

# Iran and Latin America

By William Ross Newland III

Prepared for the Western hemisphere Sub-Committee  
Of the House Foreign Affairs Committee  
10 March 2015

On Sunday November 4<sup>th</sup> 1979, Iranian revolutionary forces took over the U.S. Embassy in Tehran, subjecting American diplomats to physical and psychological torture for 444 days. I remember that date, because I entered on duty (“EOD’d” in agency parlance) at the CIA on Monday November 5<sup>th</sup>.

November 4<sup>th</sup>, 1979 could also be called the first day of the War on Terror.

Since November 4<sup>th</sup> 1979, Iran has carried out terrorist attacks against the U.S., operating either directly or via proxies. Of course others have also attacked the U.S., but the Iranian pattern has been in place for decades. Perhaps the most recent example was the 2011 plot to kill the Saudi Ambassador in Washington D.C.

Mahmoud Ahmadinejad, elected President of Iran in 2005, prioritized relations with Latin America. His trips to the region are well-known, as are the return invitations to Tehran for the Bolivarian heads of state (Venezuela, Ecuador, Nicaragua, Bolivia). From his visit to the Western Hemisphere in 2007 through at least 2012, Iranian relations with Latin American

*William Ross Newland III is Managing Director of The Delian Group. The Delian Group advises American companies that are expanding into Latin America. Mr. Newland is a 26-year veteran of the Senior Intelligence Service at CIA, where he was a three-time Chief of Station, and held a number of senior Headquarters and field commands. See [www.thedeliangroup.com](http://www.thedeliangroup.com)*

nations grew significantly. By 2012 there were reportedly some 36 Iranian cultural centers in 17 Latin American countries. And I think we all understand what an Iranian 'cultural center' is: a cover for MOIS officers seeking to influence and recruit local citizens.

Of course the fear of growing Iranian influence in the hemisphere is that their representatives, be they MOIS officers, Revolutionary Guards Quds officers, or Hezbollah operatives, would associate with Mexican cartels, who have spread their influence from the U.S. border down through Colombia and even Argentina. The cartels could accommodate cross-border operations, and thus facilitate Iranian intelligence operations into the United States. As the assassination plot of the Saudi Ambassador in WDC in 2011 showed, the Iranians are capable of using Mexican connections to operate inside the U.S.

What has allowed the Iranians to increase their influence in the Western Hemisphere? The problem is that post 9/11, U.S. policy priorities were in the Middle East, and there has been no real policy agenda for Latin America. Iran has exploited this vacuum, using Venezuela as an operations center to build influence in the region.

Iran has signed bilateral economic agreements with Bolivarian states worth billions, but it appears that little if any has been delivered. The importance of the growth in Iranian influence in this hemisphere is political, not economic. What has united the Latin American nations that established or increased relations with Iran has been their anti-American policy.

Increased Iranian relations with Latin American nations means increased Iranian intelligence activity in those countries. Iran

has a history of using their embassies, not just their cultural centers, to host MOIS activity, and to foment anti-U.S. feeling. Recall that it was Mohsen Rabbani, the 'cultural attache' in Buenos Aires, who was a key figure in organizing the 1994 AMIA bombing that killed over 100 people.

But aside from the economic and political factors, the other major nexus between Iran and Latin America is financial. That relationship goes back for over a generation, and is centered in the Tri-Border Region of Argentina, Paraguay, and Brazil. In that area of some 220,000 people, there is a community of over 25,000 persons of Lebanese origin, most of whom live in Foz do Iguazu (Brazil) and work in Ciudad del Este (Paraguay). And many are Hezbollah sympathizers.

While we have no idea the total amounts, over the years millions of dollars in revenue from the sale of counterfeit goods (many of them American brands) is funneled from the Tri-Border to known Hezbollah bank accounts in Lebanon. The major economic activity in the Tri-Border is counterfeiting, and many of the merchants are Hezbollah contributors. (See Addendum on Tri-Border counterfeiting.) Aside from serving as a source of funding, the Tri-Border has historically supported Hezbollah from a logistics point of view - with travel arrangements, documents, and a place where operatives could go 'under the radar' for long periods.

Since Rouhani took over the presidency from Ahmadinejad, he has not visited the Western Hemisphere and he did not attend the G77 meeting in June 2014. It appears that politically, Latin America does not have the priority for Iran that it had under Ahmadinejad. Or perhaps the Iranians are mindful of ongoing negotiations and sanctions.

So while the Iranian economic aid and financing agreements in the hemisphere have not really materialized, Iran has actively promoted its political agenda in the region. Iran is cementing ties with the ALBA countries, perhaps using them to circumvent U.S. sanctions, and actively promoting anti-U.S. policies in Latin America.

In Argentina, the efforts of prosecutor Alberto Nisman to uncover the Argentine Government's secret negotiations with Iran (to withdraw Interpol red notices for a number of Iranian officials who were linked to the 1994 AMIA bombing, in exchange for oil), has caused a scandal, especially after Nisman was found with a bullet in his head on January 18<sup>th</sup>. That death remains unresolved, since it is clear that various parties – Iran included – had a motivation to stop Nisman's investigation. That nobody has faced trial after 20 years of investigation in the AMIA case is testament to the judicial and political corruption that surround the case.

The Iranian logistical and intelligence infrastructure is in place in Latin America, even if their political and economic relations with the region have waned.

The two most important centers of the Iranian influence are Cuba and Venezuela. Venezuela's economic problems are rife, and President Maduro lacks the charisma of his predecessor Hugo Chavez. If, as expected, the Maduro government falls or goes bankrupt and is voted out of power, the corresponding financial support for Cuba will also end, thus in one stroke removing the major foundations of Iranian support in the hemisphere. But since that may be wishful thinking, until and unless that happens, the U.S. needs to know the details of Iranian diplomatic, cultural, intelligence, and military activities in Latin America.

## Recommendations:

- Include reporting on Iranian diplomatic, cultural, proliferation and intelligence activities as part of the State Department's 'Country Plan' in embassies in the Western Hemisphere, focusing on each of the ALBA countries, especially Cuba, Venezuela, Bolivia, Ecuador, and Nicaragua.

- Include reporting on Iranian military, proliferation and intelligence activities as part of the U.S. military's and U.S. intelligence mission reporting plans, both at the embassy level and SOUTHCOM level.

- Make prosecution of the AMIA bombing a priority in our bilateral relations with the next government of Argentina (elected in October 2015);

- Given Cuba's proximity to the U.S. and its close relations with Iran and Venezuela, make counterterrorism and law enforcement cooperation a condition of diplomatic relations with Cuba.

- Support regional efforts to combat violations of intellectual property in South America, using NGOs such as the Alianza ('Alianza contra Piratería de Televisión Paga'), as well as the U.S. Chamber of Commerce's Global Intellectual Property Center (GIPC). This can be done regionally, as well as at the WDC level, through the Department of Commerce.

- Make respect for IP a demonstrable priority in U.S. bilateral relations with the Government of Paraguay.

## Addendum – Financing Hezbollah from the Tri-Border Area

Counterfeit trafficking: The Tri-Border Area is among the largest ports in the world in terms of the size of its counterfeit market. The items counterfeited include principally electronics, clothing, and accessories. Virtually all of the counterfeiting is done in China and then flown in in cargo planes to South America.

Many items are counterfeited, and most of the products are American household names: Apple, Tommy Hilfiger, Polo, Oakley, DIRECTV, and others.

The principal traffickers are mainly of Lebanese descent, are Paraguayan citizens and live either in Ciudad del Este, Paraguay or Foz do Iguazu, Brazil. And many of these merchants provide money to Hezbollah.

Below is one of the major counterfeiting trafficking rings, for a variety of products. The ring is headed by Odair Dos Santos, a Brazilian resident. His organization is divided into importation and distribution teams.

### IMPORTATION:

The main importation teams are headed by Walid Amine el-Sweid and Mohamed el Assas. El-Sweid's Chief of Support is Juan Carlos Sosa Barreto, and Ricardo Galeano is his Customs Dispatcher. Javier Vasquez is the Chief of Operations. Mohamed El Assad, aka Abou Arguile, is the other main importers. El Assad is supported by Mohamad Akram Zahwe, aka Abou Hadid, former partner of narcotics trafficker Hassan Khalil Hijazi, aka Hassan España, and Alcides Fernandez, a

lawyer and Chief of Operations (and currently Mayor of the town of Presidente Franco, in Alto Parana Province).

DISTRIBUTION:

Business name: GIGA ELECTRONICOS  
SOBHI MAHMOUD FAYAD

Business name: VIP TECH  
ASSAD AHMAD BARAKAT

Business name: MILLENIUM  
JIMMY ALAWIE

Business name: ROADSTAR  
HASSAN Y HUSSEIN DIA

Business name: CASA WIRELESS  
ODAIR DOS SANTOS

Business name: MEGA ELECTRONICOS  
NASSER

Business name: TCHE LOCO

Business name: CASA BO  
WALID RAMEZ

## DETAILS:

Business name: GIGA ELECTRONICOS

Location: GALERIA, JEBAI CENTER

In the shopping mall ground floor, CDE

Owner: SOBHI MAHMOUD FAYAD

Sobhi Mahmoud Fayad has an extensive criminal record, including ties to Hezbollah in Lebanon, in addition to fraud and document irregularities in the Tri-Border Region.

Fayad's U.S. Visa request was denied based on suspicion of membership in a terrorist organization.

- He was detained on October 27, 1998 in the vicinity of the U.S. Embassy in Asuncion, due to official questions about his activities and about his immigration (residency) documentation.
- He was jailed on October 29, 1998 for 'crimes against the public trust.'
- He was detained again on November 8, 2001 in CDE for 'activities against the well-being of others,' and against the treasury.
- On November 11, 2001, Fayad was imprisoned for blackmail, extortion, death threats related to his fundraising for Al Mukawama, and Prosecutor Carlos Arregui added 'criminal association' to the other charges. The prosecutor and the judge have documented Fayad's connections with Hezbollah. He is presumed to be connected to the External Security Wing of Hezbollah. (Note: Al-Muqawama al-Islamiya is the military branch of Hezbollah.)
- On November 21, 2002 Fayad was sentenced to 6 years and 6 months of prison for tax evasion and other matters.



Business name: VIP TECH

Location: GALERIA UNIAMERICA, 3rd floor,

Owner: ASSAAD (ASSAD) AHMAD BARAKAT

Assad (aka Asaad) Ahmad Barakat (owner), has had a number of legal problems and numerous lawsuits related to his connections to Hizbullah in addition to smaller local infractions, including falsification of electronic game brands.

- Barakat was arrested October 10, 2001 for criminal association and other activities and was ordered to serve prison time for evading a detention order.
- He was wanted for criminal association in 2001-2002, and later had an Interpol Red Notice for international arrest on tax evasion charges. He was extradited to Paraguay, sentenced to six years in prison, before being released in 2008 after completing four years behind bars.

Barakat's new store is VIP Tech, located in the Galeria Page. He changed locations from the Galeria Uniamerica (3<sup>rd</sup> floor) after his name appeared on a list of Hizballah financiers.

Barakat's Hawala (an informal value transfer system based primarily in Islamic countries) partners are his brother Hattem as well as Saleh Mahmoud Fayad, the brother of Sobhi Mahmoud Fayad (owner of Giga Electronicos)

Business name: MILLENIUM GAMES

Location: SHOPPING VENDOME, 3rd floor, store no. 306-311.

Owner: JIHAD MOHAMAD ALAWIE aka "JIMMY"

Alawie is also the owner of the store called 'Jimmy Games,' located in the Galeria Internacional (CDE).

Jimmy's brothers are Adel Mohamed Alawie, Hussein Mohamed Alawie, Hassan Mohamad Alawie (resides in Doral, Florida), and Imad Mohamad Alawie (who works in Sao Paulo Brazil).

Some sources in the area report that the Alawie brothers along with the Awada brothers engage in narcotics trafficking. Both brothers reportedly send significant amounts of money to Hezbollah in Lebanon.

Business name: ROADSTAR  
Located: Foz de Iguazu, Brazil  
Owners: HASSAN Y HUSSEIN DIA.

Hassan Dia is the Paraguayan Ambassador to Lebanon

USD \*\*\*\*\* 50000000

Ciudad del Este,

Señor  
Gerente del  
Banco Integración S. A.  
Presenta

De nuestra consideración:

Tenemos el agrado de dirigirnos a Usted, con el objeto de solicitar a vuestro Banco la emisión de la siguiente:

### ORDEN DE PAGO

BANCO	BYBLOS BANK
DIRECCION	GHOBERY BRANCH
CIUDAD	GHOBERY
PAIS	LIBANO
ABA	A/C 2313
CUENTA N°	59-02-152-762313-0-5
BENEFICIARIO	KHALIL SALEM
SUB-CUENTA N°	*****
BENEFICIARIO	*****
REFERENCIA	US\$ 50.000 (CINCUENTA MIL CON 00/100 DOLARES
IMPORTE	AMERICANOS)
BOLETA N°	BANESTADO N° V 24:00 HORAS
BANCO CORRESPONSAL	***** VALOR *****
OBSERVACIONES	*****
REMITENTE	*****
DOC N°	GAL PAGE 4 TO PISO TEL 500608
DIRECCION	*****

Desde ya liberamos al Banco Integración S. A., de toda responsabilidad por retardos, extravíos o errores ocurridos en el proceso de preparación y ejecución de esta solicitud.

El Importe más los gastos que demande esta operación,

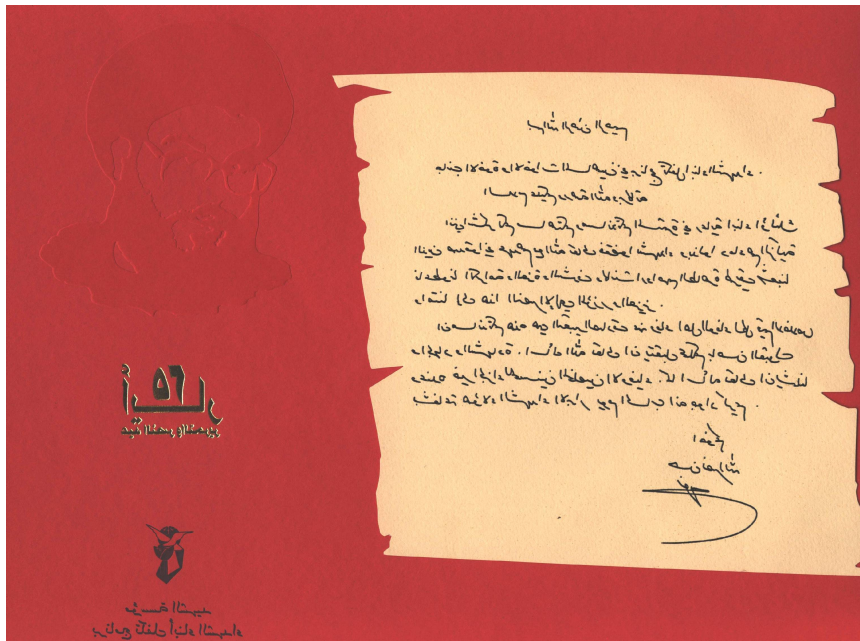
- ☐ Abonaremos por caja
- ☐ Autorizamos a debitar en nuestra Cta. Cte./Ahorros N°: .....

Tratándose de un pedido unipersonal, los términos de ésta se considerarán escritos en singular.

GASTOS US\$ : 190

SE FIRMAS  
BANCO INTEGRACION S.A.  
CIUDAD DEL ESTE

This is a bank transfer in the amount of \$50,000 to Byblos Bank in Ghobery, Lebanon, signed by Assad Barakat.



This is a diploma signed by Hassan Nasrallah thanking Assad Barakat for his support of Hezbollah.

**Mohamad Kaied**  
 Traductor Público Matriculado, Mat. n°: 384  
 ESPASOL - ARABE  
 Tel. Fax: 595-21-753706  
 Celular : 595-971-208666  
 E-Mail: mkaied@highway.com.py  
 mkaied@hotmail.com

**محمّد كايد**  
 مترجم محلف لدى المحاكم ، رخصة رقم: ٣٨٤  
 عربي - إسباني  
 هاتف فاكس: ٥٩٥-٢١-٧٥٣٧٠٦  
 هاتف خلوي: ٥٩٥-٩٧١-٢٠٨٦٦٦  
 بريد إلكتروني: mkaied@hotmail.com  
 جمهورية الدار البيضاء

**TRADUCCIÓN  
PERGAMINO**

25 DE MAYO  
FESTIVIDAD DEL TRIUNFO Y LA LIBERACIÓN

ORGANIZACIÓN DEL MÁRTIR  
PROGRAMA DE PROTECCIÓN DE LOS HIJOS DE LOS MÁRTIRES

TEXTO DE LA CARTA:  
EN EL NOMBRE DE DIOS GRACIABILISIMO MISERICORDIOSISIMO

HERMANOS Y HERMANAS COLABORADORES EN EL PROGRAMA DE TUTORES  
DE LOS HIJOS DE MÁRTIRES

LA PAZ, MISERICORDIA Y BENDICIÓN DE DIOS SOBRE USTEDES

LES AGRADEZCO SU APOYO Y APOYO CONTINUO EN EL CUIDADO DE LOS HIJOS DE AQUELLOS QUE CUMPLIERON EN SU COMPROMISO CON DIOS RESULTANDO MÁRTIRES, SACRIFICARON SU GENEROSA SANGRE, DÁNDOLOS LA HONRA Y EL ORGULLO, DE ESTA FORMA SUS PURAS ALMAS, SERÁN EL SENDERO DE NUESTRO PUEBLO Y NUESTRA PATRIA AL TRIUNFO CELESTIAL QUERIDO Y DURADERO.  
SU APOYO, ES UNA VERDADERA MUESTRA DE LA FIDELIDAD DEL PUEBLO FIEL, LOS CUALES POSEN TODOS LOS VALORES DE LOS MÁRTIRES Y DE LA GUERRA SANTA, PIDO AL SUPREMO DIOS QUE ACEPTO SU TRABAJO DE LA MEJOR FORMA, TAMBIÉN PIDO A DIOS QUE NOS INCLUYA EN LA BENDICIÓN DE ESTOS PUROS MÁRTIRES.

FIRMADO: EL HERMANO HASSAN NASRALLAH.

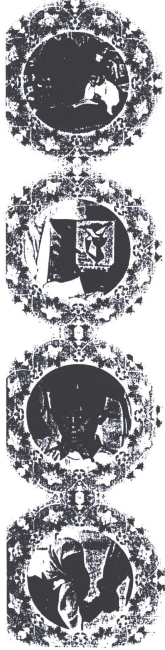
(Nota del Traductor: Traducción de un pergamino de color rojo con carta de color amarillo escrita en color negro, en la esquina superior derecha figura la imagen del religioso HASSAN NASRALLAH).

Yo, el suscripto, declaro bajo fe de juramento que esta traducción es fiel y correcta al castellano de un escrito en idioma árabe, remitidome por el Dr. CARLOS A. CALCENA ROJAS, Fiscal especializado en narcotráfico y terrorismo, que tuve a la vista y al cual me remito.- DOY FE con mi firma y sello, en la República del Paraguay, a los 17 días de Octubre de 2001.



translation of the diploma

## إلى الذين لم يروا نداء رسول الله



نضع بين أيديكم النتائج المباشرة لمساهمكم  
في رعاية أيتام الشهداء خلال عام ٢٠٠٠م  
إجمالي المدفوعات خلال عام ٢٠٠٠م بلغت  
١٤٩,٥٣٥ دولار موزعة على الشكل التالي:

- تأمين الخصاص الشهري لـ ٥٩٢ أسرة شهيد  
وصل عدد أفرادها إلى ١٧١٧ مستفيد وقد بلغت  
المدفوعات ١,٢٩٢,٨١٦ دولار.
- تأمين الملابس والهدايا والمصاريف الاجتماعية  
المتفرقة وقد بلغت ٣٩٤,١٩١ دولار.
- تغطية المصاريف التربوية لـ ١٢١ تلميذاً من  
صفوف الروضات حتى التخصص الجامعي، وقد  
بلغت المدفوعات ١,٢٢٦,٢١٦ دولار.
- تأمين الرعاية الصحية الشاملة لأيتام  
الشهداء، وقد بلغت المدفوعات ٨٤٣,٩ دولار.
- معالجة المشاكل السكنية لعوائل الشهداء،  
وقد بلغت المدفوعات ٥٢٨,٩٣٧ دولار.

عدد الأيتام الذين وصلوا إلى مرحلة الاعتماد على  
النفس حتى نهاية العام ٢٠٠٠ (١١٣٥) يتيماً  
وما زالت المؤسسة تقوم برعاية ١٢١٥ يتيماً

مؤسسة الشهيد - مديرية النكاح

نقل الله أعمالكم وارجو لكم دوام التوفيق بالانتماء إلى هذا العمل النبيل

Formal Kafel

Editorial Publica "Kafel" - Sta. Fe 181  
ESPASO - AHAHE  
Tel. Fax: 595-21-75-4766  
Celular: 595-971-208646  
E-Mail:

mkafel@highway.com.py  
mkafel@formal.com

Republica del Paraguay

Formal Kafel

مركز معلومات ذوي الشكوك - خاصية رقم ٢٠٠١  
عربي - أسباني  
هاتف فاكس: ٥٩٥-٢١-٧٥٤٧٦٦  
هاتف جوال: ٥٩٥-٩٧١-٢٠٨٦٤٦  
بريد إلكتروني:  
مديرية النكاح

### TRADUCCIÓN

PRIMERA PÁGINA:  
NOMBRE Y DIRECCIÓN DEL DESTINATARIO

SEGUNDA PÁGINA:  
LOGOTIPO Y NOMBRE DE LA ORGANIZACIÓN: ORGANIZACIÓN  
BENÉFICA SOCIAL EL MÁRTIR.

TERCERA PÁGINA:  
POESÍA Y FELICITACIONES.

CUARTA PÁGINA:

A LOS QUE CUMPLIERON CON EL LLAMADO DEL ENVIADO DE DIOS

PONEMOS EN SUS MANOS LOS RESULTADOS DIRECTOS DE SU  
COLABORACIÓN EN LA MANUTENCIÓN DE LOS HUÉRFANOS DE LOS  
MÁRTIRES, DURANTE EL AÑO 2000. ALCANZÓ LA SUMA DE US\$  
3,535,149.- REPARTIDOS DE LA SIGUIENTE MANERA:

- ASEGURAR EL GASTO MENSUAL PARA 592 FAMILIAS DE MÁRTIRES,  
ALCANZANDO EL NUMERO DE SUS MIEMBROS 1767 BENEFICIARIO,  
TOTALIZANDO EL PAGO DE US\$ 1,292,816.-
- ASEGURAR VESTIMENTAS, REGALOS Y GASTOS SOCIALES DISTINTOS  
TOTALIZANDO US\$ 394,691.-
- CUBRIR LOS GASTOS EDUCACIONALES PARA 1215 HUÉRFANOS DE  
PRE ESCOLAR HASTA LA ESPECIALIZACIÓN UNIVERSITARIA  
TOTALIZANDO EL PAGO DE US\$ 1,226,266.-
- ASEGURAR EL TOTAL CUIDADO SANITARIO DE LOS HUÉRFANOS DE  
MÁRTIRES, TOTALIZANDO EL PAGO DE US\$ 82,439.-
- TRATAMIENTO DE LOS PROBLEMAS DE VIVIENDO DE LAS FAMILIAS  
DE MÁRTIRES, TOTALIZANDO EL PAGO DE US\$ 538,937.-

A (1135) LLEGÓ EL NUMERO DE HUÉRFANOS QUE ALCANZARON LA ETAPA  
DE PODER MANTENERSE POR SI MISMO A FINALES DEL AÑO 2000, Y SIGUE  
LA ORGANIZACIÓN MANTENIENDO A 1215 HUÉRFANOS.

ORGANIZACIÓN DEL MÁRTIR.- DIRECCIÓN DE TUTORÍA.

Yo, el suscrito, declaro bajo fe de juramento que esta traducción es fiel y correcta al  
castellano de un escrito en idioma árabe, remitidome por el Dr. CARLOS ARREGUI,  
Fiscal del crimen, que tuve a la vista y al cual me remito.- DOY FE con mi firma y sello, en  
la Republica del Paraguay, a los 19 días de Noviembre de 2001.



Letter to Sobhi Fayad from the organization of 'Orphans of the martyrs' linked to Hezbollah, showing that Fayad has sent to that organization USD \$3.5million.

By William Ross Newland III. Mr. Newland is Managing Director of The Delian Group. The Delian Group advises American companies that are expanding into Latin America. We provide insight and information to our clients from our local source networks in Cuba, Argentina, Chile, Paraguay, Panama and Colombia. Our clients include Fortune 100 companies, financial institutions, oil & gas, and mining companies. We have offices in San Francisco, Argentina, Paraguay and Chile. [www.thedeliangroup.com](http://www.thedeliangroup.com)