



## **Financing patterns and networks of violence-oriented right-wing extremist actors in Germany**

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### **Abstract**

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This new study by the Counter Extremism Project (CEP) examines the various financial activities and strategies employed by violence-oriented right-wing extremist stakeholders in Germany. The study demonstrates that the financial structures underlying the violence-oriented right-wing extremist milieu in Germany have professionalized and employ a wide range of financial strategies, including commercial activities as well as organized crime. Exemplified by the violence-oriented right-wing extremist music industry in Germany, annual profits from these activities can be significant. These right-wing extremist entrepreneurs are highly networked and operate in a cooperative manner. Therefore, a clear distinction between the social networks of the right-wing rock music scene and those of the violent right-wing extremist scene can only be made in a very abstract sense. Consequently, further investigations of these stakeholders, including using the “Administrative Approach” should be undertaken to disrupt their activities. These financial structures will continue to thrive as long as they are led by professional entrepreneurs who are not effectively confronted by government authorities.

### **About ISPSW**

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## Analysis – Summary

The financial structures of violent right-wing extremist organizations and actors in Germany are broad and multifaceted. Currently, there is a lack of up-to-date and in-depth analyses of the various financial strategies employed by these groups and individuals as well as their different sources of income. It seems like the “follow the money” approach, which has been successfully deployed against organized crime and in the prevention and fight against Islamist extremism and terrorism, has not been adopted with regard to violent right-wing extremism.

Until a few years ago, government authorities, including in Germany, stressed that right-wing extremists tended to be self-financing,<sup>1</sup> namely through their own savings or inheritances, or through blood donations. The investigative focus in Germany also seemed to be on the financing of right-wing extremist political parties, in particular the National Democratic Party of Germany (NPD).<sup>2</sup> However, some sections of the right-wing extremist milieu, in particular those that are closely integrated into transnational networks,<sup>3</sup> seem to have agreed some years ago to adopt a more professional approach to their financial strategies. “The only way to create structures is through commercial success,”<sup>4</sup> as a leading right-wing extremist stated in public at a major “right-wing rock festival” in 2017. In his contribution to the CEP report, Dr Thorsten Hindrichs provides a detailed overview of the relevance and structures of the right-wing extremist music scene in the report.

The spectrum of financial strategies in the milieu ranges from those with minimal income f.ex. from blood donations at the low end to online trading platforms and international music festivals at the high end of the spectrum, where in some cases revenue amounting to millions of euros with profits of several hundred thousands of euros can be generated.<sup>5</sup> Detailed explanations and calculations of the potential level of revenues and profits achieved at right-wing extremist music events and by large brick and mortar stores or online shops can be found in the contribution by Maximilian Kreter to the CEP report.

Following a report published by CEP at the beginning of November 2020 focusing on the transnational connectivity of right-wing extremists, which also examined the financial activities of right-wing extremist groups,<sup>6</sup> the German Conference of the Minister for the Interior resolved to “further improve efforts to uncover the structures and interconnections of nationally and transnationally networked right-wing extremism, with a focus on sources of income and in particular on the further flows of finance and financial transactions.”<sup>7</sup> A

<sup>1</sup> Conference transcript of the Office for the Protection of the Constitution of the states of Brandenburg and Saxony, Enemies of the Constitution and the Capital – financial flows in right-wing extremism, 2012

<sup>2</sup> Senate administration for Internal Affairs and Sport, Department: Protection of the Constitution, sources of finance in right-wing extremist circles, 2007

<sup>3</sup> Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism – Transnational Connectivity, Definitions, Occurrences, Structures and Countermeasures, Counter Extremism Project 2020

[https://www.counterextremism.com/sites/default/files/CEP%20Study\\_Violent%20Right-Wing%20Extremism%20and%20Terrorism\\_Nov%202020.pdf](https://www.counterextremism.com/sites/default/files/CEP%20Study_Violent%20Right-Wing%20Extremism%20and%20Terrorism_Nov%202020.pdf)

<sup>4</sup> Ibid. Axel Schlimper starting at 20:43 mins. (A. Schlimper: [https://blog.zeit.de/stoerungsmelder/2018/06/15/das-moerderische-netz-der-holocaustleugner\\_26533](https://blog.zeit.de/stoerungsmelder/2018/06/15/das-moerderische-netz-der-holocaustleugner_26533))

<sup>5</sup> “Right-wing rock in Germany – the network of the neo-Nazis,” ZDF (Mainz, 2019), 20:43 -

20:50 mins., <https://www.zdf.de/dokumentation/zdfinfo-doku/rechtsrock-in-deutschland-das-netzwerk-der-neo-nazis-102.html> (Interview Stefan Kramer, LfV Thuringia)

<sup>6</sup> Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism – Transnational Connectivity, Definitions, Occurrences, Structures and Countermeasures, Counter Extremism Project 2020

[https://www.counterextremism.com/sites/default/files/CEP%20Study\\_Violent%20Right-Wing%20Extremism%20and%20Terrorism\\_Nov%202020.pdf](https://www.counterextremism.com/sites/default/files/CEP%20Study_Violent%20Right-Wing%20Extremism%20and%20Terrorism_Nov%202020.pdf)

<sup>7</sup> Standing Conference of the Minister for the Interior and Senators for the Interior of the Federal States, collection of the resolutions released for publication on 10 December 2020, <https://www.innenministerkonferenz.de/IMK/DE/termine/to-beschluesse/20201209-11/beschluesse.pdf?blob=publicationFile&v=3> (Top 3)



working group was set up for this purpose with the task of producing a report in time for the 2021 autumn conference. In his contribution to this CEP report, Dr. Hans-Jakob Schindler outlines a number of assessments concerning the legal formats chosen by these commercial actors, their commercial behavior as well as discernable financial flows, which in combination indicate potential illegal business practices of right-wing extremist entrepreneurs, including potential tax optimization or avoidance strategies.

Internationally, a greater focus has emerged concerning the financial strategies of right-wing extremists. For example, in expert meetings organised by the United Nations or by the German Federal Foreign Office in cooperation with other nation states<sup>8</sup> the issues are currently at the center of the debate. Furthermore, in June 2021 the Financial Action Task Force (FATF) issued its first ever report on the subject<sup>9</sup> and continues to pursue the subject.

As outlined in the CEP study, in Germany, six general financing strategies are employed by violence-oriented right-wing extremist actors. Self-financing, including through donations and the use of cryptocurrencies, the commercially oriented organization of festivals and music events, the sale of merchandise in offline and online stores, including via global social media platforms, the organization of sport events, in particular mixed martial arts (MMA) tournaments, the purchase of real estate, not only as "safe spaces" for events but also as investment and money laundering tools for funds obtained through criminal endeavors, and finally, assets obtained through criminal behavior, in particular the illegal drugs and arms trade as well as prostitution.

Interestingly, the analysis of publicly available data concerning the business models and legal formats chosen by violent right-wing extremist entrepreneurs may give the impression that a discernible strategy is absent. However, it is important to note that large segments of the violent right-wing extremist milieu, especially those that are transnationally linked, are highly networked with discernible structures connecting the various nodes. These network structures are visible in various ways. First of all, the violence-oriented scene is characterized by a high degree of readiness on the part of groups within the scene to cooperate with one another. Good examples of this are seen in the close structural networks of Blood & Honour, the Hammerskins and the "Turonen/Garde20". Furthermore, there are also sectional networks which tend to be focused on a particular theme, such as the "Kampf der Nibelungen"<sup>10</sup> and "TIWAZ",<sup>11</sup> or music festivals such as "Schild und Schwert" (shield and sword) or "Rock gegen Überfremdung" (Rock against foreign infiltration), which, in terms of personnel, are closely linked with the structural networks cited above, or are in fact managed by them.<sup>12</sup> The right-wing extremist music and merchandise market is also characterized by a pronounced and unusually high degree of cooperation, with little commercial competition between the various stakeholders.

<sup>8</sup> Counter Extremism Project (CEP): The Financing of Right-wing and Ethnically or Racially Motivated Terrorism, December 2020,

<https://www.counterextremism.com/sites/default/files/CEP%20Virtual%20Side%20Event%202007.12.2020%20AFTER%20ACTION%20REPORT%20FINAL.pdf>

<sup>9</sup> Financial Action Task Force (FATF), Ethnically or Racially Motivated Terrorism Financing, FATF Report, June 2021, page 26, <https://www.fatf-gafi.org/media/fatf/documents/reports/Ethnically-or-racially-motivated-terrorism-financing.pdf>

<sup>10</sup> Christian Spiller: Kampf der Nibelungen "They are training for political upheaval", ZEIT ONLINE, 22. Oktober 2020, [https://www.zeit.de/sport/2020-10/kampf-der-nibelungen-kampfsport-neonazis-robert-claus?utm\\_referrer=https%3A%2F%2Fduckduckgo.com%2F](https://www.zeit.de/sport/2020-10/kampf-der-nibelungen-kampfsport-neonazis-robert-claus?utm_referrer=https%3A%2F%2Fduckduckgo.com%2F)

<sup>11</sup> "Runter von der Matte!" (Get off the mat!): the extreme right-wing combat sport tournament "Tiwaz – Fight of the Free Men", 24.06.2018, <https://runtervondermatte.noblogs.org/das-extrem-rechte-kampfsportturnier-tiwaz-kampf-der-freien-maenner/>

<sup>12</sup> Minor interpellation from member of the Landtag König-Preuss (DIE LINKE): "Brotherhood of Thuringia", "Garde 20" and "Turonen", 07.05.2019, Thuringia Landtag, [https://parldok.thueringer-landtag.de/ParlDok/dokument/71076/bruderschaft-thueringen-garde\\_20\\_und\\_turonen.pdf](https://parldok.thueringer-landtag.de/ParlDok/dokument/71076/bruderschaft-thueringen-garde_20_und_turonen.pdf), BÜCHNER, Timo:

"ERSCHIESSUNGSKOMMANDO" & CO, Belltower News, 25.05.2020 <https://www.belltower.news/rechtsrock-rechtsterror-teil-6-erschuessungskommando-co-107783/>

"EXIF – Research & Analysis", "COMBAT 18" REUNION, 16.07.2018, <https://exif-recherche.org/?p=4399>



The CEP study identifies 38 relevant business entities in Germany that are involved in the production and dissemination of violent right-wing extremist music. Interestingly, although the overall music market in Germany is characterized by high levels of competition, this sub-segment does not seem to display economic or ideological conflicts and functions in a cooperative manner, with various stakeholders linked to each other. Right-wing rock concerts are both lifestyle events as well as marketplaces and function as central networking hubs of the overall movement. Therefore, a clear distinction between the social networks of the right-wing rock music scene and those of the violent right-wing extremist scene can only be made in a very abstract sense. Due to the intricate and opaque business relationships on both the national and transnational levels of the (legal) German right-wing rock music market, it is of utmost importance to further investigate the key stakeholders within this milieu. These actors should be conceptualized not as individual economic entities or individual perpetrators but as representatives of the right-wing terrorist networks that operate in the background.

Consequently, deploying the “Administrative Approach”, developed by the European Union to fight organized crime, could be an effective tool in the fight against right-wing extremist organized crime. This methodology targets the interface between illegal and supposedly legal activities and income of criminal actors and networks. For example, local authorities could carry out coordinated tax audits as well as controls concerning the adherence with building codes and fire protection regulations targeting companies and businesses of right-wing extremist entrepreneurs that are directly linked to convicted felons who are part of the same ideological network.

Extremist right-wing rock music can be a profitable business in Germany due to the increasing professionalization of production, dissemination and event management. These financial structures will continue to thrive so long as they are led by professional entrepreneurs who are not effectively confronted by government authorities.

Please find the full study here:



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### **About the Counter Extremism Project (CEP)**

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The Counter Extremism Project (CEP) is a non-profit, non-partisan international organization that aims to counter the threat of extremist ideologies and to strengthen pluralistic-democratic forces. CEP deals with extremism in all forms – including Islamist extremism/terrorism as well as right-wing and left-wing extremism/terrorism. To this end, CEP exerts pressure on financial and material support networks of extremist and terrorist organizations through its own research and studies, works against extremist and terrorist narratives and their online recruitment tactics, develops good practices for the reintegration of extremists and terrorists, and promotes effective regulations and laws.

In addition to offices in the United States, CEP has an office and a separate legal entity, Counter Extremism Project Germany gGmbH, in Berlin, and maintains a representation in Brussels. CEP supports policymakers to develop laws and regulations to effectively prevent and combat extremism and terrorism, particularly in the area of combating terrorist financing.

For more information about the activities of the Counter Extremism Project (CEP) Germany, please visit [www.counterextremism.com/german](http://www.counterextremism.com/german).