

Follow/Mention
@HouseForeign

Opening Statement of the Honorable **Ed Royce (R-CA), Chairman**
House Foreign Affairs Committee Hearing:
“Attacking Hezbollah’s Financial Network: Policy Options”
June 8, 2017

(As prepared for delivery)

Today we consider additional steps needed to confront one of the top terror threats in the world: Hezbollah.

Hezbollah is a terrorist group based in Lebanon, where it is a significant political force. Its history dates to 1982, when members of Tehran’s Revolutionary Guards Corps’ Quds Force, deployed to Lebanon’s Bekaa Valley, **created, armed, and funded** a small force which became Hezbollah.

Today, as a leading Iranian proxy, Hezbollah continues to be Iran’s front line against Israel. Since its 2006 war with Israel, Hezbollah has dramatically grown its supply of rockets and missiles, allowing it to strike *throughout* Israel with much greater precision and force.

I was in Haifa, Israel in 2006, when 10,000 Hezbollah rockets rained down. Eleven years later, the group maintains an arsenal of some **110,000 rockets** of increasing sophistication. One observer even wrote that Hezbollah is “now more militarily powerful than most North Atlantic Treaty Organization members.”

And it is putting that military power to effective use. In Syria, its fighters are key to Tehran and Moscow’s efforts to prop up the Assad regime along with Russian troops and Iran’s Revolutionary Guards.

For 30 years, Hezbollah has remained Iran's proxy, and Iran remains Hezbollah’s primary source of financial support. In April 2015, its leader, Hassan Nasrallah, boasted that even under sanctions, Iran still funded Hezbollah’s terror. He anticipated that a “rich and powerful Iran, which will be open to the world” would be able to do even more. The Iran nuclear agreement has made it possible for Iran to provide Hezbollah with a windfall. As one witness will testify today, Hezbollah’s activities since the nuclear agreement have “expanded in scope.”

But Tehran is not Hezbollah’s only source of income. Since its inception, Hezbollah has developed a broad criminal network involved in a range of illegal activities – from drug trafficking to cigarette smuggling to money laundering to counterfeiting. ***These global terrorists double as global criminals.***

Indeed, in February 2016, the U.S. Drug Enforcement Administration – in an operation led by one witness here today – implicated Hezbollah in a multi-*million*-dollar drug trafficking and money laundering network that spanned *four* continents and put cocaine *on the streets of the United States*.

The Committee is focused on the best way to attack Hezbollah's financial network and its tentacles across the globe. In 2015, we led the way to enact the *Hezbollah International Financing Prevention Act* to target those that facilitate financial transactions for Hezbollah. This has helped put Hezbollah in the "worst financial shape in decades," according to a former top Treasury official, despite Iran's continued support. Part II of this legislation is coming. But unfortunately that's of little comfort to Israelis staring down an arsenal of rockets that sit just across the border in Lebanon, or the Syrians being slaughtered at the hands of these terrorists.

We look forward to hearing from our witnesses today on ways in which the United States can further *tighten the grip*.