

The Terror-Crime Nexus

Hezbollah's Global Facilitators

BY CELINA B. REALUYO¹

Over the past decade, a convergence of illicit networks has empowered terrorists, criminals, and proliferators around the world and amplified transnational threats against nation-states. Hezbollah, the militant Shiite Muslim group in Lebanon, designated as a foreign terrorist organization by the United States and the European Union, has capitalized on these illicit networks, leveraging facilitators in the Lebanese diaspora community to secure financing and support from overseas. Hezbollah and its global activities perhaps best represent the terror-crime convergence phenomenon through its networks in the Middle East, Africa, Europe, and the Americas. Before the tragic attacks of September 11, 2001 perpetrated by al-Qaeda, Hezbollah was the terrorist group responsible for the most U.S. casualties from terrorist attacks. More recently, Hezbollah has been in the headlines for its active political and military support for the Bashar al-Assad regime in Syria. This article will illustrate how Hezbollah uses its global facilitators to finance itself through criminal activities and will underscore the need for more cross-border collaboration among military, intelligence, and law enforcement agencies to combat the convergence of illicit networks and groups like Hezbollah. Since these illicit networks cannot operate without facilitators who enable their activities, it is imperative that governments pursue, detain, and prosecute facilitators as aggressively as they do the criminals and terrorists themselves.

Introduction

In the age of globalization, we have witnessed a convergence of illicit networks with terrorist groups increasingly relying on crime to support themselves while criminal groups are using terrorist tactics to dominate their operating areas. Traditionally, organized crime was considered a domestic public security problem and was addressed by state and local law enforcement authorities. Meanwhile, terrorist and insurgent groups were regarded as armed groups with political objectives, including regime change, that directly threatened the sovereignty of the nation-state. These illicit actors actively seek out governance gaps, socioeconomic vulnerabilities, and character weaknesses as openings to conduct their nefarious activities and expand their power and influence throughout the world. With globalization, terrorists and criminals groups have

Celine B. Realuyo is Professor of Practice at the William J. Perry Center for Hemispheric Defense Studies at the National Defense University.

internationalized their support and operations, brokered formidable alliances, and present complex transnational threats that put security and prosperity at risk around the world.

After the fall of the Berlin Wall, many terrorist groups lost state sponsorship, namely from the Soviet Union, and were forced to turn to crime to maintain themselves and their agendas. Organizations that represent this dangerous terror-crime nexus include the Taliban and Haqqani Network in Afghanistan and Pakistan, the Revolutionary Armed Forces of Colombia (FARC), Shining Path in Peru, al-Qaeda in the Islamic Maghreb, and Lebanese Hezbollah. Hezbollah is considered perhaps the best organized and most business savvy terrorist organization that relies on global facilitators engaged in drug, arms, counterfeit trafficking and money laundering for funding and support. To address this convergence of terror-crime networks, governments need to engage in more cross-border collaboration among military, intelligence, and law enforcement agencies to better understand and combat illicit networks like Hezbollah.

The Rise of Lebanese Hezbollah

Before al-Qaeda, there was Hezbollah (“Party of God”), founded in 1982 in response to the Israeli invasion of South Lebanon in the First Lebanon War. Hezbollah is a Shiite Muslim political group in Lebanon that views itself principally as a resistance group opposed to the state of Israel and Western involvement in the Middle East. With significant support from Iran and Syria, the group maintains an extensive security apparatus, political organization, and social services network in Lebanon, where the group is often described as a “state within the state.” The U.S. and European Union have

designated Hezbollah’s militant wing as a terrorist organization and consider Hezbollah a global terrorist threat and a menace to regional stability.

Hezbollah has close ties with Iran and is considered one of its surrogates. In its infancy in the 1980s, Hezbollah obtained critical financial support and training from Iran’s Revolutionary Guards. The suicide attacks on the U.S. Embassy and Marine barracks in Beirut in October 1983 that left 258 Americans dead and withdrawal of U.S. Marines from the multinational peacekeeping force in Lebanon furthered Hezbollah’s image as leaders of the Shiite resistance. In its 1985 founding manifesto, entitled “Nass al-Risala al-Maftuha allati wajahaha Hizballah ila-l-Mustad’afin fi Lubnan wa-l-Alam,” Hezbollah pledged its loyalty to Iran’s Supreme Leader Ayatollah Khomeini, urged the establishment of an Islamic regime, and called for the expulsion of the United States, France, and Israel from Lebanese territory, as well as for the destruction of the state of Israel. In an abridged English translation provided by the Jerusalem Quarterly, it stated:

“Our primary assumption in our fight against Israel states that the Zionist entity is aggressive from its inception, and built on lands wrested from their owners, at the expense of the rights of the Muslim people. Therefore our struggle will end only when this entity is obliterated. We recognize no treaty with it, no cease-fire, and no peace agreements, whether separate or consolidated.”²

In October 1997, the U.S. State Department designated Hezbollah as a Foreign Terrorist Organization and believes the group operates terrorist cells in Europe, Africa, Asia,

and Latin America.³ The Obama Administration described Hezbollah in 2010 as “the most technically capable terrorist group in the world.” With Iranian sponsorship, “Hezbollah’s terrorist activity has reached a tempo unseen since the 1990s,” according to a 2013 State Department fact sheet.⁴ Western diplomats and political analysts in Beirut have estimated that Hezbollah received up to \$200 million a year from Iran.⁵ With Iran under increasing hardship from the strict economic sanctions imposed by the West for its nuclear ambitions, it is believed that Iranian financing and support of Hezbollah has decreased and has forced Hezbollah to rely more on fundraising from sympathizers among the Lebanese diaspora.

Several major terrorist operations across the globe have been attributed to Hezbollah or its affiliates, though the group disputes involvement in many.

HEZBOLLAH TERRORIST OPERATIONS⁶

- 1983 Suicide truck bombing of the U.S. Embassy in Beirut
- 1983 Bombing of the U.S. Marine barracks in Beirut
- 1984 Attack on the U.S. Embassy annex in Beirut
- 1985 Hijacking of TWA Flight 847 from Athens to Rome
- 1986 Khobar Towers attack in Saudi Arabia
- 1992 Israeli Embassy bombing in Buenos Aires
- 1994 AMIA Jewish Community Center bombed in Argentina
- 2005 Assassination of Lebanese Prime Minister Rafik Hariri
- 2006 Northern Israel border post raided, two Israeli soldiers taken captive

- 2012 Suicide bombing of Israeli tourist bus in Bulgaria

Hezbollah’s recent terrorist activities have not been limited to the Middle East. Hezbollah was blamed for the deadly July 18, 2012 suicide bombing attack on a bus trans-

The Obama Administration described Hezbollah in 2010 as “the most technically capable terrorist group in the world.”

porting Israeli tourists at the Burgas airport in Bulgaria.⁷ The attack killed five Israelis and the Bulgarian driver, and injured 32, and served as the catalyst for the European Union’s intensely debated decision in July 2013 to designate Hezbollah as a terrorist group. Since 2012, alleged Hezbollah operatives have been detained in Nigeria, Thailand, and Cyprus, where a court convicted a Swedish-Lebanese man for plotting multiple attacks on Israeli targets.⁸ These incidents and foiled plots illustrate the global reach of Hezbollah. Given Hezbollah’s current, active political and military support of Bashar al-Assad’s regime in Syria, U.S. officials suspect that Hezbollah is using the proceeds from illicit activities to support its operations against the Syrian rebels.⁹

Support From The Tri-Border Area Of South America

There is a significant Lebanese diaspora community, comprised of Christians and Muslims, that eclipses the actual population in Lebanon. Most emigrated from Lebanon to North America, Latin America, Europe, and the Gulf to escape from the Lebanese Civil War between 1975 and 1990. The largest Lebanese expatriate communities in Latin America are in Brazil,

Argentina, Mexico, Colombia, Ecuador, and Venezuela.¹⁰ Some of the most famous Latin Americans of Lebanese descent include the wealthiest man in the world, Carlos Slim of Mexico, and pop-music artist, Shakira from Colombia. Within the diaspora community, there are both Sunnis and Shiites, including some Hezbollah sympathizers among the Muslim Shiite Lebanese expatriates in Latin America.

The 1992 bombing of the Israeli Embassy and 1994 bombing of the Jewish Cultural Center in Buenos Aires, Argentina attributed to Hezbollah and Iran, focused attention on Hezbollah's networks in Latin America. According to Argentine special prosecutor Alberto Nisman, Hezbollah began its infiltration of Latin America in the mid-1980s, with its first major stronghold in the Tri-Border Area (TBA), a relatively ungoverned region along

the frontiers of Argentina, Brazil and Paraguay. From this base in Ciudad del Este, Paraguay, Hezbollah set up illicit enterprises to fund its operations in the Middle East and elsewhere; the organization's endeavors included money laundering, counterfeiting, piracy, and drug trafficking.¹¹ A 2004 study for the Naval War College determined that Hezbollah's operations in the TBA generated about \$10 million annually, while a 2009 Rand Corporation report said Hezbollah netted around \$20 million a year. For Paraguay, the dark side of globalization, manifested through drugs, arms, and counterfeit goods smuggling, as well as the money laundering that accompanies these illicit activities, is a threat to the country's economic prosperity and security. Counterfeit goods sold in the black market, such as fake pharmaceuticals, threaten the safety and health of consumers, defraud those who researched



Security staff look at one of the damaged buses carrying Israeli tourists that was hit by a bomb explosion on July 18, 2012 at Bourgas Airport in Bulgaria. Hezbollah was blamed for the attack.

and developed the patents for those products, and deny the government vital tax revenues.

Paraguayan authorities acknowledge the threat of Hezbollah and its facilitators operating in the Tri-Border Area. They have established specialized units monitoring suspected supporters and detecting money laundering and terrorist financing schemes. Director of Paraguay's Secretariat for Terrorism Prevention Carlos Benitez explained his team is working with their Argentine and Brazilian counterparts on several investigations.¹² In 2011, Paraguay extradited suspected Hezbollah financier, Moussa Ali Hamdan, a dual U.S.-Lebanese citizen, who had been detained in Ciudad del Este, to the United States where he was charged in a conspiracy to provide material support to Hezbollah, in the form of proceeds from the sale of counterfeit currency, stolen (genuine) cash, and fraudulent passports.

According to the indictment, Hamdan and several other defendants were charged with transporting stolen goods and trafficking in counterfeit goods. These stolen goods included cellular telephones, laptop computers, Sony Play Station 2 systems, and automobiles, which the conspirators transported to such overseas destinations as Lebanon and Benin (Africa). Hamdan also allegedly bought counterfeit goods—namely, counterfeit Nike® shoes and Mitchell & Ness® sports jerseys from a cooperating witness.¹³ Hamdan is a member of the Lebanese diaspora in the United States who sympathize with and support Hezbollah.

Paraguayan security officials are engaged in several ongoing investigations of transnational criminal organizations and Hezbollah facilitators; however, they admit that they lack sufficient intelligence and law enforcement capabilities to effectively counter these threats

despite receiving technical assistance from partner nations like the U.S.¹⁴ According to the U.S. State Department, Paraguay continues to be hampered by ineffective immigration, customs, and law enforcement controls along its porous borders, particularly the TBA with Argentina and Brazil. Limited resources, sporadic interagency cooperation, and corruption within customs, the police, the public ministry, and the judicial sector hinder Paraguay's law enforcement initiatives throughout the country. Meanwhile, Paraguay has been confronted by an internal insurgent group, the EPP (Paraguayan People's Army), which has been conducting terrorist attacks on government security forces; this has resulted in public demands for governmental response and kept terrorism in the policy forefront throughout the year.¹⁵ U.S. officials have long known about Hezbollah support networks operating in the TBA where the group runs drugs and large scale counterfeiting rings, but are now concerned about support networks beyond the Tri-Border Area to other parts of Latin America.¹⁶

Funding Terror Through Drug Trafficking

Drug trafficking continues to be the most lucrative criminal activity in the world. The United Nations Office on Drugs and Crime (UNODC) and European crime-fighting agency EUROPOL estimate the global drug trade at around \$435 billion a year, with the annual cocaine trade worth \$84 billion.¹⁷ From the mountains of Afghanistan to the jungles of Latin America and Southeast Asia, nation-states have been engaged in the so-called "War on Drugs" for decades. In these zones of instability, we are witnessing terrorist groups increasingly engaged in criminal activities, including drug trafficking. Indigenous terror

groups, like the FARC in Colombia and Shining Path in Peru, are directly engaged in the cocaine business in Latin America, but these businesses are going global, and Hezbollah and its supporters are increasingly getting into the act.

Operation Titan's revelations illustrate how Hezbollah receives direct support from sympathetic members of the Lebanese diaspora community in Latin America to finance its activities.

Operation Titan was a joint endeavor by U.S. and Colombian investigators that in October 2008 dismantled an international cocaine smuggling and money laundering ring that allegedly directed part of its profits to finance Hezbollah. The two-year investigation resulted in more than 130 arrests and the seizure of \$23 million by Colombian and U.S. agents.¹⁸ Among those arrested was Lebanese kingpin, Chekry Harb in Bogota, Colombia. He used the alias "Taliban" and acted as the hub of an alarming alliance between South American cocaine traffickers and Middle Eastern militants, according to Colombian investigators.¹⁹ Harb was accused of being a "world-class money launderer" of hundreds of millions of dollars each year, from Panama to Hong Kong, while paying some 12 percent of profits to Hezbollah, according to Gladys Sanchez, lead investigator for the special prosecutor's office in Bogota. She cited "this (case) as an example of how narco-trafficking is a theme of interest to all criminal organizations, the FARC, the paramilitaries, and terrorists."²⁰ Harb was charged with drug-related crimes in a sealed indictment filed in Miami in July

2008, but terrorism-related charges were not filed. The suspects allegedly worked with a Colombian cartel and a paramilitary group to smuggle cocaine to the United States, Europe, and the Middle East.

Colombian authorities explained that the case originally began as a money laundering investigation, but as agents "followed the money trail," they discovered the links between Harb and Hezbollah operatives.²¹ Investigators employed 370 wiretaps and monitored 700,000 conversations. Harb logged extensive travel to Egypt, Lebanon, and Syria, and was in phone contact with Hezbollah figures, according to Colombian officials. The inquiry grew into *Operation Titan* over the course of two years of U.S.-Colombian collaboration.²² *Operation Titan's* revelations illustrate how Hezbollah receives direct support from sympathetic members of the Lebanese diaspora community in Latin America to finance its activities. In the case of Chekry Harb, it was through the laundering of proceeds of cocaine trafficking from Colombia; drugs destined for the United States and beyond.

For decades, Colombia has focused on vanquishing the FARC, a Marxist-Leninist rebel group, intent on regime change since the 1960s. In the 1990s, the FARC, which had provided security services for the powerful Cali, Medellin, and Norte del Valle drug cartels, succeeded the drug cartels once they were defeated and dismantled by Colombian and U.S. counternarcotics operations. The FARC not only filled the power vacuum in Colombia's illicit economy but also filled its own coffers with the proceeds from the lucrative cocaine trade. Experts estimate the FARC takes in between \$500 million and \$600 million annually from the illegal drug trade. The group also generates income from kidnappings, extortion schemes,

and an unofficial “tax” that it levies in the countryside for “protection” and social services.²³ The FARC’s wealth has allowed it to equip, train, arm, and support its guerrillas and wage a prolonged and aggressive insurgency in Colombia.

Operation Titan uncovered the links between Hezbollah’s facilitators and the FARC as well as other Colombian armed groups. While these groups may not espouse the same political aspirations or ideology, they do engage in lucrative illicit activities like narco-trafficking and money laundering that support their respective networks. The case of the FARC, at times described as a narco-insurgency, is one of the best examples of the terror-crime nexus in Latin America. The Colombian government under President Santos and the FARC are currently engaged in a peace process that may bring an end to this 50-year old insurgency but will not stop the cocaine trade.

Just as the FARC replaced the Colombian drug cartels in the 1990s, Colombian officials and security analysts anticipate that the BACRIM (Bandas Criminales) or criminal bands already engaged in organized crime activities, such as drug trafficking, extortion, kidnap for ransom, and illegal smuggling in Colombia, will succeed the FARC. The BACRIM are the heirs to the AUC (United Self-Defense Forces of Colombia) that were formed in the late 1990s to fight the FARC, citing the state’s inability to do so effectively. Despite the demobilization of some 31,670 members of the AUC in August 2006, several armed groups continued the AUC’s lucrative illicit activities. According to the Colombian National Police, 3,870 people make up the six key emerging criminal groups; Los Urabeños, in the departments of Antioquía, Chocó, Bolívar, Magdalena and Norte de Santander; Los

Rastrojos, in Nariño, Cauca and Putumayo; and El Bloque Meta, Los Libertadores de Vichada, Renacer and Los Machos, in Meta, Vichada and Guainía.

According to the National Police, the BACRIM are deeply rooted in narco-trafficking, from growing coca – the main ingredient used to produce cocaine – to turning it into cocaine before they export it or sell it to international narco-trafficking groups. According to a Colombian newspaper *El Tiempo’s* investigation, it is believed that the BACRIM now control 50 percent of the cocaine produced in Colombia.²⁴

The BACRIM have crossed Colombia’s borders, expanding their markets in search of better profit margins and eluding Colombian authorities. At the same time they are supplying the Mexican drug cartels’ expanding operations into Central America. Moreover, security officials believe the BACRIM are the new suppliers of cocaine to traffickers associated with Hezbollah. The BACRIM are primarily motivated by profit, in contrast to the FARC with its political agenda, and will replace the FARC to capitalize on the illicit economy to enrich themselves.²⁵ Given their international illicit activities, the BACRIM are considered a transnational criminal organization (TCO) by the U.S. government.

With the Colombian government and FARC rebels negotiating a peace settlement, Colombia is dedicating more security and judicial resources to address the growing threat from the BACRIM. Deputy Director of the Colombian National Police’s anti-narcotics force, Colonel Esteban Arias Melo, said his 7,600 officers “focus on both drug trafficking as well as fighting the restructured Bacrim (organized crime groups), as it’s now impossible to separate these two factors.”²⁶ In 2013,

pressure from the combined forces of the Army and National Police led to the apprehension of 1,738 BACRIM members, including 168 members of demobilized paramilitaries. Additionally, 300.5 tons of narcotics were seized.²⁷

Joumaa and his associates allegedly shipped an estimated 85,000 kilograms of cocaine into the United States and laundered more than \$850 million in drug money coming out of Mexico from the Los Zetas cartel through various front companies and the Lebanese Canadian Bank (LCB).

To complement the anti-BACRIM operations of the security forces, the Colombian government has expanded its specialized, vetted unit of top prosecutors in the Attorney General's Office to bring those associated with the BACRIM to justice. The unit examines the different criminal activities of the BACRIM to include kidnapping, corruption, arms trafficking, counterfeit smuggling, money laundering, and drug trafficking. Some of their BACRIM investigations are exploring links among the BACRIM, the Mexican cartels, and Hezbollah facilitators particularly in the cocaine trade.²⁸

Ayman Joumaa; A Critical Hezbollah Facilitator

Many terrorist groups and criminal organizations rely on key facilitators for support, financing, and logistics. Ayman Joumaa, a dual Colombian-Lebanese citizen, engaged in global narcotics trafficking and money laundering operations, is one such facilitator for Hezbollah. In certain countries in Latin America like Colombia, there is a significant

Lebanese diaspora community comprised of Muslims and Christians who maintain close ties with Lebanon. On November 23, 2011, a U.S. federal grand jury indicted Lebanese drug kingpin Ayman Joumaa, a.k.a. "Junior," *in absentia*, for distributing tens of thousands of kilograms of cocaine from Colombia through Central America to Los Zetas in Mexico and for laundering millions of dollars of drug money from Mexico, Europe and West Africa to Colombia and Venezuela.²⁹

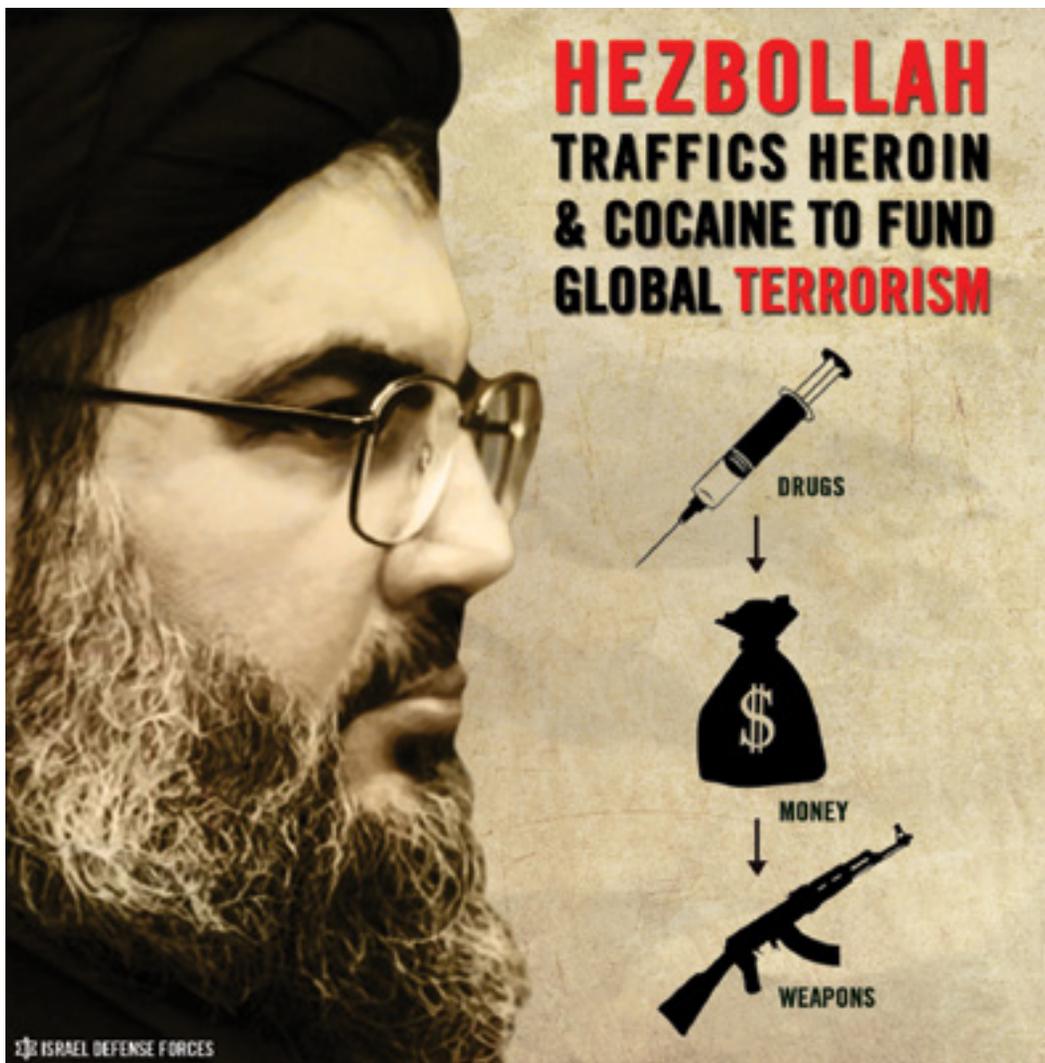
According to the U.S. Justice Department and Drug Enforcement Administration (DEA), Joumaa and his associates allegedly shipped an estimated 85,000 kilograms of cocaine into the United States and laundered more than \$850 million in drug money coming out of Mexico from the Los Zetas cartel through various front companies and the Lebanese Canadian Bank (LCB). In February 2011, LCB was designated by the U.S. Treasury as a "Primary Money Laundering Concern." U.S. officials said some officers of LCB and subsidiaries had connections with Hezbollah. During the course of the conspiracy, Joumaa typically picked up between \$2 – 4 million at a time in Mexico City.³⁰ He was allegedly charging fees between 8 – 14 percent for laundering the funds and remitted the funds to Hezbollah.

According to the 2011 indictment, Joumaa's coordination of money laundering activities occurred in Benin, Colombia, the Democratic Republic of Congo, Lebanon, Panama, the United States, and elsewhere. This illustrates the global nature of Joumaa's activities. U.S. Attorney Neil MacBride said, "money fuels the drug trade, and Mr. Joumaa is alleged to be at the center of it all, working with those producing the vast majority of the world's cocaine to get their drugs safely into the hands of Mexican cartels, and then moving hundreds

of millions in proceeds all around the world so the money can't be traced back to him in Colombia."³¹

Although indicted and designated as a narcotics kingpin, Ayman Joumaa remains at large at the time of this writing. This case shows the extensive financial support network Hezbollah enjoys in Latin America and beyond. This partnership between Joumaa, a prominent Hezbollah facilitator, and Los

Zetas, the most violent Mexican cartel in the drug trade, is a disturbing development of the terror-crime nexus that challenges security forces around the world. While it is unclear how well corroborated this alliance is between Hezbollah facilitators and Los Zetas, these illicit actors share a deep profit motive in the narcotics trafficking trade and present a threat to security around the globe.



Hezbollah finances its terrorism using a sophisticated drug-trafficking operation where it combines its drug profits with proceeds from used-car sales in Africa.

Lebanese Canadian Bank – Hezbollah’s Bank Of Choice

Facilitators of terrorism and crime can be individuals, groups, and even institutions. This was the case of the LCB. As of 2009, LCB was Lebanon’s eighth-largest bank, headquartered in Beirut, with approximately 35 branches throughout Lebanon, and total assets worth more than \$5 billion.³² This bank and a series of Lebanese exchange houses served as conduits for money laundering and the funding of Hezbollah through a sophisticated used car sales scheme through the Americas, Africa, and the Middle East.

The February 10, 2011, Treasury Department designation of LCB as a financial institution “of primary money laundering concern” under Section 311 of the PATRIOT Act

highlighted the bank’s role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network. The network also engaged in trade-based money laundering, involving consumer goods throughout the world, including through used car dealerships in the United States. The Treasury Department had reason to believe that LCB managers were complicit in the network’s money laundering activities. This action exposed Hezbollah’s links to LCB and the international narcotics trafficking and money laundering network.³³

According to U.S. authorities, at least \$329 million was transferred by wire from LCB and other financial institutions to the U.S. to purchase used cars that were then shipped to West Africa from January 2007 to early 2011. Cash



A diagram detailing Hezbollah’s criminal activities provided by the U.S. Department of the Treasury.

from the sale of the cars, along with the proceeds of narcotics trafficking, were funneled to Lebanon through Hezbollah-controlled money-laundering channels. LCB played a key role in these money-laundering schemes and conducted business with a number of Hezbollah-related entities.³⁴ Reflecting on this case, DEA Administrator Michele Leonhart stated, “DEA and its partners have exposed the Lebanese Canadian Bank as a major money laundering source for Hezbollah. The connection between drug traffickers and terror networks is evident. By attacking the financial networks of those who wish to harm innocent Americans, DEA is strengthening national security making our citizens safer.”³⁵ The complex investigation of LCB and the illicit networks transacting with LCB was a great example of U.S. interagency cooperation between the Treasury and Justice Departments as well as specialized law enforcement agencies like the DEA.

To settle this case, LCB agreed to pay a \$102 million settlement on June 23, 2013, a fraction of the amount of money allegedly laundered by the institution on behalf of illicit actors. U.S. Attorney for the Southern District of New York Preet Bharara said:

The settlement shows that banks laundering money for terrorists and narco-traffickers will face consequences for their actions, wherever they may be located. This type of money laundering network fuels the operations of both terrorists and drug traffickers, and we will continue to use every resource at our disposal to sever the connection between terrorists, narco-traffickers, and those who fund their lethal agenda.

The DEA Administrator also commented:

*Regardless of how or where, DEA will relentlessly pursue global drug criminals and their huge profits, in particular those associated with terror networks such as Hezbollah. This settlement is significant and addresses the role the Lebanese Canadian Bank played in facilitating illicit money movement from the United States to West Africa to Hezbollah-controlled money laundering channels. Drug trafficking profits and terror financing often grow and flow together. One of DEA's highest priorities will always be to promote U.S. and global security by disrupting these narco-terror schemes and protecting the systems they abuse.*³⁶

The LCB case provided important insight into how Hezbollah’s facilitators are leveraging global trade and international financial institutions to realize their criminal activities around the world and support the terrorist organization. It also served as a valuable example of how financial intelligence and “following the money trail” are actively targeting and pursuing the facilitators of terrorism and crime.

Due to the lucrative nature of the narcotics trade and money laundering, other financial institutions such as money-exchange houses have taken the place of LCB to serve as conduits for terror-crime networks like Hezbollah. Following the Treasury Department’s action against LCB, Ayman Joumaa’s narcotics network turned to Rmeiti Exchange and Halawi Exchange to handle its money-laundering needs according to the Treasury Department’s top counter-terrorism official David Cohen. Kassem Rmeiti & Co. for Exchange, moved nearly \$30 million in drug proceeds through the U.S. since 2008, according to Treasury and DEA officials. The

company's owner, Haitham Rmeiti, has also emerged as "a key facilitator for wiring money and transferring Hezbollah funds," the Treasury and DEA said. Meanwhile, a second exchange, Halawi Exchange Co., was facilitating the shipment of more than \$220 million of used cars, which originated in the U.S., into the West African country of Benin in 2012 as part of the same drug-trafficking operation, U.S. officials alleged.

On April 23, 2013, the Treasury Department named both exchange houses as "primary money laundering concerns" under the Patriot Act, an action that bans these firms from the U.S. financial system, and freezes their dollar-based assets.³⁷ Lebanon's central bank governor, Riad Salameh, said in an interview in April 2013 that Beirut's financial regulators had independently been scrutinizing the businesses of both exchange houses. U.S. officials are particularly worried about the operations of money exchange houses in Lebanon and the broader Middle East because of their focus on moving bulk cash and the fact they are less regulated and monitored than banks.³⁸ Thus, efforts to identify, pursue, and dismantle the networks of terror-crime facilitators continue around the globe.

The Implications Of the Convergence Of Terrorism And Crime

In the age of globalization, we are witnessing an emerging threat – the convergence of terror-crime networks that capitalize on global resources, supply chains, markets, capital, and facilitators to pursue their political and profit agendas, respectively. Threats from illicit networks, including terrorists, criminals, and proliferators are nothing new, but the drivers of globalization have broadened the scope, accelerated the pace, and magnified the impact of

their activities that endanger security and prosperity around the world. While indigenous terrorist groups like the FARC in Colombia and Shining Path in Peru exploit the lucrative drug trade and focus on national regime change objectives, Hezbollah is a foreign terrorist organization that does not limit its operations and logistical support to Lebanon and the Middle East. It targets U.S. interests and those of its allies, especially Israel, and draws the support of global facilitators. The organization has been responsible for several terrorist attacks and plots beyond the Middle East, including the 2012 Burgas, Bulgaria bombing of a bus filled with Israeli tourists. More recently, Hezbollah is playing an active role in the Syrian civil war supporting and fighting alongside Syrian President Bashar al-Assad.

In its 2012 Country Reports on Terrorism the State Department Bureau of Counterterrorism indicated that there were no known operational cells of either al-Qaeda or Hezbollah in the Western Hemisphere; however, it acknowledged that sympathizers in South America and the Caribbean provide financial and ideological support to those terrorist groups. The State Department also reported that the TBA area of Argentina, Brazil, and Paraguay continued to be an important regional nexus of arms, narcotics, and human smuggling, counterfeiting, pirated goods, and money laundering that are all potential funding sources for terrorist organizations.³⁹

The cases of Operation Titan, Ayman Joumaa, and the Lebanese Canadian Bank demonstrate how Hezbollah relies on overseas support from facilitators among the Shiite Lebanese diaspora community in Latin America. These cases illustrate the complexity and sophistication of these illicit networks and their ties to terrorism. These facilitators are

allegedly interacting with illicit actors including the Mexican drug cartels and Colombian armed groups like the FARC and BACRIM. The drug trafficking, money laundering, and counterfeit trade in Latin America that fund Hezbollah are impacting U.S. consumers, financial institutions, and markets. The global operations and reach of these networks present formidable challenges to counterterrorism and counter-crime officials. These illicit networks are often better armed, equipped, and funded than government forces. Hezbollah may not be conducting or plotting terrorist operations in the U.S. and Latin America, but security forces and intelligence services must remain vigilant and be prepared for potential threats. The 2011 White House National Strategy for Counterterrorism and National Strategy to Combat Transnational Organized Crime recognizes these emerging threats and the terrorism-convergence phenomenon. They seek to channel the appropriate U.S. government resources to address them. To confront the convergence of illicit networks, we need to promote more effective interagency and international cooperation, such as joint task forces and vetted units, to better understand, analyze, and devise specific measures to impact these illicit networks. **PRISM**

Notes

¹ The views expressed in this chapter are those of the author and do not reflect the official policy or position of the Perry Center for Hemispheric Defense Studies, the National Defense University, the Department of Defense, or the U.S. Government.

² An Open Letter: The Hizballah Program, January 1, 1988, <http://www.cfr.org/terrorist-organizations-and-networks/open-letter-hizballah-program/p30967>

³ U.S. Department of State Bureau of Counterterrorism, Foreign Terrorist Organizations, <http://www.state.gov/j/ct/rls/other/des/123085.htm>

⁴ State Department Country Reports on Terrorism 2012, Chapter 6, Foreign Terrorist Organizations, Hizballah, <http://www.state.gov/j/ct/rls/crt/2012/209989.htm>

⁵ Scott Wilson, "Lebanese Wary of a Rising Hezbollah: Fears of Militia's Broader Ambitions Reignite Debate Over Its Populist Agenda," *Washington Post*, December 20, 2004, http://www.washingtonpost.com/wp-dyn/articles/A12336-2004Dec19_2.html

⁶ Compiled from State Department and Council on Foreign Relations websites. Several events are disputed regarding attribution of responsibility.

⁷ Nicholas Kulish and Eric Schmitt, "Hezbollah Is Blamed for Attack on Israeli Tourists in Bulgaria," July 19, 2012, *New York Times*, <http://www.nytimes.com/2012/07/20/world/europe/explosion-on-bulgaria-tour-bus-kills-at-least-five-israelis.html?pagewanted=all>

⁸ Council on Foreign Relations Backgrounder on Hezbollah, <http://www.cfr.org/lebanon/hezbollah-k-hizballah-hizbullah/p9155>

⁹ Jay Solomon, U.S. Moves Against Hezbollah 'Cartel', *Wall Street Journal*, April 23, 2013, <http://online.wsj.com/news/articles/SB10001424127887323735604578441251544900808>

¹⁰ Lebanese Diaspora – Geographic Distribution, *The Identity Chef*, <http://theidentitychef.com/2009/09/06/lebanese-diaspora-worldwide-geographical-distribution/>

¹¹ Arthur Brice, "Iran, Hezbollah mine Latin America for revenue, recruits, analysts say," CNN, June 3, 2013, <http://www.cnn.com/2013/06/03/world/americas/iran-latin-america/>

¹² Eduardo Szklarz, "Hezbollah Threatens Latin America," *InfoSurHoy.com*, http://infosurhoy.com/en_GB/articles/saii/features/main/2013/09/06/feature-01

¹³ FBI Philadelphia Field Office, Alleged Supporter of Terrorist Group Extradited from Paraguay Press Release, February, 25, 2011, <http://www.fbi.gov/philadelphia/press-releases/2011/ph022511a.htm>

¹⁴ Author's interviews with Paraguayan National Police and Central Bank Financial Intelligence Unit officials in Asuncion, Paraguay, November 8, 2013

¹⁵ State Department Country Reports on Terrorism 2012, <http://www.state.gov/j/ct/rls/crt/2012/209984.htm>

¹⁶ Jason Ryan, "Lebanese Drug Lord Charged in US: Links to Zetas and Hezbollah," *ABC News*, December 13, 2011, <http://abcnews.go.com/blogs/politics/2011/12/lebanese-drug-lord-charged-in-us-links-to-zetas-and-hezbollah/>

¹⁷ UNODC website, <http://www.unodc.org/unodc/en/drug-trafficking/>

¹⁸ Chris Kraul and Sebastian Rotella, "Drug probe finds Hezbollah link: Officials say they've broken up Colombian ring that helped fund the militant group," *LA Times*, October 22, 2008, <http://articles.latimes.com/2008/oct/22/world/fg-cocainering22>

¹⁹ *Ibid.*

²⁰ Matthew Levitt, "South of the Border, a Threat from Hezbollah," *Journal of International Security Affairs*, Spring 2013, <http://www.washingtoninstitute.org/policy-analysis/view/south-of-the-border-a-threat-from-hezbollah>

²¹ Author's interviews with Colombian Attorney General's Terrorist Finance Unit in Bogota, August 2013.

²² Chris Kraul and Sebastian Rotella, "Drug probe finds Hezbollah link: Officials say they've broken up Colombian ring that helped fund the militant group," *LA Times*, October 22, 2008, <http://articles.latimes.com/2008/oct/22/world/fg-cocainering22>

²³ Council on Foreign Relations, "FARC, ELN: Colombia's Left-Wing Guerrillas Background," August 19, 2009, <http://www.cfr.org/colombia/farc-eln-colombias-left-wing-guerrillas/p9272>

²⁴ "Más de mil militares y policías colombianos en nexos con el narco," *El Excelsior*, February 27, 2011, <http://www.excelsior.com.mx/node/717934>

²⁵ Ernesto Suárez Gómez, BACRIM: Heirs to Colombia's paramilitary groups," *Infosurhoy.com*, September 18, 2013, http://infosurhoy.com/en_GB/articles/saii/features/main/2013/09/18/feature-02 and author's interviews with Colombian police investigators in Bogota, Colombia March 7, 2014.

²⁶ Robert Shaw, "Colombian National Police Lead Fight Against Organized Crime, Drug Trade,"

Dialogo, September 13, 2013, http://dialogo-americas.com/en_GB/articles/rmisa/features/regional_news/2013/09/13/colombia-bacrim

²⁷ Ernesto Suárez Gómez, BACRIM: Heirs to Colombia's paramilitary groups," *Infosurhoy.com*, September 18, 2013, http://infosurhoy.com/en_GB/articles/saii/features/main/2013/09/18/feature-02

²⁸ Author's interview with Colombian Attorney General's BACRIM Unit, Bogota, Colombia, September 25, 2013

²⁹ The United States Attorneys Office - Eastern District of Virginia, "U.S. Charges Alleged Lebanese Drug Kingpin With Laundering Drug Proceeds For Mexican And Colombian Drug Cartels," Press Release, December 13, 2011, <http://www.justice.gov/usao/vae/news/2011/12/20111213joumaan.html>

³⁰ Jason Ryan, "Lebanese Drug Lord Charged in US: Links to Zetas and Hezbollah," *ABC News*, December 13, 2011, <http://abcnews.go.com/blogs/politics/2011/12/lebanese-drug-lord-charged-in-us-links-to-zetas-and-hezbollah/>

³¹ *Ibid.*

³² Department of Treasury Press Release, "Treasury Identifies Lebanese Canadian Bank Sal as a Primary Money Laundering Concern," February 10, 2011, <http://www.treasury.gov/press-center/press-releases/pages/tg1057.aspx>

³³ *Ibid.*

³⁴ FBI NY Field Office Press Release, "Civil Suit Seeks More Than \$480 Million from Entities That Facilitated Hizballah-Related Money Laundering Scheme," December 15, 2011, <http://www.fbi.gov/newyork/press-releases/2011/civil-suit-seeks-more-than-480-million-from-entities-that-facilitated-hizballah-related-money-laundering-scheme>

³⁵ FBI NY Field Office Press Release, "Civil Suit Seeks More Than \$480 Million from Entities That Facilitated Hizballah-Related Money Laundering Scheme," December 15, 2011, <http://www.fbi.gov/newyork/press-releases/2011/civil-suit-seeks-more-than-480-million-from-entities-that-facilitated-hizballah-related-money-laundering-scheme>

³⁶ U.S. Attorney for the Southern District of New York Press Release, Manhattan U.S. Attorney Announces \$102 Million Settlement Of Civil Forfeiture And Money Laundering Claims Against Lebanese Canadian Bank," June 25, 2013, <http://www.justice.gov/usao/nys/pressreleases/June13/LCBSettlementPR.php>

³⁷ U.S. Treasury Department Press Release, Treasury Identifies Kassem Rmeiti & Co. for Exchange and Halawi Exchange Co. as Financial Institutions of "Primary Money Laundering Concern," April 23,

2013, <http://www.treasury.gov/press-center/press-releases/Pages/jl1908.aspx>

³⁸ Jay Solomon, U.S. Moves Against Hezbollah 'Cartel', *Wall Street Journal*, April 23, 2013, <http://online.wsj.com/news/articles/SB10001424127887323735604578441251544900808>

³⁹ U.S. Department of State, 2012 Country Reports on Terrorism, Western Hemisphere Overview, <http://www.state.gov/j/ct/rls/crt/2012/209984.htm>

Book Reviews

Hezbollah: The Global Footprint of Lebanon's Party of God

By Matthew Levitt
Georgetown University Press, 2013
407 pp., \$29.95
ISBN:9781626160132 (1626160139)

REVIEWED BY THOMAS F. LYNCH III

I welcomed with great anticipation my copy of Matthew Levitt's *Hezbollah: The Global Footprint of Lebanon's Party of God*. Levitt is also the author of a 2006 book, *Hamas: Politics, Charity, and Terrorism in the Service of Jihad*. My anticipation for *Hezbollah* was driven in part by Levitt's noteworthy background in the subject of terrorist groups, with his work as a researcher and scholar at The Washington Institute for Near East Policy, and as a practitioner at the U.S. Department of State, Department of the Treasury and the FBI. Its timing was stimulating, for the book arrived in the midst of controversy and concern regarding Hezbollah's deepening role in the Syrian civil war. My anticipation also was fueled by the chance to read Levitt's work as a detailed refresher to my own late 2008 monograph published by the Combating Terrorism Center at the United States Military Academy titled, *Sunni and Shi'a Terrorism: Differences that Matter*. As its title implied, that monograph took a comparative, 25 year look at the

terrorist activities of groups inspired by radical Sunni Islam and those inspired by radical Shi'a Islam in non-combat zones around the world. Lebanese Hezbollah was a feature Shi'a player in this comparative analysis. Levitt's work promised a much deeper dive into the world of radical Shi'a terrorist groups.

With very minor exceptions, Levitt's work lives up to expectations. It is lucidly written with a compelling narrative, strong on detail regarding specific terrorist events and activities attributable to Hezbollah and its affiliate groups, and features a trove of unique and interesting sources – including many non-American sources. Levitt effectively sketches the wide panoply of international activities undertaken by Hezbollah's terrorist network over the past 30. He also leaves the reader no doubt that Hezbollah's global terrorist activities link directly to Iran, with especially compelling evidence of the consequences of this in the Levant – in Lebanon, in Syria, and against Israel in particular. While his portrait of Hezbollah's terrorism threats in the majority of the world, vice its fundraising and money laundering ones there, do not appear yet to meet the standards for declaring it the kind of international threat against non-Israeli targets he seems to suggest, Levitt's book achieves its self-described aspiration to “kick start” a debate on the full range of Hezbollah's worldwide terrorist activities.

Thomas F. (Tom) Lynch III is a Distinguished Research Fellow at the National Defense University's Institute for National Strategic Studies.

From his opening paragraphs, Levitt writes *Hezbollah* with an aim to more fully expose its worldwide clandestine activities. Before getting to a brief recitation of Hezbollah's founding in Lebanon and its role in providing social services for previously disenfranchised and oppressed Lebanese Shi'a there, he chronicles the foiled 2009 terrorism adventures of two Lebanese nationals in Azerbaijan against Israeli and Western targets noting how these two were sponsored by Iran. He then introduces readers to the greatest coordinator of regional and global Shi'a terrorist activities in history, the late Imad Mugnyiah, who guided the Islamic Jihad Organization (IJO) for almost 30 years. Mugnyiah died from a targeted explosion in Damascus, Syria in early 2008. While other authors including Augustus Richard Norton of Boston University, Ahmad Nizar Hamzah of American University in Kuwait and Eitan Azani of Israel's Herzliya Center have written on the complex relationships between Hezbollah's domestic socio-political role in Lebanon and its martial ones in the Levant and beyond, Levitt's purpose is more limited and clear. He asks the question, "Is Lebanese Hezbollah a terrorist organization?" He answers strongly in the affirmative.

Levitt provides a comprehensive narrative of successful and failed Hezbollah and IJO terrorist plots spanning three decades. His first three chapters focus on Hezbollah's violence-led ascendancy in Lebanon in the 1980s emphasizing how its activities there targeted westerners in order to advance Lebanese Shi'a and Iranian aims in the Levant and across the Gulf. He then provides an extended and very useful recounting of Hezbollah's role in carefully choreographed terror activities in Europe – and especially in France. Levitt's documentation of failed attacks in France, Italy and

Germany makes valuable contributions to a record that is otherwise hard to glean from open source terrorism data, for these often don't capture failed plots. Levitt also does a good job of profiling the logistical and financial activities of Lebanese Hezbollah and IJO operations across Europe in the 1980s-90s demonstrating an organizational reach that is not well understood. The value of Levitt's work in this area is unquestionable making it a highly useful reference.

Yet one might take issue with a bit of Levitt's narrative here – a thread which continues later in the book. While clearly peppering his descriptions of Hezbollah and IJO European terrorism operatives as from these groups, Levitt isn't quite as diligent in clearly labeling the many terrorists and assassins during this dark period of terrorism in Europe, who were directly linked to the Iranian government, its embassies and consulates, and the Iranian intelligence agents who choreographed them. As one example, Levitt chose to use a questionable March 1989 *Times of London* report commenting on two 1987 assassination attempts on Iranian monarchist exiles in London to claim that even though the assassination suspects were London-based Iranian expatriates they were, "...believed to be tied to Hezbollah extremists in south Beirut." To my knowledge, this claim was speculative then and remains unproven to this day.

My own research for *Sunni and Shi'a Terrorism* clearly established that the assassination campaign against Shah of Iran era expats in Western Europe and North America that ran from 1980-92 was an Iranian operation inspired and staged through Iranian embassies and consulates and rarely involved Lebanese Hezbollah agents in other than limited ways. So too was most of the 1984-88 terror

campaign in France which in large measure aimed to end French support for Saddam Hussein's Iraq in its ongoing war against Iran – an effort which complemented Hezbollah bombings of French assets and kidnappings of French nationals in Lebanon — and succeeded brilliantly.

Levitt's narrative of Hezbollah terror activities in Argentina (February and May 1994), Khobar Towers (June 1996), and Iraq (2003-10) is compelling and most helpful in drawing together the clearly established interconnection of Hezbollah and IJO terrorist activities with Iranian agents worldwide. The Iraq section develops themes regarding Hezbollah training and assistance to Iranian Quds-Force sponsored Iraqi Shi'a militia that provide insight into how much of this and more now must be ongoing between Shi'a elements in Syria's civil war.

Levitt's recounting of Shi'a terrorist support and plotting activities in Southeast Asia (1990s), North America (1990s-2000s) and East Africa (1990s-2000s) makes interesting reading and illuminates the nature of far-flung financing and logistical support pursued by Hezbollah through Lebanese expatriates and sympathizers. His combination of these activities in a single volume is a most useful contribution. In these pages Levitt draws upon unique official sources from places like the Philippines, New Zealand, Singapore and Canada providing another most helpful record. Yet while this record is important, it strikes me as far short of making the case that Hezbollah is a dramatic much less looming terrorism threat in any of these areas – a conclusion that Levitt seems keen to have us draw. In North America for example, the only clear-cut case of a Shi'a terrorist attack was that planned against the Saudi Arabian Ambassador

to the United States and uncovered in the summer of 2011. Levitt himself acknowledges that this produced a legal indictment against the leader of the Iranian paramilitary Quds Force, General Qassem Soliemani, and not against any Hezbollah or IJO operative. In this vein, scrutiny of the detail Levitt offers actually suggests that agents in these locations are mainly in the business of fundraising, money laundering and logistical support for Hezbollah brethren in the Levant. One can only wonder how much greater a finance and logistical presence was maintained by groups like the Irish Republican Army (IRA) and the Basque Separatists in similar locations without there being a credible threat of operational terrorism in these locations.

I found much to like in Levitt's final chapter where he helpfully links together the radical Shi'a terrorist strikes of 2010-12 in Burgas, Bulgaria against Israeli tourists and New Delhi, India against the Israeli Embassy with the failed attack planned for Bangkok, Thailand against unspecified Israeli targets. He does well in demonstrating that these far-from-random acts came from a high level decision in Tehran to exact revenge for a supposed Israeli-managed assassination campaign against Iranian nuclear scientists. This assessment tracks well a diverse array of other unclassified intelligence assessments I have seen. Thus Levitt's conclusions about Iranian sponsorship are spot-on even if poorly understood in the Western World.

Less compelling however is Levitt's conclusion that a reorganized and rejuvenated IJO served as a critical component in these attacks – attacks that had far more to do with Iranian national interests in vengeance than with Hezbollah interests. Levitt's documentation for this conclusion cites conversations with

unnamed Israeli intelligence officials in late 2012. Yet other sources – including regional sources like those I read regularly from India and Thailand and uncited in *Hezbollah* -- more directly implicate actors with unambiguous ties to Iran and Iranian agencies like the paramilitary agency (IRGC-Quds Force) or Iranian intelligence (MOIS). While one can understand the perspective that Israeli officials would have regarding the links between IJO and Iranian agents — fearing the worst — it would seem prudent to credit Hezbollah and IJO only with those activities which can be clearly placed at their doorstep.

The questions that arise in those instances of Israeli sole-sourcing notwithstanding, Levitt's work is commendable for its variety and detail in references. He utilizes a most helpful array of declassified or partially declassified assessments from the CIA, FBI and Department of the Treasury of Shi'a terrorism as practiced by Hezbollah and Iranian agencies. He updates the record of radical Shi'a terrorist groups in a compelling and readable historical narrative, astutely noting the senior partner to junior partner relations between Iran's security and intelligence services and the leadership of Hezbollah's military wing. In doing so Levitt generates a narrative of that Iranian state senior partner as one with global reach and a global aim to strike-out using terrorism against Israeli interests and against those that would threaten the Mullah-led regime. And while the junior, non-state Hezbollah partner most surely remains committed to operational terrorism in the Levant in reprisal for Israeli actions globally, apart from a widely networked fundraising and propaganda agent, its direct role in terrorism operations beyond the Levant remains historically

anomalous. Is that Hezbollah role now something much more?

Inspired by this commendable book, let the debate begin! [PRISM](#)



U.S. Army soldiers help the crew of a U.S. Navy MH-53E Sea Dragon helicopter from the aircraft carrier USS Carl Vinson unload food and supplies at the airport in Port-au-Prince, Haiti.