

Criminal gangs in the Southern Philippines

Despite a deadlock in the ongoing peace process between the insurgent [Moro Islamic Liberation Front \(MILF\)](#) and the Philippine government, the ceasefire is holding relatively well and the economy of the poverty stricken region of Mindanao is recovering. But as a result of the 'peace dividend' expressed by the resumption of local investment in the economy, there has been a concurrent increase in criminal extortion activities.

Much of the recent violence has been perpetrated by the Al Khobar criminal gang, which came into being in mid 2006. Extortion is not new to the region, and other armed groups such as the [MILF](#) and communist [New People's Army \(NPA\)](#), have routinely engaged in criminal enterprises to support their insurgencies. Yet Al Khobar differs in that it appears to be motivated purely by a desire for criminal gain rather than political ideology. Nevertheless, its criminal activities could undermine confidence and threaten the fragile peace in the region.

Bomb threats

Since October 2006, when it detonated a bomb in a crowded marketplace in Makilala that killed 10 people and wounded 40, Al Khobar has detonated 23 bombs, and attempted at least two other bombings. In all, 26 people have been killed and more than 200 wounded.

The first targets of Al Khobar were local bus companies, the primary means of public transportation. Two firms, Weena and Yellow Bus Company, have profitable monopolies on certain routes. Between March and July 2007, nine bombs were detonated on buses or at terminals, including three bombs on 15 June, in Bansalan, Davao del Sur; Matalam, North Cotabato and Cotabato City. The attacks led to the deaths of 10 people and more than 60 people were wounded. Both bus companies received telephone demands for protection money of PHP2 million (USD48,000) per month. The bombings led to both companies immediately suspending their services. When it resumed it was drastically reduced.

Targeting thereafter expanded to include other profitable industries and firms. On 5 October 2007, a department store in Kidapawan was bombed, killing one person and wounding 40 others. Moreover, the National Intelligence Co-ordinating Agency warned in February 2008 that Al Khobar has expanded its extortion activities to a bus company in Davao City and the operators of regional ferries.

From mid-2007, Al Khobar began to target TransCo electrical transmission lines. On 25 January 2008, three towers were felled, bringing the total number of destroyed towers to nine. TransCo revealed that it had received a letter from Al Khobar demanding extortion payments of PHP12 million (USD289,000) per month in mid 2007.

Terrorist links

The bombs have been similar to those used in the past by the [MILF](#) and [Abu Sayyaf Group](#); most are fashioned out of 60 or 81 mm mortar shells, although improvised explosive devices made of TNT encased with shrapnel have also been employed. Most bombs have been detonated by mobile telephone or short-range remote controlled devices.

Very little is known about the organisation. Some in the Philippine National Police (PNP) have claimed that Al Khobar is comprised of the remnants of the [Pentagon Gang](#), a kidnap-for-ransom group that had ties to the [MILF](#) and was active in central and western Mindanao from the late 1990s through 2006, before being broken up by security forces.

Police evidence suggests that some [MILF](#) members lead Al Khobar, although it is not part of the formal [MILF](#) structure or sanctioned by its central committee. While the [MILF](#) has denied any relationship between it and Al Khobar, the PNP has identified several individuals associated with [MILF](#) as being in the group's leadership circle. A spokesman for the eastern Mindanao command of the Armed Forces of the [Philippines](#) (AFP) asserted that Al Khobar was comprised of disgruntled [MILF](#) militants - this does not necessarily entail a breakaway faction. [MILF](#) commanders have long had significant autonomy and are required to raise some of their own operating funds. With a ceasefire in place, individual commanders have a smaller claim on resources controlled by the [MILF](#) central committee, meaning that no longer being on vigilant war footing has allowed groups like Al Khobar to emerge.

The PNP believes that Al Khobar is not a large organisation, comprised of a combination of some 30 [MILF](#) combatants and other members. One member recently arrested said that he was less a gang member and more of an ad hoc contract employee, paid per operation. However, the group appears to be very mobile and its geographical range is also impressive; it has been implicated in activities from Davao City through Davao del Sur province, Sarangani, North Cotabato, Maguindanao and Lanao del Norte.

The PNP's increased focus on Al Khobar is beginning to reap results and by April 2008 there had been 12 arrests of suspected Al Khobar members, including eight between February and March 2008. Moreover, on 8 February the PNP arrested one of the group's alleged financial conduits, Melvin Claro, on charges of money laundering. Five suspects were arrested between 21 and 26 February, including the man suspected of being the group's bomb maker, Tony Nur. On 2 March, authorities arrested a man they described as the group's fourth in command and paymaster, Tongan Fatima. Most of those arrested were charged with murder and at-

tempted murder in connection with the bombings, or charged with possession of bomb-making materials. Others were charged with extortion.

Despite these gains, the Philippine criminal investigative, legal and penal systems remain fraught with corruption and case backlogs. Even if a conviction is made, Al Khobar has proven resourceful: in February 2007, it staged a jail break of a prison in Kidapawan, leading to the escape of two top operatives, Mohamad Nur Hasan and Mahmud Manipil, who had been charged with murder in connection with the 2006 Makilala bombings.