



An Examination of the Nature of Hezbollah's Evolving Presence in Latin America

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An Examination of the Nature of Hezbollah's Evolving Presence in Latin America

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Abstract

Hezbollah has proven itself to be an organization of global reach. Since their inception in 1982, Hezbollah has grown its network across five continents, capable of conducting lethal operations and raising tens of millions of dollars in revenue annually through illicit activities. Within the organization's reach, Latin America is one region where Hezbollah has realized enormous success.

The purpose of this research is to examine the nature of Hezbollah's presence in Latin America from the 1980s through 2016. This study reveals the evolution of Hezbollah by examining documents relating to the organization's presence in Latin America across three time periods. The first period marked the arrival of Hezbollah, along with the advent of proselytization and recruitment efforts in the region, beginning in 1983. The second period, beginning in the early 1990s, was defined by Hezbollah going operational in Latin America, with the organization activating its Latin American network to conduct terror attacks and raise significant levels of revenue through the region's lucrative illicit economy. The third period was the post 9/11 era. This period, beginning in late 2001, was defined by a marked increase in scrutiny of Hezbollah in Latin America by western intelligence and law enforcement agencies. In turn, Hezbollah continued their operations, but focused on raising revenue and growing their network throughout the region, rather than conducting terror attacks during this time.

In sum, this study reveals that Hezbollah arrived in Latin America in 1983, establishing a modest beachhead in several Muslim communities and evolved to become

a fully operational organization capable of gaining sympathizers, training recruits, directing operatives, generating substantial amounts of revenue, conducting terror attacks, creating alliances with organized criminal enterprises, and creating an alliance with a national government.

Dedication

Thank you to my parents and grandparents for all of your inspiration and for emphasizing the value of lifelong learning.

Acknowledgements

Thank you to my Thesis Director, Professor Filipe Campante. I am grateful for all of his patience, feedback, and guidance during the development of this project. I would also like to thank my Research Advisor, Dr. Don Ostrowski, for all of his support and direction in assisting to get this project started and completed.

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Chapter I

Introduction

Radical Islamic terror organizations have developed a global presence. Originating as radical religious groups based mostly in the Middle East, many of these organizations have extended their reach and influence internationally. The evolution of radical Islamic terror organizations has proven to be of global consequence and lethal to their enemies around the world.

Open sources reveal that a dangerous, evolving alliance exists and has existed in Latin America for more than thirty years. The alliance, comprised of complicated strategic symbiotic partnerships, is between radical Islamic terror organizations, state sponsors, and local Latin American groups involved in criminal enterprises.¹ These partnerships commonly involve illicit narcotics trafficking, money laundering, counterfeiting, and terrorist training. At various times, these partnerships have existed among Hezbollah, Hamas, numerous local Latin American organized criminal entities,

¹ LaVerle Berry, Nina A. Collars, Glenn E. Curtis, and Rex A. Hudson, "A Global Overview of Narcotics-Funded Terrorist and Other Extremist Groups," (Federal Research Division, Library of Congress, , DC, 2002), 11-70; Rex Hudson, "Terrorist and Organized Crime Groups in the Tri-Border Area (TBA) of South America," (Federal Research Division, Library of Congress, Washington, DC, 2010), 1-3; Steven Monblatt, "Terrorism and Drugs in the Americas: The OAS Response," *Organization of American States: Americas Forum*, February/March 2004, <http://www.oas.org/ezone/ezone24/Monblatt.htm>; Subcommittee on Oversight and Management Efficiency of the Committee on Homeland Security, "Hearing on Threat to the Homeland: Iran's Extending Influence in the Western Hemisphere," (113th Cong., Washington, DC, July 9, 2013), <https://homeland.house.gov/hearing/subcommittee-hearing-threat-homeland-irans-extending-influence-western-hemisphere/>.

the government of Iran, and the government of Venezuela.² Yet, several unanswered questions remain about the nature of these relationships and the overarching objectives of the parties involved. Hence, via an examination of the historical events from the origin of Hezbollah in 1982 through 2016, this study examines the nature of Hezbollah's evolving presence in Latin America.

Definition of Terms

Cooperative actions – actions taken by Hezbollah in coordination with others, related to recruitment of sympathizers and operatives, the spread of the Iranian government's ideology of Islamic revolution, financing, money laundering, narcotics trafficking, training, operational planning, and terrorist attacks.

Common adversaries – the governments of the United States of America, Israel, and their allies.

Common objectives – the goals of Hezbollah and others related to gaining new recruits, gaining new sympathizers, financial gain, control of illicit enterprises, the spread of the Iranian government's ideology of Islamic revolution, and the demise of the United States of America as well as Israel and their allies.

Core partners – Hezbollah, the government of Iran, and local Latin American illicit trafficking entities.

² Berry, Collars, Curtis, and Hudson, "A Global Overview," 1-72; Hudson, "Terrorist and Organized Crime Groups"; United States Department of Treasury, "Written Testimony by Assistant Secretary for Terrorist Financing Daniel L. Glaser before the House Committee on Foreign Affairs," Washington, DC, October 13, 2011, <https://www.treasury.gov/press-center/press-releases/Pages/tg1324.aspx>.

Dangerous alliance, strategic alliance, alliance, or partnership – the relationship that has developed among Hezbollah, local Latin American criminal entities, and the state sponsors of Hezbollah.

Operations – actions taken by Hezbollah related to the recruitment of sympathizers and operatives, the spread of the Iranian government’s ideology of Islamic revolution, organizational financing, money laundering, narcotics trafficking, training, operational planning, and terrorist attacks.

State sponsor – State facilitators of Hezbollah. Facilitation includes providing financing and/or training and/or facilities and/or safe harbor and/or any additional aid.

Tri-Border Area, Tri-Border Region, TBA, or Triple Frontier – Geographic area located at the convergence of the borders of Argentina, Brazil, and Paraguay. A large Muslim population resides in the area and the area has been known to be the primary Latin American home of sympathizers and operatives of Hezbollah.³ Intelligence and law enforcement communities have labeled the region as a lawless hub of illicit activity.⁴ The three primary cities in the area are 1) Ciudad del Este, Paraguay, 2) Foz do Iguacu, Brazil, and 3) Puerto Iguazu, Argentina.

³ Hudson, “Terrorist and Organized Crime Groups,” 5.

⁴ Lieutenant Colonel Philip K. Abbott, “Terrorist Threat in the Tri-Border Area: Myth or Reality?,” *Military Review* 84, no. 5 (September – October 2004): 51.

Chapter II

Background

The following chapter describes the origin, composition, and several financing strategies of Hezbollah. It also identifies Hezbollah's special relationship with the Islamic Republic of Iran. Additionally, it discusses the inherent strategic advantages in Latin America presented to Hezbollah and several of the organization's activities in the region.

Hezbollah, the Party of God

Translated into English, Hezbollah means "Party of God."⁵ The organization, officially labeled by the United States Department of State as a Foreign Terrorist Organization, is based in Lebanon and has a global reach that spans the Middle East, Europe, Africa, and the Americas.⁶ William Costanza explained that Hezbollah emerged initially as a [Shi'a] militia in 1982 in response to the Israeli invasion of southern Lebanon during the Lebanese civil war.⁷ The organization currently holds several seats in the National Parliament of Lebanon through their political wing and is estimated to

⁵ Robert B. Charles, *Narcotics and Terrorism* (Philadelphia: Chelsea House Publishers, 2004), 43.

⁶ United States Department of State. "Foreign Terrorist Organizations Designation List," (Washington, DC, July 1, 2017), <https://www.state.gov/j/ct/rls/other/des/123085.htm>; Casey L. Addis and Christopher M. Blanchard, "Hezbollah: Background and Issues for Congress," Congressional Research Service, (Washington, DC, January 3, 2011), 20-22.

⁷ William Costanza, " Hizballah and Its Mission in Latin America," *Studies in Conflict & Terrorism* 35, no. 3 (2012): 193.

have “thousands of non-combatant members...300 to 500 elite fighters...guerillas numbering between 3,000 to 5,000...[and] 15,000 reservists.”⁸

Hezbollah’s primary state sponsor is the Islamic Republic of Iran. Costanza adds: “With the help of Iran’s Revolutionary Guard, Hizballah was organized [in the 1980s] to serve as a vehicle to spread the revolution of Ayatollah Khomeini among the Shi’a community in Lebanon.”⁹ Over time, Iran’s sponsorship of Hezbollah has aided the group in creating global networks that have helped spread Iran’s ideology of Islamic revolution throughout the world. Matthew Levitt has testified before a United States Senate Committee that it is estimated that Iran funds Hezbollah in the amount of “at least \$100 million per year.”¹⁰

Hezbollah’s Global Reach and Illicit Trade Financing

Operating a global terrorist network and waging Jihad, also known as Holy War or struggle, is costly. Therefore, some radical Islamic terrorist organizations, including Hezbollah, have built diversified revenue portfolios to include the constant revenue stream of narcotics trafficking and other illicit activities like money laundering and counterfeiting.¹¹ In a hearing before the United States House of Representatives

⁸ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 124-126.

⁹ Costanza, “Hizballah and Its Mission in Latin America,” 193.

¹⁰ Committee on Homeland Security and Governmental Affairs, “Hearing on Hezbollah: Financing Terror through Criminal Enterprise,” (109th Cong., May 25, 2005), http://www.globalsecurity.org/security/library/congress/2005_h/050525-levitt.pdf.

¹¹ Subcommittee on Terrorism, Nonproliferation, and Trade of the Committee on Foreign Affairs, “Hearing on Terrorist Groups in Latin America: The Changing Landscape,” (113th Cong., Washington, DC, February 4, 2014), <https://foreignaffairs.house.gov/hearing/subcommittee-hearing-terrorist-groups-in-latin-america-the-changing-landscape/>; United States Department of

Committee on Financial Services' Task Force to Investigate Terrorism Financing, Emanuele Ottolenghi explained that Latin American “drug traffickers rely on terror organizations to move their merchandise to their final destinations in North America and Europe...[and] Hezbollah plays a role in this.”¹² In a 2016 press release, the United States Drug Enforcement Agency made this activity evident by stating that Hezbollah has “established business relationships with South American drug cartels...responsible for supplying large quantities of cocaine to the European and United States drug markets...[and Hezbollah] continues to launder significant drug proceeds as part of a trade based money laundering scheme.”¹³

Hezbollah and other radical Islamic terrorist organizations have adopted narcotics trafficking as part of their diversified revenue-generating strategy to realize financial gain, but also because they believe that they are advancing “strategic objectives...believ[ing] that they can weaken their enemies by flooding their societies with addictive drugs.”¹⁴ Highlighting this philosophy, Berry, Collars, Curtis, and Hudson wrote, “Hizballah’s original fatwa, issued in the mid-1980s on the distribution of drugs, [which] has provided a rationale for drug trafficking [states]: We are making these drugs

Treasury, “Written Testimony by Assistant Secretary for Terrorist Financing,” <https://www.treasury.gov/press-center/press-releases/Pages/tg1324.aspx>.

¹² Committee on Financial Services, Task Force to Investigate Terrorism Financing, “Hearing on the Enemy in Our Backyard: Examining Terror Funding Streams from South America,” (114th Cong., Washington, DC, June 8, 2016), <http://financialservices.house.gov/uploadedfiles/hhrg-114-ba00-wstate-eottolenghi-20160608.pdf>.

¹³ United States Drug Enforcement Agency, “DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme,” (Washington, DC, February 1, 2016), <https://www.dea.gov/divisions/hq/2016/hq020116.shtml>.

¹⁴ Charles, *Narcotics and Terrorism*, 60.

for... America and the Jews... If we cannot kill them with guns, so we will kill them with drugs.”¹⁵

Hezbollah in Latin America: The Tri-Border Area and Beyond

The current body of literature on Hezbollah demonstrates that the organization and their strategic partners have been operating within Latin America since the mid-1980s. In Latin America, Hezbollah operates mainly out of “the tri-border area between Argentina, Paraguay, and Brazil.”¹⁶ Hezbollah has exploited the Tri-Border Area of Latin America (see Figure 1), successfully blending-in among local Lebanese and Shia Muslim communities that have been migrating to the region for more than sixty years.¹⁷ In addition, Hezbollah has benefited from making the Tri-Border Area their hub of operations due to the lawless nature of the existing illicit economy in the region, which has allowed them to generate significant amounts of revenue through diversified criminal enterprises.¹⁸ Levitt explains that “Hezbollah traces its origins in Latin America back to the mid-1980s...when its operatives set up shop in the tri-border area...a natural home for operatives to build financial and logistical Hezbollah support networks within existing Shi’a and Lebanese diaspora communities.”¹⁹ Figure 2 presents the extent of Lebanese diaspora communities across the world.

¹⁵ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 10.

¹⁶ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 123-124.

¹⁷ Abbott, “Terrorist Threat in the Tri-Border Area: Myth or Reality,” 51.

¹⁸ Hudson, “Terrorist and Organized Crime Groups,” 4-5.

¹⁹ Matthew Levitt, “South of the Border, A Threat from Hezbollah,” *Journal of International Security Affairs*, no. 24 (2013): 78.

Figure 1: Map of Tri-Border Area.²⁰

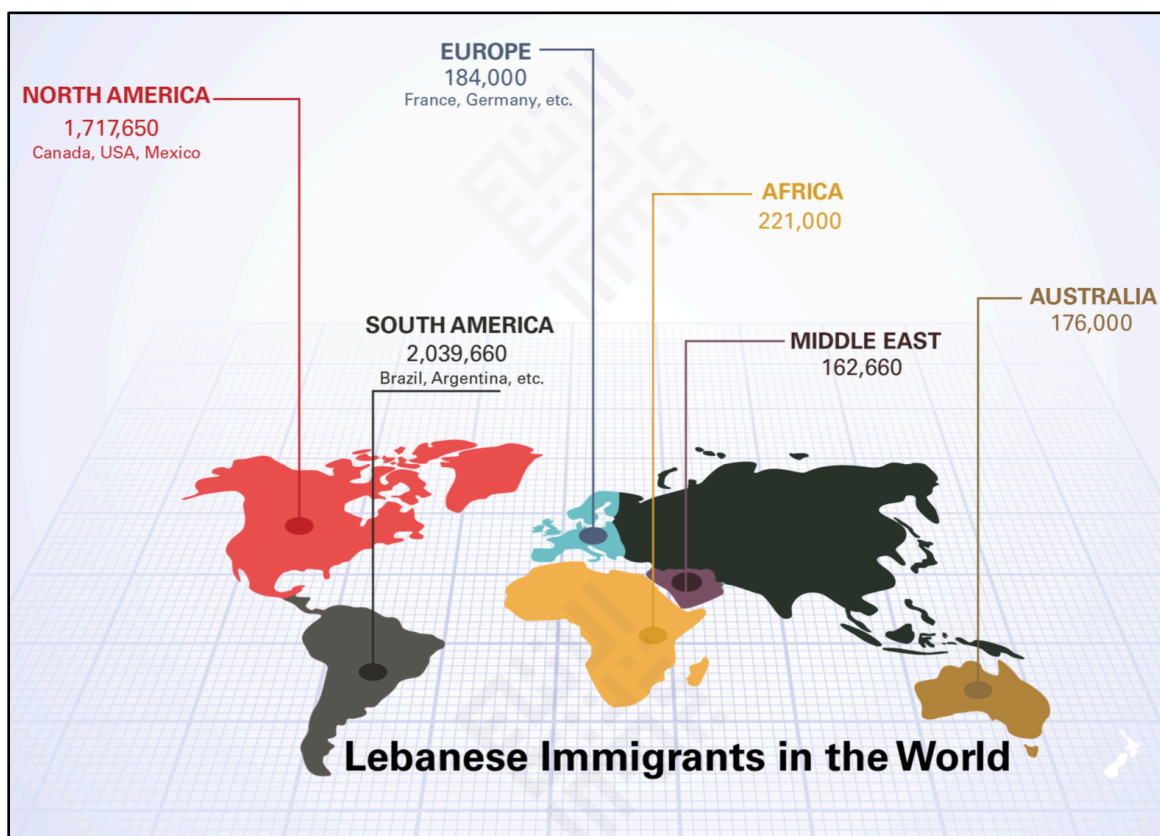


The TBA, South America’s busiest contraband and smuggling center, is home to a large, active Arab and Muslim community consisting of a Shi’a majority a Sunni minority, and a small population of Christians who emigrated from Lebanon, Syria, Egypt, and the Palestinian Territories [starting] about [6]0 years ago.²¹

²⁰ Hudson, “Terrorist and Organized Crime Groups,” 4.

²¹ Abbott, “Terrorist Threat in the Tri-Border Area: Myth or Reality,” 51.

Figure 2: Lebanese immigrants in the world.²²



According to a report written by Kyle Dabruzzi and Daveed Gartenstein-Ross as well as experts testifying before a United States House of Representatives Committee, Hezbollah’s partnerships in the Tri-Border Area and beyond include cooperative activities such as narcotics trafficking, money laundering, counterfeiting, and terrorist

²² Megan Cullen, “Methods of Finding Population Statistics of Lebanese Migration throughout the World,” North Carolina State University Moise A. Khayrallah Center for Lebanese Diaspora Studies, February 4, 2015, <https://lebanesestudies.news.chass.ncsu.edu/2015/02/04/methods-of-finding-population-statistics-of-lebanese-migration-throughout-the-world/>.

training.²³ Lieutenant Colonel Philip Abbott of the United States Army describes Hezbollah's main Latin American operational hub, the Tri-Border Area, as "a lawless area of illicit activities that generates billions of dollars annually in money laundering, arms and drug trafficking, counterfeiting, document falsification, and piracy...[where] illegal activity and commerce in the area fund terrorist groups, primarily Hezbollah and Hamas."²⁴ According to Charles' research, United States Drug Enforcement Agency testimony before the United States Congress revealed Hezbollah as one of the "major terrorist organizations that exist in the Tri-Border Area...[, who] are using cocaine trafficking to provide economic assistance to terrorist movements in the Middle East."²⁵ Joshua Gleis and Benedetta Berti also state that "[t]he tri-border area has been used by Hezbollah, Hamas, and a whole host of other non-state armed groups for a plethora of illicit activities."²⁶ Ilan Berman explained in United States House of Representatives testimony that estimates show "Hezbollah cumulatively nets some \$20 million annually

²³ Kyle Dabruzzi and Daveed Gartenstein-Ross, "The Convergence of Crime and Terror: Law Enforcement Opportunities and Perils," *Center for Policing Terrorism at the Manhattan Institute*, July 1, 2007, <https://www.manhattan-institute.org/html/convergence-crime-and-terror-law-enforcement-opportunities-and-perils-5953.html>; Subcommittee on Terrorism, Nonproliferation, and Trade of the Committee on Foreign Affairs, "Hearing on Terrorist Groups in Latin America," <https://foreignaffairs.house.gov/hearing/subcommittee-hearing-terrorist-groups-in-latin-america-the-changing-landscape/>.

²⁴ Abbott, "Terrorist Threat in the Tri-Border Area: Myth or Reality?," 51.

²⁵ Charles, *Narcotics and Terrorism*, 44-45.

²⁶ Joshua L. Gleis and Benedetta Berti, *Hezbollah and Hamas: A Comparative Study* (Baltimore: Johns Hopkins University Press, 2012), 74.

from the Tri-Border region alone.”²⁷ While a study by the United States Naval War College has estimated that the group raises an estimated \$10 million from the region annually.²⁸ Raising revenue throughout Latin America at the time of Hezbollah’s arrival was and has been more appealing, less costly, more achievable, and more profitable to Hezbollah than attempting efforts on the same scale in the United States, Europe, or elsewhere where tighter regulations and law enforcement interdiction efforts have existed. The already existing illicit economy throughout what has been considered to be a lawless region was flourishing when Hezbollah went operational in Latin America in the 1990s. Hezbollah only had to set up their own reliable network to tap into the illicit economy and eventually realize what would amount to tens of millions in US dollars generated for the organization.

With the extent of illicit activity occurring in the Tri-Border Area eventually becoming so vast and obvious to intelligence agencies and law enforcement, the United States government and its partners began and have been closely monitoring and acting to disrupt the illegal operations occurring in this region, especially in the post 9/11 era. This development still did not completely deter Hezbollah from operating in the Tri-Border Area, but did cause the group to seek further opportunities elsewhere in Latin America. Gleis and Berti explain that “as a result of increased scrutiny of the [tri-border] area...Hezbollah has expanded its enterprises to other areas in Central and South

²⁷ Subcommittee on Counterterrorism and Intelligence of the Committee on Homeland Security. “Hearing on Hezbollah in Latin America.” (112th Cong., Washington, DC, July 7, 2011) <https://www.gpo.gov/fdsys/pkg/CHRG-112hhr72255/pdf/CHRG-112hhr72255.pdf>.

²⁸ Paul D. Taylor, “Latin American Security Challenges: A Collaborative Inquiry from North to South,” Newport Papers 21, Center for Naval Warfare Studies, U.S. Naval War College, Newport, RI, 2004, 24.

America...among these...is Venezuela, with some reports indicating that [the former President] Hugo Chavez's government [was] providing training facilities and funding to Hezbollah."²⁹ Kenneth Katzman also points out that "[d]uring [Iranian President] Ahmadinejad's presidency, Iran had particularly close relations with Venezuela and its president, Hugo Chavez."³⁰ Ahmadinejad and Chavez are no longer in power, but seemingly intensifying the issue of the existence of the dangerous alliance among Hezbollah and its partners in Latin America even more so for the United States and its allies is what Berman explained in 2014 when he wrote: "Iran's strategic presence in Latin America today is significantly greater than it was a decade ago – and it is still growing."³¹ Berman's analysis is important for many reasons, chief among them is the label that has been given to Iran in the past, as described by Jonathan Winer when he wrote, "the United States found Iran to be the most active [state sponsor of terror], providing support to Hezbollah."³² According to Douglas Farah, a strategic presence in Latin America is important to Iran and Hezbollah in order to have and maintain a forward position in the western hemisphere, allowing them to "carry out intelligence operations,

²⁹ Gleis and Berti, *Hezbollah and Hamas*, 74.

³⁰ Kenneth Katzman, "Iran's Foreign Policy," (Congressional Research Service, Washington, DC, November 25, 2015), 32.

³¹ Joseph M. Humire and Ilan Berman, *Iran's Strategic Penetration of Latin America*, (Lanham: Lexington Books, 2014), 1.

³² Jonathan M. Winer, "Terrorist Finance: A Work, Mostly in Progress," *Annals of the American Academy of Political and Social Science* 618, no. 1 (2008): 112.

train and position operatives and prepare attacks, particularly if Israel or the U.S. strikes Iran's nuclear facilities.”³³

Further, Berry et al. point out that Hezbollah had developed a “so-called strategic alliance with [the recognized narco-terrorist organization known as the Revolutionary Armed Forces of Colombia] FARC.”³⁴ Linking and exacerbating this past Hezbollah connection, Steven Monblatt explained: “The former Government of Colombia, in its attempt to bring the FARC to negotiations, ceded to the FARC control of a wide swath of territory.... Iran – Hezbollah’s principal financial supporter – was included in the mix of foreign entities operating in FARC-controlled areas and supporting the FARC movement” for some time.³⁵ The FARC threat seems to have been alleviated today as FARC and the current Colombian government have reached a peace deal that ultimately pacifies the group.

The literature also reveals two terrorist attacks that have occurred in Latin America that are attributed to Hezbollah.³⁶ Both attacks took place in Argentina. The first attack occurred in 1992 against the Israeli embassy and the second occurred in 1994 when a Jewish community center was bombed.³⁷ These targets represented opportunities

³³ Arthur Brice, “Iran, Hezbollah Mine Latin America for Revenue, Recruits, Analysts Say,” <http://www.cnn.com/2013/06/03/world/americas/iran-latin-america/>.

³⁴ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 124.

³⁵ Monblatt, “Terrorism and Drugs in the Americas,” <http://www.oas.org/ezone/ezone24/Monblatt.htm>.

³⁶ Hudson, “Terrorist and Organized Crime Groups,” 5.

³⁷ Monblatt, “Terrorism and Drugs in the Americas,” <http://www.oas.org/ezone/ezone24/Monblatt.htm>.

that were more vulnerable and less costly to attack than other potential sites in Israel, the United States, and Europe.

When all of the above observations are viewed in a global and historical context, common objectives and common adversaries have brought Hezbollah and their partners in Latin America together over time. The relationships have benefited all involved to varying degrees and have particularly created a significant revenue stream for Hezbollah.

Chapter III

Research Problem

The following chapter describes the primary research question and hypothesis of this study. It also describes the purpose of the study, its methodology, and the possible implications of its findings. Lastly, it identifies how this study is restricted in scope and has several limitations.

Research Question and Hypothesis

The primary focus of this study is to answer the question: How has the nature of Hezbollah's presence in Latin America changed since the 1980s? The hypothesis is that the nature of Hezbollah's presence in Latin America since the 1980s has evolved, with the group becoming a mature, robust, and persistent fully operational organization.

Hezbollah grew from a modest beachhead established in several local Muslim communities in Latin America into a fully operational network throughout the region. This evolution was achieved by Hezbollah through the exploitation of inherent strategic advantages that allowed the organization to embed itself within the support infrastructure of lawless regions throughout Latin America that harbor illicit economies, and by rooting itself within Lebanese and Shia population centers throughout the region. These inherent strategic advantages would bring decades of realized success for Hezbollah, resulting in more sympathizers and recruits, an enlarged footprint in local sanctuary areas, successful terror operations, significant revenue-generating activities, and new allies.

A theoretical illustration of the cumulative history of Hezbollah's known activities, sanctuaries, and partnerships is demonstrated in Figure 3. The concept demonstrated is meant to reveal how this study can answer the primary question of this study and inform policy makers of Hezbollah's history in Latin America, allowing them to make inferences as to the future nature of Hezbollah's presence in the region.

Figure 3: Theoretical Illustration of the Evolution of the nature of Hezbollah's presence in Latin America and informed future projections.

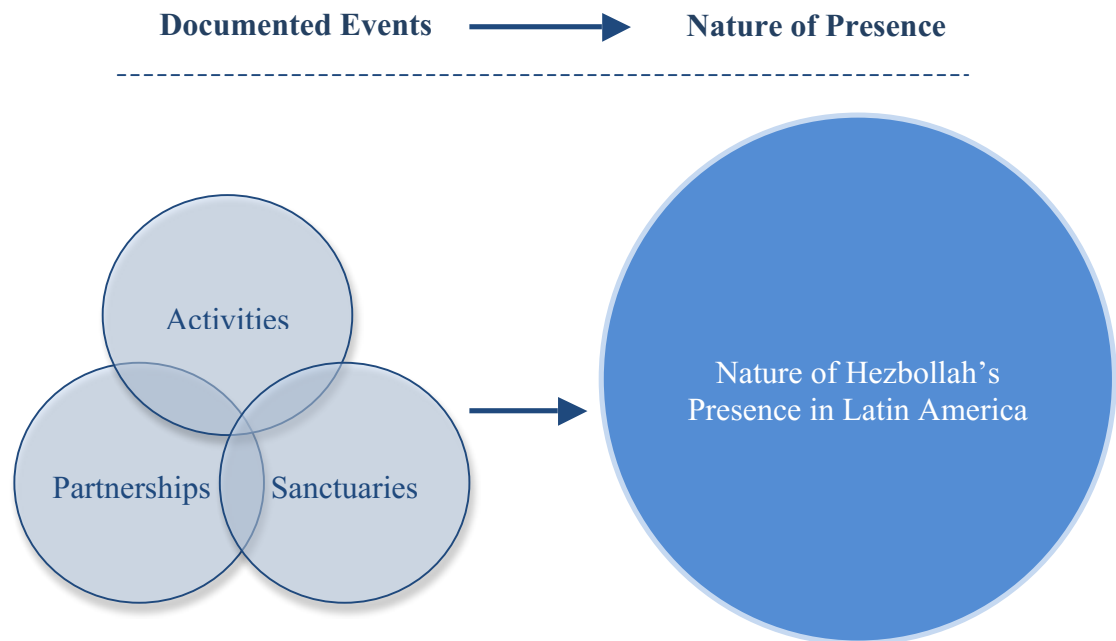


Methods

This study employs a qualitative approach focusing on documented historic data regarding Hezbollah's past and present activities, sanctuaries, and strategic partnerships in Latin America from the 1980s through 2016. Document analysis allowed me to establish a chronology of events to infer how the nature of Hezbollah's presence in Latin America has changed over time in pursuit of their goals and in reaction to the opportunities and threats that confronted the organization. Hence, this study examined qualitative documents that have been published in scholarly journals, scholarly books, major media outlets, non-governmental organization reports, inter-governmental organization reports, United States government reports, and government reports from outside of the United States.

In sum, Hezbollah's activities, sanctuaries, and partnerships revealed, ranging from their founding in 1982 through 2016 explain and determine the nature of Hezbollah's presence in Latin America. Informed by the literature, a theoretical illustration of the nature of Hezbollah's presence in Latin America is demonstrated by the diagrammatic model in Figure 4.

Figure 4: Theoretical Illustration of the nature of Hezbollah's presence in Latin America.



Purpose and Broader Implications

I have chosen to focus this research on the nature of Hezbollah's presence in Latin America that history reveals as it relates to American national security and homeland security issues. To place certain parts of this research into context, this study provides a limited description of Hezbollah's vast terror network and illicit activity network that exists outside of Latin America and their connections with their primary state sponsor, the Islamic Republic of Iran.

The broader implications of this research could assist policy makers to understand Hezbollah's past presence in Latin America in greater depth. In addition, specifying the history will allow for several inferences to be made as to where the future actions and partnerships of Hezbollah in Latin America are heading. Furthermore, this study may help policy makers develop policies to counter Hezbollah's current and future activities. Lastly, this study could help answer several additional questions related to Hezbollah's activities in Latin America, including: Is there any evidence that Latin American narco-trafficking groups would be willing to cooperate with Hezbollah beyond illicit revenue-generating activities? This question is important because such cooperation could allow Hezbollah operatives to covertly enter America via narcotics or human smuggling routes and can carry out attacks on the American homeland. Graham Allison explains that for a terrorist organization, "Almost all the smuggling routes that are used in bringing illegal immigrants or drugs into the United States would be an equally effective way to transport a nuclear weapon across the border."³⁸ This possible scenario raises even more questions

³⁸ Graham Allison, *Nuclear Terrorism: The Ultimate Preventable Catastrophe* (New York: Henry Holt, 2005), 116.

related to Hezbollah's presence in Latin America, including questions such as: Is this another reason why Iran was or is allegedly seeking to build a nuclear weapon? Has Hezbollah created any partnerships that include segments of the violent Mexican drug cartels that control many entryways into the United States?

Additionally, researchers who are intent on studying similar opportunities and threats affecting other terror organizations around the world can use this study as a model to reveal patterns and examine the evolution of such groups to determine the nature of their presence in various regions. One example of a region where similar research could be applied would be Afghanistan and the lawless border area that it shares with Pakistan.

In sum, this study adds value to the body of literature related to the nature of Hezbollah's presence in Latin America. In addition, this research may assist policy makers seeking to further understand Hezbollah's past in Latin America. Further, this study can assist policy makers in their planning efforts to counter Hezbollah's current and future activities. Lastly, this study can assist scholars in future research regarding similar phenomena by applying the methods utilized in this investigation to examine existing opportunities and patterns of other terror organizations operating in various lawless regions across the world.

Limitations

This research is limited to open source information printed in English. Additional confidential information likely exists within governmental intelligence communities, among the armed forces, and elsewhere that I do not have access to. Also, open source information related to my research question likely exists in languages other than English,

that I am not able to translate. Lastly, much of Hezbollah's activities are meant to be clandestine operations and cannot all be known or revealed through the examination of open sources alone.

Chapter IV

Findings

The following chapter reveals the evolution of Hezbollah in Latin America across three time periods, spanning from 1983 to 2016. The three time periods describe Hezbollah's origin and Latin American arrival, Hezbollah's operational beginnings in Latin America, and Hezbollah's Latin American presence in the post 9/11 era. Further, this chapter elaborates on the inherent strategic advantages in Latin America presented to Hezbollah.

Latin American Arrival: Expanding the Global Revolution

In this section, the findings reveal Hezbollah's arrival in Latin America from the Middle East, which occurred in the mid-1980s. Of significant importance, Hezbollah's arrival was tied to the arrival and development of an Iranian intelligence apparatus in Latin America. During this time, both Hezbollah and the Islamic Republic of Iran shared a goal to spread the Iranian government's ideology of Islamic revolution through a global network. This goal was aimed at spreading ideology among new sympathizers and operatives globally to establish reliable networks, rather than an actual overthrow of state governments around the world that would result in new theocratic regimes resembling the Islamic Republic of Iran.

When arriving in Latin America, Hezbollah exploited an opportunity that was before them, which was to easily blend-in and gain new recruits as well as sympathizers

within the Lebanese diaspora communities that had been moving to places in Latin America like the Tri-Border Area in addition to places like Sao Paulo, Brazil and Macao, Colombia. Furthermore, Hezbollah seized upon the opportunity to lay the groundwork to establish a network that would be able to flourish in conducting illicit activities in the future. This groundwork included establishing themselves in areas that were considered to be lawless regions at the time, especially in the Tri-Border Area and Macao. A United States Library of Congress report estimated that money-laundering activities alone in the Tri-Border Area averaged around \$12 billion annually in the late 1990s and early 2000s, describing the area as having porous borders and being an “oasis for...peddlers of contraband and counterfeit products; traffickers in drugs, weapons, and humans; common criminals; mafia organizations; and undocumented Islamic terrorists.”³⁹ Another report issued by the United States Naval War College estimates that several radical Islamic terrorist groups in the Tri-Border Area, Iquique, Colon, Macao, and Margarita Island raise a sum of \$300 million to \$500 million annually from the lawless areas.⁴⁰

Population statistics further illuminate the opportunities that enabled Hezbollah to blend-in locally in the Tri-Border Area and beyond. Christine Folch has estimated that the population of the “Shia Syrian-Lebanese community in the Triple Frontier [is] at 20,000, or about three percent of the area’s total population.”⁴¹ Jeffrey Fields estimates that the Tri-Border Area’s population is around 630,000 of which approximately 25,000

³⁹ Hudson, “Terrorist and Organized Crime Groups,”) 3-10.

⁴⁰ Taylor, “Latin American Security Challenges,” Newport Papers 21, Center for Naval Warfare Studies, U.S. Naval War College, Newport, RI, 2004, 24.

⁴¹ Christine Folch, “Trouble on the Triple Frontier,” <https://www.foreignaffairs.com/articles/argentina/2012-09-06/trouble-triple-frontier>.

are of Arab descent.⁴² Beyond the Tri-Border Area, a study conducted by the Center for Lebanese Diaspora Studies at North Carolina State University estimates that the Lebanese immigrant population in 2014 in Brazil was 939,640 and 774,000 in Argentina.⁴³ These numbers grow when all of the decedents of Lebanese immigrants are included in the estimates, with the first significant wave of Lebanese immigration arriving in the Americas in 1870.⁴⁴ In recent history, the Lebanese Civil War beginning in 1975 also has contributed significantly to the Lebanese diaspora.⁴⁵ The Brazilian Ministry of Foreign Affairs estimates that “7 to 10 million Brazilians have Lebanese ancestry”, while the former Argentine President speaking before the Lebanese Parliament estimated that 1.5 million Argentines are of Lebanese decent.⁴⁶ In 2011, the Pew Research Center estimated that the Muslim population in Argentina was 1,000,000 and 204,000 in Brazil.⁴⁷

⁴² Jeffrey Fields, “Islamic Terrorist Threat in the Tri-Border Region,” <http://www.nti.org/analysis/articles/islamist-terrorist-threat/>.

⁴³ Megan Cullen, “Methods of Finding Population Statistics of Lebanese Migration throughout the World,” Additional estimates exist that are more liberal than the North Carolina State University study cited here and are considered to be “speculative or inflated” according to this study.

⁴⁴ Cullen, “Statistics of Lebanese Migration throughout the World.”

⁴⁵ Cullen, “Statistics of Lebanese Migration throughout the World.”

⁴⁶ Brazilian Ministry of Foreign Affairs, Lebanese Republic, http://www.itamaraty.gov.br/index.php?option=com_content&view=article&id=7223:lebanese-republic&catid=155&lang=en&Itemid=478; Argentine President Carlos Menem, “Argentinian President’s Visit to the Lebanese Parliament,” <https://web.archive.org/web/20070607021332/http://www.lp.gov.lb/Archive/english/presarvisit.htm>.

⁴⁷ Pew Research Center, “Muslim Population by Country,” January 27, 2011, http://www.pewforum.org/2011/01/27/table-muslim-population-by-country/?utm_expId=53098246-2.Lly4CFSVQG2lphsg-KopIg.0.

The findings below represent the actions taken by Hezbollah and their chief sponsor Iran in attempt to reach their early goals and to exploit the Latin American opportunities mentioned above. To understand the findings that reveal Hezbollah's arrival in Latin America in the mid-1980s, first it is important to recognize three key events that occurred just before their arrival that put their future actions into context.

Pre-Latin American Arrival and Iranian Influence

The first event occurred in 1982, which marked the creation of Hezbollah. As previously explained by Costanza, “[Hezbollah] emerged initially as a militia in 1982 in response to the Israeli invasion of southern Lebanon during the Lebanese civil war [and] [w]ith the help of Iran’s Revolutionary Guard, Hizballah was organized to serve as a vehicle to spread the ‘revolution’ of Ayatollah Khomeini among the Shi’a community in Lebanon.”⁴⁸ During this time, fifteen hundred Iranian Revolutionary Guards arrived in Lebanon in order to train the new Hezbollah militia.⁴⁹

Coinciding with Hezbollah’s creation in 1982, a meeting of historical significance was called by the leadership of Iran’s government and hosted in Tehran in March. The meeting was aimed at organizing Islamic clerics to work on the spread of Iran’s ideology of Islamic revolution. The gathering, entitled “a Seminar of Ideal Islamic Government...attended by 380 clerics from 70 countries – was a turning point as to the method to be applied to fulfill their goal; after that seminar, the Islamic regime could

⁴⁸ Costanza, “Hizballah and Its Mission in Latin America,” 193.

⁴⁹ Gleis and Berti, *Hezbollah and Hamas*, 39.

allegedly rely on terrorism...to remove any obstacles encountered in striving for the attainment of its goals.”⁵⁰

In 1983, Hezbollah’s now principal state sponsor Iran began to create an intelligence apparatus in South America “with the arrival of the Shiite cleric Mohsen Rabbani” in Buenos Aires, Argentina, who was charged with developing an Iranian intelligence station, spreading the Iranian government’s ideology of Islamic revolution, and recruiting sympathizers.⁵¹ Rabbani would operate in Argentina under the cover of “Cultural Attaché to the Iranian Embassy.”⁵² This third key event would mark the beginning of a major effort to create a sophisticated network in Latin America put forward by both Iran and their new proxy, Hezbollah.

Latin American Arrival

By the mid-1980s, “Hizballah clerics...began planting agents and recruiting sympathizers among the Arab and Muslim immigrants in Latin America...Hizballah cells began to form in the Tri-border Region as a result of Hizballah proselytizing in the Lebanese communities.”⁵³ As noted above, the Tri-Border Area had and has a significant Arab and Muslim population to blend-in with and recruit within.

Also occurring in the mid-1980s was the arrival of Mohamed Taghi Tabatabaei

⁵⁰ Argentine Attorney General Alberto Nisman, “Nisman Report on Iran’s Terrorist Networks throughout Latin America – Full Text,” May 2013, <http://albertonisman.org/nisman-report-dictamina-on-sleeper-cells-full-text/>, 10.

⁵¹ Nisman, “Nisman Report,” 14.

⁵² Nisman, “Nisman Report,” 139.

⁵³ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 13-14.

Einaki in Brazil. In 1984, Einaki began work as an Iranian representative and Hezbollah ally in Sao Paulo, Brazil as well as in Curitiba, Brazil where he worked to further the Iranian government's ideology of Islamic revolution.⁵⁴ Einaki's activities in Brazil were cut short though. Einaki would be forced out of Brazil due to accusations made by "the Ambassadors of Iraq and Saudi Arabia charg[ing] him for mobilizing Shiite Lebanese for non-peaceful purposes and for raising funds for the Iranian cause and trying to create terrorist cells."⁵⁵ Even though Einaki was forced out of Brazil, the network he sought to create was already in motion.

In 1987, "Jose Salman El Reda, with his uncle Musa El Reda, formed a cell of Hezbollah that operated in Macao, Colombia; he was in charge of raising funds."⁵⁶ Jose also played a role in circulating counterfeit dollars and was finally exposed by Argentine authorities in 1992 while trying to exchange counterfeit currency at a bank located in Argentina.⁵⁷ Authorities determined, "after the notes seized were examined by experts, they could establish their excellent quality, corresponding to the 'superdollars' issued by Iran and distributed by Hezbollah."⁵⁸

In sum, Hezbollah and their state sponsor Iran had landed in Latin America at various times in the 1980s seeking to spread their shared revolution through the creation of local networks. In the next section of the Findings chapter, the activation of these new

⁵⁴ Nisman, "Nisman Report," 196.

⁵⁵ Nisman, "Nisman Report," 196.

⁵⁶ Nisman, "Nisman Report," 209.

⁵⁷ Nisman, "Nisman Report," 209.

⁵⁸ Nisman, "Nisman Report," 209-210.

networks - resulting in recruitment of operatives and sympathizers, major fundraising efforts, and even terrorist attacks will be revealed.

Going Operational: Gaining Recruits, Creating Revenue Streams, and on the Attack

In this section, the findings reveal Hezbollah's development toward becoming an operational terror organization in Latin America, which began in the early 1990s. During this period, Hezbollah's goals evolved beyond their original goal to create a network to spread the Iranian government's ideology of Islamic revolution. Their new expanded goals in Latin America markedly changed to now include gaining even more recruits and sympathizers, creating legitimate and illicit revenue-generating networks, and creating the capability to conduct lethal operations against Israeli and American interests in the region.

Several new opportunities were now in place during this time of Hezbollah's evolution. The new opportunities in place were partly due to Hezbollah's past efforts and the previous efforts of Iran successfully coming to fruition during the period of their arrival in the region. These new opportunities before Hezbollah included easy access to gaining new recruits and sympathizers among Lebanese diaspora communities, a greater ability to participate in an illicit revenue-generating economy that had already existed in the areas where Hezbollah had settled, and having an established network that could be called upon to conduct attacks in the vicinity of vulnerable Israeli and Jewish targets in Argentina. These targets represented a backdoor to striking Israeli and Jewish interests far away from their enemy in the Middle East, but just as effective in inflicting damage. Migrating to the area since the 1860s, Argentina has the largest Jewish population in

Latin America, with an estimated 181,500 Jews living in the country.⁵⁹ Argentina has the seventh largest Jewish population in the world.⁶⁰

The findings below reveal the actions taken by Hezbollah to exploit the opportunities mentioned above and resulted in the organization realizing its goals with the group growing its network further, conducting two terror attacks, and creating successful revenue-generating operations that significantly supported Hezbollah's efforts in Latin America and the Middle East. Gleis and Berti summed up this period of Hezbollah's evolution in Latin America when they stated: "In the 1990s Hezbollah operatives increased their activities [in Latin America], developing fully operational units."⁶¹

Gaining Recruits

The first event of this period of Hezbollah's evolution occurred in 1990. A witness detailing Hezbollah's activities to the Argentine Attorney General explained that during this year, Sheik Mohsen Rabbani was teaching students at the At-Tauhid mosque in Buenos Aires to "export the revolution" and explained to them "we are all Hezbollah."⁶² This was one of several efforts that would occur during this period aimed at growing Hezbollah's newly established network throughout the region.

⁵⁹ Raquel Rosenbloom, "Being Jewish in Buenos Aires," Georgetown University Berkley Center for Religion, Peace and World Affairs, November 12, 2014, <https://berkeleycenter.georgetown.edu/posts/being-jewish-in-buenos-aires>.

⁶⁰ World Atlas, "Countries with the Largest Jewish Populations," <http://www.worldatlas.com/articles/countries-with-the-largest-jewish-populations.html>.

⁶¹ Gleis and Berti, *Hezbollah and Hamas*, 72.

⁶² Nisman, "Nisman Report," 61.

Further revealing Hezbollah's intensified recruiting efforts during this time, Nisman reported, "Hassan Mohamed Ali Ezzedine, Chief of [the] Foreign Security Committee of Hezbollah...visited Foz do Iguazu and Ciudad del Este between 1990/1992...organized followers and gave instructions in a training camp in Itaquiri Valley, in Paraguayan territory."⁶³ These two events illustrate Hezbollah's intensified efforts to bring more recruits and sympathizers into their ideological and operational fold.

In 1994, as a morale booster and gesture to add further legitimacy to Hezbollah's cause in the region, Hezbollah welcomed one of their leaders from Lebanon in a visit to the Tri-Border Area. During this time, the spiritual leader of Hezbollah, Sayyid Muhammad Hussayn Fadlallah, travelled to Ciudad del Este, Paraguay to bless a mosque.⁶⁴ Such a visit, like Ezzedine's visit before it, would serve as an important recruiting tool. Hussein Youssef Abdallah was "chief of operations – of Hezbollah in the tri-border area" in 1994 during the time of Fadlallah's visit.⁶⁵ In addition, a report issued by Brazilian authorities identified "the Associacao Islamica Do Brasil – which operated in Sao Paulo...[as] a common place for meetings of Hezbollah" in 1994.⁶⁶ This meeting site was an ideal location for recruitment of new sympathizers and operatives.

Additional evidence of Hezbollah's presence in Colombia occurred in August of 1997. During this time, a radio broadcaster spread Hezbollah propaganda in an effort to

⁶³ Nisman, "Nisman Report," 200.

⁶⁴ Jeffrey Goldberg, "In the Party of God: Hezbollah Sets up Operations in South America and the United States," *New Yorker*, October 28, 2002, <http://www.newyorker.com/magazine/2002/10/28/in-the-party-of-god-2>.

⁶⁵ Nisman, "Nisman Report," 187.

⁶⁶ Nisman, "Nisman Report," 113.

gain sympathizers in Macao, Colombia, an area known for its black market and money laundering economy.⁶⁷ This incident again revealed Hezbollah's existence in the area that had originated in 1987.

Revenue Generation

Also beginning in 1990 and lasting until approximately 2000, Hezbollah operative Hassan Mohamad Ibrahim Sleiman Abu Abbas was active in several illicit endeavors. Abbas was of Lebanese origin and became naturalized in Brazil.⁶⁸ Nisman reported that Abbas operated out of Sao Paulo, Brazil, and was using a front export-import company called Sandobad "as logistic support for illegal activities" including money laundering, currency counterfeiting, document counterfeiting, narco-trafficking, and weapons trafficking.⁶⁹

Nisman also reported that in 1992, Iranian intelligence officer Jaffar Saadat Ahmad-Nia traveled from Sao Paulo, Brazil, to Paraguay to deliver \$250,000 to Hezbollah operative Zuhair Al Haf.⁷⁰ This event not only reveals Hezbollah's presence in Latin America but also displays Iran's continued influence and support of Hezbollah in the region.

⁶⁷ Berry, Collars, Curtis, and Hudson, "A Global Overview," 44; Database Desk, "Venezuelan Ties to Hezbollah," *International Institute for Counter-Terrorism*, August 14, 2008, <https://www.ict.org.il/Article.aspx?ID=307>.

⁶⁸ Nisman, "Nisman Report," 199.

⁶⁹ Nisman, "Nisman Report," 199.

⁷⁰ Nisman, "Nisman Report," 198.

Hezbollah continued the expansion of their Latin American presence and revenue-generation efforts into Chile. According to Chilean officials, “Hizballah operatives began visiting Chile in 1994 and 1995 to establish a new operational center [primarily in the Iquique Free Trade Zone] for their activities in response to greater attention given to the Hizballah presence in the TBA.”⁷¹ Further expanding their presence, Hezbollah was discovered as operating in the Chui Zone at the border of Brazil and Uruguay in 1994. The Hezbollah network in this area was “detected using the Chui Zone as a point of distribution of military weapons such as M-16 and AR-15 rifles, grenades, and rocket launchers.”⁷²

Revealing further operations in Chile, in March 2001 Hezbollah fundraiser Assad Ahmad Barakat established front businesses in Iquique to launder funds generated from the Tri-Border Area.⁷³ Barakat, again expanded Hezbollah’s footprint and revenue-generating capacity in Latin America through his Iquique operation. His successful efforts as a Hezbollah operative would soon make him a target of western intelligence and law enforcement efforts.

One of the most significant discoveries that would reveal the presence of Hezbollah operations in the region was found during a Paraguayan police raid of the business of Hezbollah fundraiser Barakat. The raid occurred in the next time period to be discussed in the chapter in September of 2001, but revealed fundraising activities that occurred throughout 2000. Among the evidence gathered by law enforcement during the

⁷¹ Costanza, “Hizballah and Its Mission in Latin America,” 198.

⁷² Hudson, “Terrorist and Organized Crime Groups,” 35.

⁷³ Nisman, “Nisman Report,,” 202.

raid was a letter from “Hizballah[’s international] leader Hassan Nasrallah to Barakat congratulating him on his successful fund-raising efforts while acknowledging receipt of over US\$ 3.5 million from him for the year 2000.”⁷⁴ Barakat Clan operations continued to operate beyond 2001 despite this raid and several arrests of Barakat himself.⁷⁵

On the Attack

On March 17, 1992, Hezbollah carried-out its first terrorist attack in the region, bombing the Israeli Embassy in Buenos Aires, Argentina, and killing twenty-nine people.⁷⁶ This tragedy marked a massive escalation in Hezbollah’s capabilities and mission in Latin America. Hezbollah’s hot war against Israel had now spread to the Western Hemisphere. In addition, the terror attack brought Hezbollah’s presence in the region under new intensified scrutiny.

Following the 1992 attack, Hezbollah, in concert with Iran as their primary state sponsor and facilitator, began plans for another operation against a target of Israeli interest. In August of 1993, leaders of the Iranian government met in Mashad, Iran, to plan and order the execution of the bombing of the Argentine-Israeli Mutual Association, also known as the AMIA, to be carried-out by Hezbollah in 1994.⁷⁷ The AMIA was located in Buenos Aires, Argentina. In a later report issued by the Argentine Attorney General, it is revealed that attendees at the meeting included “Iranian President Ali Akbar

⁷⁴ Costanza, “Hizballah and Its Mission in Latin America,” 197.

⁷⁵ Levitt, *Hezbollah*, 84.

⁷⁶ Hudson, “Terrorist and Organized Crime Groups,” 13; Monblatt, “Terrorism and Drugs in the Americas,” <http://www.oas.org/ezone/ezone24/Monblatt.htm>.

⁷⁷ Nisman, “Nisman Report,” 4-5.

Rafsanjani...Supreme Leader Ali Khamenei...Sheik Mohsen Rabbani who was serving as cultural attaché at the Iranian Embassy in Buenos Aires...[and Hezbollah operative] Imad Mughniyah.”⁷⁸

After the order was made for the second attack to move forward, in the fall of 1993 Hezbollah operative Samuel Salman el-Reda was in contact with Hezbollah fundraiser Assad Ahmad Barakat, according to phone records brought to light by Argentine officials.⁷⁹ Years later, Argentine officials concluded that el-Reda “was the coordinator of [Hezbollah] sleeper cells in Buenos Aires and the tri-border area...[and] headed the Hezbollah operational group that carried out the [1992 Israeli] embassy bombing...in Buenos Aires.”⁸⁰ Further, Argentine investigators would later conclude that Barakat was a facilitator in what would be the second terror attack conducted by Hezbollah in the region, the AMIA bombing, reportedly making the “arrangements to import all of the materials related to the attack.”⁸¹

Occurring in 1994, on July 18 Hezbollah carried-out their second lethal terrorist attack in the region, bombing the Argentine-Israeli Mutual Association in Buenos Aires, Argentina and killing eighty-five people.⁸² This second attack stemmed from the planning and order to move forward that was put forth in the 1993 meeting that occurred in Iran between Iranian officials and Hezbollah, described earlier in this chapter. After years of

⁷⁸ Costanza, “Hizballah and Its Mission in Latin America,” 201.

⁷⁹ Levitt, *Hezbollah*, 85.

⁸⁰ Levitt, *Hezbollah*, 99.

⁸¹ Hudson, “Terrorist and Organized Crime Groups,” 13.

⁸² Hudson, “Terrorist and Organized Crime Groups,” 13; Monblatt, “Terrorism and Drugs in the Americas,” <http://www.oas.org/ezine/ezine24/Monblatt.htm>; Nisman, “Nisman Report,” 1.

investigation by the Argentine Attorney General, in October of 2006 the Argentine government would formally accuse “the government of Iran with sponsoring the [AMIA] attack and Hizballah operatives with carrying it out...[with] the Hizballah operational team [being] led by Imad Mughniyah.”⁸³

Early Western Scrutiny and Continued Revenue Generation

One of the earliest public indications of western scrutiny detailing Hezbollah’s operations in Latin America occurred in 1995 during a hearing before the United States House of Representatives. A report issued by the Federal Research Division of the Library of Congress states: “As early as 1995, [United States] Ambassador Philip Wilcox, former State Department Coordinator for Counter-Terrorism, testified before the International Relations Committee...that Hizballah activities in the Triborder Region involved narcotics, smuggling, and terrorism...[and] that Hizballah also had cells in Colombia and Venezuela, was engaging in fund-raising and recruitment, and was receiving guidance and logistical support from Iranian intelligence officers assigned to Iranian embassies in the region.”⁸⁴ This testimony revealed to the world what had been secretly occurring and evolving since the mid-1980s.

In 1999, United States authorities revealed in court documents that American law enforcement was working with “a confidential informant” operating in the Tri-Border Area who was reporting on suspected Hezbollah operatives and activities.⁸⁵ This follows

⁸³ Costanza, “Hizballah and Its Mission in Latin America,” 201.

⁸⁴ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 14.

⁸⁵ Levitt, *Hezbollah*, 80.

the prior public testimony by United States Ambassador Philip Wilcox detailing Hezbollah's activities in the region and the increased scrutiny of the group that ensued. It is unknown how long the United States had human intelligence in the region gathering relevant information on Hezbollah's activities. The informant identified Mohammad Abdallah and his brother, Adnan Yousef Abdallah as Hezbollah leaders in the region.⁸⁶

The following year, in 2000 for one of the first times a western government reported a dollar figure related to the revenue that was being generated out of the Tri-Border Area and going toward terrorist organizations. Brazilian authorities reported that "the financial aid offered in 2000 by groups in the Triborder Region to Islamic and Middle Eastern terrorist organizations, such as Hizballah, Hamas, and the Islamic Jihad, totaled \$261 million."⁸⁷ This figure indicated that the illicit economy in the region was substantial enough to have global ramifications in support of international terror.

In February of 2000, Paraguayan authorities exposed some of this activity. Costanza reported that "Ali Khalil Merhi, a Lebanese businessman, was arrested in 2000 [in Ciudad del Este] for selling millions of dollars of pirated software and sending a portion of the proceeds to Hizballah."⁸⁸ Later that year in July of 2000, Paraguayan government intelligence warned the United States government that possibly "460 Hezbollah operatives may be living and working in the [tri-border] region."⁸⁹

⁸⁶ Levitt, *Hezbollah*, 80.

⁸⁷ Berry, Collars, Curtis, and Hudson, "A Global Overview," 27.

⁸⁸ Costanza, "Hizballah and Its Mission in Latin America," 197.

⁸⁹ Harris Whittbeck and Ingrid Arneson, "Sources: Terrorists Find Haven in South America," *CNN*, November 7, 2001, <http://www.cnn.com/2001/WORLD/americas/11/07/inv.terror.south/>.

In sum, from 1990 through the year 2000, Hezbollah, at times in coordination with their primary state sponsor Iran, had dramatically expanded their capabilities and operations since they first landed in Latin America in the mid-1980s. Findings from numerous documents revealed Hezbollah's intensified recruiting efforts, growth to new areas in Latin America, a new significant ability to generate revenue, and a developed capacity to conduct successful terror attacks against Israeli and Jewish interests.

Post 9/11: Western Scrutiny and a Focus on Fundraising for a Global Network

This section describes Hezbollah's post 9/11 evolution in Latin America. Due to increased scrutiny from western intelligence and law enforcement agencies, new and enhanced threats to Hezbollah's operations arose in reaction to the devastating September 2001 al-Qaeda terror attacks that struck the American homeland. Under amplified scrutiny, Hezbollah did not conduct any terror attacks in the western hemisphere during this time. Hezbollah still had many opportunities to continue and grow their revenue-generating activities throughout Latin America and an opportunity to create a new alliance with another enemy of their enemies, the government of Venezuela. The findings below reveal the actions and lack of actions taken by Hezbollah to evolve in response to such threats and exploit the opportunities mentioned above.

Increased Western Scrutiny and a Focus on Continued Revenue Generation

Beginning the post 9/11 era, several key events took place in late 2001. The first significant event occurred in September when Paraguayan police raided the business of Hezbollah fundraiser Assad Ahmad Barakat, as mentioned in the last section. The raid

revealed a congratulatory letter from Hezbollah's international leader in Lebanon, Hassan Nasrallah, to Barakat "acknowledging receipt of over US\$ 3.5 million from him for the year 2000."⁹⁰ The raid marked the first significant effort aimed at disrupting and exposing Hezbollah's efforts in Latin America in the post 9/11 era. Barakat Clan operations continued to operate after this raid and after several arrests of Barakat himself.⁹¹ The continuation of Barakat Clan operations meant that Hezbollah's resilience to continue to generate revenues in Latin America would endure even after being further exposed to law enforcement and the world.

The next month, in October 2001, American law enforcement identified Hezbollah efforts occurring in Colombia near the Venezuelan border. The American Federal Bureau of Investigation revealed to the Brazilian newspaper, *O Globo*, that "Maicao[, Colombia's] Islamic community, in which there are cells of the radical group Hizballah, controls 70 percent of the local commerce...[and] merchants from there make contributions equivalent to 10 percent and even up to 30 percent of their profits [to Hezbollah]."⁹² This report meant that the local Islamic community in Macao was a reliable and consistent funding source assisting Hezbollah, first reported to be operating in the area as early as 1987. Following this event, in November 2001, Hezbollah operative Sobhi Mahmoud Fayad was arrested by Paraguayan authorities in Ciudad del Este, in an effort to further crackdown on Hezbollah operatives in the Tri-Border Area. Fayad had not pay taxes since 1992 and "was sending large sums of money to banks in

⁹⁰ Costanza, "Hizballah and Its Mission in Latin America," 197.

⁹¹ Costanza, "Hizballah and Its Mission in Latin America," 197; Levitt, *Hezbollah*, 84.

⁹² Berry, Collars, Curtis, and Hudson, "A Global Overview," 44.

Lebanon almost daily.”⁹³ Shortly thereafter, more Hezbollah activity was reported in December 2001 in Macao again, when the Colombian newspaper, *El Spectador*, revealed that “Hizballah cells based in Maicao have been using the networks that launder money from drug trafficking and contraband in Colombia to disguise money that will later be used to finance terrorist operations worldwide.”⁹⁴ The *El Spectador* report furthered the story that was placed by American law enforcement just two months earlier, again exposing Hezbollah in the area. Occurring at the same time in late 2001, Colombian law enforcement “arrested a Lebanese businessman, named Mohammed Ali Farhad, with ties to Hizballah for managing a US\$650 million cigarette smuggling and money laundering operation between Ipiales, Colombia, and ports in Ecuador...establish[ing] a link with a Hezbollah-backed money-laundering operation run by Eric and Alexander Mansur, [who were based out of the Netherlands Antilles].”⁹⁵ This arrest shed more light on the vast and significant revenue-generating reach of Hezbollah. Also in late 2001, in their continued effort to expose Hezbollah, Paraguayan intelligence officials discovered that Assad Ahmad Barakat “used blackmail and even death threats to force other Lebanese citizens [living in the TBA] to contribute to the Muslim fundamentalist group [Hezbollah].”⁹⁶ This discovery shed new light on Hezbollah’s diversified methods to raise revenue in the region, using intimidation to force donations to the organization. Another significant

⁹³ Hudson, “Terrorist and Organized Crime Groups,” 72.

⁹⁴ Berry, Collars, Curtis, and Hudson, “A Global Overview,” 45.

⁹⁵ Ely Karmon, “Iran and its Proxy Hezbollah: Strategic Penetration in Latin America,” International Institute for Counter-Terrorism, April 15, 2009, <https://www.ict.org.il/Article.aspx?ID=1060>.

⁹⁶ Hudson, “Terrorist and Organized Crime Groups,” 29-30.

Barakat-related event occurring in late 2001, arose when Barakat met with Hezbollah leader Nasrallah in Lebanon.⁹⁷ The meeting was a regular annual meeting that had been going on for several years prior, but in this case the timing of the meeting meant that Hezbollah would persevere, remaining active in Latin America and responsive to leadership in Lebanon in the post 9/11 era.

Later, in May 2002, Paraguayan officials reported that “Assad Ahmad Barakat, . . . sent nearly \$50 million in “donations” over . . . two years to Hezbollah.”⁹⁸ The public report revealed the ongoing efforts of Paraguay to expose the organization, but also further exposed Hezbollah’s continued significant and successful revenue-generating efforts. Subsequently in 2002, Argentine intelligence officials revealed in October that “Hezbollah runs weekend training camps on farms cut out of the rain forest of the Triple Frontier . . . [with] one of these camps, in the remote jungle terrain near Foz do Iguacu, [where] young adults get weapons training and children are indoctrinated in Hezbollah ideology—a mixture of anti-American and anti-Jewish views inspired by Ayatollah Khomeini.”⁹⁹ This finding by Argentine intelligence meant that Hezbollah was training and indoctrinating operatives in the region who could be sent anywhere in the world. Although, there is no evidence that Hezbollah intended to or had plans to use the operatives they were training in Latin America to conduct attacks in the region during the post 9/11 era.

⁹⁷ Levitt, *Hezbollah*, 81.

⁹⁸ Mike Ceaser, “Paraguay Digs Into Money Pipeline to Hezbollah /Lebanese Shopkeeper Seen as a Model for Funding Radical Groups,” *San Francisco Chronicle*, May 4, 2002, <http://www.sfgate.com/news/article/Paraguay-digs-into-money-pipeline-to-Hezbollah-2842106.php>.

⁹⁹ Goldberg, “In the Party of God.”

The following year, Paraguayan police continued their Hezbollah disruption efforts. In May 2003, Paraguayan law enforcement “arrested Lebanese merchant Hassan Abdallah Dayoub while in possession of 2.3 kilograms of cocaine...later reveal[ing] that Dayoub...was in charge of the wing of narco-traffickers of the Barakat Clan.”¹⁰⁰ This finding signified another example of the diversified nature of Hezbollah’s revenue-generating operation.

In 2004, the United States Naval War College published a report estimating that Hezbollah raises \$10 million annually in the Paraguay portion of the Tri-Border Area.¹⁰¹ This significant revenue-generation sum was just a portion of Hezbollah’s funding efforts throughout Tri-Border Area and Latin America. Given Hezbollah’s significant ability to finance itself, in June 2004, the United States Department of Treasury placed sanctions on and designated Assad Ahmad Barakat as a Specially Designated Global Terrorist, further exposing the Barakat Clan as Hezbollah financiers.¹⁰² The Treasury Department explained that the Barakat Clan “used every financial crime in the book to generate funding for Hezbollah,” a brazen approach that strengthened Hezbollah’s position in the region and the world.¹⁰³

The following year, in June 2005, Ecuadorian law enforcement disrupted a Hezbollah front business located in Quito when they “broke up an international drug-trafficking ring led by the owners of El Turco restaurant...[where Hezbollah collected] at

¹⁰⁰ Gleis and Berti, *Hezbollah and Hamas*, 73.

¹⁰¹ Taylor, “Latin American Security Challenges,” 24.

¹⁰² Gleis and Berti, *Hezbollah and Hamas*, 73.

¹⁰³ Taylor, “Latin American Security Challenges,” 24.

least 70% of the drug money.”¹⁰⁴ This event further exposed Hezbollah’s revenue-generating operations, using a legitimate business in an attempt to hide illicit activities. The next month, Paraguayan intelligence issued a report in July revealing that an estimated \$20 million was raised in the Tri-Border Area by Hezbollah and Hamas annually.¹⁰⁵ The report added to Paraguayan efforts to expose Hezbollah’s operations in the region.

Later, in October 2006, Argentina’s Attorney General Alberto Nisman issued the results of his office’s investigation into the 1994 AMIA terror attack, “formally accusing the government of Iran with sponsoring the attack and Hizballah operatives with carrying it out.”¹⁰⁶ This event was of global significance, where the government of Argentina was officially calling the attention of the world to Iran’s and Hezbollah’s terrorist activities in Argentina. Following Nisman’s results, in November 2006, “[Argentine] Judge Rodolfo Canicoba Corral, who presided over the case, adopted the results of the attorney general’s report and issued international arrest warrants...for Iranian officials cited in the report including the Iranian diplomats serving in Buenos Aires during that time and Hezbollah official Imad Mughniyah.”¹⁰⁷

In further response to Hezbollah’s brazen revenue-generating activities, the United States Department of Treasury placed economic sanctions in December 2006 on

¹⁰⁴ Steven Emerson, “Blood Money: Hezbollah’s Revenue Stream Flows Through the Americas,” *The American Legion Magazine*, March 2007, <http://www.steveemerson.com/4281/blood-money-hezbollahs-revenue-stream-flows>.

¹⁰⁵ Gleis and Berti, *Hezbollah and Hamas*, 72.

¹⁰⁶ Costanza, “Hizballah and Its Mission in Latin America,” 201.

¹⁰⁷ Costanza, “Hizballah and Its Mission in Latin America,” 202.

“fourteen Hezbollah individuals and entities” in Latin America and designated them as Specially Designated Global Terrorists.¹⁰⁸ Also occurring in December 2006, Paraguayan and American investigators publicly revealed they were monitoring the activities of Kassen Hijazi, a Lebanese businessman and the owner of Telefax Company located in Ciudad del Este, for money laundering and terrorist financing.¹⁰⁹ Hijazi was suspected of moving hundreds of millions of dollars on behalf of Hezbollah and others to Lebanon and elsewhere in the Middle East.¹¹⁰

Several significant events in 2007 further revealed Hezbollah’s activities. According to Brazilian authorities, in 2007 Mohammed Bagher Rabbani, brother of Mohsen Rabbani who played a role in the 1994 AMIA bombing, was actively recruiting Brazilians and sending recruits to the Middle East to further their Islamic studies and visit Hezbollah facilities.¹¹¹ Additionally, INTERPOL issued Red Notices in March 2007 for six individuals responsible for the 1994 AMIA bombing listed in the Argentine Attorney General’s report adopted by Judge Rudolfo Canicoba Corral.¹¹² This INTERPOL action gave the government of Argentina further international legitimacy in their findings of those found to be responsible for the 1994 attack. Later, in June 2007, in response to the

¹⁰⁸ United States Department of Treasury, “Written Testimony of Treasury Assistant Secretary Daniel L Glaser before the House Financial Services Subcommittee on Oversight and Investigations,” Washington, DC, September 6, 2011, <https://www.treasury.gov/press-center/press-releases/Pages/tg1287.aspx>.

¹⁰⁹ Andrew Bomford, “Tri-Border Transfers Funding Terror,” BBC News, December 14, 2006, <http://news.bbc.co.uk/2/hi/americas/6179085.stm>.

¹¹⁰ Bomford, “Tri-Border Transfers Funding Terror,”

¹¹¹ Humire and Berman, *Iran’s Strategic Penetration of Latin*, 42.

¹¹² Costanza, “Hizballah and Its Mission in Latin America,” 202.

activities of Hezbollah and others, the “Argentine Congress passed legislation (Law no. 26,268) criminalizing terrorism and terrorist financing, and establishing terrorist financing as a predicate offense for money laundering.”¹¹³ Later, in August 2007, Brazil convicted Hezbollah members Farouk Abdul Omairi, Ahmad Farouk Omairi, and his son Kaled on drug trafficking charges.¹¹⁴ The father and son team were raising funds through their drug trafficking activities to generate revenue for Hezbollah.

Nearly a year later in June 2008, the United States Department of Treasury placed sanctions on and “designated two key Venezuelan supporters of Hezbollah under Executive Order 13224...., Ghazi Nasr al-Din, [who] used his position as a senior Venezuelan diplomat to provide financial support to Hezbollah...[and] Fawzi Kan’an, the owner of two Caracas-based travel agencies, [who] serve[d] as a key facilitator and fundraiser for Hezbollah officials.”¹¹⁵ This finding not only meant that Hezbollah had strong allies in Venezuela, but that Hezbollah had an ally working for them within the Venezuelan government. Later, in October 2008, the *Los Angeles Times* reported, “U.S. and Colombian investigators...dismantled an international cocaine smuggling and money laundering ring[, led by Cherky Harb,] that allegedly used part of its profits to finance Hezbollah...[where the] ring washed hundreds of millions of dollars a year, from Panama

¹¹³ Gillermo Plate, “Argentina: Overview On Argentina Anti Money Laundering (AML) And Combating Terrorist Financing (CFT) Situation,” Mondaq, November 11, 2008, <http://www.mondaq.com/Argentina/x/62582/Money+Laundering/Overview+On+Argentina+Anti+Money+Laundering+AML+And+Combating+Terrorist+Financing+CFT+Situation>.

¹¹⁴ Nisman, “Nisman Report,,” 191-192.

¹¹⁵ United States Department of Treasury, “Written Testimony of Treasury Assistant Secretary Daniel L Glaser before the House Committee on Foreign Affairs,” Washington, DC, October 13, 2011, <https://www.treasury.gov/press-center/press-releases/Pages/tg1324.aspx>.

to Hong Kong, while paying a percentage to Hezbollah.”¹¹⁶ The narcotics in this operation were sent to the United States, Europe, and the Middle East, which meant that Hezbollah had a tremendous global and complex revenue source flowing from the Harb network.

The next year exposed more revenue-generation for Hezbollah. The RAND Corporation reported in 2009 that “the tri-border area of Brazil, Argentina, and Paraguay ha[d] emerged as the most important financing center for Islamic terrorism outside the Middle East, channeling \$20 million annually to Hezbollah.”¹¹⁷ Further, in April 2009, seventeen individuals were arrested by police on the Caribbean island of Curacao.¹¹⁸ The individuals, from Lebanon, Cuba, Venezuela, Colombia and Curacao, were involved in a drug-trafficking ring and arms trafficking support connected to Hezbollah.¹¹⁹

In 2010, Hezbollah fundraiser Moussa Ali Hamdan was arrested in June by Paraguayan officials “on charges of conspiring to finance Hezbollah through the sale of stolen goods and counterfeit U.S. currency.”¹²⁰ This case again displayed the diversification of Hezbollah’s illicit revenue-generating activities. The next month, in July 2010, Mexican law enforcement revealed they “shut down a Hezbollah network

¹¹⁶ Chris Kraul and Sebastian Rotella, “Drug Probe Finds Hezbollah Link,” *Los Angeles Times*, October 22, 2008, <http://articles.latimes.com/2008/oct/22/world/fg-cocainering22>.

¹¹⁷ Gregory F. Treverton, Carl Matthies, Karla J. Cunningham, Jeremiah Goulka, Greg Ridgeway, and Anny Wong, “Film Piracy and its Connection to Organized Crime and Terrorism,” *RAND Corporation*, 2009.

¹¹⁸ Associated Press, “Curacao: Hezbollah Connection in Drug Arrests,” *New York Times*, April 30, 2009, <http://www.nytimes.com/2009/04/30/world/americas/30briefs-curacao.html>.

¹¹⁹ Associated Press, “Curacao: Hezbollah Connection in Drug Arrests.”

¹²⁰ Gleis and Berti, *Hezbollah and Hamas*, 73.

operating out of Tijuana[, Mexico led by Jameel Nasr].”¹²¹ While leading the network, Nasr frequented Lebanon “to receive information and instructions” from Hezbollah leadership.¹²² This meant that Hezbollah had grown its Latin American operational network as far north as the northern border of Mexico and as far south as Argentina. Occurring in August 2010, Walid Makled, who was one of the world’s most active drug traffickers, was arrested by Colombian authorities in Cucuta, Colombia, which would later reveal that Makled was working with the FARC and Hezbollah in Venezuela.¹²³ Later occurring in 2010, a report issued in December again exposed and confirmed the vast and significant revenue-generation realized by Hezbollah in the Tri-Border Area. The December report issued by the Federal Research Division of the Library of Congress stated: “Hizballah has reaped hundreds of millions of dollars in profits from narcotics and arms trafficking, product piracy, and other illicit activities in the TBA.”¹²⁴ Further, the United States Department of Treasury placed sanctions on Bilal Mohsen Wehbe in December 2010, and revealed Wehbe was “Hezbollah’s chief representative in South

¹²¹ Gleis and Berti, *Hezbollah and Hamas*, 72; Jack Khoury, “Mexico Thwarts Hezbollah Bid to Set Up South American Network,” *Haaretz*, July 6, 2010, <http://www.haaretz.com/israel-news/mexico-thwarts-hezbollah-bid-to-set-up-south-american-network-1.300360>.

¹²² Khoury, “Mexico Thwarts Hezbollah Bid to Set Up South American Network,”

¹²³ United States House of Representatives Hearing before the Subcommittee on Terrorism, Nonproliferation, and Trade, “Hezbollah’s Strategic Shift: A Global Terrorist Threat,” March 20, 2013, 43; Vanessa Neumann, “The New Nexus of Narcoterrorism: Hezbollah and Venezuela,” Foreign Policy Research Institute, December 3, 2011, <http://www.fpri.org/article/2011/12/the-new-nexus-of-narcoterrorism-hezbollah-and-venezuela/>.

¹²⁴ Hudson, “Terrorist and Organized Crime Groups,” 68.

America responsible for oversight of the group’s counterintelligence activities in the TBA.”¹²⁵

The next year, in February 2011, the United States Department of Treasury placed sanctions on “Lebanon-based Lebanese Canadian Bank (LCB) for its role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network with ties to Hezbollah...[and] maintained that the network was involved in moving illegal drugs from South America to Europe and the Middle East via West Africa.”¹²⁶ Following the Treasury Department’s action, the United States Department of Justice filed a civil indictment against the Joumaa Network in December 2011, a criminal drug trafficking and money-laundering network operating out of Colombia as well as Panama and managed by Ayman Joumma who is a native of Lebanon and Hezbollah operative.¹²⁷ The network was believed to be working with the Mexican Los Zetas Cartel among others.¹²⁸ Tracey Knott reported that according to the United States Justice Department, the Joumaa network laundered up to \$200 million per month and used “Hizballah couriers to transport and launder narcotics proceeds, and pay

¹²⁵ United States Department of Treasury, “Written Testimony of Treasury Assistant Secretary Daniel L Glaser before the House Committee on Foreign Affairs,” Washington, DC, October 13, 2011, <https://www.treasury.gov/press-center/press-releases/Pages/tg1324.aspx>.

¹²⁶ Mark P. Sullivan and June S. Beittel, “Latin America: Terrorism Issues,” Congressional Research Service, Washington, DC, August 15, 2014, 25.

¹²⁷ United States Department of the Treasury, “Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America,” June 27, 2012, <https://www.treasury.gov/press-center/press-releases/Pages/tg1624.aspx>.

¹²⁸ United States Department of the Treasury, “Treasury Targets Major Money Laundering Network .”

fees to Hizballah operatives to facilitate the laundering of narcotics proceeds.”¹²⁹ This significant finding was linked to the earlier finding that revealed Cherky Harb’s illicit activities in 2008, further exposing the tremendous sums of revenue that Hezbollah was generating through narco-trafficking and money laundering.¹³⁰

In the following year, the United States Department of Treasury took additional action against Hezbollah. The Treasury Department designated Ali Mohamad Saleh in June 2012 as a Specially Designated Global Terrorist “for acting for or on behalf of and providing financial, material, or technological support to Hizballah...Saleh was the acting leader of a Hizballah support cell in Maicao, Colombia that raised funds for transfer to Hizballah.”¹³¹ This is another instance of Hezbollah operations occurring in Macao that had been ongoing in the area at least since 1987.

Two years later, Peruvian police arrested Mohammed Hamdar on conspiracy to commit terrorism charges in Lima in October 2014.¹³² Hamdar admitted to being a Hezbollah operative with the responsibility of conducting surveillance.¹³³ This case revealed Hezbollah’s interest and presence in Peru.

¹²⁹ Tracey Knott, “A Relationship of Convenience: Examining the Connection between Latin American Drug Traffickers and Hizballah,” *International Affairs Review*, no. 2 (2014): 54-55; United States Department of the Treasury, “Treasury Targets Major Money Laundering Network.”

¹³⁰ Jo Becker, “Beirut Bank Seen as a Hub of Hezbollah’s Financing,” December 13, 2011, <http://www.nytimes.com/2011/12/14/world/middleeast/beirut-bank-seen-as-a-hub-of-hezbollahs-financing.html>.

¹³¹ United States Department of the Treasury, “Treasury Targets Major Money Laundering Network.”

¹³² Ilan Berman, “Peril in Peru: Islamic Terror Shifts South,” *Foreign Affairs*, January 17, 2017, <https://www.foreignaffairs.com/articles/peru/2017-01-17/peril-peru>.

¹³³ Berman, “Peril in Peru.”

Hezbollah's illicit operations continued into 2016. Mentioned earlier in the Background chapter of this study, the United States Drug Enforcement Agency announced in February 2016 that Hezbollah had "established business relationships with South American drug cartels...responsible for supplying large quantities of cocaine to the European and United States drug markets...[and Hezbollah] continues to launder significant drug proceeds as part of a trade based money laundering scheme."¹³⁴ This finding reveals that even after years of scrutiny and actions taken by western law enforcement and intelligence agencies, Hezbollah has continued to participate in the lucrative illicit economy in Latin America, which has allowed them to generate tens of millions of dollars in revenue.

Alliance with Venezuela

In the summer of 2006, a Hezbollah leader based out of Lebanon was quoted in an Indian news publication about then visiting President of Venezuela Hugo Chavez. The Hezbollah leader stated: "Mr. Chavez is closer to us than any other Arab leader, and we hope that we will be able to benefit, as he has, from this particular experience [visiting Lebanon]."¹³⁵ This statement highlights the global reach of Hezbollah's leadership in Lebanon and further verifies their Latin American connection.

Additionally, a major meeting occurred at the insistence of the government of Iran in August 2010 hosted by then Venezuelan President Hugo Chavez and attended by

¹³⁴ United States Drug Enforcement Agency, "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," Washington, DC, February 1, 2016, <https://www.dea.gov/divisions/hq/2016/hq020116.shtml>.

¹³⁵ Emerson, "Blood Money: Hezbollah's Revenue Stream Flows through the Americas," 22.

“senior leaders of Hamas, Hezbollah and Palestinian Islamic Jihad...at military intelligence headquarters...in southern Caracas[, Venezuela].¹³⁶ This meeting further revealed Hezbollah’s establishment of sanctuaries in Venezuela and assistance from the government of Venezuela throughout the 2000s, which was partly a result of the increased scrutiny of Hezbollah by western intelligence and law enforcement in the Tri-Border Area.¹³⁷

In sum, during the post 9/11 era western intelligence and law enforcement agencies sought to disrupt and expose Hezbollah’s efforts in Latin America. These efforts forced Hezbollah to evolve while they continued and grew their operations throughout the region. Findings from numerous documents revealing the crackdowns from various agencies, resulted in Hezbollah’s not conducting any terror attacks in the region during this time period, but also revealed Hezbollah’s continued efforts and success in generating revenue, expanding their Latin American footprint, and gaining a new state ally in the government of Venezuela.

¹³⁶ Roger Noriega, “Is There a Chavez Terror Network on America’s Doorstep?,” *Washington Post*, March 20, 2011, https://www.washingtonpost.com/opinions/is-there-a-chavez-terror-network-on-americas-doorstep/2011/03/18/ABauYU3_story.html?utm_term=.732347c3b5cf.

¹³⁷ Noriega, “Is There a Chavez Terror Network on America’s Doorstep?”; Gleis and Berti, *Hezbollah and Hamas*, 74.

Chapter V

Conclusion

This study endeavored to reveal how the nature of Hezbollah's presence in Latin America changed since the 1980s. The findings from the examination of documents reviewed in this study show that the nature of Hezbollah's presence in Latin America since the 1980s evolved, with the group becoming a mature, robust, and persistent fully operational organization over time. More specifically, the results show that from 1983 through 2016, Hezbollah grew from a modest beachhead established in several local Muslim communities in Latin America into a fully operational network throughout the region; capable of gaining sympathizers, training recruits, directing operatives, generating substantial amounts of revenue, conducting terror attacks, creating alliances with organized criminal enterprises, and creating an alliance with a national government. While accomplishing the above-stated organizational success, Hezbollah persisted to grow their capabilities, financial standing, and footprint even in the face of increased western scrutiny and interdiction efforts in the post 9/11 era. As of 2016, Hezbollah has operated in as many as ten Latin American states, as far north as Mexico and as far south as Argentina.

In addition, this study answered other important questions. The first, what made Latin America attractive to Hezbollah? Second, why has the organization been so successful in the region? This study's findings reveal that the region contained an inherent strategic advantage, making certain areas of Latin America attractive and full of

opportunity for the organization. These inherent strategic advantages included 1) the opportunity for Hezbollah to embed itself within the support infrastructure of lawless regions in Latin America that harbor illicit economies, especially in the Tri-Border Area and Macao, Colombia and 2) the opportunity for Hezbollah to root itself within Lebanese and Shia population centers throughout Latin America, such as the Tri-Border Area in addition to places like Sao Paulo, Brazil, and Macao, Colombia, allowing the organization to blend-in and work with locals. These two key factors that existed before Hezbollah's arrival to the region, played a role in attracting the organization to Latin America and enabled the organization to realize decades of success.

The findings of this study also revealed that Hezbollah's arrival in Latin America from the Middle East in the mid-1980s was tied to and assisted by the arrival and development of an Iranian intelligence apparatus in the region. As mentioned earlier in this study, both Hezbollah and the Islamic Republic of Iran shared a goal to spread the Iranian government's ideology of Islamic revolution through a global network. This goal was aimed at the proselytization of new sympathizers and operatives globally, who would be part of a reliable global network. This initial primary mission of Hezbollah and Iran in Latin America was met with success.

In the 1990s, this study revealed that Hezbollah had evolved beyond their initial primary mission. The nature of their presence expanded to include gaining more recruits and sympathizers, creating legitimate and illicit revenue-generating networks, and creating the capability to conduct lethal terror operations against Israeli interests in the region, with two lethal operations being carried out during this time in Argentina killing one-hundred-and-fourteen people.

Following the 1990s, this study revealed another significant period of Hezbollah's evolution during the post 9/11 era, when western intelligence and law enforcement agencies significantly increased their efforts to expose and disrupt Hezbollah's efforts in Latin America. These increased efforts forced Hezbollah to evolve further while they continued to grow their operations throughout the region. In the midst of the changing context of this time period, it became less attractive for Hezbollah to view Latin America as a backdoor to striking targets of Israeli and American interests in the region, and more beneficial to focus on other goals. In turn, Hezbollah did not conduct any terror attacks in Latin America during this time period. Rather than provoke what would likely turn into western military or paramilitary action in response to a terror attack, the organization focused on non-lethal operations – realizing successful efforts aimed at generating significant amounts of revenue, expanding their Latin American footprint, and gaining a new state ally in the government of Venezuela.

Results from this study indicate that Hezbollah is a sophisticated global organization, capable of raising substantial sums of revenue amounting to more than \$20 million annually in Latin America during post 9/11 years, which in turn further enables the organization to fulfill objectives of international consequence. In addition, this study has highlighted the special relationship shared between Hezbollah and their primary state sponsor, Iran. Hezbollah's activities in the region revealed throughout history, indicate that the organization's presence in Latin America will continue into the future.

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