

**EXAMINING THE STATE DEPARTMENT'S REPORT
ON IRANIAN PRESENCE IN THE WESTERN
HEMISPHERE 19 YEARS AFTER AMIA ATTACK**

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON
THE MIDDLE EAST AND NORTH AFRICA

AND THE

SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

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**EXAMINING THE STATE DEPARTMENT'S
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AMIA ATTACK**

THURSDAY, AUGUST 1, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA AND
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittees met, pursuant to notice, at 2 p.m., in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the Subcommittee on the Middle East and North Africa) presiding.

Ms. ROS-LEHTINEN. The joint subcommittee will come to order.

After recognizing myself, Chairman Salmon, Ranking Member Deutch, and Ranking Member Sires for 5 minutes each for our opening statements, I will then recognize other members for their 1-minute statement should they seek recognition. We will then hear from our witnesses, and, without objection, your prepared statements will be made a part of record. Members may have 5 days in which to insert statements and questions for the record, subject to the length limitation in the rules. And Mr. Deutch is in another committee. He is finishing up there, and as soon as he finishes, if we are already on the witnesses, we will yank you out of that microphone—no, we will just briefly interrupt so he can make his opening statement.

So thank you, Chairman Salmon, who chairs our Western Hemisphere Subcommittee, and thank you to Ranking Member Sires, who is the ranking member on that subcommittee.

And the Chair now recognizes herself for 5 minutes.

I came into Congress in 1989 and was here 19 years ago when the AMIA attack occurred in Buenos Aires, Argentina, in 1994. Fast forward to today, and the Iranian presence in Latin America is on the rise and poses a greater threat to our national security.

Two months ago the special prosecutor for AMIA, Alberto Nisman, released a 500-page report citing extensive evidence of Iran's intelligence and terrorist networks alive and well in various Latin America nations. This report reaffirmed that Iran continues to use its diplomatic and cultural centers as a facade to infiltrate the region.

As our two subcommittees continue to do our due diligence and shine the spotlight on the Iranian presence in the Western Hemisphere, it is important to examine this problem through the prism of the Obama administration's failed policies in Latin America. Time and again we have seen the Obama administration fail to hold oppressive regimes accountable for the human rights violations, constitutional revisions, and a breakdown of rule of law in the region.

The ALBA nations of Venezuela, Nicaragua, Ecuador and Bolivia, and to a certain extent now, sadly, Argentina, continue to undermine U.S. efforts in the region, and it is not surprising that those same countries have opened up their arms to embrace the Iranian regime.

Just yesterday the Subcommittee on the Middle East and North Africa held a hearing on the Iran-Syria nexus, and Ambassador John Bolton stated, and I quote, "The largest Iranian diplomatic facility in the world is in Caracas. Caracas, Venezuela, because they are laundering their money through the Venezuelan banks."

In order for the Obama administration to get serious about this issue, it cannot ignore the close ties between Venezuela and Iran, but it has become abundantly clear that the administration continues to put politics over national security. To admit that there is a problem in the hemisphere regarding Iran, the administration would first have to put the blame on the Venezuelan regime, the same regime that it continues to attempt to normalize relations with. The decision is misguided and will only embolden the corrupt Venezuelan leadership.

One month ago the Department of State presented to Congress a report on the Iranian influence in Latin America, and we thank our colleague for passing a bill making that possible; a report that was required thanks to the efforts of Mr. Duncan.

Our responsibility as policymakers is to do our best to prevent problems from becoming even worse. We cannot wait until this threat increases to such a level that it cannot be contained, so we must be proactive and not reactive. That is why I was extremely disappointed that the report failed to reach its objectives required by U.S. law and failed to connect the dots on what is really going on in the hemisphere with Iran.

The report lacked a coherent and detailed strategy on what the Department of State and other Federal agencies are doing to combat the Iranian threat in our region, and drastically underestimated that threat. For example, the report states the U.S. intelligence community works with our allies in the region to collect information on Iranian activities. What it failed to mention is the fact that there is a large intelligence gap within our own intelligence community to gather accurate information on Iranian activities, and this administration has failed to appropriately address this threat.

In March of this year, the Commander of SOUTHCOM testified before Congress and said, and I quote, "I would be remiss, however, if I did not share with the Congress my assessment that the U.S. Southern Command's limited intelligence capabilities may prevent our full awareness of all Iranian and Hezbollah activities in the region." This is why I offered an amendment to the NDAA this year

that authorizes the Secretary of Defense to deploy assets, personnel, and resources to the Joint Interagency Task Force South in coordination with SOUTHCOM to combat narcoterrorism and the Iranian threat in the region.

The links between terrorism and drug trafficking are well known, which is why it is easy to assume why the Iranian regime and its proxies are in our hemisphere that continues to battle drug trafficking. What this administration fails to comprehend is that terrorists fighting in the Middle East, in Syria, in Iran, in Yemen, in Lebanon are financing their illicit activities from drug trafficking proceeds being collected from right here in our own region.

Whether it is the foiled plot by an Iranian Revolutionary Guard Corps member to assassinate the Saudi Ambassador to the U.S. on U.S. soil, or the DEA-led investigation into the Lebanese Canadian Bank, and Operation Titan, it is clear that the Iranian regime is supporting operatives in our region. So it is in our national security interest to dismantle these transnational criminal organizations, and we cannot and must not turn a blind eye to this imminent threat.

And with that, I am pleased to yield for his opening statement to Ranking Member Sires.

Mr. SIREN. Thank you, Madam Chairwoman and Mr. Chairman. Good afternoon, and thank you to our witnesses for being here today.

This month marked the 19-year anniversary of the AMIA Jewish Community Center bombing in Buenos Aires, which killed 85 people. Two years earlier in March 1992, a car bomb exploded in front of the Israeli Embassy in the same city, killing 30 people and injuring 242. On both occasions Hezbollah, along with Iranian officials, were implicated by Argentine authorities in what today remains amongst the most devastating terrorist attacks Latin America has experienced. Tragic still is the fact that today justice remains elusive, all of which makes a Joint Truth Commission between Argentina and Iran to review the case a puzzling proposition that does more to pour salt over the wounds of the victims' families than seek justice.

In recent years pervasive anti-Americanism fueled Iran's relationship with countries like Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela. The leftist leaders, the so-called ALBA group, and Iran's Ahmadinejad found favor and ideological kinship with each other. Their regional encounters, often led by former Venezuelan President Hugo Chavez, involved the announcement of improbable joint ventures and U.S. antagonism.

Nevertheless, these relationships begged the question of the underlying intent. On one side has been an Iran whose support of terrorism, international disregard and nuclear and vision has been an imminent threat to the global community. On the other are several regional state actors whose leaders have exhibited disregard for democratic principles and the goal of reducing U.S. influence in the region.

U.S. intelligence officials have noted that the crippling effect of sanctions against Iran and attempts to defraud the international community gave way to an outreach effort within the hemisphere to reduce its international isolation. For the ALBA bloc of nations,

their associations with Iran has provided shallow, yet symbolic economic opportunities; above all, it has given them an international platform to espouse anti-American rhetoric. While these interactions may be more about showmanship than brinkmanship, Iran's presence and activities in the hemisphere must not be taken lightly and should remain a security concern of the United States.

For instance, a 2011 failed assassination attempt against the Saudi Ambassador in Washington, DC, involved two Iranian nationals who sought the aid of Mexican drug cartels, reflecting a will by Iran to carry out an attack within the U.S.

Moreover, the State Department's 2012 report on terrorism noted that while there were no known operational cells of either Hezbollah or al Qaeda in the hemisphere, they remain ideological sympathizers, providing financial support in areas like the triborder region of Argentina, Brazil, and Paraguay.

Partly for these reasons, Congress requested that the State Department submit an assessment of Iran's presence and activity in the Western Hemisphere. The mostly classified report submitted to Congress late last month maintains that Iran's influence in Latin America and the Caribbean is waning. Therefore, the purpose of this hearing today is to examine the State Department's determination.

This hearing and the reports released come at the heels of various significant events that have the potential to change the course of Iran's presence and influence in the hemisphere. Venezuelan President Hugo Chavez died in March, and last month Hassan Rouhani was selected to be Iran's new President. It is uncertain as to whether Iran and Venezuela's new leaders will maintain the same level of interaction seen under Chavez. Additionally, Argentina's prosecutor, Alberto Nisman, recently released a scathing report on Iran's activities throughout Latin America.

I remain skeptical of whether anything of substance is going to be achieved with the so-called Truth Commission. While I am deeply concerned about Iran's involvement in this hemisphere, particularly on the financial and security front, I think it is imperative that as we move forward, we do so in a manner that does not set back our relations with our friendly neighbors.

I look forward to hearing the testimony from our witnesses about the State Department's determination of the Iranian threat and what directions our foreign policy should take in regards to the situation.

Thank you.

Ms. ROS-LEHTINEN. Thank you, Ranking Member Sires, for that great opening statement.

And we are so pleased now to turn to the chairman of the Western Hemisphere Subcommittee, Mr. Salmon.

Mr. SALMON. Thank you.

I would like to thank Chairman Ros-Lehtinen for joining me in convening today's hearing, and the witnesses who have taken the time to come before this joint hearing to show their thoughts on Iran's presence in the Western Hemisphere, how this presence may affect our national security, and whether the State Department's report provided Congress with an accurate picture of the potential threat.

When the Countering Iran in the Western Hemisphere Act, which was sponsored by our great friend and Representative from South Carolina, Jeff Duncan, last year and passed in December of last year, there was a reasonable expectation that the State Department would draft a thorough and thoughtful report in response to legitimate concerns that Iran and its proxies maintain influence throughout our hemisphere.

Unfortunately, the State Department delivered a dismissive report that lacked the depth and seriousness this very important national security issue warrants. The unclassified State Department report concluded that Iran's influence in the region is waning and based on that assessment—or based that assessment on several unfulfilled commercial agreements between Iran and some of the hemisphere's ALBA countries. Nowhere did the report consider what most security experts agree is Iran and its proxy Hezbollah's ability to slowly and methodically establish inroads necessary to launch acts of terrorism as they did in Argentina while planning the 1994 bombing of the Argentine Israelite Mutual Association. Therefore, citing the lack of imminent Iranian or Hezbollah threat or anecdotal information that Iran has been unreliable after signing commercial agreements provides very little comfort to those dedicated to our Nation's security.

Moreover, the report failed to give proper consideration to the fact that the ALBA-aligned governments that have welcomed increased Iranian diplomatic presence over the past several years, Nicaragua, Bolivia, Ecuador and Venezuela, have been undermining democratic institutions in their respective countries, creating exactly the type of environment, complete with vitriolic anti-Americanism and a stranglehold on liberty, that makes for an ideal breeding ground for Iranian adventurism.

As chairman of the Subcommittee on the Western Hemisphere, last week I asked Assistant Secretary Jacobson to come to the Hill to answer the many questions my colleagues and I have about their dismissive report. I convened today's hearing jointly with Chairman Ros-Lehtinen to continue to dig in deeper into the nature of the threat posed by Iran and its proxies present so close to our homeland. The American people rightfully expect their Representatives to take the security of our Nation seriously. I am confident that today's hearing will shed further light on the nature of Iran's presence in our hemisphere, and I want to once again thank our witnesses for coming forth with testimony on this matter of national security.

Finally, Madam Chairman, I would like to express a warm thank you to our subcommittee's summer interns. We had two of them, and they were phenomenal: Emily King and Eric Meroney. Yeah, thank you, yay. We really appreciate—we really appreciate the great work that they have done. They brought with them an exceptional amount of professionalism, hard work, integrity, and we are just thrilled that they could work with us this summer.

And I yield back the balance of my time.

Ms. ROS-LEHTINEN. Thank you, Mr. Salmon.

Now we are pleased to recognize members for their opening statements, and we will begin with Mr. Schneider.

Mr. SCHNEIDER. Thank you, Madam Chair, and I want to thank the witnesses for joining us today.

I very well remember 19 years ago when the Jewish Community Center of Buenos Aires was bombed. My interest at the time was perhaps heightened because I was then a young leader in the Jewish community of Chicago.

There were and continue to be very close ties between our communities, and we all share, as we do here, the same concern and disappointment that justice remains denied for the victims of Argentina.

Let me jump forward to today. Last week we were encouraged see that the European Union acted to finally designate the military wing of Hezbollah as a terrorist organization, a reality which the U.S. and many of our allies have known for years. Despite this designation, there is much work to be done. Hezbollah and, by extension, Iran continue to have global reach which threatens U.S. interests and those of our close allies. We cannot let up on the pressure on the European Union until they agree to join the U.S. and others in a comprehensive sanctions regime that would stifle Hezbollah's global influence network.

This hearing focuses on Hezbollah and Iran's influence here in the Western Hemisphere. Despite the low occurrence rate of terrorist attacks in our region, this international organization continues to use its network of local banks, gangs and drug traffickers to launder money and finance regional destabilization efforts in the Middle East and elsewhere. I look forward to hearing from the panel on how the U.S. can best combat this international terrorism finance network, and what steps we might take to pursue an all-inclusive sanctions regime.

I thank the chair for calling this hearing today, and I yield back my time.

Ms. ROS-LEHTINEN. Thank you very much.

And I am now very pleased to recognize Mr. Duncan, who was the author and passage of the bill calling for the report on Iran's presence in the Western Hemisphere was so successful. You were the only freshman to pass a bill.

Mr. DUNCAN. I thank you. In this committee, anyway.

Ms. ROS-LEHTINEN. Okay. You are recognized.

Mr. DUNCAN. Thank you so much, and it wouldn't have happened had it not been for the leadership of Chairman Ros-Lehtinen, and so I want to applaud her and Chairman Salmon for holding this joint subcommittee hearing today to examine the threat from Iran's actions in the Western Hemisphere, and assess the State Department's recent report to Congress.

Earlier this month, as chairman of the Oversight Subcommittee on the Homeland Security Committee, I held a hearing to examine the threat to the U.S. homeland from Iran's extending influence in the Western Hemisphere. All of the witnesses highlighted the activities of Iran, and provided compelling evidence showing Iranian influence increasing, rather than waning as the State Department claims.

Although Congress has held numerous hearings culminating in today's hearing, and although Congress passed bipartisan, bicameral legislation that the President signed into law, the State

Department's report to Congress was inadequate in its lack of rigorous evaluation conducted in a comprehensive and coordinated manner. I question the State Department's scope, methodology, and findings in its report to Congress, evidenced by the fact that the State Department did not reach out to even one ally or partner in this hemisphere to craft its assessment or strategy. The State Department also failed to consider all of the evidence in the extensive 500-page report by general prosecutor of the AMIA bombing, Alberto Nisman.

Although Iran has publicly stated that promotion of all-out cooperation with Latin American countries is one of its top priorities and among the definite and strategic policies of the Islamic Republic of Iran, this administration refuses to see Iranian presence in the Western Hemisphere as a threat to U.S. security.

Testimony from the Oversight Subcommittee hearing found that Iran has exemplified steady patience in building networks within the Western Hemisphere. Iran has penetrated countries through mosques, Embassies, cultural centers, and recruited over 1,000 students in Latin America to travel to Iran for training. Iran also possesses the ability to obtain fraudulent passport documentation and exploit free-trade zones and loose border-security measures. Iran's close cooperation with drug cartels and criminal networks in the region and expanding trade with countries like Argentina and Brazil should cause the administration to prove to the American people that Iran's influence is actually waning rather than simply asserting it.

Today I, along with several Members of Congress, including Chairman Ros-Lehtinen, and Chairman Royce and Chairman Salmon, sent a letter to Secretary Kerry requesting specific answers to questions that have not been answered. I ask that this letter be submitted into the record.

Ms. ROS-LEHTINEN. Without objection.
[The information referred to follows:]

Congress of the United States
Washington, DC 20515

August 1, 2013

The Honorable John Kerry
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

Dear Mr. Secretary:

We write to formally express our deep concerns that the State Department failed to fully analyze and assess Iranian involvement in the Western Hemisphere and produce a strategy to address Iran's growing presence and activity, as required by Public Law No: 112-220.

While both the Department of Defense and intelligence community have sounded serious alarms about Iran's influence in the Western Hemisphere, the State Department's recent assessment in the required report to Congress significantly downplayed the threat, citing Iran's activity is "waning." It is stunning that although Iran has publicly declared its commitment and priority of "all-out cooperation with Latin America countries," the Administration refuses to take note.

This Administration produced a report that neglected the input of our foreign allies in the region, and it did not meet the intent of the legislation to address this threat from Iran in a comprehensive and coordinated way. Further, the report did not consider all the facts and ignored the recent findings from the General Prosecutor of the 1994 Argentine Israelite Mutual Association (AMIA) Case, Mr. Alberto Nisman's investigation.

In stark contrast to the State Department's assessment, Nisman's investigation revealed that Iran has infiltrated for decades large regions of Latin America through the establishment of clandestine intelligence stations and is ready to exploit its position to "execute terrorist attacks when the Iranian regime decides to do so." Mr. Nisman's investigation found that not only was Iran the mastermind behind the 1994 AMIA bombing, Iran was also the "main sponsor" of an attempted attack on American soil in 2007 to blow up the John F. Kennedy airport in Queens, NY.

As you know, Congress has focused extensively on activities of both Iran and Hezbollah in the Western Hemisphere. Several House and Senate hearings have been held, Members of Congress have traveled to the region to investigate for ourselves if reports of Iranian activity in Latin America were true, and Congressional reports outlining the threat have been issued. These actions culminated in the passage of the bipartisan, bicameral "Countering Iran in the Western Hemisphere Act," which became Public Law No: 112-220.

Based on sincere Congressional concern evidenced by hearings, reports, legislation, and today's activity in the House Foreign Affairs Committee, we write to gain responses from you to the below questions:

1. Recent Congressional hearings have highlighted Iran's steady patience in building networks within the Western Hemisphere, its ability to penetrate countries through mosques, embassies,

cultural centers, and student recruitment in Latin America to travel to Iran for training. How do you plan to interact with allies in the hemisphere to ascertain a full understanding of Iranian activity in the hemisphere?

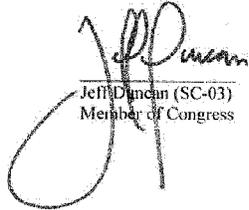
2. Iran and its network of Hezbollah, Islamic Revolutionary Guard Corps (IRGC), Qods Force, and Ministry of Intelligence and Security (MOIS) operatives possess the ability to obtain fraudulent passport documentation, cooperate closely with drug cartels and criminal networks in the hemisphere, and exploit free trade zones and loose border security measures. How do you plan to address these security loopholes to ensure Iranian operatives are not crossing U.S. borders onto American soil?
3. What is the connection between Argentina's Fabricaciones Militares (FM) and recently sanctioned Compania Anonima Venezolana de Industrias Militares (CAVIM) in Venezuela? Is there a review in place to sanction Argentina's FM for colluding with CAVIM with the ultimate goal of providing weapons to sanction starved Iran?
4. How do you rationalize your report to Congress that Iranian activity in the Hemisphere is waning when Argentina has signed a new bilateral agreement with Iran after trade between the nations increased from \$319 million to \$1.08 billion during Ms. Cristina Fernández de Kirchner's presidency?
5. What additional steps are you taking to address Venezuela's flagrant response to continue trading with Iran despite U.S. sanctions? In addition to Argentina, what other nations are using Venezuela as a proxy to trade with Iran?
6. In light of the recent information from Alberto Nisman and from testimony in recent Congressional hearings, what is the final State Department strategy to address Iran's growing activities in the region evidenced by growing ties to Cuba, Venezuela, Argentina, Bolivia, Ecuador, and Nicaragua? What is the strategy to address threats to U.S. energy security and border security from Iranian efforts?

It is our belief that the impact of countries in the Western Hemisphere deepening their relations with the world's largest state sponsor of terrorism has direct economic as well as national security implications for American citizens. It is our request that each of the above questions is investigated and reported on to the fullest extent possible.

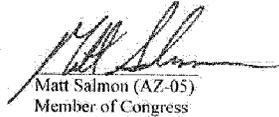
Due to the timely concerns addressed above, and the ongoing conversations through which we have engaged with you over the past six months, we believe that it is reasonable and necessary to ask that you respond to our concerns within a 30 day time period.

Thank you for your serious and timely response to our concerns.

Sincerely,



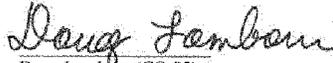
Jeff Duncan (SC-03)
Member of Congress

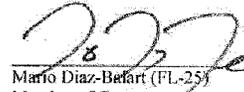


Matt Salmon (AZ-05)
Member of Congress

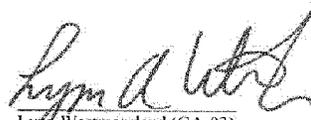

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Member of Congress


Michael McCaul (TX-10)
Member of Congress

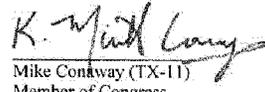

Doug Lamborn (CO-05)
Member of Congress

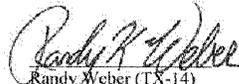

Mario Diaz-Belfort (FL-25)
Member of Congress

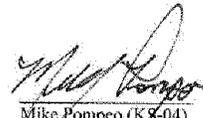

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Member of Congress


Lynn Westmoreland (GA-03)
Member of Congress

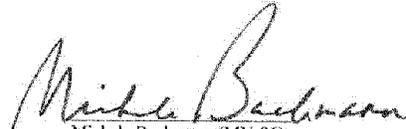

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Member of Congress

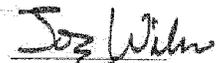

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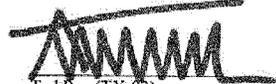
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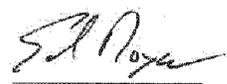
Joe Wilson (SC-02)
Member of Congress



Steve Stockman (TX-36)
Member of Congress



Ted Poe (TX-02)
Member of Congress



Ed Royce (CA-39)
Member of Congress

Mr. DUNCAN. Thank you, Madam Chairman.

I look forward to the State Department's response in a timely manner.

I also expect the GAO to examine this issue in depth, and I look forward to their report in the coming months.

And I will finish my comments by just saying in the written testimony of Mr. Levitt, he mentions 300 Lebanese were smuggled into this country in the car, in the trunk, and I hope you will mention this in your testimony, but in the trunk of his car across the Mexican border into this country. We can't ignore this issue that Iran is a threat, and there is a possibility that by saying that it is waning and taking our eye off the ball, we could be a target and could result in implications and further complications.

So with that I yield back.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Duncan.

Mr. Vargas is recognized.

Mr. VARGAS. Thank you very much, Madam Chair.

I would also like to thank the respective chairs and ranking members of each subcommittee for this timely hearing and for the opportunity to speak here today. I want to express my deep concern regarding Iran's growing presence and influence in the Western Hemisphere.

As the world's leading sponsor of international terrorism, Iran's network of proxies and syndicates have conducted terrorist attacks such as the two bombings in Argentina in 1992 and 1994, and they continue to expand their reach in the region. Of particular concern are Iran's efforts to develop ties with Cuba, Venezuela, Argentina, Bolivia, Ecuador and Nicaragua.

Trying to circumvent U.S. and U.N. sanctions meant to isolate them from the international community, Iranian officials have declared an all-out cooperation with Latin America countries, and have invested heavily in mosques, Embassies, cultural centers, and student recruitment in Latin America trying to seek favor. We must do all we can to stop Iranian influence in our hemisphere.

I look forward to hearing from the witnesses today, and I thank you, and I yield back.

Ms. ROS-LEHTINEN. Thank you, Mr. Vargas.

Mr. Chabot is recognized, the chairman of the—what is the name of your subcommittee?

Mr. CHABOT. Asia and the Pacific.

Ms. ROS-LEHTINEN. That's it. That's a big chunk of land.

Mr. CHABOT. Thank you very much.

Chairwoman Ros-Lehtinen and Chairman Salmon, I want to thank both of you for calling this hearing.

Iran's threat to the U.S. is no secret. Iran's deep-rooted linkages to rogue regimes around the world and those countries that are fixated on propagating anti-Americanism and anti-Semitism are very real and must be taken seriously. Its ties to Syria threaten the stability of the entire Middle East, and similarly, its support to North Korea is destabilizing Asia.

As we will discuss this afternoon, Iran's growing influence in Latin America and throughout the Western Hemisphere is just as dangerous. The administration's report on Iranian influence in the Western Hemisphere is troubling because saying that Iran's influ-

ence is waning disregards the real facts. It mistakes the trees for the forest. Tehran has developed a broad network through its Hezbollah proxy and relationships with local criminal organizations to support an extensive strategy that promotes terrorist activities.

This report does not show that we are doing enough to deter Iranian-sponsored terrorist acts. Yesterday the Nuclear Iran Prevention Act was passed on the House floor, which is an important step in dramatically increasing the pressure on Iran to halt its nuclear ambitions and cut off its money-laundering schemes in the region. The question is, what do we do next?

I look forward to hearing the testimony of our distinguished witnesses here this afternoon, and I yield back the balance of my time.

Ms. ROS-LEHTINEN. Thank you very much, Chairman Chabot.

Mr. Meeks is—thank you, Mr. Meeks, sorry. Albio is a big guy. I didn't see you there.

Mr. MEEKS. Thank you, Madam Chairwoman. I want to thank you and Chairman Salmon for convening this hearing today to examine the security of our southern neighbors. And there is no doubt that there are nefarious elements in the region that need to be countered. Specifically, Iran and Hezbollah's interests and activity in the Western Hemisphere are troubling and should be diligently countered by a robust and proactive United States foreign policy. International criminal networks connected by Hezbollah greatly threaten the security of the United States and undermine our efforts to promote stability and democracy in the region and around the world.

We are here today to talk about what findings that the State Department had, and I wish we had a State—and maybe we do need a hearing where the State Department is here also so that we could hear a full and complete report as to what has taken place, what the State Department found, how they found it, how did they—what kind of information they have obtained, as opposed to just dismissing it and going with some—you know, some other place where I don't know whether they had—I have had some hearings and some meetings, I should say, some classified, in regard to that, and I wish—can't talk about all of those things here—but the State Department should have a seat here so that we could have them answer some questions, and they can tell you specifically what they found, how they found it, and why they found it, as opposed to just making a presumption that their report just means nothing, and all these things are going on. I think that we need to do a more holistic finding, a holistic type of hearing where we can then really get into the facts and not just fan fire when we don't know whether it is or not.

So I think it would be fair to have both sides here, have everyone here, so that everybody could hear all of the facts, all of the circumstances, and we then know which direction that we should head in.

I yield back the balance of my time.

Ms. ROS-LEHTINEN. Well, thank you so much, Mr. Meeks.

And we will be glad to have you cosign a letter that I routinely send to the State Department. We have been begging for 3 years to have them come testify. We would be pleased and honored to have you join us in that bipartisan effort.

Mr. MEEKS. I would love it. I know every time we have had a classified meeting, they have been here and been willing to give us that information.

Ms. ROS-LEHTINEN. They always do classified, but never open.

Thank you so much, Mr. Meeks. We will turn that over to you.

Ms. MENG, so pleased to recognize you for your opening statement.

Ms. MENG. Thank you, Madam Chairwoman. Thank you to our witnesses for being here today.

Yesterday we passed H.R. 850, strengthening Iran sanctions, but this does not mean we can head off to our August work periods feeling content with our efforts on the Iranian question. The Iranian regime is smart and swift, and when we push it down in one area, it rises in another. That is why we must adopt a comprehensive diplomatic push against Iran.

In Latin America, for example, the Iranian regime is seeking to circumvent its isolation and the sanctions directed against it. We are leading opposition to the Iran/Argentina Truth Commission, which is a sham “reinvestigation” of the 1994 Buenos Aires bombing, despite Iran’s clear culpability for this atrocious attack.

I look forward to hearing from our panelists today on these important questions.

Thank you, and I yield back.

Ms. ROS-LEHTINEN. Thank you very much, ma’am.

And now we are pleased to introduce our witnesses. First we welcome Dr. Matthew Levitt, senior fellow and director of the Stein Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy. Dr. Levitt has served a long and distinguished career working to counter international terrorism, having served as Deputy Assistant Secretary for Intelligence Analysis at the Department of Treasury from 2005 to 2007 and, prior to this, at the FBI as a counterterrorism intelligence analyst.

Thank you for your service, Dr. Levitt.

Next we welcome Mr. Michael Braun, who in 2008 retired from the Drug Enforcement Agency as Chief of Operations, Assistant Administrator after serving a 33-year domestic international law enforcement career. During this time he used his expertise in the confluence of drugs and terror to lead the DEA’s expansion in Afghanistan from 2004 to 2008, and served as Chief of Staff for the Minister of the Interior, Coalition Provisional Authority in Iraq. Mr. Braun is a Vietnam veteran, like my hubby, having served—enlisted in the Marines in 1971 as an infantryman. Hooah.

Then we welcome Mr. Eric Farnsworth—did I do okay?

Mr. FARNSWORTH. Perfect.

Ms. ROS-LEHTINEN. Thank you. Vice president of the Council of the Americas and Americas Society. Mr. Farnsworth is an expert in various issues affecting U.S. relations in the Western Hemisphere, including economic development, trade, energy, security, and democracy. He has served in various government positions involving Western Hemisphere and trade issues, including at the State Department’s Bureau of Western Hemisphere Affairs, the Office of the U.S. Trade Representative, and as a senior advisor to the White House Special Envoy for the Americas during the Clinton administration.

We have quite a set of panelists here today, and, gentlemen, we will begin with Dr. Levitt. We are about to vote, and unfortunately, we have a three-vote series, and then 10 minutes motion to recommit, and then seven votes after that, so we will be gone for a while. Make yourself comfortable.

We will start with Dr. Levitt.

STATEMENT OF MATTHEW LEVITT, PH.D., DIRECTOR AND SENIOR FELLOW, STEIN PROGRAM ON COUNTERTERRORISM AND INTELLIGENCE, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Mr. LEVITT. Thank you so much.

Chairwoman Ros-Lehtinen, and Ranking Member Deutch, Chairman Salmon, and Ranking Member Sires, distinguished members of both subcommittees, it is an honor to appear before you this afternoon to discuss Iran's presence in the Western Hemisphere, and, of course, it is an honor to share a dais any time with Eric and Mike.

On the one hand, the State Department's recent report on Iranian activity and influence in the Western Hemisphere, played down Iran's activities in the region; on the other, the authors of the report themselves conceded in the unclassified annex of the report that some of their conclusions were actually based on certain assumptions. That is their word. One assumption noted that, and I quote, "Iranian interest in Latin America is of concern." Yet another stated that as a result of U.S. and allied effort, and I quote, "The Iranian influence in Latin America and the Caribbean is waning."

In fact, Iran not only continues to expand its presence and bilateral relationships with countries like Cuba, Ecuador, Nicaragua, and Venezuela, but reportedly also maintains a network of intelligence agents specifically tasked to sponsoring and executing terrorist attacks in the Western Hemisphere.

Iran and Hezbollah both have worked long and hard over many years to build up their presence and influence in Latin America. In my written testimony I provide a good deal of background on Hezbollah and Iran's bombing of the AMIA Jewish Community Center in Buenos Aires 19 years ago last month. I included for your reading pleasure an excerpt on the AMIA bombing from my new book, and detailed Iran's role in the attack, including funding it, providing cover to operatives, using diplomats and front organizations, and more.

But as it happens, the same day that the State Department released its controversial report, Alberto Nisman released his 500-page document laying out how the Iranian regime has, since the 1980s, built and maintained, and I quote, "local clandestine intelligence stations designed to sponsor, foster, and execute terrorist attacks in the Western Hemisphere." Nisman found that Iran continues to build intelligence networks, identical to the one responsible for the bombings in Argentina, across the region, from Brazil, Paraguay, Uruguay, Chile, and Colombia to Guyana, Trinidad, and Tobago, Surinam, and more. It concluded, and I quote, "In other words, the AMIA bombing did not constitute an isolated event."

The driving force behind Iranian activities in the region at the time of the AMIA bombing was Mohsen Rabbani, who reportedly continues to engage in Iranian intelligence work focused on the Western Hemisphere today.

Nisman pointed to the trial of four men in the Eastern District of New York who plotted to bomb the JFK airport in 2007. Rabbani offered to help the men connect with Iranians. They sought technical and financial assistance from Iran for the operation, which was code-named “Chicken Farm.” All four men were ultimately convicted in Federal court. Documents seized from one of the co-conspirator’s home in Guyana demonstrated that he was a Rabbani disciple who built a Guyanese intelligence network for Iran much like his mentor had built in Argentina.

In 2011, not long before the last defendant in the JFK airport bomb plot was convicted, evidence emerged suggesting Rabbani was still doing intelligence work in South America. In the words of one Brazilian official, “Without anybody noticing, a generation of Islamic extremists is appearing in Brazil.”

In addition to Nisman’s reports, other branches of the U.S. Government have reached very different conclusions from the State Department. This March, General Kelly from SOUTHCOM testified, and I quote, that “members and supporters of Iran’s partner, Lebanese Hezbollah, have established presence in several countries in the region. The Lebanese Shi’a diaspora in the region may generate as much as tens of millions of dollars for Hezbollah through both illicit and licit means.”

The U.S. Treasury Department, too, has thoroughly detailed Iranian activity in the Western Hemisphere in several recent designations in their press releases, and, of course, these include, bank sanctions for banks in Venezuela, that are helping Iran evade sanctions; June 2002 designation of individuals involved in the drug kingpin network of Ayman Joumma, who is tied to Hezbollah—Joumma himself had been designated in January 2011—and more.

And then there is Iranian President Mahmoud Ahmadinejad’s visit to Venezuela in January 2012, which seemed rather unremarkable beyond his normal inflammatory personality, but then, according to Western intelligence officials cited by ProPublica, a senior officer in the Iranian Revolutionary Guard Corps secretly traveled with the Presidential delegation to meet with Venezuelan military and security chiefs and to set off a joint intelligence program between Iranian and Venezuelan spy agencies.

While the State Department’s Iranian activity report downplayed Iran’s activities in the hemisphere, the Department’s annual terrorism report separately noted a noticeable increase in Iranian activity in all other parts of the world. At least some of that activity has been here in the Western Hemisphere. Just last week, for example, seven Iranians were caught using fake Israeli passports at the Vancouver International Airport.

The growth of the Iranian extremist network in the Western Hemispheres has immediate repercussions for the security of the United States. The same day that Nisman and the State Department released their reports, an Iranian American used-car salesman from Texas was sentenced to 25 years in prison for his role

in an Iranian plot to assassinate Saudi Arabia's Ambassador to the United States. The Director of National Intelligence assessed that that plot shows that some Iran officials, probably including the Supreme Leader himself, have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived U.S. actions threatening their regime.

The bombing of the bus in Burgas a year ago last month was what spurred the European Union to even consider banning even just the military wing of Hezbollah, but that occurred on July 18th. Eighteen years ago that was the same day of the bombing of the AMIA center, which means that this hearing is well timed indeed.

Thank you very much.

Ms. ROS-LEHTINEN. Thank you very much.

[The prepared statement of Mr. Levitt follows:]



**Examining the State Department's Report on Iranian Presence
in the Western Hemisphere
Nineteen Years After AMIA Attack**

Dr. Matthew Levitt
 Director, Stein Program on Counterterrorism and Intelligence,
 The Washington Institute for Near East Policy
 Testimony submitted to the House Committee on Foreign Affairs,
 Subcommittee on the Middle East and North Africa
 and Subcommittee on the Western Hemisphere
 August 1, 2013

Chairman Ros-Lehtinen, Ranking Member Deutch, Chairman Salmon, Ranking Member Sires, distinguished members of the Subcommittee on the Middle East and North Africa and the Subcommittee on the Western Hemisphere, it is an honor to appear before you this afternoon to discuss the State Department's recent report on Iran's presence in the Western Hemisphere.

On the one hand the State Department report *Iranian Activity and Influence in the Western Hemisphere* downplayed Iran's activities in the region. On the other, the authors of the report themselves conceded, in the unclassified annex to the full report, that some of their conclusions were actually based on certain assumptions. One assumption noted that "Iranian interest in Latin America is of concern," yet another stated that as a result of U.S. and allied efforts, "Iranian influence in Latin America and the Caribbean is waning."¹ But closer to the United States, Iran not only continues to expand its presence and bilateral relationships with countries like Cuba, Ecuador, Nicaragua, and Venezuela, but also maintains a network of intelligence agents specifically tasked with sponsoring and executing terrorist attacks in the Western Hemisphere. In fact, Iran and Hezbollah both have worked long and hard over many years to build up their presence and influence in Latin America.

But before we get into any detailed discussion of Iran and Hezbollah's presence and activities in the Western Hemisphere, it is worth noting that nineteen years ago this month, Iran and Hezbollah colluded in the bombing of the AMIA Jewish community center in Buenos Aires.

Bombing AMIA

The following excerpt from my forthcoming book, *Hezbollah: The Global Footprint of Lebanon's Party of God*, details the AMIA attack nineteen years ago:

It was around 9:45 a.m. on July 18, 1994, and Monica Lucía Arnaudo was in her bedroom, which looked out onto Pasteur Street. As she watched television, Monica heard a car outside speed up and then slam on the brakes. "The tires creaked," she would later recall, "and then [there was] a sort of a crash or collision." She sat

¹ "Annex A, Unclassified Summary of Policy Recommendations," Appended to press release "Duncan Releases Statement on the State Department's Report on Iranian Activity and Influence in the Western Hemisphere," June 26, 2013

upright in bed, just in time to hear a tremendous explosion and feel “something like sand and dust” bursting in through her window.² It was 9:53 a.m.

What Ms. Arando had actually felt and heard were the shock waves and debris from the explosives-laden van that had just blown the face off the Asociación Mutual Israelita Argentina (AMIA), just across the street—the community center for the largest Jewish community in South America. The Renault Trafic van carried 300–400 kilograms of explosives composed of ammonium nitrate, combined with aluminum, a heavy hydrocarbon, TNT, and nitroglycerine. The explosion killed eighty-five people and wounded some one hundred fifty more. The force of the blast instantly destroyed roughly 2,000 of the AMIA building’s 4,600 square meters, killing many instantly and trapping others beneath the rubble.³

Within forty-eight hours of the attack, the United States sent thirteen International Response Team (IRT) investigators to help investigate the bombing—including FBI investigators, Alcohol, Tobacco, and Firearms (ATF) explosive experts, and State Department Diplomatic Security agents.⁴ By Friday July 22, Israeli forensic police, part of a Disaster Victims Identification group, arrived in Buenos Aires as well.⁵ For twelve days, the American IRT members worked side by side at the bomb site with their Israeli and Argentinian police and emergency response counterparts sifting through the debris for pieces of the bomb, the van, and the victims.⁶ The attack was classified as a double aggravated homicide owing to its nature as a “racial or religious crime” carried out in a manner intended to create “public hazard” and kill and wound as many people as possible.⁷

Within weeks, Argentinian federal police had released the composite sketch of the suicide bomber to the local press from testimony that included a door-to-door survey of neighborhood residents shortly after the bombing. Other sketches were publicized of the person who parked the van used in the bombing in a nearby garage three days before the attack.⁸

But as quickly as authorities produced these sketches, and as useful as they would later be in definitively identifying the perpetrators as members of a Hezbollah “hit team,” they were too late to help apprehend them before they escaped the country. The Iranian diplomatic support network left the country in waves in the weeks leading up to the attack.

The exception was Molsen Rabbani, an Iranian who lived in Argentina for eleven years. Rabbani, the primary architect of the AMIA plot, reportedly had come from Iran for the express purpose of heading the state-owned al-Faahid mosque in the Floresta neighborhood, but he also served as a representative of the Iranian Ministry of Agriculture, which was tasked with ensuring the quality of Argentinian meat exported to Iran.⁹ Prosecutors would later conclude that Rabbani was “the driving force behind these efforts [to establish an Iranian intelligence network in Argentina]... From the time of his arrival in the country in 1983, Mr. Rabbani began laying the groundwork that allowed for the later implementation and further development of the [Iranian] spy network.”¹⁰

² Buenos Aires, Argentina Judicial Branch, AMIA Indictment, Office of the National Federal Court No. 17, Criminal and Correctional Matters No. 9, Case No. 1156, March 5, 2003 (hereafter cited as AMIA indictment), p. 16-17.

³ Argentina, Buenos Aires, Investigations Unit of the Office of the Attorney General, *Office of Criminal Investigations: AMIA Case*. Report by Marcelo Martínez Burgos and Alberto Nisman, October 25, 2006 (hereafter cited as Burgos and Nisman), 20, 378.

⁴ Statements of Robert Bryant and Ambassador Philip Wilcox, *Terrorism in Latin America/AMIA Bombing in Argentina*.

⁵ Gabriel Levinas, “Report About the Investigation of the AMIA Attack.”

⁶ Ambassador Philip Wilcox, *Terrorism in Latin America/AMIA Bombing in Argentina*.

⁷ Burgos and Nisman.

⁸ The sketches were published in the Buenos Aires newspaper *Clarín* on August 1 and 6, 1994 and again on September 28, 1995; see copies of the paper and details in written answers to Question for the Record for Ambassador Philip Wilcox in *Testimony at Hearing on “Terrorism in Latin America/AMIA Bombing in Argentina,”* 111-117.

⁹ AMIA Indictment, 62.

¹⁰ Burgos and Nisman, 14.

Rabbani had never traveled abroad before this assignment, but wasted no time establishing himself as a religious leader in the local Muslim community. Rabbani's political views permeated his religious and cultural activities to the point that congregants described his religious activities as a "mask" used to promote the Iranian revolution and condemn Zionism. By one account, for example, several students at the mosque told another congregant that on many occasions, Rabbani exhorted them to "export the revolution," stressing to them "we are all Hezbollah."¹¹

It was widely known within the local Muslim community that the network of followers Rabbani cultivated proactively collected intelligence on his behalf for Iran: they were commonly referred to as "the antennas." Indeed, Rabbani deployed trusted members of his network as spotters to scout potential Jewish and American targets.¹² Some, like intelligence agent Mohammad Reza Javadi-Nia, went so far as to work as taxi drivers to better carry out the surveillance, targeting, and other intelligence functions assigned by Rabbani.¹³ According to an FBI report, Javadi-Nia was believed to be an agent of Iran's Ministry of Islamic Culture and Guidance (Irshad), which, together with other Iranian government agencies such as the Ministry of Intelligence and Security (MOIS), the Cultural Bureaus and the Foreign Ministry, along with the Qods Force, was believed to have provided cover for Iranian intelligence activities. In the case of Irshad, these activities would have occurred under the guise of religious activity. Previously, the FBI determined, Javadi-Nia had served in similar capacities in Belgium, Spain, Columbia, and Brazil in the mid-to-late 1980s. Then, from 1988 to 1993 he served as a cultural attaché at the Iranian embassy in Buenos Aires, before Rabbani took over that position in 1994.¹⁴

Just four months before the attack, Rabbani suddenly was named an official Iranian diplomat, complete with diplomatic credentials and immunity. As for the Hezbollah operatives brought in to execute the bombing, Argentinean law enforcement and intelligence officials would later determine that they left the country about two hours prior to the actual explosion.¹⁵

Some of the operatives, including the suicide bomber, entered the country at Argentina's highly unregulated border crossings in the tri-border area, where Argentina meets Brazil and Paraguay. Others arrived—presumably with false documents—at Ezeiza International Airport in Buenos Aires on July 1, 1994, and left the morning of the attack through Jorge Newbery Metropolitan Airport, also in Buenos Aires, some on flights to the tri-border area.¹⁶ Investigators would later trace phone calls placed from pay phones at these airports, as well as calls from pay phones near the AMIA building during the operatives' stay, to a cellular phone in Foz do Iguazu, on the Brazilian side of the Friendship Bridge spanning the Parana River in the tri-border area. From Foz, as it is locally known, a network of Hezbollah supporters coordinated the activities of the terrorist cell members operating in Buenos Aires. Frequent calls were made between phones in Argentina and the cell phone in Foz as preparations for the bombing progressed. Then, the day of the attack, the flow of calls suddenly stopped.¹⁷

¹¹ *Ibid.*, 224-6.

¹² Burgos and Nisman, 243.

¹³ Burgos and Nisman, 212; AMIA indictment 130, 141.

¹⁴ "Report of the Task Force of the Federal Bureau of Investigation (FBI): Analysis of the Attack on the Seat of the Mutual Israeli Argentinean Association (AMIA), 18th of July, 1994, Buenos Aires, Argentina," August 1998 (original copy in Spanish, translated to English for the author by Yair Fuxman).

¹⁵ Burgos and Nisman, 245.

¹⁶ Burgos and Nisman's 2006 report states the suicide bomber likely came in through the tri-border area. But in a 2009 interview with the author, a senior Argentinean law enforcement officer confirmed the investigation had "definitively" determined that Berro entered through the tri-border area. Author interview, senior Argentinean law enforcement official, Washington D.C., August 16, 2009.

¹⁷ Burgos and Nisman, 14-15.

Ultimately, Argentinean authorities would conclude that “the decision to carry out the AMIA attack was made, and the attack was orchestrated, by the highest officials of the Islamic Republic of Iran at the time, and that these officials instructed Lebanese Hezbollah...to carry out the attack.”¹⁸

Iran in South America

The same day the State Department released its report, highly respected Argentine prosecutor Alberto Nisman, who served as special prosecutor for the investigation into the AMIA bombing, *released* a 500-page document laying out how the Iranian regime has, since the early 1980s, built and maintained “local clandestine intelligence stations designed to sponsor, foster and execute terrorist attacks” in the Western Hemisphere. Nisman found evidence that Iran is building intelligence networks identical to the one responsible for the bombings in Argentina across the region—from Brazil, Paraguay, Uruguay, Chile, and Colombia to Guyana, Trinidad and Tobago, and Suriname, in addition to a number of others. He concluded, “In other words, the AMIA bombing did not constitute an isolated event.”¹⁹

Nisman’s earlier 2006 report on the AMIA bombing already demonstrated how Iran established a robust intelligence network in South America in the early 1980s.²⁰ One document, seized during a court-ordered raid of the residence of an Iranian diplomat north of Buenos Aires, included a map denoting areas populated by Muslim communities and suggested an Iranian strategy to export Islam into South America—and from there to North America. Highlighting areas densely populated by Muslims, the document informed that these “will be used from Argentina as [the] center of penetration of Islam and its ideology towards the North American continent.”²¹

Nisman concluded that the driving force behind Iran’s intelligence efforts in Argentina was the man discussed in the above book excerpt, Mohsen Rabbani, who began laying the groundwork for his spy network after arriving in the country in 1983. Indeed, just prior to his departure for South America, Rabbani met Abolghasem Mesbahi, an Iranian intelligence official who would later defect, and explained to Mesbahi that he was being dispatched to Argentina “in order to create support groups for exporting the Islamic revolution,” according to Nisman’s 2006 report. Rabbani ultimately executed two large-scale attacks in Argentina. In 1992, Iran and Hezbollah bombed the Israeli Embassy in Buenos Aires, killing 29 people.²² Two years later, they targeted the AMIA center, killing 85.

In addition to the Nisman report, other branches of the U.S. government reached very different conclusions. This March, General John F. Kelly, head of U.S. Southern Command, testified that “members and supporters of Iran’s partner, Lebanese Hezbollah, have established presence in several countries in the region. The Lebanese Shi’a diaspora in our area of responsibility may generate as much as tens of millions of dollars for Hezbollah through both licit and illicit means.” And, “while regionally-based Shi’a who support Lebanese Hezbollah are involved in drug and other illicit trafficking, we have only a partial understanding of possible interconnections and overlap between terrorist financing and illicit revenue streams, both within the hemisphere and on a global scale.” Therefore, he concluded, “any group seeking to harm the United States—including Iran—could view

¹⁸ *Ibid.*, 8.

¹⁹ “AMIA Case,” [http://www.defenddemocracy.org/stuff/uploads/documents/summary_\(31_pages\).pdf](http://www.defenddemocracy.org/stuff/uploads/documents/summary_(31_pages).pdf)

²⁰ Burgos and Nisman, 13.

²¹ Buenos Aires, Argentina Judicial Branch, AMIA Indictment, Office of the National Federal Court No. 17, Criminal and Correctional Matters No. 9, Case No. 1156, March 5, 2003, p. 61.

²² Burgos and Nisman.

criminal middlemen, facilitators, and support networks as potential operational *enablers*, although not necessarily operational *requirements*.²³

The U.S. Treasury Department, too, has more thoroughly detailed Iranian activity in the Western Hemisphere in several recent press releases. In May, the department imposed sanctions on the Iranian Venezuelan Bi-National Bank for engaging in financial transactions on behalf of the previously sanctioned Export Development Bank of Iran.²⁴ In June 2012, four additional individuals and three entities involved in drug kingpin Ayman Joumma's narcotics trafficking network were designated. Joumma himself had previously been designated in January 2011 and at one point was laundering "as much as \$200 million per month" on behalf of Hezbollah.²⁵ In June 2008, two Venezuelan supporters of Hezbollah were designated as terrorists; in addition to facilitating fundraising, these supporters were working on operations including discussions of possible kidnappings, terrorist attacks, and arranging travel to Iran of others for training.²⁶

Iran's activity is based on a global strategy, and it is therefore worth mentioning the EU's decision last week in Brussels to take a long-overdue step in the right direction by designating the "military wing" of Hezbollah as a terrorist organization, thereby making it clear to the group that it will pay a political price for continued acts of terrorism, crime, and militancy. The incident that sparked the debate in Europe was Hezbollah's attack in Burgas—conducted with logistical support from Iran—just over a year ago, killing six and injuring several more on July 18. There is much to be discussed on Burgas, but since today's hearing focuses on the Western Hemisphere, it is worth taking a step back and focusing on Iran's role in the AMIA bombing, which occurred 19 years to the day before the Burgas bombing.

Not New: Iran in the AMIA Plot

As detailed above, Iranian intelligence and logistics support for the AMIA bombing was extensive. Within weeks after the meeting in Mashhad at which Iranian officials approved the AMIA bombing based on Rabbani and Asghari's briefings, Iranian diplomats started requesting diplomatic visas for visits to Argentina. Visas were requested in October 1993 for Ministry of Islamic Culture and Guidance (Ershad) undersecretary Ali Janati and Ahmad Alamolhoda, the director of the Cultural Department at the Ministry of Foreign Affairs. Coming on the heels of Rabbani's appointment as cultural attaché, these officials' proposed six-day visit raised concerns among investigators—not least because of Janati's seniority and witness descriptions of his brother as a Revolutionary Guard official and "a well-known terrorist and member of the hard line faction."²⁷ For reasons unknown, this trip never happened. Nearly simultaneous visa requests would later be submitted for Alamolhoda at the Argentinean embassies in The Hague and Berlin on June 7 and 8, 1994. Alamolhoda arrived in Argentina within days, and despite specifically requesting a thirty-day visa, he departed just four days later for Madrid, site of the MOIS regional office that oversees activities in Latin America.²⁸

²³ Southern Command Commander General John F. Kelly, statement before the House Armed Services Committee, March 20, 2013.

²⁴ U.S. Treasury Department, "Treasury Targets Iranian Attempts to Evade Sanctions," press release, May 9, 2013.

²⁵ U.S. Treasury Department, "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumma and a Key Hizballah Supporter in South America," press release, June 27, 2012. <http://www.treasury.gov/press-center/press-releases/Pages/tg1624.aspx>

²⁶ U.S. Treasury Department, "Treasury Targets Hizballah in Venezuela," press release, June 18, 2008. <http://www.treasury.gov/press-center/press-releases/Pages/tg1036.aspx>

²⁷ AMIA indictment, 28.

²⁸ Burgos and Nisman, 189-90.

As for the funding of the AMIA bombing, much appears to have flowed through bank accounts controlled by Rabbani. In December 1993, two months after he returned from the go-ahead meeting in Mashhad, Rabbani opened an account at a local branch of Deutsche Bank. He already had two active bank accounts, one opened at Banco Sudameris in April 1989, and another at Banco Tornquist, opened in March 1992, but the new account was to serve a very specific purpose. Just four months before the AMIA bombing, a total of \$150,812 was deposited in Rabbani's new bank account. Rabbani withdrew a total of \$94,000 from this account in the period leading up to the July 18 bombing, and another \$45,588 was withdrawn within two months following the attack. These funds arrived through international bank transfers, at least three of which were sent from Iran's Bank Melli through Unión de Bancos Suizos.²⁹ Only later, in October 2007, would the U.S. government reveal that Bank Melli was an established financial conduit through which Iran purchased sensitive materials for its nuclear and missile programs and moved money for the IRGC and Qods Force.³⁰

Rabbani apparently received funds from Iran in his Banco Tornquist account as well. According to Argentina's federal tax office, there is no evidence that funds deposited into that account originated in Argentina. Prosecutors believe that "Rabbani used the funds from the aforementioned account to defray various expenses related to the execution of the AMIA attack."³¹ Over the course of 1994—both before and after the attack—Rabbani withdrew a total of \$284,388 from his accounts, underscoring Mesbahi's testimony that "Rabbani was the main person in charge of the local logistics for the operation."³²

Alongside Iran's use of diplomatic cover to build an intelligence network in Argentina, Tehran likewise provided cover stories and day jobs to Hezbollah operatives. A close contact of Imad Mughniyeh's, the *New Yorker* reported, "is a sheikh named Bilal Mohsen Wehbi, a Lebanese who was trained in Iran, and who reports to the Iranian Cultural Affairs Ministry."³³ His ministry, along with the Ministry of Islamic Guidance and the Foreign Ministry, effectively embedded agents abroad to support Hezbollah plots. At the Foreign Ministry, for example, the director for Arab affairs, Hossein Sheikh al-Islam, coordinated with the IRGC "to place its members in Iranian embassies abroad and participate in Hezbollah operations," according to Hezbollah expert Magnus Ranstorp.³⁴ Members of the IRGC's Qods Force also played key support roles in the AMIA attack, according to a Defense Department report on Iran's military power.³⁵

Two days before the attack, as the explosives-filled van was being parked in a garage near the AMIA center, Mohsen Rabbani placed calls to GTC from his cell phone. Cell tower logs confirm Rabbani was in the vicinity of the parking garage and the AMIA at the time.³⁶ This drew the attention of investigators, not only because GTC was believed to be a front for Iranian intelligence, but also because the Ministry for Reconstruction "was used as a cover for activities by Qods Force representatives."³⁷

²⁹ *Ibid.*, 235-7.

³⁰ U.S. Treasury Department, "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," October 25, 2007.

³¹ Burgos and Nisman, 235-7.

³² *Ibid.*, 247.

³³ Goldberg, "In the Party of God."

³⁴ Ranstorp, "Hezbollah's Command Leadership," 319-20.

³⁵ U.S. Department of Defense, Office of the Secretary of Defense, "Unclassified Report on Military Power of Iran," April 2010.

³⁶ *Ibid.*, 15.

³⁷ *Ibid.*, 175-6.

Interviewing witnesses and investigating GTC and other companies, investigators found that Mohsen Rabbani maintained such close ties with Iranian front companies that he often determined who they employed. In one intercepted telephone call, the head of a suspected front company, South Beef, was overheard explaining that "Rabbani was the one who provided all the personnel for the companies," and therefore hiring new employees was not up to him.³⁸

Iranian Plotting Continues

Rabbani's terrorist activities in South America, however, did not wane despite him being indicted in Argentina. According to Nisman and U.S. District Court documents from the Eastern District of New York in Brooklyn, Rabbani helped four men who were plotting to bomb New York's John F. Kennedy International Airport in 2007 and who sought technical and financial assistance for the operation, codenamed "Chicken Farm." All four men were ultimately convicted in federal court.³⁹

The four men first sought out Yasin Abu Bakr, leader of the Trinidadian militant group Jamaat al-Muslimeen, and Adnan el-Shukrijumah, an al-Qaeda operative who grew up in Brooklyn and South Florida and fled the United States for the Caribbean in the days before the 9/11 attacks.⁴⁰ Unable to find Shukrijumah, the plotters "sent [co-conspirator] Abdul Kadir to meet with his contacts in the Iranian revolutionary leadership, including Mohsen Rabbani," according to a news release issued by the U.S. attorney's office for the Eastern District of New York.⁴¹

One co-conspirator was Kareem Ibrahim, an imam and leader of the Shiite Muslim community in Trinidad and Tobago. During cross-examination at trial, Ibrahim admitted that he advised the plotters to approach Iranian leaders with the plot and use operatives ready to engage in suicide attacks at the airport. In one of the recorded conversations entered into evidence, Ibrahim told Russell Defreitas—a plotter who was a JFK baggage handler and a naturalized U.S. citizen—that the attackers must be ready to "fight it out, kill who you could kill, and go back to Allah."

Documents seized from Kadir's house in Guyana demonstrated that he was a Rabbani disciple who built a Guyanese intelligence base for Iran much like his mentor had built in Argentina. In a letter written to Rabbani in 2006, Kadir agreed to perform a "mission" for Rabbani to determine whether a group of individuals in Guyana and Trinidad were up to some unidentified task.

In the 1990s and 2000s, Rabbani also oversaw the education and indoctrination of Guyanese and other South American Muslim youth, including Kadir's children, in Iran. Kadir was ultimately arrested in Trinidad aboard a plane headed to Venezuela, en route to Iran.⁴² He was carrying a computer drive with photographs featuring

³⁸ *Ibid.*, 242.

³⁹ Associated Press, "U.S.: 'Unthinkable' terror devastation prevented," June 3, 2007, http://www.nbcnews.com/id/18999503/ns/us_news-security/t/us-unthinkable-terror-devastation-prevented/#.UdH4zTvVDJ

⁴⁰ FBI, "Most Wanted Terrorists," http://www.fbi.gov/wanted/wanted_terrorists/adnan-g-el-shukrijumah

⁴¹ *Ibid.*

⁴² U.S. Attorney's Office, "Russell Defreitas Sentenced to Life in Prison for Conspiring to Commit Terrorist Attack at JFK Airport," press release, FBI, <http://www.fbi.gov/newyork/press-releases/2011/russell-defreitas-sentenced-to-life-in-prison-for-conspiring-to-commit-terrorist-attack-at-jfk-airport>

himself and his children posing with guns, which prosecutors suggested were intended as proof for Iranian officials of his intent and capability to carry out an attack.⁴³

In 2011, not long before the last defendant in the JFK airport bomb plot was convicted, evidence emerged suggesting Rabbani was still doing intelligence work in South America. In the words of one Brazilian official, "Without anybody noticing, a generation of Islamic extremists is appearing in Brazil."⁴⁴

Iranian president Mahmoud Ahmadinejad's visit to Venezuela in January 2012 at the surface seemed rather unremarkable beyond his normal inflammatory personality and his efforts to deepen ties with Latin America. However, according to Western intelligence officials, "a senior officer in the Iranian Revolutionary Guards Corps (IRGC) traveled secretly with the presidential delegation and met with Venezuelan military and security chiefs." The purpose of this officer's presence was to hold a meeting with Venezuelan intelligence agents "to set up a joint intelligence program between Iranian and Venezuelan spy agencies." After a secret meeting, Venezuela "agreed to provide systematic help to Iran with intelligence infrastructure such as arms, identification documents, bank accounts and pipelines for moving operatives and equipment between Iran and Latin America."⁴⁵ And today, it is Rabbani who continues to run Iranian intelligence networks in Latin America, although now he is doing so from Iran, where he directs ideological and operational training for recruits who are brought to Iran. According to Latin American transnational crime and terrorism expert Douglas Farah, "The recruitment efforts have been continuous and ongoing since at least 2007, and each year hundreds of recruits—and possibly thousands—are taken to Iran for training. After six years, well over 1,000 people have made the trip and, even if only a relatively small group remains loyal to the Iranian regime, it is a significant network."⁴⁶

So, while the State Department's *Iranian Activity* report states that in the Western Hemisphere, "There were no known operational cells of either al-Qa'ida or Hizballah," the department's annual terrorism report separately noted a noticeable increase in Iranian activity in all other parts of the world.⁴⁷ At least some of that activity has been seen here in the Western Hemisphere. Just last week, seven Iranians were caught using fake Israeli passports at the Vancouver International Airport.⁴⁸ In December 2011, U.S. officials began investigating reports that Iranian and Venezuelan officials were plotting cyberattacks from the Venezuelan embassy in Mexico.⁴⁹ In February 2012, authorities in Azerbaijan arrested 22 people on suspicion of spying for Iran, and accusing them of having links to the Iranian Revolutionary Guards.⁵⁰ Also that month, attacks by Iran took place in India, Georgia, and

⁴³ A. G. Sulzberger, "Trial Focuses on Iran Ties of Kennedy Plot Suspect," *New York Times*, July 24, 2010, http://www.nytimes.com/2010/07/22/nyregion/22kennedy.html?_r=0

⁴⁴ Robin Yapp, "Brazil latest base for Islamic extremists," *The Telegraph*, April 3, 2011, <http://www.telegraph.co.uk/news/worldnews/southamerica/brazil/8424923/Brazil-latest-base-for-islamic-extremists.html>

⁴⁵ Sebastian Rotella, "The Terror Threat and Iran's Inroads in Latin America," *ProPublica*, July 11, 2013, <http://www.propublica.org/article/the-terror-threat-and-irans-inroads-in-latin-america>

⁴⁶ Douglas Farah, statement before House Committee on Homeland Security Subcommittee on Oversight and Management Efficiency, July 9, 2013, <http://docs.house.gov/meetings/HM/HM09/20130709/101046/HHRG-113-HM09-Wstate-FarahD-20130709.pdf>.

⁴⁷ U.S. State Department, "Country Reports on Terrorism," May 30, 2013, <http://www.state.gov/j/ct/rls/crt/2012/209978.htm>.

⁴⁸ "Iranians caught using fake Israeli passports at Vancouver airport," *Jerusalem Report*, July 26, 2013, <http://www.jpost.com/International/Iranians-caught-using-fake-israeli-passports-at-Vancouver-airport-321150>

⁴⁹ S. Smithson, "U.S. authorities probing alleged cyberattack plot by Venezuela, Iran," *Washington Times*, December 13, 2013, <http://www.washingtontimes.com/news/2013/dec/13/us-probing-alleged-cyberattack-plot-iran-venezuela/?page=all>.

⁵⁰ "Azerbaijan arrests 22 suspects in alleged Iran spy plot," *BBC*, March 14, 2012, <http://www.bbc.co.uk/news/world-europe-17368576>.

Thailand.⁵¹ The following month, an Iranian PhD student in India was deported for spying on Israeli nationals.⁵² In May 2012, Israeli officials prevented an attack tied to Iran and Hezbollah in South Africa.⁵³ The following month, two IRGC members were discovered in Kenya and were later found guilty of planning to attack Western targets.⁵⁴ And, just weeks after Hezbollah conducted the bus bombing in Burgas, an Iranian-sponsored agent was arrested outside a synagogue in Sofia, Bulgaria.⁵⁵ In October 2012, just three months after a dual Swedish-Lebanese Hezbollah agent was arrested for conducting surveillance on Israelis arriving in the airport, an attack was thwarted when security officials seized explosives intended to target an Israeli cruise ship visiting Cyprus.⁵⁶ In December 2012, a man in Nigeria was arrested, confessing to having received training in Iran and planning to target Western and Israeli interests in Mombassa.⁵⁷ In February of this year, three men were arrested in Spain for spying on behalf of Iran.⁵⁸ In April, an Iranian was arrested in Nepal outside the Israeli embassy with a fake Israeli passport he had been using.⁵⁹ In April, acting on a tip from Israeli intelligence officials, Bosnia asked two Iranian diplomats to leave and warned about a third who had been present in Thailand, Georgia, and India.⁶⁰

The growth of the Iranian extremist network in the Western Hemisphere has immediate repercussions for the security of the United States. The same day that Nisman and the State Department released their reports, an Iranian-American used-car salesman from Texas was sentenced to 25 years in prison for his role in an Iranian plot to assassinate Saudi Arabia's ambassador to the United States at a popular Washington restaurant.⁶¹ In the assessment by James Clapper, the director of national intelligence, this plot "shows that some Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived U.S. actions that threaten the regime."⁶²

⁵¹ Isabel Kershner and Michael Schwartz, "Israel Blames Iran for Attacks in India and Georgia," *New York Times*, February 13, 2012; "Bangkok Blast Suspects 'Targeting Israeli Diplomats,'" *BBC*, February 16, 2012.

⁵² Gitesh Shelke, "Iranian spy was PhD student at UoP," *PureMirror*, April 26, 2012, <http://www.punemirror.in/index.aspx?page=article§id=62&contentid=2012042620120426023814437667666e>.

⁵³ Itamer Eichner, "PM reveals: South Africa attack against Israelis thwarted," *ynet*, July 20, 2012, <http://www.ynetnews.com/articles/0,7340,1-4258237,00.html>

⁵⁴ Associated Press, "Members of Iranian regime's IRGC convicted for planning terrorist attacks," May 2, 2013, <http://www.ncr-iran.org/en/news/terrorism-fundamentalism/13577-members-of-iranian-regime-s-irgc-convicted-for-planning-terrorist-attacks>.

⁵⁵ Author interview, Israeli intelligence officials, September 13, 2012.

⁵⁶ Philip Pedolsky, "Terror attack against Israeli targets said thwarted in Cyprus," *Times of Israel*, October 18, 2012, <http://www.timesofisrael.com/terror-attack-against-israeli-targets-said-thwarted-in-cyprus/>.

⁵⁷ Reuters and jpost.com Staff, "Kenya finds 2 Iranians guilty of terror attack plot," *Jerusalem Post*, May 2, 2013, <http://www.jpost.com/International/Kenya-finds-2-iranians-guilty-of-terror-attack-plot-311587>.

⁵⁸ Associate Press, "Spain arrests 3 men for allegedly spying for Iran," *Daily Star (Beirut)*, February 22, 2013, <http://www.dailystar.com.lb/News/Middle-East/2013/Feb-22/2013550-spain-arrests-3-men-for-allegedly-spying-for-iran.aspx?fbclid=IwAR1L7r9kiv>.

⁵⁹ "Nepal: Iranian with fake Israeli Passport Arrested," Associated Press, April 24, 2013, <http://bigstory.ap.org/article/nepal-iranian-fake-israeli-passport-arrested>.

⁶⁰ Benjamin Weinthal, "Bosnia expels two Iranian diplomats," *Jerusalem Post*, April 28, 2013, <http://www.jpost.com/International/Bosnia-expels-two-iranian-diplomats-311310>; AFP, "Two Iranian spies expelled from Bosnia," *Defence.pk*, May 17, 2013, <http://www.defence.pk/forum/world-affairs/252646-two-iranian-spies-expelled-bosnia.html#ixzz2WlbXvqgI>.

⁶¹ Benjamin Weiser, "Man Sentenced in Plot to Kill Saudi Ambassador," *New York Times*, May 30, 2013, <http://www.nytimes.com/2013/05/31/nyregion/mansour-arabiasar-sentenced-for-plot-to-kill-saudi-ambassador.html>

⁶² Eric Schmitt, "Intelligence Report Lists Iran and Cyberattacks as Leading Concerns," *New York Times*, January 31, 2012, http://www.nytimes.com/2012/02/01/world/intelligence-chief-sees-al-qaeda-likely-to-continue-fragmenting.html?pagewanted=all&_r=0

Prospects for Terrorism under New Iranian President

A final comment is warranted not on Iran's presence or activities in the Western Hemisphere per se, but on the likelihood that Hassan Rouhani's election might lead Iran to curb its support for, and own involvement in, international terrorism. Rouhani's victory has been widely heralded as a protest vote against the hardliners and a window of opportunity for diplomatic breakthrough with Western powers.⁶³ But such assumptions beg the question: just how much moderation should be expected from a "moderate" Iranian president, particularly with regard to state sponsorship of terrorism? Past precedent suggests that expectations should be tempered.

Rouhani is not the first Iranian "moderate" to win the presidency. Akbar Hashemi Rafsanjani, elected in 1989, was frequently described as a moderate as well. According to U.S. intelligence, however, he oversaw a long string of terrorist plots during his eight years in office. The CIA linked Rafsanjani to terrorist plots as early as 1985, when he was serving as speaker of parliament. In a February 15, 1985 memo, the agency assessed that "Iranian-sponsored terrorism is the greatest threat to US personnel and facilities in the Middle East...Iranian-backed attacks increased by 30 percent in 1984, and the numbers killed in Iranian-sponsored attacks outpace fatalities in strikes by all other terrorist sponsors. Senior Iranian leaders such as Ayatollah Montazeri...Prime Minister [Mir Hossein Mousavi], and Consultative Assembly speaker Rafsanjani are implicated in Iranian terrorism."⁶⁴

In August 1990, the CIA's Directorate of Intelligence authored a more in-depth assessment titled "Iranian Support for Terrorism: Rafsanjani's Report Card." According to the agency, the regime's sponsorship of terrorist activities had continued unabated since the death of Ayatollah Khomeini the previous June: "Although Rafsanjani has sought to improve relations with some Western nations since directly assuming the presidency last August, events of the past year prove that Tehran continues to view the selective use of terrorism as a legitimate tool."⁶⁵ Iranian terrorist attacks targeting "enemies of the regime" over the previous year "were probably approved in advance by President Rafsanjani and other senior leaders," the report assessed, but "the planning and implementation of these operations are...probably managed by other senior officials, most of whom are Rafsanjani's appointees or allies."⁶⁶ The CIA concluded that "Rafsanjani and [Supreme Leader] Khamenei would closely monitor and approve planning for an attack against the US or Western interests."⁶⁶

Looking forward, CIA analysts assessed in 1990 that "Rafsanjani and other Iranian leaders will continue selectively using terrorism as a foreign policy tool to intimidate regime opponents, punish enemies of Islam, and influence Western political decisions."⁶⁷ Two years later, such assessments appeared prescient. In 1992, the CIA recorded a long list of Iranian terrorist activities, from attacks targeting Israeli, Saudi, and American officials in Turkey, to plots targeting Jewish émigrés from the former Soviet Union and anti-regime dissidents abroad.⁶⁸

⁶³ Thomas Erdbrink, "Iran Moderate Wins Presidency by a Large Margin," *New York Times*, June 15, 2013, <http://www.nytimes.com/2013/06/16/world/middleeast/iran-election.html?pagewanted=all>; Jason Rezaian and Joby Warrick, "Moderate cleric Hassan Rouhani wins Iran's presidential vote," *Washington Post*, June 15, 2013, http://www.washingtonpost.com/world/iranians-await-presidential-election-results-following-extension-of-polling-hours/2013/06/15/3800c276-d593-11e2-a73e-826d299ff459_story.html

⁶⁴ US Central Intelligence Agency (CIA). Directorate of Intelligence. "Iranian Support for Terrorism: Rafsanjani's Report Card." *Terrorism Review*, August 9, 1990.

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

⁶⁸ US Central Intelligence Agency (CIA). Directorate of Intelligence. "Iran: Enhanced Terrorist Capabilities and Expanding Target Selection." April 1, 1992.

Additionally, in May 1997, Muhammad Khatami was elected as Iran's fifth president after running on a distinctly reformist platform. Supporters of Iranian radicalism, including Hezbollah leader Hassan Nasrallah, had strongly supported Khatami's more overtly revolutionary opponent, Ali Akbar Nateq Nuri.⁶⁹

In a December 1997 memo, the CIA asserted that Hezbollah leaders were shocked by Khatami's victory and "scrambled to ensure that his election would not diminish Iran's support" for the group. Their concerns would prove unfounded, however—when Nasrallah visited Tehran in October 1997, Khatami and other officials pledged their continued support, emphasizing that the regime had not changed its position regarding the group or its operations against Israel.⁷⁰

According to the CIA memo, Khatami "probably joins other Iranian leaders who maintain that support to Hezbollah is an essential aspect of Tehran's effort to promote itself as leader of the Muslim world and champion of the oppressed."⁷¹ More important, the CIA assessed that Khatami would have been unable to withdraw Iran's sponsorship of Hezbollah even if he had wanted to. As the memo put it, Khatami "probably does not have the authority to make such a change without the approval of Khamenei, who has long been one of the group's foremost supporters."⁷²

The fact that the least radical candidate won Iran's latest presidential election has many observers excited about the prospect of more moderate policymaking in Tehran. Yet regardless of how Rouhani's election might affect the nuclear impasse, the Islamic Republic's history indicates that "moderate" or "reformist" presidents do not translate into moderation of Iran's terrorism sponsorship. Even if Rouhani were inclined to curb such policies, there is no evidence that he has the authority to do so without the Supreme Leader's approval, which seems highly unlikely at present.

Indeed, as Iran geared up for its June 14 presidential election, the activities of its powerful intelligence services were also kicking into high gear across the globe. The U.S. State Department's *annual terrorism report*, released May 30—while not mentioning the Western Hemisphere—does highlight a "marked resurgence" of Iranian state sponsorship of terrorism over the past 18 months through the IRGC and its connections with Hezbollah. Specifically, the report notes that "Iran and Hizballah's terrorist activity has reached a tempo unseen since the 1990s, with attacks plotted in Southeast Asia, Europe, and Africa."⁷³ And of course, there is also Iran and Hezbollah's active support for Syrian president Bashar al-Assad's brutal crackdown against his own people.

Conclusion

As the new Nisman report clearly indicates—and as detailed above—Iran has run intelligence networks in America's backyard to "sponsor, foster and execute terrorist attacks" for decades.

Some in the region have yet to get serious about the threat Iran and Hezbollah pose. The need for attention is perhaps greater today than it has been in years past, since Iran and Hezbollah—as a result of both necessity and opportunity—appear to have renewed operational planning focused on South America. Confronting the threat this terrorist network poses will require close law enforcement, intelligence, and policy coordination throughout

⁶⁹ US Central Intelligence Agency (CIA), Directorate of Intelligence, "Hezbollah's Reactions to Khatami's Election, December 22, 1997," http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001280265.pdf.

⁷⁰ *Ibid.*

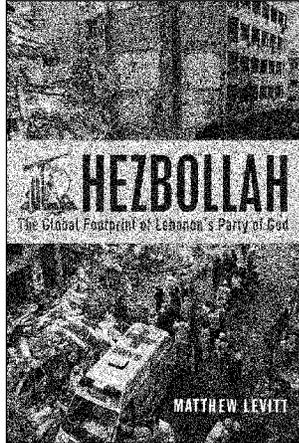
⁷¹ *Ibid.*

⁷² *Ibid.*

⁷³ U.S. State Department, "Country Reports on Terrorism," May 30, 2013, <http://www.state.gov/j/ct/rls/crt/2013/209978.htm>

the Western Hemisphere. And with Iran and Hezbollah actively plotting terrorist attacks around the world, such cooperation should take shape as quickly as possible.

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Matthew Levitt is a senior fellow and director of The Washington Institute for Near East Policy's Stein Program on Counterterrorism and Intelligence. Previously, Levitt served as the Deputy Assistant Secretary for Intelligence and Analysis at the US Department of the Treasury, as an FBI counterterrorism analyst, and as an advisor on counterterrorism to the US State Department. Levitt has taught at Johns Hopkins University/SAIS, held fellowships with the Combating Terrorism Center at the US Military Academy and the Homeland Security Policy Institute at George Washington University, and is a member of the Council on Foreign Relations. He is the author of *Hamas: Politics, Charity, and Terrorism in the Service of Jihad*.



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Ms. ROS-LEHTINEN. Mr. Braun.

**STATEMENT OF MR. MICHAEL A. BRAUN, CO-FOUNDER AND
MANAGING PARTNER, SPECTRE GROUP INTERNATIONAL,
LLC (FORMER CHIEF OF OPERATIONS, DRUG ENFORCE-
MENT ADMINISTRATION)**

Mr. BRAUN. Thank you. Good afternoon, Chairman Ros-Lehtinen, Chairman Salmon, Ranking Member Deutch and Sires, honorable members of both subcommittees. Thank you for the opportunity to participate in this very, very important hearing today on Iran's growing influence in the Western Hemisphere, Africa, Europe, and Asia, Mr. Chabot, on the recent Department of State report that addresses the matter.

It is hard to talk about what we don't know with respect to this threat. So let us focus on what we do know, some of which you already talked about. But let me provide you a little bit more granularity that I think will be even more shocking to the statements that have already been made by many.

So let us talk about the facts. Let us talk about the evidence that can, and already has, passed the judicial test in Federal court-houses right here in the United States. Let us talk about Hezbollah's growing involvement in the Western Hemisphere, in Africa, Asia, and elsewhere; Iran's most important terrorist proxy, as you have said. And let us talk about the RGC's Quds Force and what they have been up to, more specifically, or most specifically, in the Western Hemisphere over just the past few years.

Just about 18 months ago, as you have said, Quds Force operatives were attempting to assassinate the Saudi Arabian Ambassador to the U.S. right here in Washington, DC; in fact, just a few blocks from the White House. They thought they were recruiting members of the ultraviolent Los Zetas drug cartel in Mexico, which should be shocking in and of itself. Fortunately, they were recruiting DEA operatives, and the DEA and the FBI foiled that plot.

The Hezbollah, a U.S.-designated foreign terrorist organization, partially at least also designated by the E.U. now, is heavily involved and has grown heavily involved over the past few years in the global cocaine trade, and it is involved heavily at the center of gravity for that activity. The center of gravity has always been, and always will be, the Andean region of South America and the trans-shipment routes that permeate and has been built over many years encompassing the north coast of Colombia and Venezuela, the isthmus of Central America, the Caribbean, and Mexico.

A growing number of international conspiracy investigations as a result of that activity by U.S. Federal law enforcement paint an ominous picture of Hezbollah's presence in the Western Hemisphere and elsewhere.

Just one dimension of just one DEA investigative effort against Hezbollah focuses on the money-laundering aspect of their cocaine-trafficking activities, and resulted in the seizure of \$150 million by the Departments of Treasury and Justice just about a year and a half ago. The Beirut-based Lebanese Canadian Bank, long known to be heavily influenced by the Hezbollah and their preferred go-to money-laundering financial facility, just recently settled with the

Department of Justice as a result of that action, and the bank has agreed to forfeit \$102 million. The bank was sold about 2 weeks after the PATRIOT Act 311 sanctions against that organization that were a result of the DEA and DOJ investigations.

A more granular example, and I think even more shocking, though, is what is playing out, again, at a lower level, at a tree-top level, Congresswoman, as your husband would probably say being a former marine, at a tree-top level, granular level, with the \$20 million cash seizure made by the DEA and some foreign counterparts in Central America after a high-level Hezbollah associate actually delivered the bulk cash, \$20 million, to an undercover DEA agent who was posing—who, by the way, spoke fluent Arabic and was posing as a money launderer. Remarkably, another \$16 million was supposed to have been delivered within 48 hours. Unfortunately that did not happen. The investigation was compromised, and I think is still being looked at. But suffice it to say that so much Hezbollah cocaine cash, bulk cash, was being amassed in Central America that they couldn't figure out how to move it back to Lebanon—or to move it to Lebanon.

Evidence clearly shows that Hezbollah is involved in the same kinds of activity that I have just described in Central America, in Africa, and other locations, as my statement for the record states. If anyone thinks for a moment, because there are some inferences in the Department of State report, that Hezbollah is on the rocks because they are reliant on funding from Iran, if anyone thinks for a moment that that is the case, they couldn't be further from the truth.

We have to look at things differently. It is the kind of criminal activity that I have just described above via Hezbollah, Iran's most important proxy, and other terrorist organizations that make them organizationally and operationally sharp while they wait for the day of reckoning. It prepares them for war under very realistic conditions. It provides them with a real-world proving ground to continually test and refine their tactics, techniques and procedures as they continue to probe and prod those of their adversaries; namely, us. It is allowing them to prepare and shape the future battlefield right here at home. We need to somehow work harder at driving a wedge between these very powerful forces and keeping them separated.

Thank you very much. I look forward to answering your questions.

Ms. ROS-LEHTINEN. Thank you very much.

[The prepared statement of Mr. Braun follows:]

STATEMENT FOR THE RECORD
US House of Representatives
Foreign Affairs Committee
August 1, 2013

**Joint Hearing Before
The Subcommittee on Middle East and North Africa and the Subcommittee on the Western Hemisphere**

**"Examining the State Department's Report
On
Iranian Presence in the Western Hemisphere 19 Years After AMIA Attack"**

By
Michael A. Braun
Managing Partner
Spectre Group International, LLC

Former Assistant Administrator and Chief of Operations (Retired)
United States Drug Enforcement Administration

Introduction

Chairmen Ros-Lehtinen and Salmon and Ranking Members Deutch and Sires, and Honorable Members of both Subcommittees, I deeply appreciate the invitation to participate in this very important hearing before the two most important Subcommittees of the House of Representatives Foreign Affairs Committee. Let me start by thanking you for your service and for your unwavering support of federal law enforcement, our military and our intelligence services. I have testified before many of you over the years and worked with the dedicated members of your respective staffs. I have the utmost respect for each of you and the tremendous contributions that you have made, and continue to make, in keeping America safe.

I spent 35 years in law enforcement serving in some of the toughest and most austere locations around the globe and retired from the US Drug Enforcement Administration (DEA) approximately four and one-half years ago. I was very fortunate to have ascended through the ranks of the DEA where I ultimately served as the Acting Chief of Intelligence for approximately one year and as the Assistant Administrator and Chief of Operations for almost four years where I had operational oversight responsibility for DEA's 227 domestic and 86 foreign offices and several Headquarters divisions, including the Special Operations Division.

With the support of a phenomenal team, I was responsible for leading the efforts to design and implement the DEA's significant expansion in Afghanistan, as well as for the Foreign-deployed Advisory and Support Teams (FAST) program and the Drug Flow Attack Strategy. I was also responsible for leading the formative development of the multi-agency Organized Crime Drug Enforcement Task Force Fusion Center after being appointed by the Deputy Attorney General to serve as the Center's first Director. The Center supports both terrorism and drug trafficking investigative efforts by seven federal law enforcement agencies.

I served in DEA field assignments at various ranks on both the East and West Coasts, on our Southern and Northern borders, in Washington, DC during three separated Headquarters tours, throughout the Andean Region and the northern-tiered countries of Central America. I also volunteered for an assignment with the Department of Defense Coalition Provisional Authority during the summer of 2003 to serve as the SES Chief of Staff for the Iraq Interim Ministry of Interior. I served in local and state law enforcement for almost twelve years prior to joining the DEA and enlisted in the US Marine Corps in 1971 where I served fourteen months deployed overseas, including limited duty in the Republic of Vietnam. Two days after retiring from the DEA in late 2008 I stood up Spectre Group International, LLC (SGI) with another senior DEA retiree and we both serve as managing partners. SGI is currently supporting critically important security projects for our military and government agencies in Afghanistan, Central Asia, the Middle East, Mexico and Panama, as well as in various locations here at home.

From that, I believe you can conclude I am not a diplomat, nor an academic. I am a practitioner and it is in that context that I appear before you today to address, from purely my perspective, the threat posed by the activities of Iran, the Iran Revolutionary Guard Corp's Quds Force, and Iran's most important proxy, the Hezbollah, in the Western Hemisphere, Africa, Europe and elsewhere.

A Different Perspective

I have not examined the June 27, 2012 Department of State (DOS) Report on Iranian influence in Latin America and the Caribbean, largely because much of it is classified and it would be impossible to put the full weight of the Report into proper context. However, virtually every media article that I have read and sources I have spoken with state that the Report concludes Iran's influence in the Western Hemisphere is waning due to successful international sanctions against the country. In other words, Iran no longer possess the ability to significantly influence activities in the Western Hemisphere and elsewhere, because the country is cash starved. The Report also states there are no known Hezbollah cells operating in the Western Hemisphere, presumably because Iran no longer has the ability to provide its most important proxy with the levels of funding that it once did.

The international sanctions against Iran are in fact having an effect, but to say Iran's influence in the West is waning and that Hezbollah is not hard at work in the Western Hemisphere, including right here at home in the US, could not be more wrong. What concerns me about the Report is that the analysts who contributed to it must not have met with and received input from the DEA and the Federal Bureau of Investigation (FBI). If they had met with them and had a meaningful exchange of information, I believe they would have reached very different conclusions. I know how government works when it comes to these matters and many things could have gone wrong in the process. Suffice it to say, the end result was unacceptable and that is why we are here today.

History has repeatedly shown that when a terrorist organization loses funding from its state sponsor(s) it will inevitably turn to criminal activity to generate revenue to keep the movement alive. The Hezbollah is no different and its meteoric rise in the global cocaine trade has generated far more contraband revenue over the past decade than the ever-diminishing funds provided by Iran, now believed to be no more than \$200 million dollars annually.

Just a decade ago the Hezbollah was involved in moving small kilogram quantities of cocaine to Middle East markets from the Tri-Border region of South America, the remote criminal and terrorist "free-zone" where the borders of Paraguay, Argentina and Brazil come together. Today, the terrorist group is responsible for smuggling hundreds of tons of cocaine from the Andean Region of South America into Venezuela where they then ship the drugs to emerging European markets via West and North Africa. This phenomenon is not based on mere speculation by agencies that garner intelligence from second or third party sources; rather, it is based on evidence that can, and already has met the judicial test in federal courts here at home.

There is no better example than DEA's Operation Titan that precisely captures Hezbollah's involvement in the international drug trade, exposes the complexity of its transnational criminal and terrorist operations and identifies many of the nefarious connections that make it all work. The evidence and intelligence gleaned during ongoing investigative efforts come from tested and trusted confidential sources, backed up by judicially approved telecommunications intercepts, extensive witness interviews, search warrants and other judicially approved investigative tradecraft.

Just one aspect of this multifaceted, international conspiracy investigation resulted in Patriot Act 311 findings levied against the Beirut-based Lebanese Canadian Bank (LCB), the Prime Bank of Gambia and other affiliate financial institutions of the LCB for facilitating a Hezbollah cocaine money laundering scheme involving as much as \$200 million dollars per month. The LCB, which was sold less than two weeks after the 311 findings, was long known to be a Hezbollah influenced and preferred financial institution used for money laundering purposes. In December 2011 the US Attorney's Office for the Southern District of New York

(SDNY), based on DEA evidence, filed a civil complaint that led to the constructive seizure of \$150 million dollars of Hezbollah drug money from the institution. Just a few weeks ago the LCB's new owners reached a settlement with the SDNY and forfeited \$102 million dollars of the seizure.

The classic trade based money-laundering scheme started with cocaine shipped by Hezbollah operatives from the Andean Region of South America to Venezuela, where it was then shipped to Europe and the Middle East via West and North Africa. This sophisticated supply chain is only made possible through Hezbollah's strong alliances with indigenous organized crime groups and the centuries old, nomadic Tuareg smugglers in North Africa, not to mention corrupt senior politicians and security officials in Venezuela. The cocaine was (and continues to be) sold in Europe and the Middle East by Hezbollah for as much as \$200,000 dollars per kilogram. To put that in proper perspective, the US value for a kilogram of cocaine seldom exceeds \$40,000 dollars. The bulk cash from the enterprise was collected and amassed in West Africa where it was cached at safe sites.

The represented legitimate trade aspect of the scheme was tied to over 30 US-based used automobile dealerships owned and operated by Lebanese Americans on the East Coast. The US dealerships acquired used automobiles here at home, shipped them to automobile lots in West Africa where they were sold for profit. The sales prices of the vehicles were inflated in the financial records and the cash proceeds were co-mingled with the cached drug proceeds and then transported in bulk to Hezbollah operated and controlled financial exchange houses in Lebanon. Much of the proceeds were then wired to the US dealerships to continue the money laundering cycle. By all counts the number of suspect dealerships identified in the continuing investigation is incredible, none of which existed before 9-11.

One lead in the investigation resulted in overhead imagery that illustrated an enormous vacant field in West Africa and corresponding imagery one year later that showed the area filled with hundreds of used vehicles that had been shipped from the US. Documentary evidence reveals that an average of \$180 million dollars in bulk cash per quarter was being transported from Togo to Ghana, West Africa where it was placed on commercial aircraft and flown directly to Beirut. The illicit revenue generated by this enterprise exceeded the annual GDP for several small West African countries.

This money laundering scheme was put into place after the DEA, during an earlier phase of their investigation, seized approximately \$20 million dollars in bulk cash from a Lebanese Colombian and close Hezbollah associate who operated in Colombia and who delivered the cash to an undercover DEA agent. Another \$16 million dollars in bulk cash was supposed to be delivered to the agent within 48 hours of the first delivery, but unfortunately the operation was compromised.

Essential Points

There are some very important points to be made about the events described above:

1. Those who believe that Hezbollah is hurting for money, or that they are in some way dependent upon Iran to supply them with funding, are dangerously uninformed.
2. No terrorist or international drug trafficking organization has the ability to execute complex drug trafficking and money laundering operations involving multi-ton quantities of cocaine and bulk cash with just a handful of rogue operatives, or rogue cells for that matter. It takes scores of loyal Hezbollah soldiers to make it all work in this case and they are now operating throughout the Western Hemisphere, including right here at home. Congressman Peter King, then Chairman of the Homeland Security Committee during a hearing approximately 18 months ago, stated that government officials had briefed him that as many as 250 Hezbollah operatives were active in the US.

3. Iran's inability to match its past levels of funding to its most important proxy has crystalized in the eyes of Hezbollah the strategic importance of Latin America, Mexico, our Southwest Border and the Caribbean, as well as Africa and Europe. It is Hezbollah's meteoric rise in the global drug trade that should be troubling us most. When it comes to generating contraband revenue, nothing comes close to the global drug trade and it is undoubtedly contributing to the Hezbollah's global expansion.
4. Hezbollah has the undeniable ability to move multi-ton quantities of cocaine throughout the world, not to mention bulk cash that weighs thousands of pounds. Many analysts and other experts regrettably continue to woefully underestimate Hezbollah's level of sophistication, both organizationally and operationally, and to ask a very important question: What else could they be moving?
5. The principal leader of any terrorist, drug trafficking, or transnational criminal organization must ensure absolute harmony and loyalty within their organization's ranks. It is all about obedience, commitment and allegiance and is stringently managed with the use of corruption, intimidation and brutal violence, the long-standing hallmarks of organized crime. To believe that Secretary General Hassan Nasrallah is not personally complicit in, and sanctioning all of Hezbollah's global criminal and terrorist operations indicates a total lack of understanding for how the real underworld operates and thrives.
6. We can no longer allow Hezbollah to go unchecked. We need a whole of government approach to fight the most sophisticated foreign terrorist organization in the world and we need to get serious about doing it as quickly as possible.

Hezbollah accomplishes four very important objectives by expanding and accelerating their global cocaine trafficking and other transnational criminal activity:

1. It increases their presence in the Western Hemisphere, in Africa and in Europe and is helping the group establish an even greater repertoire of calculated alliances with other transnational criminal and terrorist organizations.
2. Drug distribution to Western markets is an important part of their Jihad against the West – it kills infidels, tears at the moral fabric of the West, costs hundreds of billions of dollars a year in lost earnings and in medical treatment, education and law enforcement costs, and further destabilizes already weak governments throughout regions of Latin America, Mexico, the Caribbean and Africa, which facilitates Hezbollah's ability to operate with impunity. A senior Hezbollah spiritual leader issued a religious edict, or fatwa, in the early 1980s that justified selling drugs to Western infidels, which laid the foundation for the group's involvement and expansion in the global drug trade.
3. The global drug trade generates hundreds of millions of dollars each year in contraband revenue for Hezbollah and it provides a never-ending source of funding for their war chest.
4. Hezbollah becomes even more relevant to Iran and their long-standing partner, the IRGC Quds Force, as they grow their global footprint and their global reach in honor and support of the "father land."

There are three things that federal law enforcement can do to protect our Nation from the threat posed by terrorist organizations such as Hezbollah that will not require a great deal of funding:

1. We need interlocking counter-terrorism and counter-narcotics policies and strategies, and singular funding streams. As the bad guys grow closer together – the good guys are drifting farther apart.
2. We need defense in depth strategies and we cannot continue with our obsession for developing strategies and plans to guard the one-yard line (our borders). Shortly after 9-11 many of our Department of Defense detection and monitoring resources were moved from Southern Command's area of responsibility and most have never returned. Further, we need more federal law enforcement special

agents (criminal investigators) and intelligence analysts and operators deployed to security challenged areas around the world to develop their human source networks and to further their investigations and initiatives.

3. We must revitalize interest in pursuing the traditional threats: drugs, arms and human trafficking, and money laundering and counterfeiting. Most importantly, we need to implement aggressive counter-corruption safeguards and initiatives, because our judicial system is under attack. A renewed focus on these threats will naturally lead agents and officers headlong into terrorist organizations and their operatives, which is exactly what is happening with the DEA on a daily basis.

Other Disturbing Enablers

Hezbollah's long-standing relationship with the Iran Revolutionary Guard Corp's (IRGC) Quds Force, the elite Special Forces arm of the IRGC responsible for clandestine foreign operations, including assassinations, is often ignored. It was the Quds Force that created Hezbollah in the early 1980s and they have been inseparable ever since. Where you find one – you find the other.

The Quds Force is typically deployed around the world under the guise of diplomatic cover while assigned to Iranian embassies and cultural centers. Iran has opened 17 cultural centers in Latin America, and currently maintains 11 embassies, a significant increase from only six in 2005. Our intelligence community reports that the numbers of Quds Force operatives at work in the Western Hemisphere is growing at an alarming rate and some experts believe that the Quds Force is responsible for managing and directing at least some of the Hezbollah's more complex operations. Again, where you find Quds -- you find Hezbollah.

The single greatest concern I have is that the Quds Force presence in the Western Hemisphere is growing concurrently with that of Hezbollah. Let there be no doubt that their collective increased presence on this side of the Atlantic places them in a position of strength to carry out what they do extraordinarily well – terror operations aimed at the West.

We may already be seeing signs of this. Just a few short months ago a clandestine Quds Force operation was foiled by the DEA and FBI when one of the group's operatives, who held both Iranian and US citizenship, attempted to hire members of the ultra violent Los Zetas Mexican drug cartel to assassinate the Saudi Arabian Ambassador to the US at a Washington, DC area restaurant just a few blocks from the White House. Fortunately, the person being recruited by the Quds Force operative in Mexico was a DEA confidential informant.

Evidence revealed the operative was being directed at a high level by a Quds Force leader working from the command's headquarters in Tehran. Retired Marine General James Mattis, the former head of Central Command, recently said during an interview with journalist Wolf Blitzer, "They actually set out to do it. It was not a rogue agent off on his own. This decision was taken at the very highest levels of Tehran. Again absent one mistake, they would have murdered Adel [Saudi Ambassador] and Americans at that restaurant a couple miles from the White House."

Hezbollah is involved in many other criminal activities, including the smuggling of gold from Africa to Dubai, United Arab Emirates where it is sold at peak market value, and in manufacturing counterfeit designer clothing in the Tri-Border area, to name just a few other illicit schemes. Although these activities do not generate nearly the revenue as illicit drugs, it is nonetheless substantial. The important relationships developed and nurtured by Hezbollah with indigenous organized crime groups and insurgents to facilitate this criminal activity are equally important. These relationships provide the terrorist organization with additional operational possibilities that can be leveraged and exploited at any time – for any purpose.

Finally, Hezbollah has a very successful track record of trading drugs for information to glean important intelligence about Israel's military and intelligence services. Remarkably, Hezbollah has been most successful using this approach on personnel within the uniformed ranks of the Israeli military itself. Several Israeli military officers have succumbed to this scheme and it would be naïve for us to believe they are not using similar clandestine tradecraft in the Western Hemisphere to garner intelligence about our Nation's security apparatus and interests, or those of our trusted partners.

Summary

The recently unsealed 73-page civil complaint (amended) against the Lebanese Canadian Bank (et al.) that was filed by the US Attorney's Office for the Southern District of New York, dated October 26, 2012, is now available to the public and is a must-read. It should serve as an eye-opener and paints a very troubling picture of Hezbollah drug trafficking and other transnational criminal operations in the Western Hemisphere, Africa and Europe. The complaint ultimately led to the recent \$102 million dollar settlement against the Lebanese Canadian Bank, but is only one aspect of ongoing initiatives by the DEA that target the drug trafficking activities of the terrorist organization. Unfortunately, those responsible for producing the recent DOS Report on Iran's influence in the Western Hemisphere must have missed the opportunity to examine this public court document.

Sophisticated international terrorist organizations like Hezbollah do not issue identification cards, seldom wear uniforms and most often operate in the shadows while conducting their critically important and highly fluid transnational criminal operations to generate the revenue required to keep their movements alive. We will most likely never possess the ability to unequivocally and completely identify terrorist "cells," but that should never result in analytical products that would leave policy makers with the notion that no cells or operatives exist, or are not at work in regions of concern. Our Nation's intelligence analysts are under tremendous pressure to get their analysis and reporting right, because we hold them strictly, and often unfairly, accountable when they get it wrong. The only way to get beyond that is to encourage and build a federal intelligence and law enforcement workforce possessing a culture that demands calculated risk-taking.

It is extremely dangerous to view Hezbollah, Iran's most important proxy, as anything other than a terrorist organization that possesses a powerful international reach. The SDNY complaint clearly adds credibility to the belief by many experts that Hezbollah possesses the ability to serve Iran's first blows if tensions boil over between our countries. Hezbollah must be viewed in a different context: Hezbollah is Iran's fleet of aircraft carriers and they possess the ability to hit us virtually anywhere in the world, including right here at home.

I have witnessed Congress's growing concern over Hezbollah during the past two years. I have testified on the topic in four hearings during that period and I know there have been several more Congressional inquiries on the subject. Quite frankly – you get it. That should be an obvious signal to our Nation's federal security apparatus to start taking the Hezbollah threat seriously. Unfortunately, that does not appear to be the case and it will most likely take significant pressure on your part to push for meaningful action.

Ms. ROS-LEHTINEN. Mr. Farnsworth.

**STATEMENT OF MR. ERIC FARNSWORTH, VICE PRESIDENT,
COUNCIL OF THE AMERICAS AND AMERICAS SOCIETY**

Mr. FARNSWORTH. Thank you, Madam Chairman, and Mr. Chairman, and ranking members, also members of the subcommittees, for this opportunity. I join my colleagues in expressing appreciation, and I thank you for the opportunity to testify with them as well.

The State Department's recent report on Iran's presence in the Americas, as has already been mentioned, reminds us that Iranian interest in Latin America is of concern. Of course, we are dealing with imperfect information that is by its very nature shrouded, much of it classified or even unknown. What remains clear is this, however: Nations in the Americas that disrespect democratic principles tend also to be nations that offer aid and comfort to global actors who reject the norms of the international system.

The best example of course, is Cuba, as you, Madam Chairman, and others, Mr. Sires, have clearly mentioned over many years, and we have seen that again as highlighted by the discovery in July of missiles and other weapons parts going through the Panama Canal intended for North Korea.

It is also a fact that ungoverned regions within countries offer permissive environments for mischief making, and a weak inter-American system offers little in terms of the ability to counter-balance extralegal or threatening acts from outside the region.

Those countries where democracy is challenged, where the institutions of the state are ineffective, or where democratically elected leaders have curtailed sound democratic practices for their own purposes have proven to be the most likely portal through which unhelpful influences such as Iran are introduced into the region. Indeed, it was former Venezuelan President Hugo Chavez's intentional pursuit of Tehran and Tehran's simultaneous need for allies that brought the two nations closer together and encouraged Iran to develop deeper ties with Bolivia, Ecuador, and Nicaragua. Venezuela's aggressive efforts to midwife Iran's political and diplomatic entry into the Americas through reciprocal leaders' visits, trade and commercial agreements, including direct air links, and friendly votes in bodies such as the United Nations and the International Atomic Energy Agency have been polarizing and counterproductive.

The State Department report indicates that Iranian influence in Latin America and the Caribbean is waning. If so, in my view, that is largely due to the changing leadership matrix in the Americas, and potentially in Iran itself, in addition to the actions by the United States and its regional allies that the report describes. It is certainly possible that the death of Chavez will diminish Latin America's appetite for Iran. It is also possible that despite the benefits to Iran that have clearly accrued from deepened relations in the Americas, the inauguration of new leadership in Iran may also diminish that country's interest in the Americas; although support for Hezbollah activities, particularly in fundraising and money laundering, as we have heard, will certainly continue. This is something we need to watch carefully.

However, if the bilateral relationship has been institutionalized to the point that it outlasts both Chavez and the outgoing Mahmoud Ahmadinejad, and we have heard that it indeed is, it is also possible for the leaders, such as Venezuela's Nicolas Maduro, in attempting to build his own international profile and authority as Chavez's rightful heir, may seek to develop the relationship further. This should be anticipated and steps taken in advance to limit the success of any such initiative.

For the United States several actions are therefore appropriate in order to inoculate the hemisphere from further Iranian adventurism. First, we should continue to be watchful regarding Iranian influence in the Americas, while taking care not to act on incomplete information unnecessarily, or to take steps precipitously. Communication and coordination with our friends and allies in these matters, particularly law enforcement entities, is critical of course, as we work together to build an expected norm of responsible democratic behavior in the hemisphere. Sanctions against offending individuals and entities should continue to be employed.

Second, we should continue to emphasize the hemispheric growth agenda, including trade and investment expansion, and the rule of law, which will help build strong and expanding middle classes and reinforce just, transparent societies that are less prone to authoritarian manipulations from elected leaders of any ideology.

And finally, despite efforts to build democracy elsewhere around the world, the United States cannot be complacent about such matters closer to home. Democracy offers no guarantees, but we stand a much better chance of achieving our strategic goals in the hemisphere, including a peaceful, growing, vibrant region that works in tandem with us to address issues of common concern and rejects outside meddling, if democratic institutions in the Americas are strong.

That requires doing the difficult work of democracy promotion, building institutions including separation of powers and electoral systems where the legitimate opposition has equal chance of contesting elections as government candidates do. It requires civic education efforts that inculcate democratic expectations among populations in order to reject the creeping authoritarianism that some democratic leaders have shown. It requires the United States to find its voice through more active and effective diplomacy to promote regional democracy.

We need regional partners in this effort, but U.S. leadership will continue to be required. To the extent the United States is able to come alongside Latin America and the Caribbean to offer meaningful steps on a shared agenda, we will find that regional leaders may then reciprocate by becoming more actively engaged in support of U.S. priorities, one of which clearly must be to keep Iran and other malignant influences out of the Western Hemisphere.

So I want to thank you again, Madam Chairman, Mr. Chairman, Ranking Members, for the opportunity, and I look forward to your questions.

[The prepared statement of Mr. Farnsworth follows:]



**EXAMINING THE STATE DEPARTMENT'S REPORT ON IRANIAN
PRESENCE IN THE WESTERN HEMISPHERE
19 YEARS AFTER THE AMIA ATTACK**

HEARING BEFORE THE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA, AND
SUBCOMMITTEE ON THE WESTERN HEMISPHERE
U.S. HOUSE OF REPRESENTATIVES
AUGUST 1, 2013

ERIC FARNSWORTH
VICE PRESIDENT

*** As Prepared for Delivery ***

Good afternoon, Madam Chairman and Members of the Subcommittees. Thank you for the opportunity to testify on such a timely and important topic. This hearing today continues the outstanding efforts of both the full Committee and also the relevant Subcommittees to highlight the most pressing issues in hemispheric affairs, and I congratulate you for your leadership. I'm also pleased to share this witness table with others of such stature.

The State Department's recent report on Iran's presence in the Americas provides an excellent opportunity for us to assess the situation on the ground, what it means for the Western Hemisphere generally and for the United States specifically, and what we can do about it. It reminds us that Iranian interest in Latin America is of concern. We are dealing with imperfect information that by its very nature is shrouded, much of it classified or simply unknown. And we must also recognize that the situation is not static: leadership changes in Tehran and in Latin America over time will arguably impact Iranian activities and intentions in the region.

Strong Democracies Resist Global Rejectionists

What remains clear is this: nations that disrespect democratic principles in the Americas tend also to be nations that offer aid and comfort to global actors who reject the norms of the international system. The best example, of course, is Cuba, as highlighted again by the discovery in July of missile and other weapons parts going through the Panama Canal intended for North Korea.

It's also a fact that ungoverned regions within countries offer permissive environments for mischief-making. For example, the tri-border area of South America has long been seen as an area conducive to raising funds for terrorist activities in the Middle East, especially by Iran's Hezbollah proxy.

And a weak inter-American system offers little in terms of the ability to counterbalance extra-legal or threatening acts from outside the region. This is one reason why the efforts of some countries to weaken the Organization of American States even while building regional groups such as CELAC and UNASUR—groups that pointedly exclude both the United States and Canada—are not simply the benign exercises in regional self-governance that their supporters suggest.

The first priority of the hemisphere must therefore be to strengthen democracy and the institutions of democratic governance. This is not a theoretical, academic exercise. Building democracy is a fundamental national security interest of the United States, because healthy democracies in Latin America and the Caribbean make better partners to advance a common agenda while countering rejectionist approaches. In my view, the United States has largely moved on from democracy promotion in the Americas, even as we struggle with efforts to promote democracy elsewhere, such as Egypt.

But democracy requires constant nurturing, both in our own and other nations, if it is to remain healthy. From disputed and tilted elections that serially return leaders to office indefinitely, to actions that bring legislatures, courts, and central banks under the direct influence of the executive, to blatant attacks by governments on press freedoms, some nations in the Americas are actively walking away from the provisions of the Inter-American Democratic Charter that all except Cuba signed on September 11, 2001, and committed to implement.

Not coincidentally, it is those countries where democracy is challenged, where the institutions of the state are ineffective, or where democratically-elected leaders have curtailed democratic institutions for their own purposes that have proven, time and time again, to be the most likely portals through which unhelpful influences such as Iran are introduced into the region. Indeed, it was former Venezuelan President Hugo Chavez' intentional pursuit of Tehran and Tehran's simultaneous need for allies wherever they could be found that brought the two nations closer together and encouraged Iran to develop deeper ties as well with Bolivia, Ecuador, and Nicaragua in addition to Venezuela and Cuba. Nonetheless, it wasn't only Chavez or those nations aligned with him; the state visit of Brazil's former president Lula da Silva to Tehran in 2010 was unnecessary and did little more than bolster the Iranian regime politically. (Brazil's current president has reversed course and lowered the profile of the bilateral relationship with Iran.)

Each nation of the Americas is a sovereign, independent state and has the right to maintain relations with whomever they wish, subject to prevailing international law and practice. It is unfortunate, however, that any nation of the Americas would seek to intensify state-to-state relations with Iran, a regime that has been repeatedly identified as

a state sponsor of terror, which has been directly implicated in the only examples of extra-regional terrorist acts in the Americas other than 9/11, and which is in violation of numerous UN resolutions. In this regard, Venezuela's aggressive efforts to midwife Iran's entry into the Americas through reciprocal leaders' visits, trade and commercial agreements including direct air links, and friendly votes in bodies such as the UN and the International Atomic Energy Agency have been polarizing and counterproductive.

For Iran, however, the benefits of closer relations in the Americas have not been in doubt. At a relatively benign level, Iran is able to build commercial relations with other parts of the world, especially in agriculture. The regime is able to exchange information and technology, particularly on energy, and gain access to raw materials.

At another level, by developing close regional ties, Iran has been able to weaken international isolation and economic sanctions, particularly in finance and also energy. The regime is also able to build international coalitions in support of its domestic activities, including the potential development of a nuclear capability. Finally, by expanding its diplomatic representation, Iran has broadened its intelligence capabilities while outreaching, should it choose to do so, to non-state actors and affinity organizations which may be working to raise funds for certain activities in the Middle East or which may be building their own extra-legal capabilities in the Americas.

Leadership Change Impacts Iran's Regional Relations

The State Department report indicates that Iranian influence in Latin America and the Caribbean is waning. If so, in my view that is largely due to the changing leadership matrix in the Americas and potentially in Iran itself, in addition to the actions by the United States and its regional allies that the report describes. It's certainly possible that the death of Chavez will diminish Latin America's appetite for Iran. It's also possible that despite the benefits to Iran that have accrued from deepened relations in the Americas, the inauguration of newly-elected Iranian leader Hassan Rouhani may also diminish Iran's interest in the Americas, although support for Hezbollah's activities, particularly in fundraising and money laundering, will almost certainly continue. This is something to watch carefully.

Sometimes it's difficult to connect the dots accurately because we don't have a firm grasp on Iranian *intentions* in the Americas. What Iran could do in the region is not necessarily what the regime will do, or even wants to do. Often agendas are driven by personalities for their own self-interests. When personalities change, as we've seen in Brazil, circumstances may also change. The relationship between Chavez and Mahmoud Ahmadinejad was clearly one of mutual convenience targeted at the United States specifically and the Western world generally. The question that must now be asked is whether the high-level political relationship has been institutionalized to the point that it will outlast both leaders. If so, a leader such as Venezuela's Nicolas Maduro, in attempting to build his own international profile and authority as Chavez' rightful heir, may take further steps to build relations with Iran. This should be anticipated and steps taken in advance to limit the success of any such initiative.

What Steps Should the United States Consider?

For the United States, several actions are appropriate in order to inoculate the hemisphere from further Iranian adventurism. First, we should continue to be watchful regarding Iranian influence in the Americas, while taking care not to act on incomplete information unnecessarily or to take steps precipitously. Communication and close coordination with our friends and allies in these matters, particularly law enforcement entities, is critical, as we work together to build an expected norm of responsible democratic behavior in the hemisphere and work to de-legitimize actions that go against these norms. Sanctions against offending individuals and entities should continue to be considered and employed as appropriate.

Second, we should continue to emphasize the hemispheric growth agenda, including trade and investment expansion and the rule of law, which will help build strong and expanding middle classes and reinforce just, transparent societies that are less prone to authoritarian manipulations from elected leaders of any ideology or stripe. As well, a focus on the most economically underdeveloped regions may limit regional permissiveness to extra-legal actions from Iran and its proxies.

And finally, despite efforts to build democracy elsewhere around the world, the United States cannot be complacent about such matters closer to home. Democracy offers no guarantees, but we stand a much better chance of achieving our strategic goals in the hemisphere—including a peaceful, growing, vibrant region that works in tandem with us to address issues of common concern and rejects outside meddling—if democratic institutions in the Americas are strong. That requires doing the difficult work of democracy promotion, building institutions including separation of powers and electoral systems where the legitimate opposition has equal chance of contesting elections as government candidates. It requires civic education efforts that inculcate democratic expectations among populations in order to reject creeping authoritarianism by democratic means. It requires the United States to find its voice through more active and effective diplomacy to promote regional democracy.

We need regional partners in this effort, but US leadership will continue to be required. Most regional leaders essentially want what we want: jobs for their people and support for the growing middle class, and an opportunity to show that democracy can deliver a better life for its adherents. To the extent the United States is able to come alongside Latin America to offer meaningful steps on this shared agenda, we will find that regional leaders may well reciprocate by becoming more actively engaged in support of US priorities, one of which must clearly be to keep Iran and other malign influences out of the Western Hemisphere.

Thank you, again, Madam Chairman, for the opportunity to be with you today, and I look forward to your questions.

Ms. ROS-LEHTINEN. Thank you very much, gentlemen, and as a Cuban-born political refugee, I always say I never mind when I get interrupted by democracy at work. So with our deepest apologies, we have 1 minute and 47 seconds left to go vote, and if you could stick around and answer questions, we won't be back until about an hour and a half. Democracy is like making sausage: It is not pretty, and it is long. So if you can stick around, we would welcome you. If not, we will ask one of you who can stick around.

And with that—so I don't want to impose upon you because it will take a while; a series of votes and a motion to recommit. So with that, our subcommittee will be adjourned, and we hope to hear also from Mr. Deutch's opening statement when we return.

Mr. DEUTCH. Great.

Ms. ROS-LEHTINEN. All right. See you later. Hasta luego.

[Recess.]

Ms. ROS-LEHTINEN. The committee will once again resume. We have Mr. Meeks, and thank you, sir; and Chairman Salmon. So I will begin with my question.

In the memo that we prepared for the members, it says here, Iran has 11 Embassies in the Latin America and Caribbean region, and you have all mentioned that. Since 2005, it has opened Embassies in Bolivia, Chile, Colombia, Ecuador, Nicaragua, and Uruguay. This was in addition to existing Iranian Embassies in Argentina, Brazil, Cuba, Mexico, and Venezuela. Former SOUTHCOM Commander General Douglas Fraser testified to Congress in March 2012 that Iran has 36 Shi'a cultural centers in 17 countries throughout Latin America.

I think if more people in the United States knew this, they would be shocked, because usually Embassies are there to process visas for folks who want to travel, along with many other things. Some have called our Embassies "islands of democracy," so I like that. Certainly that term cannot be applied to Iranian Embassies, and I can't imagine that there are many Latin American citizens who in and of themselves would have decided, hey, I know where we should vacation. Let us take the kids and go to Iran.

So one has to wonder, what are these 11 Embassies in Latin America and the Caribbean region doing, and what are these 36 Shi'a cultural centers in 17 countries throughout Latin America doing? How good is our information on this? How many people are in these Embassies or cultural centers, because certainly they have got to be dens of plotting anti-American activities, anti-Semitic acts. And I wanted to ask our esteemed witnesses what your thoughts are about the Shi'a cultural centers sponsored by Iran and about the 11 Embassies in Latin America and the Caribbean.

We will start with Dr. Levitt.

Mr. LEVITT. Thank you so much.

The most honest and accurate answer to your question is we don't know, certainly in the open source, and my sense is that there is an intel gap, too, as to exactly how many people and exactly what are they up to. But there is precedent, and the precedent, while not necessarily giving enough detail to answer for today, is telling.

Again, if we go back to AMIA, we have detailed documentation of Iranian front companies, Iranian use of Iranian-built and -fund-

ed mosques, of the cultural centers, of import-export companies, travel offices, all of which were put to use for either operational logistical purposes or for espionage. Rabbani, for example, recruited a whole bunch of people in Argentina from within the Shi'a community. Others were Iranians who were employed at the Embassy under diplomatic cover. He himself got diplomatic cover just weeks before the bombing. And some of these people were referred to by members of the community as his, that is to say Iran's, antennas, because it was well known that this is what they were doing.

The real question for me also is not just the number, but in certain locations. I have been told that in certain locations there is very large Embassies completely out of proportion to Iran's business or other interests in the country, in some very small countries, and that is something that we need to be concerned about.

So some of the suggestions I have offered to Congress before on this is, you know, Iranians are allowed into this country because of their diplomatic presence in New York, but their travel is severely limited. What they can do is severely limited. And we should be pressing our allies in South America to do the same. You don't necessarily have to shut down the Iranian diplomatic missions, but you do need to keep them to a certain size. We should convince them to limit their travel, limit the kind of meetings they can hold, because clearly there is stuff happening out of these facilities that goes above and beyond what would be considered normal diplomatic activity.

Ms. ROS-LEHTINEN. Thank you very much.

Mr. Braun.

Mr. BRAUN. Thank you, ma'am.

You know, what is going on, as Matt said, you know, we don't really know. What concerns me most, though, is the Embassies, the cultural centers all provide cover, top cover, for the growing presence of the Quds Force, the IRGC Special Forces that are responsible for foreign operations, clandestine operations, which include assassinations. We talked about that earlier with the recent attempt on the Saudi Ambassador to the U.S., his life, here in Washington, DC.

What also worries me, and, you know, I lose sleep over this, is this concurrent growing presence of not just Quds Force, but, again, concurrently of Hezbollah all over Latin America, the Caribbean, and in some other parts of the world. You know, what exactly it means, I am not sure, but after 38 years in this business, it is not good. And, you know, I learned over many years to rely on my sixth sense, and my sixth sense again says, you know, this is potentially, you know, a disaster that is looming over our head, and we better get serious about addressing it.

Ms. ROS-LEHTINEN. So you see a military tinge to this?

Mr. BRAUN. Absolutely.

Ms. ROS-LEHTINEN. Thank you.

Mr. Farnsworth.

Mr. FARNSWORTH. Well, just very briefly, it is curious that this increase in activity, increase in personnel, increase in connection, if you want to put it that way, has been fairly recent. I mean, Iran's relations in the Western Hemisphere actually go back quite a ways because of agricultural links and energy links and all that,

but what currently exists seems to far outweigh certainly the traditional relations that Iran has had in the region, and they do seem to have tracked with a certain political emphasis that the Iranians have had in the Western Hemisphere, largely, again, in my view, brought into the region in that way through the Chavez regime in Venezuela.

Ms. ROS-LEHTINEN. Thank you very much, gentlemen.

Mr. Meeks?

Mr. MEEKS. Thank you, Madam Chair.

Let me just ask, just out of curiosity, it seems as though—and I know Mr. Farnsworth has said that they had this agricultural, et cetera, but it seems like that Iran's activities in the Western Hemisphere really grew in 2005 with the election of Ahmadinejad. And is it likely that Iran's strategic objectives in the Western Hemisphere—I am just throwing this out—will change, or do you think it will be the same under this President Rouhani, which happens to, you know—and what happens to the relationship that Ahmadinejad may have fostered? Do you think that is going to change? Does it have anything to do with Ahmadinejad, or do you think that, you know, the same kind of thing is going to continue?

Mr. LEVITT. First of all, while they might have increased under Ahmadinejad, the relationships go back to the 1980s, and especially agricultural issues, importing beef and chicken. And, in fact, when the Government of Argentina in the 1990s cancelled a nuclear agreement with Iran because of concerns that Iran's nuclear program might not be peaceful—sounds familiar—Iran threatened to cut off all of this significant economic contact.

But I worry that people have too much hope for this new President Mr. Rouhani. He is considered a moderate, but I include in my written testimony some declassified intelligence over the past years on the CIA's assessment of past Iranian Presidents who were considered moderate, Rafsanjani and Khatami in particular, and they are noting at the time that while these people were moderate in some ways, their support for the nuclear program and their support for terrorism waned not one bit. And indeed, if there were a President who might be inclined to tamper down support for terrorism, which doesn't seem to be the case, but if there were such a President, the President would not have the authority to do it, only the Supreme Leader would.

Mr. MEEKS. One of the reasons why I asked the question, because I think you are right in that regard, but there was a relationship prior to Hugo Chavez, and I am nervous, and as well as the fact that, you know, when you look at Ahmadinejad, there was a lot of false promises he made to individuals there; for example, the billion dollars that he promised to Daniel Ortega that Daniel Ortega never got, you know. And I think one of you testified to the fact that there is new leadership that is being elected in Central and South America, and the new leadership will look at some of those issues, I think, also, and could that cause them to look at differing the ties, those that even may have ties now, with Iran. What do you think? Give me your thoughts on that, Mr. Farnsworth.

Mr. FARNSWORTH. Well, thank you very much, and thank you for your continued leadership, Mr. Meeks, on Western Hemisphere issues as well.

I think that is something that we are watching very carefully. What we saw is really interesting. For example, in Brazil, when the previous President Lula da Silva was in power, you saw a state visit of the Brazilian leader to Tehran in 2010. You saw some outreach that was certainly uncomfortable for the United States and other Western countries, if not counterproductive. But since the election of Dilma Rousseff a couple of years ago, she has changed Brazil's posture with reference to Iran. She has actually spoken out against the Iranian regime. And I think that is the type of thing we have to take seriously in terms of the Western Hemisphere.

There are political changes under way. We don't know where Nicolas Maduro is going to take Venezuela, but he has a lot of very difficult domestic political issues he has to resolve right now, and I think we can assume that at least in the near term he is not going to strike the same international posture with Iran that Hugo Chavez did because he has got a lot of political difficulties at home he has got to deal with to solidify his own base.

In my view, again, the reason why Iran took advantage, and I do put it that way on purpose, of the Venezuelan invitation into the Western Hemisphere to really bolster their presence was they saw a target of opportunity, and for his own purposes Hugo Chavez really wanted to portray himself and build himself as the anti-imperialist, anti-American, anti-Western country, and in order to do that, he had to make common cause with some real rejectionist powers around the world, and so he actively pursued the Iranians. They saw a target of opportunity. They went in, they have moved aggressively.

Now we have got a leadership change in Caracas. We don't know what is going to happen, but we do have to watch it carefully, and I think we can look at similar changes that may be under way with other elections in the region. That is one reason why I think it is so important that as a hemisphere community we continue to focus on democracy development, and one of those aspects—

Mr. MEEKS. With that, because I have a limited amount of time, democracy development, is there a role for the OAS in this, in trying to help and work together?

Mr. FARNSWORTH. Absolutely. And I think one of the—what happens when leaders, even if they are serially reelected, if they remain in power for year after year after year, that can deepen actually those relations with Iran that a new President may not, in fact, find in his or her interests. And so that change at the top through democratic processes, I think, is, first of all, on its face an important aspect of democracy, but in the concept of national security, that also has important dividends to pay. And I think from that perspective absolutely the OAS has to be a part of that, and that is why I would like to see a more robust posture of the OAS toward things like election monitoring, and democracy development.

And you have mentioned a couple countries; I would mention similar ones. But we are approaching now another round of elections in the Western Hemisphere in many countries. This year and next year it is going to be really important that democracy and the electoral process remains clean, open and transparent, and that the

opposition has a legitimate chance to actually contest for those elections.

Ms. ROS-LEHTINEN. Thank you, Mr. Meeks.

I think the OAS is there to make the Senate look like an active body, but we shall see.

My friend, my colleague Chairman Salmon is recognized.

Mr. SALMON. Thank you very much, Madam Chairman.

Okay. So the statutorily required report that State Department recently rendered says that the influence of Iran is waning in the Western Hemisphere. As I listened to the testimony given today, I sure don't sense that you echo that sentiment that it is waning.

And so my first question would be—and I am calling for speculation, okay? So you can't say, I can't speculate. I want you to speculate. Why the report that kind of glosses over everything, why do you believe—what could be the motivation, or was it just that they looked at the wrong criteria? Anybody care to take it on?

Mr. LEVITT. My colleagues will be happy to throw me under the bus and let me go first.

I asked the same question you did, and I asked a lot of people around town, and I am convinced that this is an unexcusable classic example of left hand-right hand. My understanding is that the people who wrote this report did not in a timely manner consult with people who would have the information. Those people, both within the Department and elsewhere, are quite upset that they were not properly consulted. It is my understanding that the State Department as such, the building, does not agree with everything in this report. There are parts of the building that are quite upset with it. And those agencies and departments who have information that might have been able to be used in this report, I think, are quite annoyed.

I haven't—I no longer have my clearances, I didn't see the classified version, but the unclassified version appears to have been written by an intern.

Mr. SALMON. By an intern?

Mr. LEVITT. By an intern.

Mr. SALMON. I hope it is an A student intern.

Mr. LEVITT. Well, I wouldn't have given it an A.

Mr. SALMON. An incomplete?

Mr. LEVITT. I don't think it is complete. And even the report itself indicates that some of the key points, the conclusion, if you will, that Iran's activities are waning was itself put in the unclassified version at the very top under a section labeled "Assumptions."

Mr. SALMON. Thank you.

Anybody else? I don't want to get you in any trouble, but I really am interested.

Mr. BRAUN. Listen, I don't think you are going to get any of us in trouble, but I would echo what Matt said. I think that the report obviously was written in a vacuum. I don't think that the authors physically met with probably some of the most important players in town who aren't going to typically—and I spent 33 years in government, so I have got a sense for how this stuff works.

You know, a lot of this can't be answered, you know, in open emails and that kind of thing. You ultimately have to reduce them

to classified reporting to respond to—you know, to the questions or the inquiries that are coming in. So—

Mr. SALMON. Kind of like garbage in, garbage out?

Mr. BRAUN. Well, there you go, left hand-right hand.

Mr. SALMON. Right.

Mr. BRAUN. You know, another analogy.

You know, I think it was poorly put together, I think it was done so, just the unclassified piece of it. I have still got my clearances, but I don't have a direct need to know, so I did not read the classified side of this either.

You know, suffice it to say I think it was poorly written by unseasoned probably analysts that contributed, and I would sense that there wasn't strong leadership involved as well, and, again, I base that not on direct knowledge, it is very much speculation, but that is based on 33 years in government.

Mr. SALMON. And that is what I asked for.

Did you care to make a comment?

Mr. FARNSWORTH. No.

Mr. SALMON. Okay. I have one other question. Given the many other ways in which Argentina is emulating Venezuela's behavior, including its crackdown on the independent press, on the judiciary; its uncompensated nationalization of private assets; its defiance of U.S. and international legal judgment; its warming relations with other rogue nations, how far do you think Argentina is willing to go to work with Venezuela to continue increasing Iran's ability to evade sanctions?

Mr. BRAUN. Well, I think the question should be not only Argentina, but how far is Ecuador going, how far is Bolivia going, how far is Paraguay going? And, in my mind, I think you can take this back to, you know, pre—even pre-9/11, the pre-9/11 era when we packed up SOUTHCOM and moved from theater. You know, we moved SOUTHCOM to Miami. And Miami is a wonderful place. Miami is a wonderful place, and just recently visited again, but, you know, we don't have—and then couple that, Mr. Salmon, with the fact that post-9/11 well over 60 percent of our military's detection and monitoring assets packed up and moved to other parts of the world, and they have never returned. And you had a diminished or, I should say, a decreased level of Federal law enforcement presence in theater, and our intelligence services because they also went to other parts of the world, and look at what has happened.

I mean, should this be any surprise to anyone? I think not. But it is something that I believe we can turn around. I don't think it would cost us an enormous amount of money to do. But I will tell you, we better get focused on this at some very high levels before it bites us in the posterior.

Mr. SALMON. I have run out of time. I will yield back.

Ms. ROS-LEHTINEN. Thank you very much. Excellent questions.

Mr. Deutch is recognized.

Mr. DEUTCH. Thank you, Madam Chairman. And, Madam Chairman, if it is okay, I would like to ask unanimous consent to enter my opening remarks into the record.

Ms. ROS-LEHTINEN. Without objection.

Mr. DEUTCH. Thank you to the witnesses for coming and staying.

One of my concerns about Iran's role in the region is that it is increasingly attempting to use the relationships there as a mechanism for circumventing sanctions. And I am increasingly concerned about Ecuador, which I don't think we have had a chance to discuss yet today. Not only has Ecuadorean President Rafael Correa repeatedly reaffirmed his support for Iran, but Ecuador and Iran have attempted to establish illicit banking channels, and, perhaps most importantly, Ecuador's currency is the dollar. So our Iran sanctions regime has gone to great lengths to ensure that Iran does not have access to the dollar, but essentially any trade with Ecuador has the potential to undermine that. Therefore, given that we know that Iran often fails to follow through on their public promises, how significant is their bilateral trade, number one? What impacts could that have on our sanctions regime? And what should the U.S. be doing now to stop that? I would throw that out to any of you that would like to answer.

Mr. FARNSWORTH. Well, thank you for the question, Mr. Deutch, and let me simply say if I can that I think this has been one of the most troubling aspects of Iran's entry into the Western Hemisphere, if you want to put it that way, the ability or the effort to evade international sanctions, no question about it. I would point to some of the financial issues that you did. I would point to the offers of gasoline from Venezuela that should clearly be in violation of international sanctions against Iran. And more importantly even than that, in my view, is the political imprimatur that relations with some of the countries in Latin America has given the Iranian regime as a legitimate global player.

And this is a real problem when you are trying to create an international regime in a political science sense or an international institution of sanctions against a certain country to have other countries that willfully go out of their way to try to create avenues to break those sanctions. And I think some of the things you pointed to, we have seen reports of financial relations with Ecuador, and we have seen certainly some sanctions that the U.S. Government has taken against financial entities in Ecuador as well.

I think those have to be watched very, very carefully. I haven't seen the classified information around some of those activities, but I would suggest that the ability to circumvent some of the international sanctions by Iran certainly is one of the most troubling aspects of this whole scenario.

Mr. DEUTCH. And before seeking your input, gentlemen, just to follow up a bit, in 2008, the Central Bank of Ecuador agreed to accept \$120 million in deposits from the Export Development Bank of Iran, which Treasury sanctioned for advancing Iran's WMD programs. In 2012, another state-owned Ecuadorean bank opened corresponding accounts with sanctioned Iranian banking institutions through a state-owned Russian bank. There have also been discussions of clandestine selling of the Ecuadorean bank to sanctioned Iranian banks.

Obviously, this is all incredibly disconcerting, but the question is whether this type of behavior is a trend that we should anticipate. Iran trying to move into the region and what we have seen here in Ecuador, should we expect that they are going to try to replicate that throughout the region?

Mr. LEVITT. Yes, in a nutshell. Ecuador may be unique because of the nature of the regime's interest in sticking its finger in Washington's eye and because it is based on the dollar, but we should expect to see more of this.

The good news is that we actually have a whole lot of tools at our disposal for trying to deal with such behavior up to and including 311 action, and 311 action can be used, by the way, not only against a bank, as it has been used in the past. It can be used against a jurisdiction, it can be used against a country, it can be used against a part of a country, it can be used almost against any type of entity you can imagine. There are lots of ways, and before you use it, of course, it is diplomatic leverage to say you are considering such use. That would be devastating for the country in question, and so there are lots of ways to go about trying to convince them to change their behavior.

Mr. DEUTCH. Mr. Braun?

Mr. BRAUN. You know, I would, I think, a bit more forcefully just add to what I said earlier. I mean, what is happening in Ecuador is not uncommon. You know, we are seeing it play out through not only all of Latin America or much of Latin America, but we are also seeing it play out in West Africa, North Africa, and throughout Europe now.

I don't want to—you know, listen, I am the former Federal narcotics guy on this panel, and I don't want to oversimplify it, but, sir, you missed a little bit earlier my opening comments. The Hezbollah is now responsible for generating hundreds of millions of dollars of revenue, contraband revenue, each year because of their expanding and growing involvement in the global cocaine trade, and all of the places that I have just discussed, not strangely it is pretty evident in my eyes after 33 years in this business it lines up perfectly. And, you know, when you factor in some other things, you know, that I have mentioned here, you know, the concurrent growing expansion of Quds Force and Hezbollah—let us never forget that it was the Quds that stood them up. They came up with the concept, they stood them up, they developed them, they have nurtured them over many, many years, and many experts now believe that it is the Quds that actually manage and direct some of the Hezbollah's more sophisticated activities around the globe.

You know, it is all part and parcel of this growing confluence between the international drug trade and other transnational criminal activity and terrorist organizations. The President himself has remarked about this on several occasions recently, you know, that he and the White House have seen this growing confluence, and, you know, we have to do a better job at, again, driving a wedge between these very powerful forces as they come together.

We are drifting further apart, the good guys, quite frankly, in this town. You have got counternarcotics strategies, you have got counterterrorism strategies, and the two are not interlocking. The funding streams are absolutely separated; there are no singular funding streams. We have got to have interlocking strategies. We have got to have singular funding streams. As they grow closer together, we are drifting further apart. It needs to get turned around.

Mr. DEUTCH. Thank you, Madam Chairman.

Ms. ROS-LEHTINEN. Thank you, Mr. Deutch.

And I am so pleased to turn to Mr. Duncan, who, as we had pointed out, was the author of the bill that called for this report.
Mr. Duncan.

Mr. DUNCAN. Thank you, Madam Chairman.

Isaiah 5:20: What are those who call evil good and good evil, who put darkness for light and light for darkness, who put bitter for sweet and sweet for bitter?

I believe the State Department failed in its mission given to them by a bipartisan effort of Congress, signed into law by President Obama. I believe there was a preconceived or a predetermined conclusion, and that justified the methods in their report.

So I have got a few questions, and bear with me, and I will start with Mr. Braun.

Hezbollah was primarily formed in what country? Michael?

Mr. BRAUN. Well, Lebanon, but, you know, suffice it to say that it was Iran that was managing the—I am sorry. You know, Iran, but—

Mr. DUNCAN. Primarily Lebanon.

Mr. BRAUN. Yeah, Lebanon, but suffice it to say that it was Iran that managed and directed every bit of that through the Quds Force, the special—you know, the Iran special forces, the elite folks that are responsible for global clandestine operations.

Mr. DUNCAN. It is an Iranian proxy primarily formed in Lebanon back in the late 1970s, early 1980s, and has been active ever since.

So the triborder region, primarily a hub for activity of what non-foreign terrorist organization?

Mr. BRAUN. You have had a long-standing interest on the part of Hezbollah, Hamas, and al Qaeda and others in the triborder area, the Western Hemisphere's usual suspects, the FARC, the Sendero, and others. But, you know, Hezbollah and al Qaeda and Hamas have been at work in the triborder area not for years, but they have been down there for decades.

Mr. DUNCAN. Okay. AMIA bombings, the plan and the op was hatched and carried out from where? Dr. Levitt?

Mr. LEVITT. Lebanon, Iran, and then in Argentina, the triborder area.

Mr. DUNCAN. Triborder area, okay.

When I met with the Paraguayans in the triborder region, they showed and shared with us the Hezbollah activity and as well as the Lebanese travel documents that allowed Lebanese individuals to come into the triborder region and change out, or forge, or change their identity and actually travel throughout the South American region, okay?

Dr. Levitt, you mentioned in a statement on July 9th, a Homeland Security hearing that you couldn't attend because you were in Europe convincing the European Parliament to do the right thing and name Hezbollah as a foreign terrorist organization, which thankfully they have done in the last 2 weeks. I am going to enter, without objection, his testimony to the Homeland Security Committee written July 9th.

Ms. ROS-LEHTINEN. Without objection, subject to the length limitation in the rules.

[The information referred to is not reprinted here but is available in committee records on the Internet at: <http://>

www.washingtoninstitute.org/uploads/Documents/testimony/LevittTestimony20130709-House.pdf]

Mr. DUNCAN. Thank you, Madam Chairman.

On page 8, Dr. Levitt, you say that—you mentioned the Hezbollah activity in Latin America, and you specifically reference in at least one instance a highly trained Hezbollah operative, Mahmaoud—I pronounced that wrong—Youssef Kourani succeeded in sneaking across the border into the U.S. through Mexico in the trunk of a car. Kourani paid the owner of a Lebanese cafe in Tijuana \$4,000 to smuggle him across the border in February 2001. The cafe owner—and I am not going to pronounce his name—admitted to assisting more than 300 Lebanese sneak into the U.S. in similar fashion over a 3-year period; is that correct?

Mr. LEVITT. Yes, sir.

Mr. DUNCAN. Okay. So we know or we believe that there are Iranian Government officials in the U.S. right now. Some of them are spies for Iran's Ministry of Intelligence Security, or MOIS. Others may be members of the Iranian Islamic Revolutionary Guard, IRGC, or Quds Force. Indeed IRGC members assigned to the Iranian mission at the United Nations in New York have repeatedly been expelled from this country for conducting preoperational surveillance of potential terror targets.

So in light of what the State Department did or did not say in their assessment that the Iranian threat in the Western Hemisphere is waning, what action are you to believe that State should take to mitigate this threat? And I ask that to Dr. Levitt and to Mr. Braun.

Mr. LEVITT. There are lots of different things that can and should be done. The first is I think there is a need for a scrub of the next report that delves into these issues a lot more carefully.

But there are lots of other things that can be done, and we should be trying to come at this through multiple different angles. In the current report the State Department stressed its success at leveraging diplomatic relationships, and that is not to be scoffed at. There is a lot that can be done by working with allies to make this region less hospitable to groups like the Quds Force or Hezbollah.

Mr. DUNCAN. Let me ask you this: Did it surprise you that the State Department didn't even talk to any of the allies in this region?

Mr. LEVITT. It did. It did. It should not just be a diplomatic effort, though. Mike can tell you better than I, there is so much that can be done at the law enforcement level in terms of cooperation on counternarcotics or other things. And I will give you a tangible example that gets back to the AMIA case that we have centered this testimony around.

After the 1992 bombing of the Israeli Embassy from Buenos Aires, nothing was done all that serious, and then less than 2 years later the AMIA Jewish Community Center was bombed as well. One of the things that the U.S. Government—and some of the leadership here was from State Counterterrorism at the time—took it upon itself to lead through law enforcement and intelligence channels something that became known as Operation Double Tap. Operation Double Tap didn't involve the T word, "terrorism," and it didn't involve the H word, "Hezbollah." It just involved us working

with our allies, their intelligence and law enforcement services with ours, to identify bad actors—almost every single one of them is also involved in all kinds of criminal activity, whether it is in the triborder, as you said, or elsewhere, the human smuggling cases cited or many, many others—and simply Al Capone-ing them and trying them for tax evasion, for example, or other things, and it was very successful. It was disruptive to their activities, and in some cases we actually saw people from South America leaving the region, even if they weren't themselves targeted, but because the pressure was getting too hot, and going elsewhere; for example, to Africa.

So there is lots of different tools in our toolbox, and I can't tell you what we are or are not doing, because that is classified; and it is not that I know and can't tell you, I don't know anymore. But this report doesn't suggest to me to reflect the reality as I understand it.

Mr. DUNCAN. Mr. Braun?

Mr. BRAUN. Mr. Duncan, I mean, you have heard me say this before. I think first and foremost the most important thing we have got to do is, again, demand interlocking counternarcotics/transnational criminal activity strategies with counterterrorism strategies. You have got departments and you have got agencies in this town that are attempting to address both threats, and they are not even talking internally, much less externally.

There are strategies that are developed and have been developed routinely over the past few years; as an example focused on Latin America, a counternarcotics strategy for Latin America that doesn't even mention the word "terrorism" anywhere. The Revolutionary Armed Forces of Colombia, for God's sakes. The case study has been around since 1964.

There are state sponsorship. The Soviet Union, or the old Soviet Union, comes apart at the seams, that funding stream dries up almost overnight. And what they had been fundamentally opposed to, diabolically opposed to, and that was getting involved in the cocaine trade, literally they made a decision unanimously, the FARC Executive Secretariat, with less than 5 minutes of discussion in the early 1990s, that they were making a monumental change. It was the only way they were going to keep their movement alive.

And as we continue to successfully prosecute the global war on terror—that may not be politically correct these days—but as we continue to press hard on the global war on terror, you are going to see more and more of these groups that are left with no choice. They have got to and they will inevitably turn to transnational criminal activity, organized crime, to keep their movements alive. That is what Hezbollah is doing, Hamas, Abu Sayyaf. You know, you can go right down the line. Well over 70, 75 percent of all of the designated foreign terrorist organizations are now involved in this activity, and we are not doing enough to turn it around.

A couple other things real quick. We have got to break our obsession with developing strategies to defend the 1-yard line, meaning our southwest border and our northern border. We can't take our eyes off of them, but we need to get more resources downrange, like I talked about earlier, so that we can counter these threats when they are 1,000 miles out, rather than when they are on our border,

or, God forbid, we have already talked about this, inside our border. The threat is already inside of our border. Let us, you know, gate it off, let us fence it off as best we can and get a handle on this situation.

And then finally, and this is extremely important, we have really got to revitalize a focus on the traditional threats. If our Federal law enforcement, and State and local counterparts, and our foreign counterparts, as Matt was saying, you know, got refocused on drugs, guns, money, humans, counterfeiting, extremely important, countercorruption, those kinds of things take our law enforcement headlong straight in to terrorist operatives and the organizations that they represent. And we have seen that play out time and time again with the DEA investigations over the past few years that I have talked about and that Matt has talked about many times, and certainly that you all know about. Thank you.

Mr. DUNCAN. Thank you for that.

The chairwoman has been very gracious with the time, but I will remind the committee of Isaiah 5:20. We have got to be able to talk about the enemy of this country and this war on terror.

Thank you, Madam Chairman. I yield back.

Ms. ROS-LEHTINEN. Amen.

Gentlemen, I want to thank you for your patience. You have been incredible witnesses. Not only was your testimony just so on point, but you were gracious enough to wait for us to do the people's business, and for that we thank you. And I have every confidence that with the leadership of Matt Salmon and Albio Sires, we will finally get the State Department to come and testify in an open setting on the issue of Iran's influence in the Western Hemisphere. May it be thus.

Mr. Deutch and I say muchas gracias, thank you so much. It was a pleasure. And with that the subcommittee is adjourned.

[Whereupon, at 5:02 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

JOINT SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on the Middle East and North Africa
Ileana Ros-Lehtinen (R-FL), Chairman

Subcommittee on the Western Hemisphere
Matt Salmon (R-AZ), Chairman

July 29, 2013

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held jointly by the Subcommittee on the Middle East and North Africa and the Subcommittee on the Western Hemisphere in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at www.foreignaffairs.house.gov):

DATE: Thursday, August 1, 2013

TIME: 2:00 p.m.

SUBJECT: Examining the State Department's Report on Iranian Presence in the Western Hemisphere
19 Years After AMIA Attack

WITNESSES: Matthew Levitt, Ph.D.
Director and Senior Fellow
Stein Program on Counterterrorism and Intelligence
The Washington Institute for Near East Policy

Mr. Michael A. Braun
Co-Founder and Managing Partner
Spectre Group International, LLC
(Former Chief of Operations, Drug Enforcement Administration)

Mr. Eric Farnsworth
Vice President
Council of the Americas and Americas Society

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the



COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON the Middle East and North Africa HEARING

Day Thursday Date 08/01/13 Room 2172

Starting Time 2:00 p.m. Ending Time 5:02 p.m.

Recesses 1 (2:50 to 4:20) (to) (to) (to) (to) (to)

Presiding Member(s)

Chairman Heana Ros-Lehtinen

Check all of the following that apply:

Open Session

Executive (closed) Session

Televised

Electronically Recorded (taped)

Stenographic Record

TITLE OF HEARING:

Examining the State Department's Report on Iranian Presence in the Western Hemisphere 19 Years After AMLA Attack

SUBCOMMITTEE MEMBERS PRESENT:

(See attendance sheet)

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

N/A

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

QFR - Rep. Luke Messer

SFR - Rep. Jeff Duncan - Letter to Secretary Kerry

SFR - Rep. Jeff Duncan - Dr. Matthew Levitt's hearing testimony

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 5:02 p.m.


Subcommittee Staff Director

Joint Hearing Attendance

Hearing Title: Examining the State Department's Report on Iranian Presence in the Western Hemisphere 19 Years After AMIA Attack

Date: 08/01/2013

Noncommittee Members

Member	Present
Ros-Lehtinen, Ileana (FL)	X
Chabot, Steve (OH)	X
Wilson, Joe (SC)	
Kinzinger, Adam (IL)	
Cotton, Tom (AR)	
Weber, Randy (TX)	
Desantis, Ron (FL)	
Radel, Trey (FL)	
Collins, Doug (GA)	
Meadows, Mark (NC)	
Yoho, Ted (FL)	
Messer, Luke (IN)	
Smith, Chris (NJ)	X
Salmon, Matt (AZ)	X
Duncan, Jeff (SC)	X

Member	Present
Deutch, Ted (FL)	X
Connolly, Gerald (VA)	
Higgins, Brian (NY)	
Cicilline, David (RI)	
Grayson, Alan (FL)	
Vargas, Juan (CA)	X
Schneider, Bradley (IL)	X
Kennedy, Joseph (MA)	
Meng, Grace (NY)	X
Frankel, Lois (FL)	
Sires, Albio (NJ)	X
Meeke, Gregory (NY)	X

Question for the Record
Submitted by the Honorable Luke Messer
To Mr. Eric Farnsworth

Question 1:

Given the many other ways in which Argentina is emulating Venezuela's behavior, including its crackdown on the independent press and the judiciary, and its warming relations with other rogue nations, how far do you think Argentina is willing to go to work with Venezuela to continue increasing Iran's ability to evade sanctions?

As Congress has recently made clear, the continued application of biting sanctions offers the best hope for the international community to forestall Iran's ability to develop a nuclear weapons program or to promote terrorist activities through its Hezbollah proxy or other means. With that in mind, I am not aware of any evidence indicating that Argentina has plans to work with Venezuela in an effort to help Iran evade sanctions.