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Iran's Dark Past Foreshadows an Even Darker Future

Chairwoman Ros-Lehtinen, Chairman Poe, Ranking Members Deutch and Sherman, and the distinguished members of the House Committee on Foreign Affairs: Thank you for inviting me to testify at today's important hearing on Iran.

I have had the pleasure of working with many of you, and I understand your deep commitment to shaping and influencing American foreign policy. I appreciate your bipartisan efforts to achieve that end.

As talks between the P+5 nations and Iran over its nuclear program continue, we need to examine Iran's past and present, and determine how that will foreshadow its future.

We are all well-aware of the threats and actions of the Islamic Republic over the past 30 years – including its failure to pay what is now \$18 billion in judgments against it – which I will discuss later in my testimony. However, it is the future and evolving threat about which we must be most concerned. My intelligence background tells me that we need to be anticipating potential developments and asking the tough questions about where Iran may be heading. We know the past. How does that inform the future?

What are the potential dramatic developments that could transform the threat from Iran, and its proxy Hizballah? There are at least three areas that I believe will significantly magnify the threat that the United States will face from Iran. These go well beyond Iran's commitment to continue to use conventional terrorist tools, expand its sphere of influence, and develop its ballistic missile and nuclear program. Transformational areas include:

- An increasing sophistication of Iran's cyber program and capability to conduct cyber warfare.
- A strengthening of the relationship between Iran and Russia.
- The possibility of more collaboration between Iran, Hizballah, Hamas, Al Qaeda, and the Muslim Brotherhood, as well as other Islamist groups.

The developments in these areas will profoundly impact America's security moving forward. Please allow me to discuss each of these in more detail.

Cyber Threat

First, cyber space is the new battlefield, and it is an especially difficult environment. It is hard to detect. It is difficult to identify attackers. It can do significant damage. It can reach globally and cross borders effortlessly. Press reports indicate that it has been used by Iran's enemies to disrupt its nuclear program.

The United States has established a Cyber Command headed by Gen. Keith Alexander. In recent congressional testimony he discussed a potential attack "that galvanizes some of these

Islamic fundamentalists into a true fighting force...we don't have the proper footing...to stop that." He went on to state that regardless of the work at cyber command, "I worry that we might not be ready in time."

The Iranian regime is fully aware of our vulnerabilities, and it reportedly has grand ambitions for its cyber warfare capabilities. Only a few years ago most experts rated Iran at tier two or tier three cyber capabilities. Today many are surprised and believe that Iran has dramatically closed the gap and ranks closely behind tier one cyber powers such as the U.S., Russia, China, and Israel. They are not only surprised, but they wonder how Iran could have made up that much ground so quickly.

In March 2012, Ayatollah Ali Khomeini, the Supreme Leader of Iran, announced the creation a new Supreme Council of Cyberspace to oversee the defense of the Islamic Republic's computer networks and develop new avenues to infiltrate or attack the computer networks of its enemies, according to reporting by Shane Harris in Foreign Policy.

As with many of its capabilities, Iran is not afraid to use them once they have them. Iran has infiltrated U.S. financial institutions through a computer network at the University of Michigan, and last year it hacked into an unclassified computer network used by the Navy. It also claims to have used cyber capabilities to take control of a U.S. drone and capture it.

Furthermore, an Iranian military official recently said that the Armed Forces are equipped with the most advanced information technologies and should be ready to confront enemies in the field of electronic warfare, reports the Iranian Fars News Agency.

The very nature of cyber warfare and Iran's increasing capability should be of major concern to the United States.

Ties with Russia

The relationship between Russia and Iran has always been a complex roller coaster. Recently it appears that both of its leaders see a mutual benefit in forging stronger ties in the economic and security spheres.

Cooperation in the security sphere is easy to understand, with both seeing the U.S. as their primary target.

Russian antagonism toward the U.S. and its ambitions of once again becoming a world superpower are well-documented.

It is currently working to bring Ukraine back into its fold over the overtures from the European Union and other Western powers. It harbors a U.S. traitor who leaked secret documents while working as a contractor with the U.S. National Security Agency.

More relevant to today's hearing is that Russia is largely suspected of helping Iran to develop its advanced cyber capability. Both Russia and Iran are reportedly providing arms to the brutal Bashar al-Assad regime as it builds up its death toll in the country's civil war.

Will Iran itself serve as a proxy in Russia's aggressive posture against the U.S.? Just how much is Russia working with Iran to foment violence in areas like Iraq and Afghanistan and assert itself in other Middle Eastern affairs? Recent reports about Russian intentions for military basing in Central and South America should also be of concern.

How far will a closer relationship between Iran and Russia go, and what will that mean to U.S. national security? Cooperation between these two U.S. antagonists creates a dangerous new dynamic.

Iran's Affairs with other Islamist Terror Groups

What is the prospect for Iran, Hizballah, Al-Qaeda, Hamas, the Muslim Brotherhood, and other Islamist groups, to work together in the future to achieve their goals of destroying the U.S., the West, and Israel?

Again, these are very complex relationships. The groups are deeply divided in the brutal and deadly Syrian conflict. There is the long history of conflict between Sunni and Shia Muslims. Their differences are well understood and historically documented.

However, in the past they have bridged their differences and have found opportunities to work together, successfully.

In the multidistrict case in regard to the terror attacks on September 11, 2001, plaintiffs' attorneys demonstrated that Iran, Hizballah, and al Qaeda formed an alliance in the early 1990s. Experts testified that Iran had been waging an undeclared war on the U.S. and Israel since 1979, often through proxies such as Hizballah, Al Qaeda, and Hamas.

For more than 20 years, Iran, via its Islamic Revolutionary Guard Corps (IRGC), provided training to Hizballah and Al Qaeda.

Furthermore, according to court documents, Iran's facilitation of the travel of at least eight of the 9/11 hijackers "amounted to essential material support, indeed direct support, for the 9/11 attacks."

According to the 2012 State Department report on international terrorism that was released on May 30, 2013, "Iran provided financial, material, and logistical support for terrorist and militant groups in the Middle East and Central Asia. Iran used the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and militant groups to implement foreign policy goals, provide cover for intelligence operations, and stir up instability in the Middle East."

The United States needs to understand the capabilities of each of these organizations individually, as well as the threat that they pose in their totality. They share the same goals, as Senator Dianne Feinstein, the Chairwoman of the Senate Intelligence Committee, recently articulated on CNN. They want to engage in jihad, impose Sharia law, and establish the caliphate.

They have much that separates them, but they also have much in common.

Developments in cyber, Russian/Iranian relationships, and cooperation among Islamic terror groups will do much to shape the nature of the future capabilities not only of Iran, but the totality of the threat that the United States faces. The developments in these areas will determine whether there is transformational change.

Reviewing Iran's Dark Past

Sanctions against Iran

Sanctions against the Islamic Republic of Iran have never been limited in scope to its nuclear weapons activities.

Sanctions have always been used to target a wide range of Iranian actions.

President Carter ordered a freeze on all Iranian assets in the first series of sanctions against Iran, which resulted from the 1979 Iranian hostage crisis in which the Supreme Leader of Iran Ayatollah Khomeini held 52 Americans in the U.S. Embassy for 444 days. Nuclear weapons were not an issue at this time.

Additional sanctions were introduced in 1984 when Iran was implicated in the bombing of U.S. Marine barracks in Beirut, Lebanon. Since the attack, consecutive administrations have designated Iran as a state sponsor of terrorism and banned all foreign aid to Tehran.

In 1992, the Iran-Iraq Arms Nonproliferation Act targeted the acquisition of chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons.

The Iran and Libya Sanctions Act of 1995 imposed new sanctions on foreign companies that engage in specified economic transactions with Iran or Libya. It was intended to help deny Iran and Libya revenues that could be used to finance international terrorism, as well as limit the flow of resources necessary to obtain weapons of mass destruction.

President Bush froze the assets of any entity determined to be supporting international terrorism following the attacks of Sept. 11, 2001 in New York and Washington. These included individuals, organizations, and financial institutions in Iran.

In 2011, the United States designated the entire Iranian banking system as potentially supporting terrorist activities. In 2012, President Obama issued an executive order aimed at disrupting Iran's oil revenue.

The support for further strengthening sanctions in Congress is strong.

There is in fact growing bipartisan support in the Senate for introducing new penalties related to its ballistic missile stockpiles – which are the ideal delivery systems for nuclear warheads – and are not included in current negotiations with Iran.

Senate Foreign Relations Committee Chairman Robert Menendez (D-N.J.) and Ranking Republican Mark Kirk (R-IL) have introduced legislation, but President Obama has issued a veto threat citing the ongoing negotiations.

Iran's International Terror Network and Global Reach

Iran continues to fund global terrorism unabated. The regime's relentless support of terrorists and terrorist-supported organizations since the horrific 1983 attack on the Marine barracks in Beirut is well-documented.

The current list of countries where Iran has significant outreach and sponsored terrorist activity is breathtaking.

They include Afghanistan, Bahrain, India, Nepal, Saudi Arabia, Kuwait, Nigeria, Sudan, Eritrea, Kenya, Somalia, Comoro Islands, Djibouti, Tanzania, Azerbaijan, Iraq, Lebanon, Syria, Gaza, Ecuador, Venezuela, Yemen, Argentina, Brazil, Bolivia, Colombia, Chile, Paraguay, Uruguay, Surinam, Trinidad & Tobago, Mexico, USA, France, Germany, UK, Australia, Canada, Georgia, Thailand, Cyprus, and Bulgaria. (Chart 1)

In testimony before the Senate Armed Services Committee on March 5, 2013, outgoing Marine Corps Gen. James N. Mattis described Iran as "the single-most significant regional threat to stability and prosperity."

Over the years the Iran-controlled Shia terror network – comprising the Islamic Revolutionary Guard Corp- Quds Force and Tehran's proxy in Lebanon, Hizballah – have plotted numerous attacks on Western and Israeli targets.

Iranian Presence in South America, Latin America, and the Western Hemisphere

Iran has an active presence and extensive network in Latin America and the broader Western Hemisphere. In addition to enjoying strong bilateral ties and state support from governments in Cuba, Ecuador, Nicaragua, and Venezuela – and, we fear, El Salvador might be the next to roll out the welcome mat – the Islamic Republic "maintains a network of intelligence agents specifically tasked with sponsoring and executing terrorist attacks in the Western Hemisphere."

A 500-page indictment released by Alberto Nisman, chief prosecutor of the investigation into the July 1994 bombing of the AMIA (Asociacion Mutual Israelita Argentina) Jewish Community Center in Buenos Aires corroborated evidence of Iran's infiltration into Latin America. "For the first time in the Argentine and world judicial history, it has been gathered and substantiated in a judicial file, evidence that proved the steps taken by a terrorist regime, the Islamic Republic of Iran, to infiltrate, for decades, large regions of Latin America, through the establishment of clandestine intelligence stations and operative agents which are used to execute terrorist attacks when the Iranian regime decides so, both directly or through its proxy, the terrorist organization Hezbollah," the report said.

In addition to Argentina, where the AMIA bombing took place, the report named Brazil, Paraguay, Chile, Colombia, Guyana, Trinidad & Tobago and Suriname as countries that had been deeply infiltrated by Iranian intelligence networks.

An earlier indictment related to the AMIA bombing from 2003 referenced a document seized from the house of an Iranian diplomat that proposed a strategy to export the Iranian revolution and Islam from South America to North America. The document said that areas densely populated by Muslims "will be used from Argentina as [the] center of penetration of Islam and its ideology towards the North American continent."

There have been reports of Iran and Hizballah militants working in collusion with Mexican narco-traffickers as part of their larger global, asymmetric warfare against the United States. A leaked 2010 Tucson police department report cited growing use of improvised explosive devices and car bombs by Mexican terrorist organizations signaling possible collaboration with Hizballah that specializes in such explosive devices. Hizballah is also helping Mexican cartels set up "narco tunnels" along the border to help get narcotics into the U.S. from Mexico.

As national security expert Douglas Farah notes in his October 2011 testimony before the House Foreign Affairs Committee, "There is growing concern that Hezbollah is providing technology for the increasingly sophisticated narco tunnels now being found along the U.S.- Mexican border which strongly resemble the types used by Hizballah in Lebanon."

Several cases of Hizballah activity in Mexico have been recorded in the past decade: Salim Boughder-Mucharrfille, a Mexican of Lebanese descent who ran a café in Tijuana, smuggled at least 200 "Lebanese nationals sympathetic to Hamas and Hezbollah into the United States" from Mexico. Boughder-Mucharrfille was sentenced to 60 years in prison on immigrant smuggling and organized crime charges.

Hizballah has engaged in a wide range of criminal activities in the U.S. itself, including cigarette-smuggling scams, procurement scams, intellectual property crime, tax evasion, counterfeiting, and drug trafficking to raise millions of dollars in the United States.

Monetary judgments against Iran in U.S. courts

Iran has been held liable and assessed judgments in excess of \$18 billion to compensate victims of its terrorist activities, yet it has only paid out a pittance of that amount.

In numerous cases brought in U.S. courts under the state-sponsored terrorism exception to jurisdictional immunity of the Foreign Sovereign Immunities Act (FSIA) after it was amended in 1996, Iran has defaulted and been found liable for acts of terror that have killed or maimed U.S. citizens, both domestically and internationally.

Iran generally does not fight against a judgment, but hires major U.S. firms to fight the collection of the award.

The plaintiffs in these cases include victims of: the 1983 bombing of the U.S. Marines barracks in Beirut; the 1996 bombing of the U.S. Air Force residence at Khobar Towers in Saudi Arabia; numerous suicide bombings, rocket attacks and other assaults by Middle Eastern terrorist groups, financed and facilitated by Iran; the September 11, 2001 attacks, and other violent attacks on Americans. Award amounts have risen over the years, but judgments are largely unsatisfied.

The bombing of the U.S. Marines barracks in Beirut killed 241 American servicemen operating under peacetime rules of engagement. After a bench trial in March 2003, the district court found that Iran and the Iranian Ministry of Information and Security were liable for damages from the attack because they provided material financial and logistical support to Hizballah to carry it out. On September 7, 2007, the court entered a default judgment against the defendants in the total amount of \$2,656,944,877.

The June 25, 1996 bombing of the Khobar Towers residence in Saudi Arabia killed 19 U.S. Air Force personnel and wounded hundreds more. The Department of Justice announced the indictment in June 2001 of 13 members of the Saudi Hizballah group and one member of Lebanese Hizballah who assisted with the construction of the tanker truck, but the defendants were never tried in the U.S. on those criminal charges.

The indictment noted the linkage of entities:

“These Hizballah organizations were inspired, supported, and directed by elements of the Iranian government. Saudi Hizballah, also known as Hizballah Al-Hijaz, was a terrorist organization that operated primarily in the Kingdom of Saudi Arabia and that promoted, among other things, the use of violence against nationals and property of the United States located in Saudi Arabia. Because Saudi Hizballah was an outlaw organization in the Kingdom of Saudi Arabia, its members frequently met and trained in Lebanon, Syria, or Iran.”

A series of cases brought by victims and their families alleged that Iran, the Iranian Ministry of Information and Security ("MOIS"), the Iranian Islamic Revolutionary Guard Corp ("IRGC" or "the Pasdaran"), and "John Does" were “liable for damages from the attack because they

provided material support and assistance to Hezbollah, the terrorist organization that orchestrated and carried out the bombing.”

The trial judge found that “the Khobar Towers bombing was planned, funded, and sponsored by senior leadership in the government of the Islamic Republic of Iran; the IRGC had the responsibility and worked with Saudi Hizballah to execute the plan, and the MOIS participated in the planning and funding of the attack.” As of November 2013, the judgment awarded in these cases stood at approximately \$591 million in punitive and compensatory damages, as plaintiffs continued to attempt to collect.

Similarly, numerous cases were filed in U.S. courts against Iran for damages from bombings, rocket attacks and other terrorist events by Hamas, Palestinian Islamic Jihad, and Hizballah. The courts found that Iran materially supported the terror groups, and was therefore liable for the damages from the attacks.

As one court held:

“Iran funnels much of its support to Hamas through MOIS, a ministry with approximately 30,000 employees and a budget of between \$100,000,000 and \$400,000,000 [citations omitted]. With Iranian government funds, MOIS 'spends between \$ 50,000,000 and \$ 100,000,000 a year sponsoring terrorist activities of various organizations such as Hamas.'... The bombing also would not have occurred without Iranian sponsorship.”

At a hearing in 2009, after Congress modified the FSIA to include punitive damages, the federal district court judge presiding over a consolidation of cases brought by American terror victims against Iran noted:

“The cases against Iran that will be addressed by the Court today involve more than one thousand individual plaintiffs. Like countless others before them, the plaintiffs in these actions have demonstrated through competent evidence – including the testimony of several prominent experts in the field of national security – that Iran has provided material support to terrorist organizations, like Hezbollah and Hamas, that have orchestrated unconscionable acts of violence that have killed or injured hundreds of Americans. As a result of these civil actions, Iran faces more than nine billion dollars in liability in the form of court judgments for money damages. Despite plaintiffs' best efforts to execute these court judgments, virtually all have gone unsatisfied.”

Of course, efforts to collect funds to satisfy the judgments have yielded almost nothing. The federal district court in Washington has “awarded more than \$18 billion in judgments against Iran since 2008 for its support of terrorism.” While award amounts have risen, judgments remain largely unsatisfied.

Conclusion

Iran has long been an outlaw state. For decades the United States has faced an Iranian threat consisting of brutal terrorist attacks. The United States has watched Iranian influence grow around the world. We have watched it develop networks near our borders and even within our borders. We have watched with great concern Iran's development of ballistic missile capabilities and its pursuit of nuclear weapons capability.

Iran in fact all but declared war against the United States when its agents attempted to assassinate a Saudi Arabian ambassador on U.S. soil in 2011. The threat is real and growing. The question is now whether the threat is entering a transformational phase.

The Investigative Project on Terrorism believes the Iranian theocracy has a very dark past and present, and in that context we are very concerned about its future. Iran will view cyber warfare, a closer relationship with Russia, and the possibility of closer cooperation with other Islamist terror groups as potential opportunities to radically change the national security equation for the U.S. and our allies. Just like the nuclear program, each of these will take some time to develop. But that's what it has always been about Iran: buying time.

Iran has skirted away from accepting responsibility for the regime's actions since the 1979 revolution. After billions of dollars in judgments against Iran, it is time for those who have suffered greatly from Iran's brutal actions to receive just compensation. Even Muammar Gaddafi in Libya was required to do so under the Iran and Libya Sanctions Act of 1996.

Libya fulfilled its obligations under the bill by accepting responsibility for the 270 people who died in the 1988 bombing of PanAm 103, renouncing terrorism, and arranging for the payment of appropriate compensation to the families of the victims.

The bill is now titled the Iran Sanctions Act because Iran has refused to do the same.

We need to keep in mind that Iran is a ruthless killing machine, it is committed to creating a global Islamic caliphate ruled by Shariah law by any means possible, and it flagrantly makes a mockery of international laws and norms.

Can we really expect Iran to fulfill any of its unenforceable commitments reached during the ongoing negotiations over its nuclear program, especially keeping in mind that it has never really been held accountable for its actions prior to now?

It would be an incredible leap of faith to sign such a significant deal with a regime that has shown time and again that it cannot be trusted in the past to trust it in the future.