

# COMBATING HIZBALLAH'S GLOBAL NETWORK

YONAH ALEXANDER  
MATTHEW LEVITT  
AMIT KUMAR  
DAN MARIASCHIN



INTER-UNIVERSITY CENTER  
FOR  
**TERRORISM**  
STUDIES



AT THE  
INTERNATIONAL  
LAW INSTITUTE

OCTOBER 2013



THE INTER-UNIVERSITY CENTER FOR TERRORISM STUDIES

## **Combating Hizballah's Global Network**

### Disclaimer

The authors, editors, and the research staff cannot be held responsible for errors or any consequences arising from the use of information contained in this publication. The views expressed do not necessarily reflect those of the institutions associated with this report.

Copyright © 2013 by the Inter-University Center for Terrorism Studies Directed by Professor Yonah Alexander. All rights reserved. No part of this report may be reproduced, stored or distributed without the prior written consent of the copyright holder.

Please contact the Inter-University Center for Terrorism Studies at the Potomac Institute for Policy Studies, 901 North Stuart Street  
Suite 200 Arlington, VA 22203

Tel. 703-562-4513, 703-525-0770 ext. 237 Fax 703-525-0299  
yalexander@potomac institute.org www.potomac institute.org  
www.terrorisemelectronicjournal.org www.iucts.org

Cover Design By  
Reed Culver

\*Cover includes a picture of children trampling on American and Israeli flags. They participated in a Hizballah parade in Beirut on "Jerusalem Day" (specific year unknown).

**Yonah Alexander**  
Director, Inter-University Center for Terrorism Studies

Hizballah, the Shiite Lebanese “ Party of God,” whose emblem displays a machine gun with a Koranic verse legitimizing victory for Allah’s believers, constitutes a mortal terrorist hydra that threatens security concerns of Israel, the United States, and the entire international community as seriously as al-Qaida, the Sunni co-religionist radical actor that perpetrated the attacks of 9/11.

This publication, “Combating Hizballah’s Global Network” draws essentially from edited proceedings of a special seminar organized by the Inter-University Center for Terrorism Studies, a consortium of academic institutions from over 40 countries around the world that is administered by the International Center for Terrorism Studies at the Potomac Institute for Policy Studies in Arlington, Virginia and the Inter-University Center for Legal Studies at the International Law Institute in Washington, D.C. The event was held at the Potomac Institute on April 4, 2013, with the participation of three panelists: Dr. Matthew Levitt (Director, Stein Program on Counterterrorism and Intelligence and Senior Fellow at the Washington Institute for Near East Policy); Professor Amit Kumar (Lecturer at Edmund A. Walsh School of Foreign Service, Georgetown University); and Dan Mariaschin (Executive Vice President at B’nai B’rith International).

As moderator of the seminar, I wish to offer a context to the panel’s presentations, particularly focusing on the evolution of Hizballah, its ideology, objectives, organizational structure, and some major activities in the Middle East and beyond. For over three decades Hizballah (or Hezbollah) was known also by different names used interchangeably such as Islamic Jihad; Islamic Jihad for the Liberation of Palestine; Organization of the Oppressed on Earth; Revolutionary Justice Organization; and the Islamic Resistance.

As an offshoot of the radical Shiite Muslim party AMAL (or Hope Movement), Hizballah is an umbrella organization comprised of several radical Shiite Muslim groups founded in June 1982, amidst

the Lebanese civil war, in response to the Israeli invasion of Lebanon that same year. Many Shiites saw the Israeli invasion, and their subsequent establishment of their proxy Southern Lebanon Army (SLA), as worthy causes for *jihād*, or holy war. Accordingly, Iran sent fighters from its Islamic Revolutionary Guard Corps (IRGC) to assist in the establishment of an Islamic movement in Lebanon to counter Israeli threats.

With IRGC assistance, Hizballah's central membership was drawn from two groups: first, a group formed from the merger of an AMAL splinter group and Shiite group led by Sheikh Hussein Fadlallah, and second, a merger between Husayn Musawi's Islamic AMAL Organization (another AMAL splinter group who welcomed the IRGC's arrival in Lebanon) and the Lebanese branch of the Da'wa party.

Not surprisingly, Hizballah quickly became the vanguard of terrorist groups operating within Lebanon, responsible for 90% of attacks in the country during the mid-1980s, grossly outnumbering attacks and guerrilla activity by both AMAL and the Palestine Liberation Organization (PLO).

After the end of the Lebanese civil war in 1990, Hizballah continued its armed struggle on the premise that Israel, along with the SLA, still occupied southern portions of Lebanon. During the 1990s, the group expanded its arsenals and recruiting networks and established social service organizations for residents of Southern Lebanon, remaining committed to its goal of derailing any potential Arab-Israeli peace accords.

To this end, Hizballah participated in a variety of large and small-scale anti-Israeli attacks throughout the 1990s. After the 1993 signing of the Oslo Peace Accords, Hizballah increased its attacks on the Israel Defense Forces (IDF) and South Lebanese Army (SLA) from 63 in 1992 to a high of 344 in 1995.

Throughout the mid-1990s, the Hizballah-Israeli conflict was characterized by a series of attacks, counterattacks and brief, unofficial truces. After ceasefire agreements ended two IDF counterterrorism

incursions designed to rout militants from their traditional southern Lebanese strongholds (Operation Accountability in 1993 and Operation Grapes of Wrath in 1996), Hizballah responded by expanding its attacks on northern Israel, in particular, by firing hundreds of Katyusha rockets into the area.

Eventually, Israeli public opinion turned against the increasingly costly IDF Lebanese intervention, and newly elected Prime Minister Ehud Barak unilaterally withdrew Israeli forces on May 23, 2000. The Subsequent power vacuum, following the rapid collapse of the SLA, allowed Hizballah to solidify its position, both tactically and politically, throughout the country, particularly the Bekaa Valley, the city of Baalbek and much of southern Lebanon. Hizballah continued its armed struggle against the Jewish state seeking to liberate the Sha'aba Farms region of northern Israel, which it claims is Lebanese territory.

Simultaneous to this violent strategy implemented through its military wing, Hizballah began to integrate itself into the Lebanese political landscape following the civil war, and has actively participated in Lebanon's political system since 1992. This tactical shift, a move the group previously rejected on the grounds that it was counterproductive to the goal of establishing a Lebanese Islamic republic in Iran's image, came at the behest of both the Syrian and Iranian governments. Hizballah won eight of 128 seats in Lebanon's 1992 parliamentary election, seven seats in the 1996 elections, and twelve seats in the 2000 elections following Israel's withdrawal. In addition, the group has bolstered both its membership and general popular support for its anti-Israeli agenda by establishing a wide variety of public services, including schools, mosques, clinics, hospitals, and community centers.

To be sure, Hizballah's strategic objectives are far broader than its political and social interests. According to the movement's declared agenda, they include four key elements: First, the removal of western influences from Lebanon and the Middle East, the liberation and sovereignty of all claimed lands, the protection of Lebanese civilians, public relations campaigns with the Lebanese people, and more "state involvement" in this liberation struggle.

Second, the creation of an Islamic republic in Lebanon modeled after the Islamic Republic of Iran and founded on *Wali al-Faqih*, or Islamic jurisprudence. This process would include the abolition of political sectarianism, a balanced electoral system, and the patronage-based government bureaucracy currently present in Lebanon.

Third, the liberation of al-Quds (Jerusalem) via proxy Palestinian rejectionist groups such as HAMAS and Palestinian Islamic Jihad (PIJ).

And fourth, the creation of a pan-Islamic International Community.

To implement these stated goals, Hizballah has developed an elaborate organizational structure. Specifically, the movement is governed by a Majlis al-Shura (supreme decision-making authority) with an executive Shura administering the daily activities. The Politburo administers the regional command structure as well as several other bodies. Hizballah is divided into intelligence, security, and military wings.

Led by Secretary-General Sheikh Hassan Nasrallah (who joined the organization in 1982), Hizballah has long been considered as the most significant proxy of Iran, the infamous state-sponsor of terrorism. Indeed, Tehran has loyally served as the main supporter of the organization, with funds, training, arms, and diplomatic solidarity. Syria, another major state-sponsor of terrorism, has also become Hizballah's protector and benefactor. Its special assistance ranged from supplying sophisticated weapons trans-shipped from Tehran to Damascus International Airport and destined for Hizballah in Lebanon, to providing a safe haven in Syria itself.

It is also noteworthy that Hizballah itself has constructed fraternal help to a variety of anti-Western organizations such as Palestinian terrorist groups in the West Bank and Hamas in Gaza. This assistance has included political and financial support as well as the provision of training and weapons.

The bloody record of Hizballah's major terrorists and military operations in the Middle East and around the world includes the following:

- In the 1980s bombings of Western embassies and military facilities, kidnapping, and murdering foreign hostages, and hijacking civilian aircraft.
- Attacking numerous Israeli and Jewish targets abroad during the 1990s.
- And in the post 9/11 era, expanding its violent activities in the region itself (e.g. assassinating former Lebanon's Prime Minister Rafiq Hariri in 2005; launching a month long battle against Israel in 2006; and engaging actively in the ongoing wars in Iraq and Syria) as well as globally (e.g. terrorist attacks and plots in Azerbaijan, Bulgaria, Cyprus, India, Singapore, and Thailand).

It is not surprising, therefore, that in light of this "armed struggle" legacy of violations of both domestic and international law, the United States as early as October 8, 1997 designated Hizballah as a Foreign Terrorist Organization. Most recently on July 29, 2013, the European Union labeled the military wing of the Hizballah group as a terrorist entity.

And yet, regardless of full or partial formal blacklisting of Hizballah, currently and into the foreseeable future, the movement presents multiple and complex security challenges nationally, regionally, and globally. In an effort to consider some of these threats and what the international community can realistically do to reduce the risks, both strategically and tactically, this report is published with the hope that it would stimulate further studies in this field of security concerns.

Finally, we wish to acknowledge the continuing support of our academic work by Michael S. Swetnam, Chairman and CEO of the Potomac Institute for Policy Studies and Professor Don Wallace, Jr., Chairman of the International Law Institute. Thanks are also due to the research team of the IUCTS, including Sharon Layani (University of Michigan graduate). Additionally, staff members Mary Ann



Culver (at PIPS) and Bill Mays (at ILI) have provided invaluable administrative and editorial assistance in the preparation of the report for publication.

October, 2013

**Dr. Matthew Levitt**

Director, Stein Program on Counterterrorism and Intelligence  
Senior Fellow, Washington Institute for Near East Policy

Why, and how, is Hezbollah back on the warpath conducting international terrorist attacks abroad? How do you understand Hezbollah? It is a Lebanese actor, and it cares about Lebanon. Even more so, it cares about its position in Lebanon. It is also a pan-Shi'a organization that will do things that have nothing to do with Lebanon and may even be in direct opposition to its interest in Lebanon and when it comes to helping other Shi'as. This second identity is inherently intertwined with the third identity which is its special relationship with Iran. Hezbollah engages in international terrorism, but it's not a nihilistic group like al Qa'ida, that is trying to blow things up, anywhere, at any time, under almost any circumstances. It is very strategic in its use of militancy. Other examples of covert activities include its violations of international law, such as militia activity across the Blue Line, or violations of UN Security Council resolutions. Hezbollah also engages in criminal activity. But, Hezbollah is also engaged in overt activities. It is the most powerful political actor in Lebanon, and provides social welfare support in Lebanon. That's part of what makes Hezbollah so complicated.

Another complication is that in order to understand what Hezbollah is doing today abroad, you have to look to Tehran, not Beirut. Hezbollah's relationship with Iran has changed over time, and it may change again. In the past it was a standard patron-proxy relationship. Now, in the words of the Director of National Intelligence and the words of the Director of the National Counter Terrorism Center, the Iran-Hezbollah relationship is a "strategic partnership, with Iran as the senior partner." Hezbollah is very careful about what it allows its people to do across the Blue Line itself, targeting Israel, but it is very willing to be aggressive abroad.

To understand Hezbollah you need to understand these three different types of personalities, three different sets of goals, and how they can sometimes run in the face of the other. Last fall, for example, Hezbollah flew a drone over southern Israel near Dimona where it is believed Israel has a nuclear reactor,

and Iran quickly announced they had gotten the feed from that video. When Hezbollah took over the government in 2008, Israelis were very clear that they would no longer be making a distinction between Lebanon the government and Hezbollah the party. Hezbollah therefore had to assume that if they flew a drone over southern Israel, the Israelis would retaliate with their very capable Air Force. Hezbollah was willing to put Lebanese lives and property at risk for this mission. Why? Because Iran asked them to.

Right now, Hezbollah has two distinct operational tracks. In February 2008, the Islamic Jihad Organization chief, Imad Mughniyah, was assassinated. At his funeral, Secretary General Hassan Nasrallah declared open war in retaliation threatening all Israelis everywhere in the world. The first attack was on the Israeli ambassador in Baku, Azerbaijan. It failed. There was a plot in Egypt, kidnapping plots in Africa, in Spain, elsewhere in southern Europe, and there were three different plots in Turkey. They all failed too. In September 2009 Hezbollah failed once more, this time in a plot targeting the Israeli Consul General in Istanbul, and in this operation, Hezbollah agents received more support from the Quds Force than they had in the past.

Towards the end of 2009, Iran and Hezbollah were blaming each other for their failures, and the shadow war between Iran and the west over Iran's nuclear program began to hit a pitch. In January 2010, a sticky bomb assassinated Professor Masoud Ali Mohammadi a particularly important individual to Iran's nuclear program. This comes on the heels of Stuxnet and Flame computer viruses, Iranian Revolutionary Guards Corps (IRGC) defections, and sabotage through front companies of some of their centrifuges. But the assassination of Professor Mohammadi with a sticky bomb in Tehran, pushed Iran to make two important decisions. First, the Quds Force (IRGC elite terrorist unit) established a dedicated unit to target western diplomatic interests around the world, called Unit 400. Second, Hezbollah was instructed to target Israeli tourists in an effort to deter the Israelis or others from taking action against the Iranian nuclear program now, and also, to send a message that if anybody does target their nuclear facilities, more asymmetric terrorist capabilities would be awaiting them.

The results became clear this past year in July, in Bulgaria when Hezbollah succeeded in a plot blowing up a bus in Burgas, resulting in the deaths of five Israeli tourists and the Bulgarian bus driver. Just two weeks prior a Hezbollah agent had been arrested in Cyprus. Six months earlier, in January 2012, Hezbollah was discovered targeting Israeli tourists on a ski trip in Bulgaria. A week after the successful Burgas attack in July, the Bulgarians found a Quds Force officer conducting surveillance of one of the main synagogues in Sofia.

Today, Europe faces a real decision point that has been forced upon it, despite its preference not to discuss it. Hezbollah's activities within the European Union have made not only discussion, but action a higher priority. The Burgas attack captured the EU's attention, but because of the nature of the investigation, the vast majority of information will never be made public, giving very little European governments can use to inform their citizens and change policy. Therefore, it is the arrest of Hossam Yaacoub, two weeks earlier in Cyprus, that is in a better position to spur the EU into taking action. Rather than a government intelligence report, Yaacoub is a dual Lebanese-Swedish Hezbollah operative, tried, with full judicial scrutiny, in a European court, before three European judges. The evidence received complete cross-examination, and the individual was found guilty. This information has been made public. At the time of this planned attack, Cyprus held a rotating Presidency of the EU. Yaacoub was recruited and then trained in counterintelligence. Before he was sent to Cyprus, Hezbollah dispatched him on courier "missions" as he described them in his deposition to the police. The first mission was to Turkey, to see if he could deliver a package and prove he had internalized his counterintelligence training. He must have done fine because then Hezbollah sent him on two more missions. These missions were both in the heart of Europe: in Leon, France, and in Amsterdam. He completed two successful missions sending packages to Europe, and one bringing a cell phone back.

Now the Europeans are coming to grips with the fact that there is no such thing as a get out of jail free card. Belonging to a political institution and participating in social services does not permit any group to commit or plan to commit acts that will result in attacks in the European Union. To do so would

be to permit a violation of the rule of law. To be serious about the rule of law and be taken seriously about the rule of law, a deterrent threat must exist to those who might break your rule of law. Currently a deterrent does not exist, because Hezbollah has never been held responsible.

Europe now has four problems with Hezbollah, not just one: Hezbollah the counterterrorist problem; Hezbollah the transnational organized criminal problem; Hezbollah a regional stability problem; and finally, Hezbollah the Lebanese stability problem. The counterterrorist problem has already been discussed above. Closely related however, is the amount of criminal activity that Hezbollah engages in around the world, and in Europe the criminal activity is particularly massive. Both as part of the terrorism problem and the organized crime problem you have a Hezbollah fundraising problem. Hezbollah is often able to raise money hand over fist openly like the Red Cross in Europe because it's not a designated entity there. One particular case highlights the dangers of the nexus between terrorism, organized crime, and fundraising. Dani Terraf from the Philadelphia area, a dual Lebanese-German citizen, was using his import-export company, Belltower Express out of Slovakia, which the FBI describes as "a Hezbollah proliferation front" to try to procure, not just M4 guns but in his words, a weapon powerful "enough to bring down an F-15."

Certain countries, like France and Italy, have long-standing particular interest in the Levant, highlighting the regional stability problem. Right now instability is embodied in Syria. US Ambassador to the UN, Secretary Susan Rice, has described Hezbollah as part of the Assad regime's killing machine. Hezbollah is not simply protecting a couple of villages on the border; nor just providing small amounts of training. The US government first designated Hezbollah as a terrorist organization in 1995, but it has now re-designated it because of its support for the Assad regime and its impact on the Syrian people. Europe has hesitated to do so, because they believe it will undermine Lebanese stability, but the fact is that nobody does more to destabilize Lebanon today than Hezbollah.

It's not just now because of what's happening in Syria. There they are dragging the sectarian conflict across the border in both directions. Certainly west into Lebanon, but also east, and the sectarian conflict is an issue that will have to be dealt with for quite some time. This is not the first time Hezbollah has taken actions that destabilize Lebanon. Above, Hezbollah's decision last October to fly a drone was already discussed, but it is six years earlier that serves as a stronger example. In July 2006, Hezbollah dragged both Israel and Lebanon into a war that neither country wanted. Nasrallah himself admitted that if he had known what had happened, he never would have kidnapped these Israeli soldiers from the Israeli side of the Blue Line. Less than two years later, in 2008, Hezbollah took over downtown Beirut in the Shoof Mountains area by force. Using arms and weapons that Hezbollah describes as "only for the resistance to Israel," they turned them to kill fellow Lebanese. When the government of New Zealand designated Hezbollah's military wing, they cited among other things, Hezbollah's takeover of downtown Beirut as an act of international terrorism.

What can be done? One goal should be to constrict the operating environment so that Hezbollah's relationship with Iran returns to just a proxy-patron relationship. Europe in particular, is where a decision has to be made. Strategically, Hezbollah must face consequences. There have not been serious consequences, to Iran or to Hezbollah. Not after the Beirut bombings in 1983, not after bombings in Argentina in 1992 and 1994, not after the Khobar bombings in Saudi Arabia in 1996. March 17 marked the anniversary of the bombing of the Israeli Embassy in Buenos Aires in 1992. When Hezbollah blew up the Israeli Embassy the Argentinians didn't take it very seriously, and did not start a very serious investigation. Two years later, Hezbollah and Iran decided that they wanted to strike again in Buenos Aires. They felt that they could because it proved an easy place to operate, and there were no consequences the first time.

If there are not consequences in Europe now, Hezbollah will feel emboldened. One consequence is for the EU to designate Hezbollah as a terrorist organization. A designation of the entire organization would be the most effective, but even a designation of the military and terrorist wings would be a good

step. The type of designation that will be useless is that of just individuals. Designating individuals without designating the organization is purely symbolic, merely giving the appearance of taking meaningful action, but in reality doing nothing effective. Imad Mughniyah himself was on the EU's terrorism list, and you can see just how little impact it had. To make Hezbollah feel the consequences for their violations of the rule of law, a designation as a terrorist group by the European Union is a good place to begin.

**Dr. Amit Kumar**

Edmund A. Walsh School of Foreign Service, Georgetown

It's an honor being here with such a distinguished panel, and thank you, Yonah and Mike, for inviting me along with Matt and Dan. It's quite a difficult act to follow the global authority on Hizballah, Matt Levitt, but I'll just try to make five broad points. Firstly, it's the – Matt did allude to it in some detail – the Hizballah-organized crime/Terrorist financing nexus. What is Hizballah actually? Is it just a terrorist group? Is it an organized crime syndicate? Is it a political movement, a political party? Is it a social welfare charitable trust or what?

The way I look at it is that it's all of the above. Matt did allude to the fact that it has different forms and shapes and it serves a plethora of functions including four or five of the above that I talked about. And with its reach through the Lebanese diaspora in South America, Europe, North America, Africa – especially West Africa – and all across the globe, especially in Thailand and Indonesia, it's got quite a wide network of donations that may be licit through charitable fronts but [there are] also money-laundering, drug trafficking and human trafficking [operations], especially if you look at the tri-border area in South America; the borders of three countries – Paraguay, Brazil and Argentina – that's a hotbed of all kinds of nefarious criminal activity.

But what's the greatest threat to us here? [Hizballah's] access to the U.S. financial system. The recent case of Ayman Joumaa and the Lebanese Canadian Bank is a case in point where the U.S. financial system was accessed. You have used cars and all kinds of trade-based money laundering. That's a big bother to us here in the U.S. and we need to take strict measures against that. I will come to that at the fag end but, basically, it suffices to say that the organized criminal activity of all possible kinds – fraud, looting, trade-based money laundering and the like is huge as far as Hizballah is concerned and that's why the organized crime-terrorist financing nexus is so pronounced in the case of Hizballah.



When I give my students terrorist groups to look at – and I teach a terrorist financing class at Georgetown – the first group that comes to everyone’s mind is Hizballah. Why? Because they’ve got so much data, actually. With all the kinds of stuff they’re doing in South America, in North America, in Western Africa, in and around Lebanon of course, in Syria, Iran, Southeast Asia, Europe – it’s a huge problem to address not only from the counterterrorism standpoint but also from a counter-criminal standpoint, an organized crime standpoint, a petty crime standpoint and so on and so forth.

The second thing that’s important, and this is something that Matt alluded to as well, is the fact that Hizballah, when it’s expedient for it to raise funds through all kinds of licit and illicit means, wants to shed the ideological Shia tag. And it cohabits in South America as it does in other areas of the world, such as West Africa, with Sunni organizations like Al-Qaida and Hamas. The common Hamas-Hezbollah, Sunni-Shia bond of going against Israel and its interests worldwide. So that’s also a pretty interesting point to look at and how it adopts the Shia tag when it wants to, when it’s expedient for it and when it distances itself from it. Its relationship with FARC ( Revolutionary Armed Forces of Colombia) in Colombia, the age-old ideological movement that is more a criminal group now, is a case in point. Their common interest in the laundering of drug-trafficking money and, with what’s going on in the U.S. market, for example, the Los Zetas Mexican gang whose operations are huge in the U.S. market, Hizballah helps in the trafficking and laundering of funds. So its relationship with FARC is getting stronger, it’s pretty intricate right now and that’s a danger to us as well.

The third point I wanted to make, looking at the global reach – I already mentioned this but I’ll do it in a little bit more detail – about Hizballah’s operations across the globe. In South America, the tri-border area, other areas of Paraguay, Argentina and Brazil as well – Sao Paulo for example – its operations, its tentacles are spreading far and wide. In Mexico, through the drug cartels, in the U.S. we had the cigarette smuggling case of yore, which I know most of you in the room are really familiar with, and how they try to use licit businesses and the loopholes therein to launder funds. And here we are talking about millions and millions of dollars and that’s an important point to look at as well. I know

certain attempts in Thailand have been foiled thanks to the alacrity of Israeli intelligence and U.S. intelligence acting in combination. That's been a saving grace. In Bulgaria, unfortunately what happened was really a dastardly act that really couldn't be avoided. There are so many attempts all around the globe that the counterterrorism mission has been able to scuttle. Hizballah is active beyond Lebanon, all around the globe and is truly a global terrorist group, criminal syndicate, movement facilitator.

Fourthly I want to deal a little bit with the fact that, in terms of what's happening in Syria and the imminent downfall of the Assad regime and the saber-rattling by Iran and the West and so on and so forth. What's the future of Hizballah? Does it want to be tied to Iran or to its political interests in Lebanon? And that's important because if it loses Syria as a sponsor then only Iran is left. Does it want to be independent of Iran? It already has its own financial stream and it's no longer dependent only on Iran as it was at its inception. What's the extent to which it wants to be with Iran and be seen in Iran's shadow? And to what extent does it want to be a very important political force in Lebanon? It's quite important there in terms of its negotiations with the Hariri group and so on and so forth? Does it want to be looking after its own interests or does it want to be inextricably tied with Iran and Syria? That's an important point to look at for our future strategy, and Israel's future strategy as well.

And then I'd like to look at certain measures against Hizballah. What can be done? There are counter-criminal measures, counter-terrorism measures, the three governments in the tri-border area have taken measures, but in terms of actual convictions and prosecutions not much has been done, not many assets have been frozen. The U.S. and Brazilian customs and law enforcement folks are working to secure borders and there is a trade transparency unit as well in Brazil which works with our U.S. ICE (Immigration and Customs Enforcement). There are certain measures that can be taken but the fact that the borders are so porous there in Latin America along with poor policing, rampant corruption and the fact that you have a hotbed of terrorist/criminal activity, although more so criminal activity that is very pronounced there makes it difficult to police those borders. If law enforcement focuses on the tri-border region, then these groups tend to migrate up and down the border to other regions in Brazil, Argentina and

Paraguay. It's a very difficult problem that needs a lot of resources [to address], it needs a lot of focus, it needs a lot of cooperation and it needs a lot of building of counterterrorism and counterterrorism financing capacity, which I think is very important. It's a work in progress but more could be done from the South American standpoint working with us.

Matt mentioned the listing issue and different perceptions and positions of listing [Hizballah as a terrorist organization]. Should [Hizballah's] political element be listed along with the terrorist group, should the military wing be listed, should the entire group be listed? Bahrain has recently listed Hizballah, Britain lists only the military wing, Germany and France are more amenable to the idea of listing [now]. Listing is important because it will create a psychosis in Hizballah. As with all listing, my pet peeve with listing is "is it enforceable or not?" Are we really freezing assets? What's the impact of listing? Do we have tangible figures of assets frozen? While it's an important tool and one of many in our arsenal, the impact and the effect of listing is something that we have to look at. Do we really look at the EU listing, or do we look at the countries' sanctions list, as far as Germany and France and the UK and the Netherlands, which listed it some time ago? Listing is an important strategy, as are CFT [Counter-financial terrorism] capacity building and enforcement efforts. Lebanon, with all its modern, sophisticated banking, has very sloppy CFT tools. It has not listed Hizballah for obvious reasons but looking at the Lebanese Canadian Bank case and other Lebanese banks, the money-laundering controls are not strong at all. Their moves to make them equal to those in the U.S. [have been insufficient] and a lot remains to be done. Looking at the CFT regimes in Lebanon and the tri-border area is important, and looking at our own banks is important. Whether they use informal value transfer networks like Hawala and black market exchanges, eventually, some way or another, those amounts do show up in banking because that's the ultimate destination for placing their funds. So our banking needs to be protected. We must make sure that the correspondent banking relationships are sound, we must search for any bad relationships our banks may have with Lebanese banks or banks elsewhere. A multi-front, concerted strategy is really important when it comes to taking care of Hizballah's finances and creating a very difficult operating

environment for it through financial and operational means. At this point in time, with the transition in Lebanon and around it, it's important that we look at Hizballah on all fronts, but especially more so on the operational and financial side.

**Dan Mariaschin**  
Executive Vice President at B'nai B'rith International

Thank you Yonah. Actually, it's more than 25 years that we've been working together, going back to the days when I was at the Anti-Defamation League in New York.

I will be focusing on Argentina as a case study, if you will. Matt has already talked about it, Yonah has talked about it, and Amit has talked about it in terms of the overall Latin American picture. But the interesting thing about the Argentina example is that it's not just part of a chronology of bombings that includes 1992 and 1994. Indeed, this issue from a judicial point of view is still an open book. These were terrorist attacks that have not been adequately addressed. They are kicking the issue down the road and there have been no consequences, but we'll get into that in a little more detail in a moment.

On March 17, 1992, we've just passed the twenty-first anniversary, a pickup truck loaded with explosives smashed into the front of the Israeli Embassy in Buenos Aires. The explosion left 29 people dead and almost 300 people wounded. Four Israelis died. Most of the victims were Argentine civilians, many of them children from a nearby school. The investigation of the case was assigned to Argentina's Supreme Court and, even though Islamic Jihad – a terrorist group with links to Iran and Hizballah – claimed responsibility for the attack, the investigation languished for years and virtually nobody was prosecuted.

Two years later, on July 18, 1994, coming up soon to the nineteenth anniversary, a car bomb was detonated in front of the building of AMIA (the Argentine Israelite Mutual Association). This time, 85 people died and hundreds were injured. It was the deadliest attack ever suffered by Argentina or any other Latin American country. Argentina, it's important to note, is the home of Latin America's largest Jewish population. The case has been marked for many years by incompetence and accusations of cover-ups.

In 2005, President Néstor Kirchner called the unresolved investigation a national disgrace and issued a decree formally accepting the state's shared responsibility for the failed investigation. The decree also opened the door for the victims to seek compensation. Federal Judge Juan José Galeano, in charge of the case, was impeached and eventually removed from his post. Among other things, he was accused of bribing Carlos Telledín, the car salesman accused of selling the car bomb that exploded in front of the AMIA building, in order to make him testify against members of the Buenos Aires police. The payment was apparently made by an undercover agent from SIDE [Secretaría de Inteligencia de la Nación], the Argentine intelligence agency, with the complicity of its director, Hugo Anzorreguy. Anzorreguy would later charge that former President Carlos Menem had approved the operation. Some suspect that Menem was trying to conceal the evidence that incriminated Alberto Kanoore Edul, an Argentine citizen of Syrian origin, and Mohsen Rabbani, a former cultural attaché at the Iranian Embassy, among others.

In 2006, Argentine prosecutors Alberto Nisman and Marcelo Martínez Burgos formally accused the government of Iran of orchestrating the bombing and Hizballah of carrying it out. Judge Rodolfo Canicoba Corral then issued arrest warrants for seven Iranian officials as well as a Lebanese Hezbollah operative.

In November 2007, Interpol ratified the conclusions of the Argentine authorities and issued arrest warrants for six of the eight suspects wanted by the prosecutors, including current Iranian Defense Minister Ahmad Vahidi. The Iranian government has since then refused to cooperate with the Argentine justice despite Argentina's numerous requests, and not one person has yet been convicted for the bombing.

In March of 2012, Federal Judge Ariel Lijo ruled that former President Menem, former Intelligence Chief Anzorreguy and former Commissioner Jorge Palacios would be put on trial for concealing evidence and protecting accomplices in the bombing.

Shockingly, after 19 years of impunity, the government of Cristina Fernández de Kirchner decided last January to sign an agreement on this case with Iran. The pact had apparently been negotiated in secret for about two years. The agreement provides for the creation of a Truth Commission composed of jurists of “recognized international legal prestige” that will have access to all the documentation of the case and issue “recommendations.” It is unclear what, if any, role will be played by the Argentine justice system and, in particular, by Prosecutor Alberto Nisman, who has spent years conducting the investigation. The agreement also states that members of the Commission and the Argentine and Iranian judiciary will interrogate suspects in Tehran.

Well, the pact clearly violates the Argentine Constitution, which establishes on its Article 109 that the president cannot interfere with pending judicial cases. It also infringes on Argentina’s sovereignty but, most importantly, it is morally repulsive since it gives the suspected criminals the power to participate in the investigation of their own crimes. Notwithstanding the fact that the great majority of the Argentine Jewish community and virtually all of the opposition rejected the agreement, the government firmly insisted on the need for the Argentine Congress to approve it and, unfortunately, the pact was quickly ratified by both houses of Congress.

Foreign Minister Héctor Timerman responded to the numerous critics of the agreement by stating, among other things, that the pact will make it possible for the Argentine judicial authorities to finally interrogate Ahmad Vahidi, Iran’s Defense Minister and one of the main suspects in the case. He also said that the agreement will not affect the Interpol arrest warrants that the Argentine authorities had been able to secure. Timerman’s words were immediately contradicted by the Iranians within a day or two, who said that Vahidi will not be interrogated. This statement not only unveiled the lack of clarity of the agreement but also the facility by which the Iranians will be able to circumvent it.

As a representative of one of the world’s largest Jewish organizations, I had commended the tenacity with which the government of former President Néstor Kirchner, and subsequently the

government of Cristina Fernandez de Kirchner, demanded every year before the United Nations that Iran bring those accused of the AMIA bombing to justice. Today, however, I am appalled to witness this obscure pact, which has now been ratified by both houses of the Argentine Congress – almost a complete turnaround.

For 19 years, Iran has refused to cooperate with the Argentine justice system, with Alberto Nisman, and it is clear that it's not going to begin now. This is because the main suspects either were or are currently part of the Iranian government. Therefore, it is more than naive to think that, because of this agreement, Iran will finally hand over its own officials.

The real goal of this memorandum of understanding is to undermine the justice system and to allow Iran to wash its face internationally. The lack of clarity of the agreement and the nature of the law in Iran, where it is supposed to be implemented, will probably guarantee that result.

The Argentine government would like the public to believe that this agreement represents a step forward in the struggle to achieve justice in this case but, in actuality, many see this as the government seeking to upgrade its relationship with Tehran at the expense, unfortunately, of the victims of this terrible attack.

The reasons as to why are not entirely clear. Some believe there are commercial interests involved, others cite President Kirchner's willingness to fill the void left by former Venezuelan President Hugo Chavez, who was Iran's main ally in the region. But whatever the reasons, the truth is that Argentina seems to be moving in the wrong direction. Just last month, the Bulgarian government formally accused Hezbollah of orchestrating the July 18 terror attack in Burgas, which killed six people. The attack took place on the nineteenth anniversary of the AMIA bombing. Also, in Cyprus, the courts have just found guilty a self- confessed Hezbollah operative who has been accused of involvement in a plot to attack Israeli targets on the island.



For years, the Iranian regime has tried to strengthen its ties with Latin America, among other reasons, to ease its international isolation and export its fanatic anti-Western ideology. In Argentina, the AMIA case was a clear obstacle to this; unfortunately, thanks to this deal that has just been signed and ratified, this is no longer the case.

Matt has talked about the Burgas report, which has been submitted by Bulgaria to the EU for their consideration in determining whether or not to designate Hezbollah as a terrorist organization.

Of the 27 EU member-countries, only one has designated Hezbollah as such – that's the Netherlands. The UK has recognized the "military wing." Matt has talked about the supposed two wings of Hezbollah. And about five days ago, France indicated that it will also designate the military wing. There was someone here in town who said some years ago that all money is fungible. And I would think that that rule applies in the case of Hezbollah. I know the conventional wisdom is that perhaps now, with France recognizing the military wing, the EU will move in the direction of doing that, but it would be a terrible mistake to do so leaving Hezbollah free, through its so-called political wing, to move around Europe, to raise money, and to continue in its nefarious ways.

Where Europe goes in this particular designation issue could have a tremendous impact on what happens here in the Hemisphere. So we are urging European governments to look closely and carefully at this and move toward designation.

# Academic Centers

## Inter-University Center for Terrorism Studies (IUCTS)

Established in 1994, the activities of IUCTS are guided by an International Research Council that offers recommendations for study on different aspects of terrorism, both conventional and unconventional. IUCTS is cooperating academically with universities and think tanks in over 40 countries, as well as with governmental, intergovernmental, and nongovernmental bodies.

## International Center for Terrorism Studies (ICTS)

Established in 1998 by the Potomac Institute for Policy Studies, in Arlington, VA, ICTS administers IUCTS activities and sponsors an internship program in terrorism studies.

## Inter-University Center for Legal Studies (IUCLS)

Established in 1999 and located at the International Law Institute in Washington, D.C., IUCLS conducts seminars and research on legal aspects of terrorism and administers training for law students.

## International Advisory and Research Council

### Honorary Chairman

*Prof. Edward Teller \* Hoover Institution*

<i>Prof. A. Abou-el Wafa</i>	<i>Cairo University</i>	<i>Prof. Asher Maoz</i>	<i>Tel Aviv University</i>
<i>Prof. Jayantha W. Atukorala</i>	<i>Sri Lanka</i>	<i>Prof. Serio Marchisio</i>	<i>Instituto di Studi Giuridicic sulla</i>
<i>Prof. Paolo Benvenuti</i>	<i>Universita Di Firenze</i>		<i>Comunita Inernazionale</i>
<i>Prof. Edgar Brenner *</i>	<i>Inter-University Center for Legal Studies</i>	<i>Prof. Dr. Herman Matthijis</i>	<i>Free University Brussels</i>
<i>Prof. Ian Brownlie</i>	<i>Oxford University</i>	<i>Prof. Jerzy Menkes</i>	<i>Poland</i>
<i>Prof. Abdelkader Larbi Chaht</i>	<i>Universite D-Oran-Es-Senia</i>	<i>Prof. Eric Moonman</i>	<i>City University</i>
<i>Prof. Mario Chiavario</i>	<i>Universita Degli Studie Di Torino</i>	<i>Prof. Yuval Ne'eman *</i>	<i>Tel Aviv University</i>
<i>Prof. Irwin Cotler</i>	<i>Canada</i>	<i>Prof. Michael Noone</i>	<i>The Catholic University of America</i>
<i>Prof. Horst Fischer</i>	<i>Ruhr University</i>	<i>Prof. William Olson</i>	<i>National Defense University</i>
<i>Prof. Andreas Follesdal</i>	<i>University of Oslo</i>	<i>Prof. V.A. Parandiker</i>	<i>Centre for Policy Research</i>
<i>Prof. Gideon Frieder</i>	<i>The George Washington University</i>	<i>Prof. Paul Rogers</i>	<i>University of Bradford</i>
<i>Prof. Lauri Hannikainen</i>	<i>University of Turku, Finland</i>	<i>Prof. Beate Rudolf</i>	<i>Heinrich Heine University</i>
<i>Prof. Hanspeter Heuhold</i>	<i>Austrian Institute of International Affairs</i>	<i>Prof. Kingsley De Silva</i>	<i>International Center for Ethnic Studies</i>
<i>Prof. Ivo Josipovic</i>	<i>University of Zagreb</i>	<i>Prof. Paul Tavernier</i>	<i>Paris-Sud University</i>
<i>Prof. Christopher C. Joyner *</i>	<i>Georgetown University</i>	<i>Prof. B. Tusruki</i>	<i>University of Tokyo</i>
<i>Prof. Tanel Kerkmae</i>	<i>Tartu University, Estonia</i>	<i>Prof. Amechi Uchegbu</i>	<i>University of Lagos</i>
<i>Prof. Borhan Uddin Khan</i>	<i>University of Dhaka</i>	<i>Prof. Richard Ward</i>	<i>The University of Illinois at Chicago</i>
<i>Prof. Walter Laqueur</i>	<i>CSIS</i>	<i>Prof. Yong Zhang</i>	<i>Nankai University, China</i>
<i>Francisco Jose Paco Llera</i>	<i>Universidad del Pais Vasco</i>		

\*Deceased

## Director

Professor Yonah Alexander

## Senior Advisors

Michael S. Swetnam  
*CEO and Chairman, Potomac Institute for Policy Studies*

## Senior Staff

Mary Ann Culver  
Sharon Layani

## Technical Advisors

Matt Cooke  
Reed Culver

Prof. Don Wallace, Jr.  
*Chairman, International Law Institute*

## 2013 Summer and Fall Internship Program

William Bode	Wake Forest University	Elyce Nollette	University of Pittsburgh
Christopher Brown	Duke University	James Nusse	George Washington University
Spencer Caldwell	University of Washington	Ryan Petitt	George Washington University
Sheila Davis	Duquense University	Heather Pickerell	Harvard University
William Docimo	London School of Economics	Stephanie Rieger	University of Wisconsin
Logan Glista	Catholic University	Phillip Schwarz	Seattle University School of Law
Anne-Elisabeth Halbert	University of Mary Washington	Martin Sigalow	Emory University
Samuel Hillhouse	George Washington Law School	Kathleen Tiley	Colgate University
Michael Klement	University of Denver	Brian Yost	Northwestern University

Please contact the Inter-University Center for Terrorism Studies at the Potomac Institute for Policy Studies, 901 North Stuart Street Suite 200 Arlington, VA 22203  
Tel.: 703-525-0770 Email: yalexander@potomac institute.org, ICTS@potomac institute.org



