency like Bitcoin into a more traditional format can leave a paper trail. Still, other extremists have struggled to acquire or navigate new technology, preferring more traditional avenues, meaning observers cannot overlook ‘old-school’ methods.

In the case of lone actors in particular, attempting to monitor purchases of certain items will not always prove sufficient to prevent a terrorist attack. Red flag purchases of chemicals used to build bombs or of high-capacity firearms and ammunition may help law enforcement identify and foil certain plots, but terrorists need only rent a car, purchase a knife, or acquire a firearm without a background check to be able to perpetrate mass violence. In some instances, following the money will only help retrace the steps of an attacker after the fact. This will be even more likely if 3D printing becomes more affordable and accessible. This should not deter ex post facto financial investigations, which can still unearth a web of connections between extremist networks and actors not known to law enforcement.

**Conclusion**

Already a challenging task, forecasting the future of right-wing extremist and terrorist financing is circumspect at best given the unpredictability that comes with a global pandemic. Just as the coronavirus pandemic has had significant negative impacts on state economies and the smooth operation of global finance, it has also disrupted right-wing terrorist financing. One likely outcome is a furthering of the trend away from group structures (now weakened by a lack of fundraising avenues) towards lone actor terrorism. Financial downturns will leave people more vulnerable to extremist narratives and lockdowns increase individual’s exposure to potential radicalisation online. This may translate into an increased number of extremists as well as terrorists. However, the pandemic likewise limits potential terrorists’ ability to fundraise through traditional formats and may, in some cases, leave them financially unable to mount an attack. The coronavirus pandemic has undoubtedly thrown right-wing extremism and terrorism off its path of steady, rapid growth. A rise in the number of radicalised individuals, paired with a decline in capital, means that the violent fringe of the right-wing may emerge from lockdown as something totally different from what observers have seen before.

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30. Examples of this include restrictions on advertised content on YouTube and Facebook, as well as bans or restrictions by GoFundMe, PayPal and Patreon.
32. Magnus Ranstorp and Filip Ahlin (eds), ‘Executive Summary: From the Nordic Resistance Movement to the Alternative Right, a Study of the Swedish Radical Nationalist Milieu’, Swedish Defence University, p. 3.
33. Gerard, ‘Neo-Nazis Bet Big on Bitcoin (and Lost)’.