

HEZBOLLAH IN THE WESTERN HEMISPHERE

Statement before the
U.S. House of Representatives Committee on Homeland Security
Subcommittee on Counterterrorism and Intelligence

Ilan Berman
Vice President
American Foreign Policy Council

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Chairman Meehan, distinguished members of the Subcommittee:

Thank you for the opportunity to appear before you today to discuss the Hezbollah terrorist organization, its capabilities, and its activities in the Western Hemisphere. It is an issue of critical importance to the ongoing struggle against international terrorism, and to the safety and security of the U.S. homeland.

A year after the 9/11 attacks, then-Deputy Secretary of State Richard Armitage, in contextualizing the terrorist threat facing the country, made a telling assessment. “Hezbollah may be the A-team of terrorists,” Mr. Armitage told an audience at the United States Institute of Peace in Washington, DC, “and maybe al-Qaida is actually the B-team.”¹ The description was apt, and remains so. With a presence in an estimated forty countries on five different continents, the Lebanese Shi’ite militia represents one of the very few terrorist groups active today that possess a truly global presence and reach.

This footprint extends not only to the greater Middle East and Europe, but to the Western Hemisphere as well.² Over the past quarter-century, Hezbollah has devoted considerable energy and resources to establishing an extensive network of operations throughout the Americas. Today, its web of activity in our hemisphere stretches from Canada to Argentina, and encompasses a wide range of illicit activities and criminal enterprises, from drug trafficking to recruitment to fundraising and training.

A STRONGHOLD SOUTH OF THE BORDER

It is something of a truism of American politics that policymakers in Washington pay only sporadic attention to the happenings in their own geopolitical backyard. The relatively low profile of Latin America in our national security policymaking is deeply counterintuitive, given the region’s proximity to the U.S. homeland. It is also potentially dangerous, because its political environment—marked by large ungoverned areas and typified by widespread anti-

American sentiment—has created a fertile operating environment for a range of radical groups, including those from the greater Middle East. According to U.S. government estimates, no fewer than six Islamic terrorist groups (including al-Qaeda and the Palestinian Hamas movement) are now active in Latin America.³

Hezbollah, however, is far and away the most prominent. Its presence in the region stretches back to the 1980s, when operatives—taking advantage of weak regional governance and with support from Iran—began to expand the organization’s already-substantial international drug-trafficking and smuggling activities from Lebanon’s Beka’a Valley to the “Tri-Border Region” at the intersection of Argentina, Brazil, and Paraguay.⁴ Hezbollah’s regional presence and capabilities were dramatically demonstrated in March of 1992, when the organization carried out a suicide bombing against Israel’s embassy in Buenos Aires, Argentina, killing 29 and injuring 242 others. Two years later, in July 1994, the group struck again, bombing the Argentine-Israel Mutual Association (known as AMIA) in Buenos Aires. These attacks, which still rank as the most devastating in South American history, led U.S. officials to conclude that Hezbollah had become “the major international terrorist threat” in the region.⁵

More than a decade-and-a-half later, Hezbollah’s footprint in the region remains extensive. It encompasses:

The Tri-Border Region. The lawless territory where Argentina, Paraguay and Brazil meet continues to serve as the epicenter of Hezbollah activity in Latin America. Since the 1980s, the organization has exploited the region’s permissive political atmosphere and lack of governmental controls for a broad range of illicit activities, including smuggling, extortion and narcotics trafficking. These enterprises are highly lucrative; the RAND Corporation has estimated that Hezbollah cumulatively nets some \$20 million annually from the Tri-Border Region alone.⁶ As a result, experts say, the area constitutes the organization’s most significant source of independent funding.⁷

Colombia. In 2008, U.S. and Columbian investigators capped a two-year investigation by successfully dismantling a major transnational cocaine smuggling and money laundering ring originating out of Bogota, Columbia. The illicit network, run by Lebanese national Chekry Harb, was found to have funneled at least part of its profits to Hezbollah.⁸ Columbia, however, is more than simply a fundraising hub for Hezbollah; the organization is also known to have formed cells in the country, exploiting the sizeable Shi’ite Muslim community there.⁹ And, as a result of its narcotics trafficking activities, Hezbollah is also believed to have forged close and collaborative ties to the country’s premier terrorist group, the Revolutionary Armed Forces of Columbia, or FARC.¹⁰

Paraguay. Paraguay, with its lack of comprehensive counterterrorism laws, similarly has emerged as a major fundraising hub. Hezbollah was estimated at one time to raise as much as \$10 million annually from there.¹¹ (Notably, much of that sum could be attributed to Assad Barakat, a Lebanese immigrant to Paraguay, who transferred some \$6 million annually to the group from his successful smuggling and counterfeiting activities between 1999 and his arrest

in 2003.¹²) Like in Columbia, the organization has exploited Paraguay's Muslim community to establish cells and operational capabilities within the country.¹³

Venezuela. Over the past decade, the regime of Hugo Chavez in Caracas has forged an increasingly intimate strategic partnership with the Iranian government. As a corollary of those burgeoning ties, and in a reflection of Chavez' own support for radical causes, Venezuela has emerged as a major hub for Hezbollah. In 2008, the Bush administration directly accused the Chavez regime of serving as a safe haven and financial supporter of the Lebanese militia. That year, the Treasury Department's Office of Foreign Assets Control (OFAC) formally designated two individuals, one of them a Venezuelan diplomat, for assisting the group. In making the designation, Adam Szubin, OFAC's director of political affairs, specifically referred to "the government of Venezuela employing and providing safe harbor for Hezbollah facilitators and fundraisers."¹⁴ Indeed, Hezbollah is known to use Venezuela's free trade zone of Margarita Island as a major financing and fundraising center, as well as to possess "support cells" there.¹⁵ The organization has also been accused of training Venezuelan militants in south Lebanon for possible attacks on American soil, and of operating training camps inside Venezuela itself, with the collusion of sympathetic government officials.¹⁶

Mexico. Mexico's shared border with the United States makes it an attractive operating base for Hezbollah activities aimed at penetrating the U.S. homeland. As this committee itself noted five years ago, "[m]embers of Hezbollah, the Lebanon-based terrorist organization, have already [illegally] entered to the United States across our Southwest border."¹⁷ Indeed, in 2006 the FBI broke up a Mexican smuggling ring organized by Hezbollah to transport operatives across the U.S.-Mexican border,¹⁸ and last summer the Kuwaiti daily *Al-Siyassah* reported that Mexican authorities had successfully identified and disbanded a similar network of Lebanese-Mexicans that was being set up by the group.¹⁹ These arrests point to the extensive organizational network erected by the group over the past decade-and-a-half—one that operates out of the country's Shi'a Muslim communities in places such as Tijuana, and which partners with drug cartels active in the country.²⁰ For the moment, however, federal agents assess that the group's main focus in Mexico is to raise funds for its activities in the Middle East.²¹

A Foothold in North America

While Hezbollah's presence south of the border represents the most visible manifestation of its activities in the Western Hemisphere, the group is also active throughout North America.

In the United States, law enforcement authorities estimate active Hezbollah cells and/or supporters to exist in no fewer than fifteen metropolitan centers, stretching from New York to Los Angeles.²² These cells, like their counterparts in Latin America, are engaged in a range of criminal activities. The scope of these enterprises was laid bare in the year 2000, when an FBI sting dismantled a Hezbollah ring in Charlotte, North Carolina. Initially charged solely with smuggling cigarettes from North Carolina to Michigan, the so called "Charlotte Hezbollah Cell" was ultimately found to have been supplying "currency, financial services, training, false

documentation and identification, communications equipment, explosives, and other physical assets” to the Lebanese militia “in order to facilitate its violent attacks.”²³

Significantly, the number of Hezbollah operatives in the United States has been bolstered by illegal migration and infiltration, perhaps substantially so. Authoritative figures regarding the scope of this infiltration remain difficult to ascertain. However, repeated apprehensions by Mexican authorities of human smuggling networks connected to Hezbollah over the past half-decade indicate that this troubling pattern of activity continues unabated.

Hezbollah also has succeeded in establishing a significant base of operations in Canada. An investigation by the Canadian Security and Intelligence Service (CSIS) in the late 1990s and early 2000s found that a Hezbollah network in Vancouver, Toronto and Montreal had laundered tens of thousands of dollars through Canadian banks, and shipped equipment to the Middle East for use by Hezbollah militants in operations against Israeli targets.²⁴ A far greater level of activity came to light earlier this year, when the U.S. Treasury Department targeted the Lebanese Canadian Bank, a former subsidiary of the Royal Bank of Canada with offices in Montreal, as a “primary money laundering concern” for its role in helping an international criminal syndicate wash hundreds of millions of dollars in narcotics revenue. At least a portion of the proceeds from this criminal enterprise, a five-year task force headed by Treasury and the Drug Enforcement Administration found, were used as “financial support” for Hezbollah.²⁵ Hezbollah is also believed to have a fundraising presence in the Canadian capital, Ottawa, as well as in towns surrounding Toronto, in part because of that area’s sizeable Shi’ite community and its proximity to the U.S. border.²⁶

These complimentary, overlapping networks have given Hezbollah a critical foothold both within and around the U.S. homeland. Indeed, counterterrorism experts believe it to be “better established [in North America] than any other terrorist organization in the world.”²⁷

HEZBOLLAH AND IRANIAN INTERESTS

No analysis of Hezbollah activity in the Western Hemisphere would be complete, however, without acknowledging the interests and objectives of its progenitor and main sponsor, the Islamic Republic of Iran. Hezbollah was established by Iran in 1982, in the midst Lebanon’s civil war, as an umbrella organization unifying the country’s various Shi’ite militias and Islamist activists. Thereafter, the Islamic Republic helped the militia entrench itself in Lebanon, making it a major political and operational force in what the Iranian regime regarded as the first front in its efforts to “export the revolution.” And since the mid-1980s, Iran has aided the group’s worldwide expansion, including into the Western Hemisphere.

Not surprisingly, Hezbollah’s activities in the Americas track closely with Iran’s own regional activism and strategic objectives. Today, this effort is driven by three interconnected goals.

The first is to lessen the Iranian regime’s international isolation. When Iran’s theretofore-
clandestine nuclear program was revealed in 2003, regime officials were quick to recognize that the issue had the potential to make their country an international pariah. As a result, the

Islamic Republic significantly intensified its diplomatic outreach, seeking to forge new political and economic bonds with the international community. This activism has extended to the Western Hemisphere, where over the past decade Iran has nearly doubled the number of its embassies in Latin America (from six in 2005 to ten in 2010)²⁸ and expanded its bilateral relations with a number of sympathetic regional regimes, including that of Hugo Chavez in Venezuela and Evo Morales in Bolivia.

The second is to access key technologies and strategic resources. As pressure on Iran over its nuclear program has increased, the Islamic Republic has increasingly looked abroad for critical resources and materiel. Latin America has become a key region of interest in this regard. Venezuela, for example, has emerged as an important (albeit unacknowledged) supplier of the raw uranium critical for Iran's nuclear program.²⁹ The Chavez regime has also repeatedly offered³⁰ to supply Iran with as much as 20,000 barrels of gasoline daily as a way of diluting the impact of U.S. sanctions aimed at exploiting Iran's dependency on foreign refined petroleum.

Finally, Iran has worked diligently to dilute U.S. power and influence in the Americas. Since taking office in 2005, Iranian president Mahmoud Ahmadinejad has made major efforts to forge partnerships with anti-American elements in Central and South America, playing on common themes of U.S. domination and oppression. Indeed, a 2009 dossier prepared by Israel's Ministry of Foreign Affairs noted that "since Ahmadinejad's rise to power, Tehran has been promoting an aggressive policy aimed at bolstering its ties with Latin American countries with the declared goal of 'bringing America to its knees.'"³¹ The U.S. Department of Defense has concluded much the same thing; "Iran seeks to increase its stature by countering U.S. influence and expanding ties with regional actors," the Pentagon's 2010 report on Iranian military power outlined. "It also seeks to demonstrate to the world its 'resistance' to the West."³²

In furtherance of these goals, Iran has erected a sizeable covert presence in the region. The Pentagon has noted that the Qods Force, the elite paramilitary unit of Iran's Revolutionary Guards Corps, is now deeply involved in the region, stationing "operatives in foreign embassies, charities and religious/cultural institutions to foster relationships with people, often building on existing socio-economic ties with the well-established Shia Diaspora," and even carrying out "paramilitary operations to support extremists and destabilize unfriendly regimes."³³ And Hezbollah, with its extensive regional network, is known to serve as an important force multiplier for these efforts.³⁴

HEZBOLLAH AND U.S. SECURITY

How real and immediate is the threat posed by Hezbollah to the United States? Opinions among experts and U.S. government officials tend to differ. In the main, Hezbollah's presence in the Western Hemisphere is manifested in "support" activities: those that provide financial, operational or political benefit to the organization at large, and to its principal sponsor, the Islamic Republic of Iran. As a result, absent a significant precipitating development in the Middle East, the likelihood of a terrorist attack on the United States by Hezbollah in the near future remains low.³⁵

Nevertheless, the organization represents a significant potential threat to the United States. Over the past decade, Hezbollah's regional activities have shown a clear pattern of targeting U.S. interests and assets throughout Latin America. Among other indicators, Hezbollah operatives are known to have cased the U.S. embassy in Paraguay's capital of Asunción, and local organizational cells have colluded with al-Qaeda to plot attacks on U.S. and Jewish targets in the region.³⁶ Given this pattern of behavior, a recent Library of Congress analysis concluded, there is a significant chance Hezbollah operatives could seek to carry out attacks on U.S. embassies or consulates in Latin America, or to target particular points of interest—such as “hotels, tourism centers, airports, or multinational companies, especially those of Israeli, German, French, or U.S. origin”—that are located there.³⁷

Hezbollah also has the ability to strike at the U.S. homeland itself. According to the Federal Bureau of Investigation, Hezbollah members located in North America can carry out terrorist attacks against targets within the territorial United States, if the organization makes a strategic decision to do so.³⁸ Given the lucrative nature of the organization's illicit activities throughout the Hemisphere, the likelihood of such a development remains low. Still, Hezbollah's strategic calculus could conceivably change if it or its chief sponsor, Iran, were imperiled in a substantial way (for example, through military action that targets Iran's nuclear facilities). In this sense, Hezbollah can be described as a potential insurance policy of sorts for the Iranian regime.³⁹

Nearly a decade after 9/11, this reality remains poorly understood. While U.S. officials now routinely recognize that Hezbollah's regional activities make it a potential threat to the United States, our counterterrorism policy has failed to focus on the organization at large in a comprehensive, sustained and meaningful way. Such attention is long overdue, and the most immediate way the United States can begin to address the danger posed by Hezbollah is by acknowledging that the organization uses our Hemisphere as a significant staging ground, fundraising hub and operational base—and by beginning to craft a strategy to make it more difficult for it to do so.

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<http://web.archive.org/web/20020917202341/www.state.gov/s/d/rm/2002/13308pf.htm>.

² For a detailed overview of Hezbollah's global activities, see the “Hezbollah” chapter of the American Foreign Policy Council's *World Almanac of Islamism*, which is accessible online at <http://almanac.afpc.org/hezbollah>.

³ Rex Hudson, *Terror and Organized Crime Groups in the Tri-Border Area (TBA) of South America*, Library of Congress, Federal Research Division, December 2010, http://www.loc.gov/rr/frd/pdf-files/TerrOrgCrime_TBA.pdf.

⁴ Rachel Ehrenfeld, *Funding Evil: How Terrorism is Financed—and How to Stop It* (Chicago: Bonus Books, 2003), 145–48.

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- ¹⁶ Ely Karmon, "Iran and its Proxy Hezbollah: Strategic Penetration in Latin America," Real Institute Elcano *Working Paper*, April 15, 2009, <http://www.ict.org.il/Articles/tabid/66/Articlsid/677/currentpage/4/Default.aspx>; Alan Levine, "Hugo's Hezbollah," *Front Page Magazine*, December 11, 2008, <http://archive.frontpagemag.com/readArticle.aspx?ARTID=33373>.
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