

Criminal connections

Hizbullah's global illicit financing activities

Hizbullah's use of criminal activity to raise funds, procure arms, and provide logistics is in part the secret to the success of its military and terrorist activities. **Matthew Levitt** examines the nature and extent of these activities, which have exposed the group to additional law enforcement scrutiny in the US and abroad.

KEY POINTS

- Hizbullah's illicit activities have become even more critical as Iran and Syria deal with internal financial and political turmoil.
- Their illicit activities include document fraud, arms and drugs smuggling, money laundering, and the procurement of dual-use items, among other pursuits.
- Many countries are reluctant to participate in counter-terrorism efforts, but their interests in maintaining law and order provide opportunities to curb these activities.

Since its inception, Hizbullah has leveraged a worldwide network of supporters and sympathizers to provide financial, logistical, and operational support. A vast majority of these often informal networks are called upon to raise funds and procure dual-use items, false documents, and weapons for Hizbullah. International investigations into the group's criminal activities over the past several years have revealed it has developed a sophisticated, organized, and global crime network. This has helped it survive in spite of the financial challenges confronting Iran and Syria, bringing in millions of dollars in profit annually.

Hizbullah's criminal networks, few of which are formal but all of them lucrative, also serve as efficient logistical support nodes for the group's other activities. To a large extent, such networks are the secret to its financial and logistical success. They are also its under-recognized Achil-

les heel, exposing the organization to criminal prosecution, undermining its status as a legitimate 'resistance' movement, and undercutting the group's operational security.

Willing patrons under stress

Hizbullah depends heavily on the support of its primary state sponsors, Iran and Syria. Though the precise amount fluctuates over time and is subject to inconsistent reporting, Western diplomats and political analysts believe Tehran invests more than USD200 million a year in its Lebanese proxy group. According to the 2010 annual threat assessment of the US intelligence community: "Hizbullah is the largest recipient of Iranian financial aid, training, and weaponry."

While Iran is its primary state sponsor, Syria has long been an important patron as well, providing Hizbullah with political support and weapons, and enabling Iran to resupply Hizbullah through Syria via a smuggling network directed by Iran's Revolutionary Guard Corps (IRGC), according to the US Department of State's *Country Reports on Terrorism 2010*.

But Hizbullah's Iranian and Syrian patrons are under increasing international pressure themselves. Facing domestic unrest and financial woes, their respective abilities to support Hizbullah are in decline. As continued international sanctions target Iran's vital oil exports and its access to international banking systems, Iran cannot reliably maintain the kind of generous support for Hizbullah it has in the past. Meanwhile, unrest in Syria threatens to topple an important pillar of support for Hizbullah, where the group has long enjoyed safe haven.





Lebanese-American Moussa Ali Hamdan (pictured right) is escorted by Paraguayan security forces to a legal hearing, in the Paraguayan capital Asuncion on 16 June 2010. According to Paraguayan authorities, a local judge ordered that Hamdan, arrested on an Interpol warrant, be detained pending extradition to the United States (which occurred in February 2011) for his alleged involvement in financing the group Hizbullah.

Should the Assad regime fall, the group is likely to lose freedom of movement in Syria as well as the conduit through which Iranian funding and materiel reach it in Lebanon.

International penalties have reduced Iran oil exports to less than 1.8 million barrels per day – down from 2.5 million barrels – costing Iran about USD63 million daily in lost revenues, according to US officials cited by the *Associated Press*. In remarks to the Friends of the Syrian People Ministerial Meeting in Paris, France on 6 July 2012, US Secretary of State Hillary Clinton said Syria’s “currency and foreign reserves have collapsed” while “sanctions on oil alone have deprived [President Bashar al-]Assad of billions of dollars in lost revenues.” The only thing keeping the regime afloat, according to Clinton, is money from Iran (and assistance from Russia). Given the sanctions targeting Iran, its leaders will find it difficult to provide significant aid to prop up the Syrian regime.

Hizbullah has operated for years with the assurance of hundreds of millions of dollars from Tehran, critical funds without which Hizbullah could never have rebuilt its devastated military infrastructure and restocked its rockets, let alone underwrite the country’s broader reconstruction or dragging Lebanon and Israel into a war neither country wanted in July 2006. Hizbullah uses Iranian money to provide social services to its Lebanese constituents, pay the families of its fighters, and invest in its growing arsenal of rockets and other advanced weapons. According to Israeli intelligence sources, recent economic pressures have forced Iran to severely cut its annual budget to Hizbullah.

Hizbullah has nevertheless proven capable of diversifying its financial portfolio and complementing the support of state sponsors with its own fundraising operations. While it raises money through charities fronting for the group, the real money is not in individual or even group donations, rather, these revenues come from a range of criminal activities, including arms smuggling, credit card fraud, and counterfeiting, through which the group has bolstered its assets and gained greater monetary independence. US officials believe “a substantial portion” of the revenue raised by Middle Eastern terrorist groups in general comes from the USD20 million to USD30 million annually brought in by the illicit scam industry in the US alone.



PA

The building that houses the Lebanese Canadian Bank (LCB) in Beirut, pictured on 11 February 2011. In early February 2011, the US Department of the Treasury designated the LCB as a “financial institution of primary money-laundering concern” for colluding with Lebanese narcotics trafficker and Hizbullah member Ayman Joumaa (also designated by the Treasury) and directing his illicit profits to Hizbullah.

According to a US Immigration and Customs Enforcement (ICE) press release from 24 November 2009, Hizbullah schemes exposed in the US in 2009 alone ranged from stolen laptops, passports, and gaming consoles to weapons procurement (including approximately 1,200 Colt M4 Carbine machine guns), and other types of material support, underscoring the scope and scale of Hizbullah’s rising criminal activity. In one case cited by ICE, a Hizbullah operative attempted to sell approximately USD9,800 in suspected counterfeit US currency to a government witness. The counterfeit bills, however, proved to be genuine, revealing a Hizbullah scheme to sell stolen currency from Middle East.

In another case revealed by the US Department of Justice on 23 November 2009 involving weapons procurement, Lebanese-born German citizen Dani Nembr Tarraf, a Hizbullah procurement agent seeking military-grade weapons for Hizbullah, told conspirators that any weapons he purchased could be easily shipped to Hizbullah through the Syrian port of Latakia because Hizbullah controlled the port and could guarantee secrecy there. Tarraf was arrested in Philadelphia in 2009 and was formally indicted on terrorism charges in

“International investigations into Hizbullah’s criminal activities over the past several years have revealed that the organization has developed a sophisticated, organized, and global crime network”

March 2011, according to a Federal Bureau of Investigation (FBI) press release. He is awaiting trial, and faces life imprisonment if convicted.

Worldwide support networks

Hizbullah is uniquely positioned to draw from a vast network of supporters and operatives worldwide to carry out a number of illicit fundraising operations. Hizbullah has long seen the US and Canada as a permissive illicit financing environment, where its supporters and operatives have run charities and engaged in a vast array of criminal activities to raise money and procure material for the organization.

In 2002, for instance, North Carolina-based Hizbullah operatives, including Mohamed

Youssef Hammoud and his brother Chawki, were convicted for channeling some of their profits – estimated to be more than USD1.5 million – from an interstate cigarette smuggling scheme back to their commanders in Lebanon. According to court documents from the April to June 2002 trial, members of the cell also collected donations to be funneled to Hizbullah through the group’s charities, and in some cases held on to receipts they received for their donations. Youssef was sentenced to 155 years in prison in February 2003.

The Canadian portion of this network, according to court testimony, was under the command of Haj Hasan Hilu Laqis, Hizbullah’s chief military procurement officer. Funded in part with money that Laqis sent from Lebanon, in addition to their own criminal activities in Canada (primarily credit card and banking scams), the cell obtained night-vision goggles, global positioning systems, stun guns, naval equipment, nitrogen cutters and laser range finders to be smuggled into Lebanon.

Hizbullah has also sought to leverage support from Lebanese diaspora communities in Europe. According to a 1992 report to the US Senate Committee on Foreign Relations, in the 1980s and early-1990s, Hizbullah leveraged the business acumen and connections of sympathetic Lebanese businessmen in Europe to build a “web of import-export companies in Western Europe as part of its dormant network” with the purpose of inserting “large quantities of explosive and related equipment into target countries”.

Throughout South America, Europe and West Africa, Hizbullah supporters transfer funds via financial remittances to Lebanon. For example, according to a December 2003 report in Kuwaiti newspaper *Al-Seyassah*, among those killed onboard Union Transport Africaines (UTA) Flight 141, bound for Beirut from Benin, West Africa, which crashed on take-off in 2003, were Hizbullah officials carrying USD2 million in contributions, raised from wealthy Lebanese nationals living in Africa, to the organization’s headquarters in Beirut.

In some cases, Hizbullah sympathizers voluntarily remit funds. For example, Lebanese businessmen active in West Africa’s commercial sector contribute in the form of religious donations collected by Hizbullah. Often paid in cash, these donations make it back to Hizbul-

lah coffers via couriers in the region. In other cases, donations are coerced through intimidation and threats of violence. Larry Andre, deputy chief of mission at the US Embassy in Sierra Leone, told the *Associated Press* in June 2004: “It’s not even an open secret; there is no secret. There’s a lot of social pressure and extortionate pressure brought to bear. ‘You had better support our cause, or we’ll visit your people back home.’” According to an FBI document on international radical fundamentalism declassified in 2008, it has seen similar mafia-style shakedowns in the US: “Most Lebanese nationals in the US have family members still living in Lebanon, thus availing themselves to extortion.”

In South America, Hizbullah has been known to employ mafia-style shakedowns of local Arab communities in order to extract funds for the terrorist organization. Salman el Reda – a Hizbullah operative indicted for his role in the July 1994 bombing of the Argentine Jewish Mutual Aid Association in Buenos Aires and believed by Argentine prosecutors to have co-ordinated a local cell responsible for the attack – developed a reputation when he lived in the region as an “Arab from the mafia” tied to Hizbullah, according to court documentation.

South American support hub

The confluence of criminal syndicates, corrupt officials, and a flourishing economy in pirated goods, weapons and drugs make the tri-border area (TBA) – where the frontiers of Argentina, Brazil and Paraguay meet – an ideal fundraising, logistics and operations platform for a group such as Hizbullah. The 2009 edition of the US Department of State’s *Country Reports on Terrorism* summarized global concerns about the implications of terrorist supporters and a flourishing black market economy being collocated in the TBA as follows: “Suspected supporters of Islamic terrorist groups, including Hizbullah, take advantage of loosely regulated territory and the proximity of Ciudad del Este, Paraguay and Foz do Iguacu, Brazil to participate in a wide range of illicit activities and to solicit donations from within the sizable Muslim communities in the region. The Argentine, Brazilian, and Paraguayan governments have long been concerned with arms and drugs smuggling, document fraud, money laundering, trafficking in per-



In South America, Hizbullah has been known to employ mafia-style shakedowns of local Arab communities in order to extract funds for the terrorist organization. Salman el Reda – a Hizbullah operative indicted for his role in the July 1994 bombing of the Argentine Jewish Mutual Aid Association in Buenos Aires (aftermath seen here) and believed by Argentine prosecutors to have co-ordinated a local cell responsible for the attack – developed a reputation when he lived in the region as an “Arab from the mafia” tied to Hizbullah, according to Argentine court documentation.

sons, and the manufacture and movement of contraband goods through the TBA.”

The establishment of early cells within the TBA’s expatriate Lebanese communities means Hezbollah’s financial and operational support networks in the region have deep roots. According to Chilean police intelligence officials at a law enforcement conference in Santiago in March 2002: “Starting in 1980, Lebanese members of Hezbollah have been expanding [their] presence in South America and continue developing [their] network of contacts in the triple border area... and [this area] is the focal point for the activities of this group in Latin America.” A 2010 study prepared for US Special Operations Command (SOCOM) noted that in the mid-1980s, at the height of the Lebanese civil war, Hezbollah clerics began planting agents and recruiting sympathizers among Arab and Muslim immigrants in the TBA.

According to Argentinean intelligence officials in the investigations unit of the office of the attorney general, one of the first confirmed Hezbollah members settled in the TBA in mid-1990. By mid-2000, the estimated number of operatives living and working in the TBA was several hundred, according to the 2010 SOCOM study. The number of supporters or sympathizers who are neither trained operatives nor official group members, but provide services or support is believed to be much larger, enabling Hezbollah to leverage local communities to build formal and informal networks.

Following the 1992 and 1994 Hezbollah bombings in Buenos Aires, law enforcement and intelligence services noted the remarkable extent to which individuals in Argentina were involved not only in supporting Hezbollah but also in a host of other criminal activities. According to Argentine court documentation, authorities quickly noted Hezbollah operatives involved in “smuggling, drug trafficking, weapons trafficking, documents counterfeiting, car thefts, forgery of products, and money laundering activities”. A 2003 report prepared for the US Library of Congress noted that some of these activities included small-scale businesses that engaged in a few thousand dollars’ worth of business, but transferred tens of thousands of dollars around the globe, sophisticated import-export scams involving traders from India and Hong Kong, pirating multimedia, and collecting millions of dollars a year in “roy-

alties” from criminals engaged in the counterfeit multimedia business.

A 2004 Naval War College report indicated that the group had at that time raised nearly USD10 million annually from illicit activities in the TBA. These funds are often laundered and transferred through Hezbollah-run front companies in South America, which provide cover for an array of the group’s regional enterprises. As cash-heavy businesses, front companies also serve as underground currency exchangers and alternative money remittance services. Using front companies, such as the US-designated Galeria Page shopping center, Hezbollah members commit financial crimes and underwrite terror operations.

Barakat Clan and Galeria Page

The four-story Galeria Page shopping center in Ciudad del Este, Paraguay, co-owned by Hezbollah operatives, was blacklisted by the US Department of the Treasury in December 2006. Declassified intelligence information published by the Treasury in December 2006 noted that Galeria Page “is locally considered the central headquarters for Hezbollah members in the TBA”. Galeria Page

“ Hezbollah’s use of criminal activity to raise funds, procure arms and provide logistics is in part the secret to the success of its military and terrorist activities. But it is also its greatest liability ”

is “managed and owned by TBA Hezbollah members,” the Treasury revealed, adding that “funds generated from these businesses support Hezbollah”. Given the extensive documentation of the robust counterfeit goods business in Ciudad del Este, it should not be surprising that Treasury authorities revealed that the shops in the Galeria Page building “have also been involved in illicit activity, including the sale of counterfeit US dollars”.

Among the stores located in the Galeria Page shopping center was Casa Apollo, an electronic wholesale store owned by Assad Barakat, a known Hezbollah operative and financier also designated by the US Treasury. Barakat’s net-



work in the TBA served as a “major financial artery to Hezbollah in Lebanon”, according to Adam Szubin, director of the Treasury Office of Foreign Assets Control (OFAC). US authorities determined that Casa Apollo provided Barakat “cover for Hezbollah fundraising activities and as a way to transfer information to and from Hezbollah operatives”. He used another of his companies, Barakat Import Export Ltd, to raise money for Hezbollah “by mortgaging the company in order to borrow money from a bank in a fraud scheme”, according to the Treasury designation press release on 10 June 2004.

A Paraguayan investigator cited by *The Forward* in January 2003 described Barakat



A view of Ciudad del Este's commercial area seen from the Paraguay-Brazil border "Friendship Bridge", 200 miles from the Paraguayan capital Asuncion, on 16 January 2007. According to the 2009 edition of the US Department of State's *Country Reports on Terrorism*: "Suspected supporters of Islamic terrorist groups, including Hizbullah, take advantage of loosely regulated territory and the proximity of Ciudad del Este, Paraguay and Foz do Iguacu, Brazil to participate in a wide range of illicit activities and to solicit donations from within the sizable Muslim communities in the region." The four-story Galeria Page shopping center in the city and owned by Hizbullah operatives was blacklisted by the US Department of the Treasury in December 2006.

February 2010, federal authorities arrested three Miami businessmen on charges involving the illegal export of electronic goods to Galeria Page. According to court documents, the men used fake invoices and phony names and addresses to export hundreds of thousands of dollars' worth of electronic merchandise, including video games and digital cameras, to the Hizbullah front.

According to a US Department of Justice summary of major US export enforcement, economic espionage, trade secret and embargo-related criminal cases published in July 2012, Emilio Jacinto Gonzalez-Neira and Jumbo Cargo, Inc pleaded guilty on 15 September 2010 to conspiracy violations and were later sentenced to one year probation and one year non-reporting probation, respectively. Defendants Khaled T Safadi and Cedar Distributors, Inc pleaded guilty on 1 October 2010 to conspiracy violations. Ulises Talavera and Transamerica Express of Miami pleaded guilty to conspiracy violations on 20 October 2010. Safadi, Cedar Distributors, Inc, Talavera and Transamerica Express of Miami were sentenced on 24 January 2011 (Safadi was sentenced to six months probation, Talavera to one year probation, and both Cedar Distributors, Inc and Transamerica Express of Miami sentenced to three years probation). Samer Mehdi, owner of electronics business Jomana Import Export, remains at large.

Iran and Hizbullah remain highly active in South America. For instance, the October 2011 IRGQ Qods Force plot to kill Adel al-Juberi,

as "more than a financier," noting that "he has direct contact with [Hizbullah Secretary General] Nasrallah... and he is the most feared and undisputed leader of Hizbullah in the region". Indeed, according to Argentinean authorities, Barakat was a member of Hizbullah's terrorist wing, the Islamic Jihad Organization (IJO), led by the Imad Mughniyeh until his assassination in February 2008. Barakat and his network collected sensitive information about the activities of other Arabs in the TBA, including those who traveled to the US or Israel.

The extent of Barakat's criminal activity in support of Hizbullah was impressive. From distributing and selling counterfeit US currency to

shaking down local shopkeepers for donations to Hizbullah, Barakat was accused by the US Treasury of engaging in "every financial crime in the book" to generate funds for the group. Even in his fundraising role, Barakat's heavy-handed tactics underscored that he was no mere fundraiser. His threats to shopkeepers were a case in point, according to the US Treasury. Instead of threatening local store owners themselves, Barakat threatened to put family members in Lebanon on a "Hizbullah blacklist" if they did not pay their quota via him to Hizbullah.

Well after the Treasury designation of Galeria Page, Hizbullah fundraisers continued to use the shopping center to launder funds. In

the Saudi ambassador to Washington, DC, also included parallel plans to attack the Saudi and Israeli embassies in Buenos Aires, according to US officials cited in several media reports at the time. These and other ongoing activities have captured the full attention of US intelligence officials and their South American counterparts.

Hizbullah and the drug trade

The most potent financial tool in Hizbullah's arsenal of illicit enterprises is its full-fledged entry into drugs trafficking – estimated by United Nations Office on Drugs and Crime (UNODC) officials to be a USD320 billion a year industry. Hizbullah has been in the business since at least the mid-1990s, when US officials testified that “Hizbullah activities, which include narcotics and smuggling as well as terrorism, are supported in the tri-border area.” Fifteen years later, in March 2010, Anthony Placido, chief intelligence officer at the US Drug Enforcement Agency (DEA), echoed the sentiment when he told US Congress: “Drug trafficking organizations based in the tri-border area have ties to radical Islamic organizations such as

Hizbullah.” By 2011, the US Department of State's Bureau of International Narcotics and Law Enforcement reported: “Lebanese citizens with links to [criminal and drug trafficking] organizations are a major presence among international drug trafficking and money laundering organizations in South America, and are tied into the highest levels of Colombian traffickers moving cocaine throughout the world.”

An increased dependence on illicit activity in general, and the international narcotics trade in particular, exposes criminal networks to detection and ultimately prosecution, and Hizbullah is not immune to such counter-terrorist financing efforts. For instance in January 2011, the US Treasury blacklisted the Lebanese narcotics trafficker and Hizbullah member Ayman Joumaa, along with nine people and 19 businesses involved in his drug trafficking and money laundering business. According to the Treasury designation, an extensive DEA investigation revealed that Joumaa laundered as much as USD200 million a month from cocaine sales in Europe and the Middle East to operations located in Colombia, Lebanon, Panama, and West Africa through money exchange houses, bulk cash smuggling, and other schemes.

Two weeks later, in early February 2011, the US Treasury designated the Lebanese Canadian Bank (LCB) as a “financial institution of primary money-laundering concern” for colluding with Joumaa to launder his illicit profits and direct them to Hizbullah. The depth of Hizbullah's relationship with Joumaa and with LCB shows just how intricate and ambitious Hizbullah's criminal activities have become. One agent involved in investigating the LCB's money laundering connections compared Hizbullah to the Mafia, saying “they operate like the Gambinos on steroids,” according to a *New York Times* report. The LCB has denied the accusations, and the bank's chairman, Georges Zard Abou Jaoude told *CNN* on 11 February 2011 that the bank had no relationship whatsoever with Hizbullah.

In December 2011, the US Attorney in the Southern District of New York filed a civil complaint alleging that Lebanese financial institutions, including LCB, and two exchange houses linked to Hizbullah, used the US financial system to launder narcotics trafficking and other

criminal proceeds through West Africa and back into Lebanon. According to the complaint document, authorities charged that as part of a massive trade-based money laundering scheme, funds were sent from Lebanon to the US to purchase used cars. Subsequently, these vehicles were shipped and sold in West Africa where the proceeds were mixed with proceeds of narcotics trafficking and transferred back to Lebanon. Joumaa paid Hizbullah couriers to transport bulk cash shipments from Africa through the Beirut International Airport, as well as Hizbullah security forces to “safeguard and transport the cash to its recipient”. The proceeds of the used car sales were ultimately repatriated to Joumaa's network in Lebanon.

David Asher, an expert on countering illicit financing networks at the Center for a New American Security, told a policy forum at the Washington Institute in March 2012: “Over the last five years, large sums of bulk cash, often escorted by Hizbullah security guards, have been shipped from Africa to Lebanon; in 2007 alone, some USD1.2 billion declared at the Togo-Ghana border made its way into Lebanese banks. The Lebanese Canadian Bank and affiliated exchange houses laundered and eventually piped the funds back into the US and European banking systems”

The implications of Hizbullah's aggressive entry into drug trafficking between South America, Africa, Europe and the Middle East are tremendously significant – not only for counter-narcotics efforts but for efforts to address counter-terrorism and larger illicit networks as well. The more illicit actors co-operate in the grey areas of logistical support – smuggling, money laundering, and weapons procurement – the more dangerous they all become.

According to Michael Braun, the former chief of DEA's special operations division, who spoke at the March 2012 Washington Institute policy forum, Hizbullah operatives are already rubbing shoulders with organized criminal elements with which they have no ideological affinity: “In permissive environments, Hizbullah operatives are developing close personal relationships with individuals from organized crime groups. Formidable inter-organizational relationships evolve from these personal relationships as young operatives dispatched to places like the tri-border area ascend the ranks within their organization. DEA agents routine-



Hizbullah's Iranian and Syrian patrons are under increasing international pressure. In her remarks the Friends of the Syrian People Ministerial Meeting in Paris, France on 6 July 2012, US Secretary of State Hillary Clinton said that “Syria's currency and foreign reserves have collapsed” while “sanctions on oil alone have deprived [President Bashar al-J]Assad of billions of dollars in lost revenues.” The only thing keeping the Assad regime afloat, according to Secretary Clinton, is money from Iran (and assistance from Russia).



Members of an alleged cocaine ring suspected of financing Hizbullah are presented to the media by Ecuadorean police at its headquarters in the capital Quito on 21 June 2005. The confluence of criminal syndicates, corrupt officials, and a flourishing economy in pirated goods, weapons, and drugs make parts of South America an ideal fundraising, logistics, and operations platform for a group like Hizbullah.

ly report links between Hizbullah and other terrorist and organized crime groups throughout South America, West Africa, and Europe.”

Moving forward

Although many countries are reluctant to co-operate with the US on counter-terrorism for fear of admitting that terrorists operate on their territory, co-operation on criminal law enforcement is more common. Such was the case with Operation Titan, a two-year joint US-Colombian investigation which came to light in 2008 into an international cocaine smuggling and money-laundering ring headed by Cherky Harb, a Colombia-based drug trafficker for Hizbullah.

Colombian authorities accused Harb’s ring of laundering hundreds of millions of dollars a year, from Panama to Hong Kong, with a 12 percent cut going to Hizbullah, according to a *Los Angeles Times* report from October 2008. Over the course of the operation, Columbian and US agents arrested more than 130 suspects, seized USD23 million, deployed 370 wiretaps, and monitored 700,000 conversations. “This has given us a window into the worldwide financial enterprise that, by dotted lines, links traffickers from South America and the United States to West Africa, Europe and Hong

Kong,” an unnamed US official told reporters. Hizbullah’s use of criminal activity to raise funds, procure arms, and provide logistics is in part the secret to the success of its military and terrorist activities. But it is also its greatest liability. Engaging in criminal activity exposes the group to law enforcement scrutiny, which does no good for the operational security of its covert activities. Indeed, in several instances around the world, authorities have stumbled upon Hizbullah networks they had been unaware of when members were caught engaging in blatantly criminal activities.

Focusing on Hizbullah’s criminal activities also provides common ground between countries that consider Hizbullah a terrorist group (in whole or in part) and those that do not. US efforts to work co-operatively with South American allies against Hizbullah activities in the Western Hemisphere are a case in point. When the US government designated several prominent Lebanese expatriates in the TBA as Hizbullah terrorists in December 2006, the Argentine, Paraguayan and Brazilian governments issued a joint statement exonerating the designated individuals and rejecting American claims of terrorist activity in the TBA. But the 2007 the US Department of State’s *Country Reports on Terrorism* noted that when it comes to countering criminal activities, all three of

these governments take a more aggressive approach: “The governments of the TBA have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through this region.”

Not surprisingly, when it comes to Hizbullah and other terrorist elements, the US has found it easier to work with these and other governments in the region through law enforcement and counter-narcotics channels rather than by focusing solely on the counter-terrorism agenda – even though the targets are often one and the same. The approach works for several reasons, including the fact that it requires neither changes to domestic legal structures nor a re-organization of government bodies or legal, administrative, and regulatory authorities. Drug laws are comprehensive and usually draw harsh sentences. Enforcing domestic laws is not a political statement, but merely a function of law and order and of national sovereignty. ■

ABOUT THE AUTHOR

Matthew Levitt directs the Stein Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy and is the author of the forthcoming book *Hizbullah: The Global Footprint of Lebanon’s Party of God*.