



Addressing the Challenges Posed by Iran's Terrorism Network

Testimony before the House Homeland Security Subcommittee on Counterterrorism and Intelligence on State Sponsors of Terrorism: An Examination of Iran's Global Terrorism Network

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Chairman King, Ranking Member Rice, and members of the committee, thank you for this opportunity to appear before you today to discuss Iran's role in the Middle East and its support for terrorist networks such as Hezbollah.

This testimony is structured around three main points:

1. An assessment of Iran's role in the strategic environment of the Middle East and South Asia;
2. An analysis of the role Hezbollah plays in the Middle East in Iran's efforts to project power and influence; and
3. Recommendations for the next phase of U.S. policy to address the challenges posed by Iran's terrorism network.

My bottom line assessment is that the integrated work of U.S. intelligence, law enforcement, diplomatic and military agencies have kept Americans and the U.S. homeland safe in recent years from the threats posed by a wide range of terrorist networks, including those supported by Iran.

But the lack of a cogent and integrated U.S. strategy for the Middle East hinders America's ability to confront Iran's support for terrorism. This lack of a clear regional strategy has allowed Iran and its partners to continue to destabilize the Middle East and undercut U.S. interests and allies.

The remedy is to advance a more proactive strategy using the full spectrum of U.S. national security tools, including: diplomacy, cooperation with partners on the military, intelligence, and law enforcement fronts, targeted U.S. military action, financial sanctions, and strategic communications. An integrated strategy to counter and compete adversaries like Iran and reassure allies will help enhance regional stability and make America safer.

I. Iran's Role in the Broader Strategic Landscape of the Middle East and South Asia

The Middle East remains in a decades-long struggle for power and influence among key countries of the region, particularly Iran and Saudi Arabia. This competition between states has contributed to the weakening of the region's nation-state system. States such as Iraq, Syria, and Yemen have become arenas for this regional competition as governing authorities have broken down in internal struggles for power and legitimacy.

The collapse of state structures has facilitated the growth in power and influence of a wide range of non-state terrorist networks with a regional reach. Quasi-state terrorist organizations such as Hezbollah in Lebanon and the Islamic State have emerged as important actors in this environment. These groups have exploited the chaos created by sectarian conflict and civil war to deepen their roots in the fault lines of fractured societies. Some of these groups, including Hezbollah, have worked in concert with state actors like Iran to project power and shape events in other countries.

For nearly 40 years since the Islamic revolution in 1979, Iran has worked to develop a wide reaching global network of terrorist organizations, criminal networks, political partners, and proxies stretching from Afghanistan to West Africa and Latin America. This network has engaged in terrorism, supported militias and fomented instability.

Iran has funded and armed groups that have challenged state authority and advanced propaganda that has used religious symbolism and sectarian appeals in public communications. These media campaigns are aimed at shaping popular perceptions across the region and often seek to challenge the political legitimacy of neighboring countries.

Iran works through three main organizations to project influence: the Islamic Revolutionary Guard Corps—Quds Force, or IRGC-QF; the Iranian Ministry of Intelligence and Security; and Lebanese Hezbollah. The U.S. State Department has identified the Quds Force as the “regime's primary mechanism for cultivating and supporting terrorists abroad,” but all of these organizations have worked to expand Iran's influence in the region.

Iran's primary strategic focus has been on its immediate environment in the Middle East and neighboring countries like Afghanistan. Its efforts have been underway for decades, but Iran's influence and reach expanded after the United States removed two of Iran's chief adversaries, the Taliban in Afghanistan and Saddam Hussein in Iraq. The 2003 Iraq war ended the U.S. policy of dual containment of Iran and Iraq and enabled a historic rise of Iran's influence. Since then, Iran stepped up its efforts to shape the regional environment with a multifaceted strategy of support to political forces sympathetic to Iran in five key countries:

1. Afghanistan. In the immediate aftermath of the Afghanistan war in 2001, Iran initially played a key role in helping the international community bring together different factions in Afghanistan in diplomatic and political discussions that led to the formation of the Afghan

government. In recent years, Iran has provided covert support, including funds, weapons, and training, to insurgents opposed to the Afghan government. It has also reportedly recruited Afghans to serve in Shia militias currently fighting in Syria's civil war.

Iran's Revolutionary Guards have benefited financially from the illicit drug trade flowing out of Afghanistan, the world's largest producer of opium. In addition, Afghan members of parliament and security officials say that Iranian intelligence operatives bribe government officials and offer visits to Iran to receive medical care and conduct business. As the United States steps up its military engagement in Afghanistan, Iran could increase its efforts to undermine the Afghan government.

2. Iraq. Iraq remains a key center of gravity for Iran's engagement in the broader Middle East. In the more than 15 years since the 2003 invasion, Iran has engaged in a multifaceted effort to shape and influence the future of Iraq. Iran has cultivated strong political ties with key figures across all levels of Iraq's government, and it has also offered funding and weapons to militias operating in coordination with Iraqi security forces. In addition to political and security engagement, Iran has funded media outlets and campaigns inside of Iraq that portray Iran in a positive light. Iran has also increased its investments in efforts to deepen economic, cultural, and religious ties with Iraq.

Iraq's national elections next month represent a key test of Iran's influence just as Iraq is seeking to bridge internal political divisions in the wake of the military defeat of the Islamic State.

3. Syria. Iran and Syria have been strategically aligned for decades; the bilateral relationship between the two countries has deepened in the seven years since the start of Syria's civil war. Iran's intervention has been vital in sustaining the regime of Bashar Al-Assad with funding, weapons, troops, irregular militias, and propaganda support.

Iran has used Syria's territory to establish military bases that have threatened U.S. interests and allies, including Israel. In February 2018, Israel intercepted an Iranian-armed and operated drone that penetrated its airspace from Syria and responded with a number of targeted military strikes in Syrian territory against Iranian and Syrian targets.

4. Yemen. Iran has offered support to the Houthi movement battling the internationally recognized government in Yemen. Yemen's geographic location along the Bab El-Mandeb straits in the southeast of the Red Sea makes it a vital chokepoint for global commerce between the Horn of Africa and the Middle East. This location leads into the Suez Canal and the Mediterranean Sea south of Europe.

In Yemen, Iran has an opportunity to support forces that have taken actions that have undermined the security of Iran's regional rival, Saudi Arabia. In January 2018, a United Nations panel of experts faulted Iran for violating an arms embargo on Yemen by failing to

prevent Iranian-made missiles from falling into the hands of Houthis. A number of these missiles have been fired from Yemen into Saudi territory in recent months.

5. Lebanon. Iran has deep ties with Lebanon's Shia community, particularly Hezbollah, the Party of God. Iran has supported Hezbollah since its creation in 1982 and has used Hezbollah to advance its regional agenda and challenge its adversaries, including Israel and the United States. Iran has provided funding and arms to Hezbollah for decades, and in recent years it has supplied increasingly sophisticated missiles and rockets that target Israeli territory.

The upcoming elections in Lebanon in May present another opportunity to test the reach and influence of Hezbollah inside Lebanon's political system, although most observers expect Hezbollah to maintain its strong influence.

II. Hezbollah's Role in Iran's Efforts to Project Power and Influence

Hezbollah was founded with support from Iran in the early 1980s in reaction to Israel's military operations in Lebanon. Over the years, Hezbollah has supplemented Iran's support with additional streams of revenue from commercial enterprises and charitable networks with a global reach.

In its early years, Hezbollah engaged in a range of terrorist attacks and acts of violence, including the 1983 bombings at the U.S. embassy and Marine barracks Lebanon. Since then, Hezbollah has developed into the most powerful political force in Lebanon's deeply divided coalition government. It has also invested in a deep social and economic support network inside of the country.

In the region, Hezbollah remains focused on its foundational goal of leading the resistance to what it sees as U.S. and Israeli imperialism. Hezbollah has built a network of tunnels, bunkers, and launch sites for missiles and rockets along Lebanon's southern border with Israel. Maintaining its capacity to threaten Israel remains a primary focus of Hezbollah, and eliminating Israel remains a primary goal of Hezbollah.

In recent years, Hezbollah has expanded its area of operation across the Middle East in cooperation with Iran. As an Arab organization, Hezbollah has been able to transmit and echo the ideology of Iran with wider credibility among Arab audiences. It has become increasingly engaged in the civil wars in neighboring countries and proxy fights between Iran and Saudi Arabia, in three main arenas:

1. Syria. Hezbollah has played a pivotal role in fighting those opposed to the Assad regime and preventing the spread of the Islamic State from Syria into Lebanon. From 2011-2013, Hezbollah played a limited role in Syria's civil war, sending some forces to bolster the security of the Assad regime and defend religious sites revered by Shia Muslims. In 2013, Hezbollah substantially

boosted its direct military engagement, working closely with Iran and Shia militias to turn the tide of Syria's conflict. Hezbollah played a prominent role in key battles inside of Syria, including Al-Qusayr in 2013, Zabadani in 2015, and Palmyra in 2016.

2. Iraq. Hezbollah has been engaged inside of Iraq since the 2003 Iraq war, playing an advisory and coordination role with Iran-backed Shia militias. The rise of the Islamic State and its seizure of Mosul in 2014 motivated Hezbollah to step up its engagement inside of Iraq focusing on the threat posed by the Islamic State.

3. Yemen. Evidence has surfaced that Hezbollah has offered covert training and support to help the Houthi movement fighting the internationally-recognized government of Yemen and the Saudi-led military coalition. Houthi fighters have received training at Hezbollah camps in Lebanon, and Houthi casualties of the Yemen war have been treated and even buried in Lebanon.

Along with its broadening and deepening engagement in the Middle East, Hezbollah has maintained its global network to finance its operations and position itself to conduct possible terrorist attacks. Conducting attacks on the U.S. homeland does not appear to be a top priority for Hezbollah, particularly in recent years with the uncertainties in the Middle East dominating the movement's focus.

Nevertheless, Hezbollah continues to cultivate a network for funding its overall operations and preparing for possible contingencies that could involve future attacks on American targets. Individuals and organizations connected to Hezbollah have funneled money from charitable organizations that raise funds in the United States to leaders in Lebanon. In addition, U.S. officials have uncovered evidence of Hezbollah-linked money laundering, smuggling, drug trafficking, and counterfeiting operations in the Western hemisphere, including in the United States.

Hezbollah has never directly attacked the U.S. homeland, but there is some evidence of efforts to position sleeper cells to develop operational capabilities in America. In June 2017, an individual in New York was arrested and charged with casing John F. Kennedy Airport for a possible Hezbollah attack. Also in 2017, a Michigan man was arrested and charged with traveling to Panama to conduct surveillance against Israeli targets and the Panama Canal.

These limited incidents demonstrate a possible effort by Hezbollah to prepare for contingencies in which the terrorist movement might want to conduct attacks against U.S. interests and even the U.S. homeland.

Recommendations for U.S. Policy

Iran's strategy to project power and influence in the Middle East and beyond is motivated by a wide variety of factors – its ideology and worldview, its perceptions of threats and opportunities, and its own internal political debates. Its support for terrorist networks with a regional and

global reach like Hezbollah is one critical component of a multi-layered strategy that has military, diplomatic, political, economic, and ideological elements.

In order to meet the challenges posed by Iran, the United States needs a multifaceted strategy on several fronts. For years, the United States has protected the U.S. homeland and American citizens from a wide range of terrorist threats. Where U.S. policy has been deficient across several administrations is in developing a clear and integrated strategy that impacts Iran's immediate environment in the Middle East.

A more effective U.S. policy to address the challenges posed by Iran and its global terrorism network would operate on five key fronts:

1. Strengthen intelligence and law enforcement cooperation inside U.S. agencies and with regional and global partners.

The United States has not suffered another devastating terrorist attack on its homeland since the 9/11 attack, and this is in large part due to the strong investments made in building the capacities and enhancing the coordination of America's intelligence and law enforcement agencies. Advancing their institutional capacities in an evolving threat environment is vital. Equally important is avoiding the unnecessary and counterproductive politicization of these agencies in America's domestic debate. This politicization can undermine the security of all Americans.

U.S. security institutions' coordination with allies and partners in the Middle East on intelligence collection, terror finance, and targeted actions keeps Americans safe. The cooperation between the United States and its Middle East partners on counterterrorism financing is essential. The United States has put in place a number of sanctions and regulations targeting Hezbollah and Iran's material support for terrorism and related financial assets. These should continue to be strictly enforced.

2. Defend and enhance military and security partnerships in the Middle East. The United States has maintained a deep military footprint and a broad array of regional security partners. In addition to long-standing bilateral military and intelligence cooperation efforts across the region, the United States built an international coalition working to counter the Islamic State in 2014.

All of these streams of conventional military support and cooperation should be synchronized and coordinated. Since 2015, the United States increased its efforts to coordinate with its partners in the Middle East on addressing the destabilizing role Iran and its regional partners such as Hezbollah play. In a series of meetings beginning at Camp David under President Obama in 2015, the United States has held a dialogue with regional partners on joint mechanisms to deal with Iran's role in the region. The United States should continue to work with partners in the Gulf and key allies such as Israel and Jordan on a number of measures, including:

- Enforcing and implementing arms embargos aimed at reducing the flow of weapons to conflicts such as Yemen and Syria;
- Enhancing joint efforts to defend against cyberattacks sponsored by Iran and its partners;
- Developing greater coordination on ballistic missile defense interoperability in the Middle East;
- Stepping up efforts to share information and interdict illicit arms smuggling in maritime operations;

3. Increase diplomatic efforts to resolve conflicts in Yemen and Syria. Iran continues to play a destructive role in Yemen and Syria. At the same time, some of America’s key regional partners have taken uncoordinated and unilateral actions that have also escalated conflicts and undermined the state system in the Middle East. Terrorist organization such as Hezbollah and state sponsors of terrorism like Iran tend to thrive in environments of conflict – the Syria conflict has enabled Iran and Hezbollah to punch far above their weight in the region.

The United States should work closely with its regional allies and partners to link joint military and security operations with a more coordinated diplomatic effort to resolve conflicts on terms favorable to U.S. interests and values. This means investing in stepped up diplomatic efforts to resolve the conflicts in Yemen and Syria and linking ongoing security operations in those conflicts to efforts to advance de-escalation, deconfliction, and long-term conflict resolution.

Increasing U.S. diplomacy on resolving these conflicts is hindered by the recent proposed budget cuts in U.S. foreign operation and several unfilled positions at the State Department including the assistant secretary of state for Near Eastern Affairs and key ambassadorial positions in the Middle East.

4. Compete with Iran in political engagement and strategic communications efforts to shape the political landscape in Iraq and Lebanon. The United States should work with partners to compete in key countries where Iran and Hezbollah are key actors in the political landscape. This requires substantial investments in the State Department and other elements of U.S. power projection outside of the military. This political engagement should work to enhance the national sovereignty of these countries and support new coalitions that bridge old sectarian and ethnic divisions exploited by external actors such as Iran.

Politics and the competition for power among different political factions remains a central front in the effort to address Iran’s influence in the Middle East. Iran has seen its influence grow in places that are fragile and divided, and any U.S. engagement that further undermines national unity will likely backfire.

These efforts should also include strategic communications and media efforts, such as bolstering the impact of U.S.-funded Voice of America and Middle East Broadcasting Networks aimed at increasing awareness and transparency about corruption and funding flows from external actors like Iraq.

5. Maintain the Iran nuclear deal and ensure Iran's strict compliance. At a time of widespread regional instability, the 2015 Joint Comprehensive Plan of Action (JCPOA) nuclear agreement with Iran produces very important and tangible benefits for U.S. and international security. It has severely restricted Iran's ability to produce a nuclear weapon into the next decade. It has established an inspections regime that increases the international community's knowledge of Iran's nuclear program and enhances the ability to detect any possible move by Iran to start a new weapons program. The JCPOA's provisions should be strengthened over time, and doing so effectively requires a substantial investment in diplomacy with close U.S. partners in Europe and the Middle East

If the United States withdraws from the deal, the net effect would increase security tensions in the region while unilaterally disarming the United States from a key tool that blocked Iran's path to a nuclear weapon for the coming years.

Conclusion

During the past 15 years, the United States has confronted terrorist networks overseas and prevented another major attack on the U.S. homeland. But the strategy it has implemented in the Middle East has not produced sustainable results and it has not yet effectively dealt with a range of endemic challenges in the region, including Iran's destabilizing role.

To turn the tide, the United States needs to adopt a more comprehensive and integrated strategy that engages beyond military operations in diplomatic and political efforts in coordination with key partners in the Middle East.

Currently, the United States risks ramping up military operations in a way that could contribute to the fragmentation of the Middle East's state system and open the space for the continued rise of nonstate actors. Without a broader regional strategy that links military approaches to diplomatic efforts in conflict resolution, tactical and operational shifts in U.S. military policy in the Middle East could make the region even more unstable.