

**Statement of Michael Shifter  
President, Inter-American Dialogue**

**Subcommittee on the Western Hemisphere, House Foreign Affairs Committee**

**“Iran and Hezbollah in the Western Hemisphere”**

**March 18, 2015**

Mister Chairman and Members of the Committee:

I am grateful for the opportunity to share my views about Iran’s agenda in the Western Hemisphere.

This is an issue that merits public discussion and needs to be taken seriously. No one has any illusions about the fundamental nature of the Iranian regime. One can debate about its capacity and strength—and its complex internal politics—but few would dispute that the regime deserves the widespread condemnation it has received in the past. Iran’s history of flouting international law, supporting terrorist groups, threatening Israel, and consistently violating UN resolutions in its nuclear program have made it, justifiably, an international outcast. Its actions anywhere in the world should be watched closely. Vigilance is critical.

Where Iran stands today and whether or not it is in a moment of transition is not, however, a question I am fit to answer. Instead, I can happily testify that regardless of Iran’s current intentions, in today’s Latin America it will not find a very hospitable environment. This is the same message I delivered before. I am pleased to report that Iran’s influence in the region – even in the handful of countries where it has been most active – has only declined since I last appeared before this committee, addressing the same question, in February 2012.

In general, Latin America has become increasingly assertive and confident in global affairs in recent years. The region may be seeking to be more independent from the United States but at the same time it is also interested in closer ties and greater cooperation on a range of issues. There is no evidence it has any interest in aligning itself strategically with Iran. Tying itself to Iran and its troubles would be irrational and counterproductive. The last thing Latin America wants to do is to risk going backwards, which is what any kind of political or security alliance with Iran would signify.

As I said before this committee more than three years ago, there is absolutely no reason why most countries in Latin America should support any gambit to bolster Iran's role and influence in the region. The same remains true today.

To date, Iran's main point of entry in Latin America has been Venezuela's Nicolás Maduro. While there has been far less interaction with Iran than under his predecessor, Hugo Chávez, the geopolitical alliance between the two countries—aimed at curtailing US influence throughout the world—still stands. As major oil producers, they have used available revenues to pursue that overriding objective. They have also employed diplomatic resources to advance their aims. But it is clear that the relationship between the two countries is weaker than it was a few years ago.

In the past, Iran has clearly sought to expand its support in Latin America. But with its economy in dire straits, its ability to do so is severely limited. Economic projects in country after country have failed to materialize. There have been in the past myriad bilateral deals between Iran and Venezuela, including joint ventures to produce cars, tractors, and bicycles, and some cooperation in mining exploration and housing construction. Although President Maduro has declared that Iran is a strategic partner of Venezuela, few of these projects have had concrete results. One of the central aspects of their cooperation, oil industry cooperation, ended when the offices of the National Iranian Oil Company (NIOC) in Venezuela and Bolivia—Iran's other major ally in Latin America—were closed in 2014. In Nicaragua, similarly, Iran pledged construction of a dam and a \$350 million deep-water port, as well as auto and cement projects—and none has come into being. Economic cooperation between Ecuador and Iran remains virtually nil.

Brazil, its largest trade partner in Latin America, had relatively strong political ties with Iran throughout the 2000s. The Brazilian government even supported the Iran's position on the nuclear question in 2007 and 2008. Under Dilma Rousseff's presidency, however, the relationship has notably cooled, in some measure because of her personal objections to Iran's human rights record. During her first presidential campaign, Rousseff went so far as to call aspects of Iran's human rights violations “medieval behavior.” When Ahmadinejad visited Rio de Janeiro as part of the Rio+20 conference in 2012, not only was he greeted with large protests, but President Rousseff refused his request for a meeting. This hardly suggests a strong alliance.

Moreover, while Ahmadinejad made improving ties with Latin America a foreign policy priority, Rouhani does not seem to share this objective. At the same time,

the death of President Hugo Chávez of Venezuela in 2013 deprived Iran of one of its major backers in the region. Although Rouhani had promised to attend the G77 summit in Santa Cruz, Bolivia in June 2014, at the last minute he sent his first vice-president, Eshaq Yahanguir. Ahmadinejad, in contrast, had made numerous trips to the region during his presidency.

One crucial question, however, is whether, given the nature of the regime, Iran's involvement in the region should be regarded as benign. On this score there are admittedly ample grounds for skepticism, given the regime's demonstrated support for terrorist activities and organizations such as Hezbollah. A number of serious allegations in the past have been made about Iran's current activities in Latin America. The first is that Iranian agents are sponsoring training camps for terrorists. Another allegation has to do with Iranian support for prospecting uranium in Venezuela and Ecuador. Yet, of all of these, arguably the most grave is a 2013 report on Iran's activities in the region by Argentine prosecutor Alberto Nisman. As it is now widely known, early this year Mr. Nisman accused President Fernández de Kirchner of attempting to shield Iran in the investigation of accused involvement in the bombing of the Israeli embassy (1992) and the AMIA Jewish center in Buenos Aires (1994) that killed 85 people. Nisman was found dead in his apartment in Buenos Aires immediately before he was set to testify in the Argentine Congress. The circumstances of his death remain disputed.

Shortly after Nisman's death, a series of phone transcripts between Iranian officials and Argentine political leaders close to the President were revealed. The content of the calls indicated that both nations were negotiating an exoneration of Iran for the 1994 attack in exchange for increased trade relations. These accusations, though troubling in some respects, do not necessarily demonstrate a growing influence of Iran in Argentina or in the region. According to Nisman himself, Teheran signed the agreement with the objective of lifting Interpol Red Notices against Iranian officials accused of taking part in the AMIA attack. When this did not happen Iran lost interest and has not even ratified the agreement.

Moreover, the agreement was declared unconstitutional by the Argentine judiciary in early 2014, which means it cannot be implemented even if the government decided to. The government has appealed, but with presidential elections to take place in October and a new president taking office in December, the agreement will most likely never be implemented. Interpol Red Notices against the Iranian officials accused of planning the 1994 attack are still in effect. Finally, while the circumstances of Nisman's death remain mysterious, there is still nothing to indicate that Iran was involved in any way.

Charges about Iran using Latin America as a recruiting base for terrorist activities have not, however, been substantiated. Although Iranian involvement in the region is by nature non-transparent, at this point there is no convincing evidence that significant recruitment activities have ever taken place. Most of these allegations have never provided substantiating data, and merely point out that Latin America has a large Muslim community, which allegedly makes it a potential recruitment base for terrorism. I am dubious about this view.

More plausible are repeated accusations of money laundering through the region's banks, to help finance Hezbollah's activities. The drug question, and associated money laundering, is a widespread and serious problem throughout much of the Western Hemisphere that requires sustained and coordinated efforts among law enforcement agencies. Any available information about this problem, and Iran's possible role, should be pursued energetically. However, the threats that drug trafficking, money laundering, violence, and instability in Latin America pose to the United States exist *regardless* of whether or not Iran is involved. For instance, the situation in the Triple Frontera between Argentina, Paraguay and Brazil has been closely monitored by the United States for many years—an effort that should continue.

Some have argued that the lack of depth and detail in the State Department's assessments under the *Countering Iran in the Western Hemisphere Act* reflect negligence in gathering information. But my sense is that the State Department's serious investigation has simply not yielded solid evidence of extensive Iranian influence and involvement in the region.

It would further be a mistake to base a policy course merely on speculation and conjecture. It is important to adhere to the highest standards of evidence in assessing Iran's role and what the US should do in response. Otherwise, there is a risk that policies could end up being counterproductive and only strengthening Iran's influence in the region. Without ample evidence—and now it appears to be scant—we should not find ourselves panicked by a specter that does not exist.

There have been calls for a more aggressive and hardline US posture towards the role of Iran in Latin America. It is not clear, however, what an alternative position would entail and what it would accomplish. Invoking the Monroe Doctrine in this day and age would be very misguided and would alienate our closest Latin American friends. It would ultimately be self-defeating. As Secretary Kerry indicated, the Monroe Doctrine has been inoperative for years.

In fact, the time, effort, and resources that are being spent on the subject of Iranian intervention in the Western Hemisphere should rather be devoted to proactive engagement and support around the very real security issues that Latin America is confronting today: a robust drug trade and other illicit commerce; an epidemic of violence and crime; a deteriorating political, economic, and human rights situation in Venezuela; and widespread corruption and state weakness.

These are critical questions that risk being neglected when we focus our attention on Iran alone. Indeed, the best way for Washington to address concern about Iran's role in the hemisphere is to help improve the capacity and effectiveness of Latin American governments to protect their citizens against varied sources of insecurity and instability. That is where we should place our policy priority. Issues of organized crime and governance challenges need greater attention and enhanced cooperation from Washington.

That said, on the Iran question and issues like it, we should take advantage of opportunities for greater hemispheric engagement. Most crucially, US officials should be consulting in a quiet and discreet way with our allies in the region about this matter. Such high-level consultations by US officials – in Colombia, Chile, Brazil and other countries – would be consistent with viewing Latin America not as a threat to our interests but rather as a series of opportunities. The region has a lot to offer the United States and is interested in deepening cooperation.

It is one thing to have economic and diplomatic relations with Iran and quite another to permit, say, the training of terrorists. There is in fact a tension and contradiction between the two. If Iran is courting allies in Latin America it would have little reason to sow mischief in a region that prizes order, democracy, and peace.

This is a propitious moment for the United States to engage more deeply with governments committed to effective economic and social policies and democratic politics. The governments with which Iran maintains ties are not influential in the region today. They are marginal—and becoming even more so. There is no credible evidence that they pose a security threat to the United States.

While the US should have a full and accurate understanding of what is happening throughout the hemisphere, it should give its highest priority, and the bulk of its attention, to the countries that exhibit dynamism and are committed to progress – the ones best-positioned to advance our national interests and values.