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IRAN AND HEZBOLLAH IN THE WESTERN HEMISPHERE

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

AND THE

SUBCOMMITTEE ON
THE MIDDLE EAST AND NORTH AFRICA

OF THE

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IRAN AND HEZBOLLAH IN THE WESTERN HEMISPHERE

WEDNESDAY, MARCH 18, 2015

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

The subcommittees met, pursuant to notice, at 10:15 a.m., in room 2172 Rayburn House Office Building, Hon. Jeff Duncan (chairman of the Subcommittee on the Western Hemisphere) presiding.

Mr. DUNCAN. A quorum being present, the subcommittee will come to order.

I will start by asking unanimous consent that two written testimonies be entered into the congressional record—first, the testimony of Mr. Leonardo Coutinho, a reporter with Veja Magazine, and second, the testimony of Mr. William Ross Newland III, managing director of The Delion Group, a former station chief in Havana and Buenos Aires. With no objection, so ordered.

Given this is a joint subcommittee hearing, opening statements will be limited to the subcommittee chairs and the ranking members. All other members may submit statements for the record within 5 business days and I would now like to recognize myself for an opening statement.

Before I do so, the ranking member is on his way so hopefully he will be here by the time I conclude my opening remarks.

At a time when world powers are negotiating with Iran over its illicit nuclear weapons program to reach a deal by the March 31st deadline, Iran has not shown a commitment to good faith negotiations to peace.

For years, Iran has tested the patience of the world with its defiance of international sanctions and its support for terrorism. Nowhere is this more concerning for U.S. national security interests than in our own neighborhood, the Western Hemisphere.

Today, I want to consider implications for the U.S. and countries in this region if we continue to ignore Iran and Hezbollah's activities here in our hemisphere.

Given the significance of the P5+1 negotiations with Iran and potential effects resulting from a deal or lack thereof, it is critical that Iran not have an opportunity to exploit vulnerabilities in our region to cause harm.

Congress has focused extensively on this issue with several hearings, visits to the region, and legislation which I authored, entitled the Countering Iran in the Western Hemisphere Act, which became public law in 2012.

I want to pause and thank Representative Higgins and Chairman Ros-Lehtinen for their assistance in getting that passed into law. Nevertheless, I am deeply concerned that in their hope for a nuclear deal with Iran, the Obama administration and governments in the region are not paying enough attention to this issue.

In September 2014, the GAO released a report that found that U.S. State Department had only fully addressed two of the 12 elements required by that public law—Countering the Iranian Threat in the Western Hemisphere.

As of today, the State Department has not fixed these gaps or conducted a reassessment of the Iranian threat in the Western Hemisphere. I believe this negligence is misguided and dangerous.

Iran and Hezbollah have already demonstrated a willingness to conduct terrorist attacks in the Western Hemisphere. Consider the recent foiled plot by a Hezbollah operative in Peru in October 2014 and the attempted attack linked to an Iranian diplomat in Uruguay last month. Or recall the 2011 attempted assignation of the Saudi Ambassador to the United States in Washington DC and the foiled Iranian plot in 2007 to blow up the John F. Kennedy Airport in Queens, New York.

These events follow Iran's 1992 attack on the Israeli Embassy, 23 years ago yesterday, and the 1994 bombing of the Argentine Israelite Mutual Association, AMIA, in Buenos Aires. Yet, today in Argentina no one has been brought to justice for these attacks, even though Argentine prosecutor Alberto Nisman determined in 2006 that Iran was responsible—in contrast, the U.S. State Department's findings in its 2013 report to Congress that Iran's influence in the region was waning.

Nisman published a report about the same time that provided evidence of Iran's subversive infiltration of multiple countries in the Caribbean and in Latin America. Unfortunately, much of Mr. Nisman's report went unheeded by the U.S. and the countries named in the report.

Then 2 months ago, Nisman indicted the President of Argentina, alleging that the Governments of Argentina and Iran had engaged in a cover-up regarding Iranian officials linked to the 1994 AMIA terrorist attack in exchange for oil and weapons.

On January 18, Mr. Nisman was mysteriously found dead in his apartment with a bullet wound to the back of his head right behind the ear, presumed to be murdered.

This past Friday, Brazilian Veja magazine published another stunning report. The report found that representatives of the Argentine Government received large amounts of cash from Iran in exchange for the AMIA attack to be covered up.

Reportedly, Venezuela even facilitated the transfer of money directly from Tehran to the tune of about $800,000, according to the report, to Argentine President Cristina Kirchner's election campaign.

Significantly, the report alleged that Iran gave this money in order to obtain nuclear technology and knowledge of Argentina's

nuclear program. I recommend that article for other members of the committee.

These are very serious findings that demand further scrutiny by the U.S. and governments within the region. Although these events seem to be compelling evidence that Iran and Hezbollah are up to no good in the Western Hemisphere, some believe that Iran doesn't prioritize Latin America as highly under President Rouhani as was the case under previous Presidents, for Rouhani has yet to visit the region.

However, Iran's diplomacy should not be the only indicator of Iran's activity in the region. According to Mr. Newland's written testimony that was submitted for the record, the Iranian logistical and intelligence infrastructure is in place in Latin America even if their political and economic relations within the region have waned.

Newland also states that the two most important centers of the Iranian influence are Cuba and Venezuela, while the Tri-Border region contains a community with many individuals providing financial support to Hezbollah.

Similarly, Mr. Coutinho, the same individual who broke the Veja story this past weekend, submitted written testimony that was included in the record. His statement outlines Iranian activity in Brazil and explains that the country plays the role of a safe haven for Islamic extremist groups.

Coutinho further elaborates that Brazil served as a planning and operations hub for the Iranian 1992 and 1994 attacks in Argentina and continues to exist today as an operational base, a weapons cache, a source of revenue for generation for the financing of terrorist operations and organizations, most notably Hezbollah.

Coutinho's testimony quotes from numerous Brazilian law enforcement sources that Hezbollah and Hamas supporters have been detected in Brazil and that Hezbollah has sold weapons to Brazilian criminal organizations.

In view of this information, I find it incredible that, according to Coutinho, Brazil recognizes Hezbollah as a legitimate political party rather than a foreign terrorist organization, and Brazil's Parliament has not passed anti-terrorism legislation which could improve coordination on these issues.

Yet, Brazil is not alone. The recent situations in Peru, Uruguay, Argentina and bombing Iran shows clear areas of vulnerability in the region. Additionally, the Central America four-border control agreement originally signed in 2006 permits the free movement of citizens from El Salvador, Guatemala, Honduras, and Nicaragua without any restrictions, similar to the Schengen agreement in Europe.

This measure, while beneficially portrayed, offers opportunities for exploitation by drug traffickers, terrorists, or even foreign fighters. Similarly, the Caribbean is also a growing place for trans shipments of drugs and other contraband that Iran and Hezbollah could exploit.

So, in conclusion, Iran and Hezbollah are present in the Western Hemisphere. Last week, the U.S. Southern Commander, General John Kelly, testified to the presence of these actors in the region

and also stated the U.S. challenge is our limited intelligence capabilities.

In view of the fact that Iran is the world's largest state sponsor of terrorism, it is pursuing nuclear weapons, and recent events show that Iran has capacity to conduct terrorist attacks in the Western Hemisphere, I believe the U.S. and other governments in the region must do more to address this issue.

So with that, I will turn to the ranking member, who just joined us, for his opening statement.

Albio, welcome to the committee and you are recognized for as long as it takes.

Mr. SIRES. Thank you, Chairman, and let me apologize to you for not being here on time. I had another hearing. I apologize to you for not being here on time.

Look, I will be very short. I certainly agree with the chairman's assessment. You know, we have to be on the lookout on the Iranian influence in the Western Hemisphere. It seems to me that we are preoccupied with all the events in the world and yet when it comes to—close to our what we call our back yard it seems like we don't pay as much attention as we should.

I am concerned about the influence in Venezuela. I am concerned about the influence and what is going on in Argentina. We were—last 2 years ago with Chairman Salmon we were in Argentina and we raised the issue and, basically, they had no answers for us.

The issue whether we are going to Iran to question some of the generals, I mean, that never panned out. So it is all a sham what is going on, and now you have an issue where they just killed a prosecutor.

So I am very concerned about the issue of the Iranian influence in the Western Hemisphere. And with that, I will just turn it over back to the chairman.

Mr. DUNCAN. I thank the gentleman.

I too was in Argentina in 2012 with Chairman Michael McCaul, the Homeland Security chairman currently. He was chairman of OME Subcommittee and a lot of the things that the ranking member mentioned about the dialogue with Argentina were completely similar.

They just didn't have an answer or tried to sort of downplay that. So with that, I will recognize a former chairman of the committee, Ms. Ros-Lehtinen, for 5 minutes.

Ms. ROS-LEHTINEN. Thank you so much, Chairman Duncan, Ranking Member Sires, Ranking Member Deutch. It is a pleasure to work with all of you and to hold this subcommittee jointly. I thank all of you for your leadership.

Two years ago, these two subcommittees held a similar joint hearing to discuss the State Department's reports on Iran's influence in Latin America that you spearheaded, Mr. Chairman.

Our assessment then, that the report was woefully inadequate, that State did not follow the law as required, that our Federal agencies lack a coherent and detailed strategy to combat Iran in the hemisphere, was confirmed by a GAO report published last year.

It is simply unacceptable for our administration to ignore the threats in the region simply because the President wishes to forge a foreign policy legacy, whether it be with Cuba or Iran.

State should immediately provide our subcommittees with the missing information on Iran's activities in the Western Hemisphere and explain why the information was not included in the first place.

Despite State's intransigence, its partners at SOUTHCOM disagreed with its assessment and have been forthcoming, as you pointed out, Mr. Chairman, about the nature and the risk of the Iranian threat.

SOUTHCOM has repeatedly stated that its very own limited intelligence capabilities in the region combined with the lack of partner capacity has prevented our full awareness of Iran and Hezbollah's activities and that is where our problem lies.

The Obama administration has failed to allocate the necessary resources to truly assess the threat of Iran and Hezbollah not just in our hemisphere but throughout the world.

The intelligence community does not have the resources nor the political support to properly address the threat because so much attention is being paid elsewhere. And as General Kelly stated, Mr. Chairman, and you pointed it out, it isn't just Iran that is threatening our region. It is ISIL and other terrorist groups. But we have not given this threat its due attention.

We are currently not able to track national security threats in the region including potential instability, the influence of Iran and other actors like Russia and China, and the collaboration between criminal and terrorist networks.

The administration continually underestimates the threat in the region that pose a grave risk to our own national security as well as that of our partners.

What we do know is that Iran and its proxy Hezbollah want to circumvent sanctions to counter U.S. influence and to make use of growing networks of transnational organized crime in order to finance its own terror activities.

Iran has opened up more than 80 cultural centers in Latin America in order to export its toxic brand of political influence and serve its interest, focusing on partnering with nations well known for their anti-American rhetoric including Venezuela, Argentina, Bolivia, Ecuador, and Nicaragua.

The Treasury Department has sanctioned multiple Venezuelan banks and Venezuelan regime operatives including the former Minister of Interior and Justice. The State Department has designated Venezuela's state-owned oil company, PDVSA, and CAVIM, the Venezuelan weapons company, for their role in helping Iran circumvent sanctions.

Yet, the Obama administration continues to buy oil from the same entity that it sanctioned in 2011 for shipping two cargoes of gasoline to Iran. And we are seeing terrorist groups forge connections to drug cartels in the region, forging a deepening narcoterror connection that is funding so many of the terror groups and their activities.

Drug trafficking funds terrorism. It is that simple. So our comprehensive strategy must also address this fundamental cause of the problem.

Recent reports of the connections between Hezbollah and the FARC, the murder of the special prosecutor of Argentina, Alberto Nisman, and the alleged conspiracy between the Argentine Government, Venezuela and Iran to cover up Hezbollah's activities and involvement in the AMIA bombing do nothing to quell doubts about Iran's activities in Latin America.

Alberto Nisman was a courageous and strong leader who was dedicated to pursuing the truth behind the AMIA terrorist attacks wherever they may have led. His murder must be investigated in a comprehensive and transparent manner to search for the truth and his work on AMIA must continue forward.

The AMIA attack wasn't the first time we saw Iran's deadly activities in Argentina. Yesterday was the 23rd anniversary of the bombing of the Israeli Embassy in Buenos Aires which killed 29 and injured hundreds more.

I stand in solidarity with the people of Argentina in mourning this horrific attack, the AMIA bombing, and the tragic loss of Alberto. We must ensure that Nisman's memory and his life work carry on.

So the question is why is this administration so intent on downplaying the Iranian threat? It now appears that the administration has even scrubbed its most recent worldwide threat assessment report of all Iranian connections to terrorism or Hezbollah in order to make it easier to eventually lift sanctions on Iran.

The parallels between the administration's misguided Iran policy and its Cuba policy are clear. The President has been using Cuba as a test case for normalizing relations with Iran.

So it should come as no surprise that the Iranian threat in our own hemisphere is also downplayed by the administration. It is time for the President to stop trying to burnish his foreign policy legacy and stop putting politics ahead of national security.

The White House must let the truth about Iranian involvement in the Western Hemisphere be exposed, put the necessary intelligence capabilities in place to monitor Iran and its activities, and develop a serious strategy to counter what can only be called a threat.

Thank you, Mr. Chairman, for your leadership.

Mr. DUNCAN. I thank the gentlelady for her leadership and the chairman of the Middle East and North Africa.

I now turn to the ranking member of that Subcommittee on the Middle East and North Africa, Mr. Deutch from Florida, for 5 minutes.

Mr. DEUTCH. Thank you, Mr. Chairman, Ranking Member Sires and Chairman Ros-Lehtinen for holding this hearing.

As the international spotlight is focused on Iran's illicit nuclear weapons program we can't be distracted from Iran's other dangerous and subversive acts around the world.

This is our subcommittee's second hearing on Iran's efforts to expand its network of influence into the Western Hemisphere since Congress passed the Countering Iran in the Western Hemisphere

Act championed by Chairman Duncan and Congressman Higgins in 2012.

That legislation made clear that Congress would not turn a blind eye to Iran's work in the hemisphere done both in a public way and in any clandestine way and that there must be a viable strategy to counter the manipulative tactics and deplorable goals of the regime.

We knew then that the Iranian regime has and will resort to almost any illicit activity that furthers its ambitions of being a global force against the United States and our allies.

Iran's fingerprints have been found in numerous instances of illegal arms shipments from West Africa to Yemen and its notorious network of terror proxies including Hezbollah, Hamas, Islamic Jihad, and other groups.

Since a growing and more unified international coalition began exerting crippling political and economic pressure on Iran, it started seeking out countries that were inclined to align with it against the United States and would be willing to help it evade international sanctions and that were in need of economic support and trade deals.

In Latin America, Iran found several partners that were open to collaborating with a pariah state and were willing to accept the risks of violating international sanctions to do so.

Alberto Nisman witnessed this. The Argentine investigator knew that Iran and its proxies were active in Argentina. He knew that Iran was behind the bombing of the Buenos Aires Jewish Community Center and how Iran used its proxy Hezbollah to carry it out.

Clearly, Iran wasn't and still isn't afraid of committing brazen and public attacks on Jews around the world, and aside from small and ineffective punitive measures Iran has yet to be deterred from financing terrorist groups and encouraging attacks on innocent civilians.

But Nisman also knew that Iran's presence wasn't restricted to Hezbollah's cells around the region. Rather, traces of Iranian influence could be found in high levels of leadership in the region.

According to recent press reports, there is evidence of considerable collaboration between Hugo Chavez, former President Ahmadinejad, and Argentina's current President, Cristina Kirchner, with guarantees of energy deals, cash transfers, and assistance in clearing Iran's name from its involvement in the AMIA bombing.

Tragically, Nisman's voice was silenced when he was found shot in his home in January. We must honor him by continuing to push for justice not only for his work but for his death.

Some have wondered if events of late might have changed the calculation of Iran and its friends in the Western Hemisphere. With Chavez's death in March 2013, Latin America lost its most outspoken critic of the United States and leader of the anti-American alliance with Iran.

A few months later, President Ahmadinejad left office and was replaced by President Rouhani. So within the course of a few months, Iran in Western Hemisphere countries lost two of its most vocal leaders who enjoyed a close personal relationship, calling into question the sustainability of the union without them.

The State Department's country reports on terrorism for 2013 noted that Iran has been unable to expand its economic and political ties in Latin America and I think there are many who would question that declaration.

Regardless, we can't afford to shift our attention away and let Iran's influence grow under the radar. President Rouhani has made it very clear that he has no intention of letting his country's ties with the region weaken.

There have been a number of visits and exchanges between leaders and lawmakers from Latin American countries and Iran in the past few years. And just as our hopes for a more moderate Iran have been crushed as we witnessed no drop—no drop in support for terrorist groups or in the number of human rights violations against the Iranian people, we should not be surprised that President Rouhani has not stepped back from the foundation laid by President Ahmadinejad.

So there remains work for the United States to do to counter the Iranian influence and stem the infiltration of terrorist groups in the Western Hemisphere.

Last September, the GAO released a report on the government's efforts to meet the obligations included in the 2012 Countering Iran in the Western Hemisphere Act.

In its assessment there are considerable numbers the chairman referred to earlier—there are a considerable number of elements that have yet to be addressed or were not addressed sufficiently.

We should double down on our commitments to identify and designate terrorists and Iranian proxies that intend to destabilize the region and harm innocent civilians.

We have to ensure that Iran cannot use other countries to circumvent sanctions and that other countries recognize the real risk of violating U.S. and international sanctions.

And we must work with our allies in the region to bolster counter terrorism capabilities and prevent Iranian proxies from targeting and terrorizing communities and Jewish populations.

I look forward to hearing from our witnesses today about what they view as the most immediate and significant concerns posed by Iran in the hemisphere, where the United States and the international community can take action to counter and deter this influence, and we are grateful for your presence here today.

Thank you, Mr. Chairman. I yield back.

Mr. DUNCAN. I thank the gentleman for his comments. I think you are spot on. Before I recognize you to provide testimony, let me explain the lighting system before you.

Each of you have 5 minutes to present your oral statement. That light will be green until you are getting close to the end. With 1 minute left it will go to yellow. So when you see the yellow, again, wrapping up. So if you see it turn yellow wrap up your statement and anyway so I will give a little leeway if you are—if you are making a point.

But when we get to the end we will wrap it up, and that goes for the members as well. With a large—four panelists and a lot of questions we will try to stay on the 5-minute time frame.

So the first—the biographies are in your notebook. I am not going to do the biographies. We are going to recognize in essence of time.

Mr. Humire, you are recognized for 5 minutes.

STATEMENT OF MR. JOSEPH HUMIRE, AUTHOR

Mr. HUMIRE. Thank you. Chairman Duncan, Chairwoman Ros-Lehtinen, Ranking Members Sires and Deutch, distinguished members of both subcommittees, good morning. It is a privilege to appear before you today.

The death of Dr. Alberto Nisman on January 18th shocked us all. I remember receiving the news on a late Sunday afternoon in quite disbelief, hoping that these were just Internet rumors. Unfortunately, several hours later his death was confirmed.

Aside from the shock, at the time my initial reaction was that Iran was involved. Of course, this is not proven and most likely we will never know all the circumstances surrounding his mysterious death.

But as time goes by and more evidence is revealed, what we do know is more about the extent to which Iran has infiltrated Argentina.

Just last week—Chairman Duncan, you referred to this—the highly respected Brazilian weekly Veja reported that the Argentine President, Cristina Fernandez de Kirchner, had received Iranian financial support for her Presidential campaign all the way back in 2007.

This means that that highly controversial memorandum of understanding between Iran and Argentina signed in 2013 was a campaign promise made by Argentine President 6 years earlier.

Moreover, through the wiretaps related to Dr. Nisman's most recent investigation, we are realizing that the mastermind of the AMIA attack—Iranian intelligence operative Mohsen Rabbani, who the Brazilians call the terrorist professor—is still active in Argentina, sending money, making orders, and interfering in Argentine diplomatic affairs.

But the most interesting revelation from the Veja piece is not who Iran has bought in Latin America but why. According to the Venezuelan military defector who was the source for this report, whitewashing Iran's accused from the AMIA attack was only a secondary objective for Iran's controversial outreach to Argentina.

The primary objective was to gain access to Argentina's nuclear technology and her materials, a goal the Islamic Republic has had for over 20 years—the same goal that, according to Dr. Nisman, is partially the reason why Argentina was targeted in the first place back in the early 1990s.

In this Veja piece, there is a recount of private meeting between former Iranian President Mahmoud Ahmadinejad and the late Hugo Chavez in which Ahmadinejad told Chavez, and I quote, "This is a matter of life or death. I need you"—referring to Chavez—"to be an intermediary with Argentina to get help for my country's nuclear program. We need Argentina to share its nuclear technology with us. It will be impossible to advance our program without Argentina's cooperation."

Impossible is a strong word. This suggests that Iran needs Latin America to complete its highly ambitious nuclear program. If this is the case, then I believe we have all underestimated Latin America's importance to the Islamic Republic and by extension can no longer afford to divorce the ongoing nuclear negotiations with the P5+1 and Iran's activities in the region.

And as these negotiations come to a critical juncture, it is more important than ever to understand to what degree does Latin America benefit Iran. Venezuela, Argentina is just the tip of the iceberg.

In my written testimony, I describe a conceptual model for how Iran has infiltrated and gained an inordinate amount of influence in just about every country in Latin America and the Caribbean.

Of course, there is varying levels of success. In some countries, namely the Bolivarian Alliance Nations, Iran has embedded themselves completely into the highest levels of those governments. In other countries, they are still operating at a covert level, perhaps through their proxy, Lebanese Hezbollah.

But in all cases, it is safe to say that Iran has a footprint in every country throughout the region. In my book, I call this—I call this pattern of infiltration the pattern of penetration which is why we called the book "Iran's Strategic Penetration of Latin America," which is co-authored with several prominent Latin American scholars, officials, military officers, and policymakers, all who themselves describe how Iran and Hezbollah is operating in their respective countries.

We uses the term "strategic penetration" in the title on purpose because the word strategic implies that Iran has a plan. The word "penetration" means that they are executing this plan through covert methods.

So as we examine the issue in today's hearing, I ask that you keep in mind that there is a degree of difference between what Iran and Latin American allies say they are doing and what they are actually doing behind the scenes, because it is the work behinds the scenes, their covert work, that is driving their influence in the region—an influence that extends to the United States through Latin American politicians.

And to pay special attention to the Organization of American States. The Argentine Ambassador, Nilda Garre, is proven to have a close relationship to Venezuela as becoming the former Argentine Ambassador to Venezuela and also a close relationship to Iran by being the former Minister of Defense of Argentina.

Also today there is a vote on the Organization of American States for a new general secretary. The most likely candidate, Luis Almagro, also had a close relationship to Iran, being an Ambassador to that country many years ago.

For a long time, Iran and Hezbollah's presence in Latin America was viewed as a defensive posture in case of conflict with Israel or the West erupts in the Middle East.

But as the Iranian nuclear negotiations heat up, the question we must all ask and answer is at what point does a good offense become your best defense.

And with that, I yield my time. Thank you.

[The prepared statement of Mr. Humire follows:]

WRITTEN TESTIMONY OF

JOSEPH M. HUMIRE

CO-AUTHOR
IRAN'S STRATEGIC PENETRATION OF LATIN AMERICA

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE WESTERN HEMISPHERE (WHEM)
SUBCOMMITTEE ON THE MIDDLE EAST & NORTH AFRICA (MENA)

HEARING ON

"IRAN AND HEZBOLLAH IN THE WESTERN HEMISPHERE"

Wednesday, March 18, 2015

2177 Rayburn House Office Building
Washington D.C.

Chairman Duncan, Chairwoman Ros-Lehtinen, Ranking Members Sires and Deutch, and distinguished members of both subcommittee's. Good morning, and thank you for your leadership on this issue and inviting me to appear before you today.

Almost two years ago, I testified before another committee that Iran's influence in the Western Hemisphere had grown tremendously over the last 30 years since the dawn of the Iranian revolution. At the time, there was sufficient evidence to make this statement; however, there was also evidence to suggest that Iran was reassessing its priorities, presence and activities in Latin America, due to the considerable political and economic changes happening both in the region and in Tehran.

A year and a half later, it is clear that the Islamic Republic maintains Latin America as a strategic priority for its global positioning and has become increasingly important as Iran enters its most critical stage in the ongoing nuclear negotiations with the P5+1. Under Hassan Rouhani, the Islamic Republic seeks to build on its momentum over the last decade and expand its operations to move past its typical associations with the Bolivarian Alliance of the Americas (ALBA).

I cover this in chapter 10 of the book "Iran's Strategic Penetration of Latin America" (Lexington Books, 2014) co-edited with my colleague Ilan Berman. For the title, we purposely use the term "strategic penetration" because "strategic" implies that Iran has a plan for the region, and "penetration" means that they are executing this plan through covert methods. I apply a conceptual model to this method, which I've termed the "pattern of penetration" and will expand on this concept throughout this testimony.

I will also address where I believe the U.S. government has its greatest vulnerabilities to this threat, and provide strategic recommendations for how the U.S. and Latin America can reintegrate themselves in order to isolate Iran and neutralize Hezbollah's reach in the region.

1. **Pattern of Penetration**

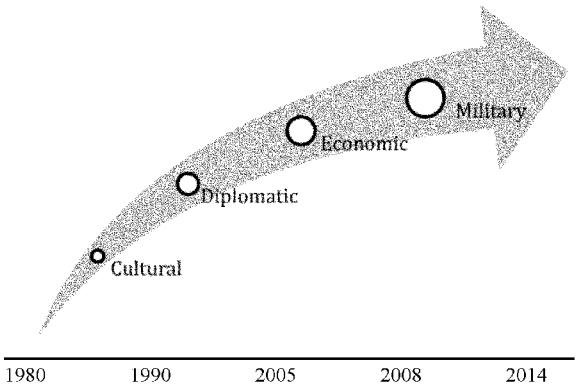
Iran's prolonged presence in Latin America and the Caribbean has provided analysts with substantial empirical evidence regarding its strategic influence in the region. This evidence can be analyzed to understand better the process or method by which Iran's influence in Latin America has grown over time.

In our book, I refer to this process as the "pattern of penetration." This pattern has four essential layers that are incremental and begin at an informal level through cultural exchange, which transitions to more formal diplomatic relations that allows for greater economic cooperation. On the surface, throughout these first three layers there is much political posturing and plenty of accords and agreements signed, most of which do not come to fruition. Beneath the surface; however, this bilateral and multilateral cooperation with Tehran allows the Ayatollah's to create the political and economic cover necessary to insert more operatives, create front companies, establish backdoor channels with the host government, and ultimately carve out spaces for their military

and paramilitary officers to enter the region in support of the Islamic Repulic's strategic interests.

Figure 1 provides an illustration of how Iran's strategic penetration of Latin America has evolved over time.

Figure 1 Iran's pattern of penetration in Latin America



At the tactical level, Iran uses its cultural penetration to gain access to prominent individuals within the Islamic and indigenous communities throughout he region. The objective is to exploit their wealth and/or political connections, preferably both. Once such contact is established, Iran bolster's its diplomatic presence, as is the case in Venezuela and Cuba, or establishes a new embassy, such as has occurred in Bolivia, Ecuador and Nicaragua. In Bolivia, it has been reported that there are no fewer than 145 accredited Iranian diplomats living in the Andean nation. A number that far outweighs their overt interest or commerce with the Plurinational state.

The sophistication by which Iran has manipulated these first three layers, has allowed them to gain an inordinate amount of influence in the region. It is this form of strategic maneuvering that enabled Tehran to grow exponentially from six embassies prior to 2004, to close to double that (11 total) as of 2009. Once these embassies are established a series of mosque's and Islamic cultural centers begin to proliferate the targeted and surrounding countries to expand their "eyes and ears" in Latin America.

Under the guise of commercial and cultural exchange, these embassies serve as conduits for procurement and acquisition activities, many of which are illegal and violate international sanctions. But they also serve as bases for Iranian intelligence operatives who immerse themselves into local societies. It is important to note that Iran's formal commercial and diplomatic presence establishes the plausible deniability necessary to

build its capacity for the final layer of its penetration, which is a military and paramilitary presence, unprecedented in the region.

In several cases and countries in Latin America and the Caribbean, Iran has infiltrated the intelligence and defense services of a targeted country. In other cases Tehran has co-opted these services to work for their benefit. The high levels of corruption and weak institutions prevalent throughout the region have facilitated Iran's ability to successfully move through these various layers of strategic penetration.

At present, Iran has successfully moved through every layer in the majority of ALBA nations as well as small countries across the Caribbean, with special attention to Guyana and Suriname. In other countries, the Islamic Republic has had varying levels of success. Nevertheless, it is important to note that the Iranian regime has initiated this process in practically every country in Central and South America as well as the Caribbean.

2. Cultural Penetration

The original 674-page, 2006 indictment presented by the late Dr. Alberto Nisman and Marcelo Martinez Burgos, against seven high-ranking Iranian officials implicated in the AMIA attack in Buenos Aires—provides us with a better understanding of how Iran uses its "cultural" activity for infiltrating, proselytizing and radicalizing Islamic communities in Latin America in favor of the Iranian revolution.

In the case of Argentina, Iran sent its first major intelligence operative to Buenos Aires on August 27, 1983, almost eleven years prior to the AMIA attack. For over a decade, this intelligence operative, Mohsen Rabbani, not only laid the blueprint for how to carry out an Islamic terrorist attack in Latin America, but more importantly how to cover it up. According to Dr. Nisman, Rabbani spent several years as the Imam of the At-Tahuid Mosque in Buenos Aires, where he recruited, proselytized and created an intelligence system that would report to the Iranian Embassy in Buenos Aires and then up to Tehran.

> It should be added that this system was not only used and supported by the Iranian regime for its own ends, but was also devised with these ends in mind, such that each element served a dual purpose. On the one hand, it carried out formal tasks, while on the other, it realized covert activities ... The mosques were used by elements of the regime as a place from which to recruit persons whose ideology was consistent with the principles of the Islamic revolution, and as conduits for the transmission of sensitive information.

This dual purpose or dual-use is characteristic of Iran's operations globally. Considering that Iran is a theocracy and the Ayatollah's control the country, embassy-mandated cultural programs in a targeted country are often intertwined with non-state actors, in which religious services are used to spread the principles of the Islamic revolution. With the growth of Iranian embassies in Latin America, this type of "cultural" activity has expanded exponentially in countries like Venezuela, Nicaragua, Bolivia, Brazil, Mexico

and El Salvador. Iranian film festivals, book fairs, youth festivals, and other "cultural" activity is often used to spread propaganda, but also to spot and assess potential recruits to join the Islamic revolution.

This tactical playbook developed by Rabbani was used by one of his closest cohorts to sway the Caribbean into Iran's geopolitical orbit. Michael Seaforth, better known by his Muslim name—Abdul Kadir—was a Guyanese politician arrested in 2007 in Trinidad and Tobago in connection with a plot to blow up jet-fuel supply tanks and pipeline at the JFK International Airport in New York City. As a South American agent of Iran, Kadir developed an intelligence structure in Guyana and the Caribbean that mirrored Rabbani's system in Argentina. Through the Islamic Information Center of Guyana, which Kadir founded and directed, he gained tremendous influence over the Islamic communities in Guyana and neighboring countries, through the Caribbean and into diaspora groups in the U.S. It was Kadir's long arm to the diaspora of the Afro-Guyanese in Queens, New York City who worked at the JFK International Airport that helped gain access to the target of this thwarted terrorist attack.

Although Abdul Kadir is behind bars, Guyana remains under Iran's influence. More than twenty years of recruitment and proselytization activities by Kadir, has left a slew of converts, disciples and family that continue to work on behalf of the Islamic Republic. Guyana (7.2 percent) along with Suriname (15.9 percent) and Trinidad (5.8 percent) are the countries with the largest percentage of Muslims in Latin America, providing fertile territory for Iran and Hezbollah to engage in covert operations. Iran has a resident ambassador to Guyana and Suriname, living and operating out the Iranian embassy in Caracas. Both countries are also members of the Organization of Islamic Conference (OIC) as well as the Union of South American Nations (UNASUR).

There are at least two important lessons to be learned from the Kadir case:

- Kadir was a native Latin American disciple operating as an agent of influence for the Islamic Republic of Iran. The use of native Latin Americans has become Iran's modus operandi in the region, recruiting several thousand agents of influence in Latin America and the Caribbean training not just in Qom, but also in Cuba, Bolivia, Ecuador, Venezuela, Nicaragua and Brazil. These agents of influence use the cover of cultural and religious promotion to provide operational and logistical support for terrorism.

- The fact that Kadir was a highly respected *Shi'a* Muslim, but coordinated with radical *Sunni* Muslims associated with the Trinidad-based Jamaat al Muslimeen (JAM) Islamic terrorist group—illustrates the Shi'a-Sunni cooperation among radical Islamic networks. In Latin America, the historical division between Sunni and Shi'a Muslims is not as marked as they are in the Middle East, and in many cases there is more cooperation than conflict between the two communities. This is important since the majority of the Muslim population in Latin America is Sunni, providing Iran and Hezbollah increased avenues of approach to the region.

Since Kadir's arrest, Iran's primary agent of influence in Latin America is an Argentine disciple of Rabbani named Edgardo Ruben Assad, or Suhail Assad. Educated in Chile, Lebanon and Iran, fluent in several languages including Farsi and Arabic, Assad is a highly educated and a very skilled agent of influence for Iran. He is also the most visible Iranian "informal" ambassador in Latin America working to target at least three particular communities: (1) youth; (2) women; and (3) indigenous groups to join the Islamic revolution. Based out of the Center for Iranian-Latin American Cultural Exchange in Caracas, Venezuela, Assad is a pivot point for Iran to gain access to several of these targeted communities in the region as well as their host governments.

Since Hassan Rouhani has assumed the presidency of Iran in 2013, there has been a noticeable strategic shift to move beyond the typical ALBA countries and target more U.S. friendly countries. As follows, Suhail Assad and by extension Iran, has targeted countries like Peru, Mexico and El Salvador since this political transition in Tehran.

In Peru, Assad began working with indigenous groups within the resource rich region of Apurímac in 2011. This is particularly important to pay attention to because a Hezbollah operative was recently arrested in Lima this past October 2014 for having bomb-making materials in his possession. While the connection between Assad's activity and this Hezbollah operative, if any, is unknown, there is proof that several hundred Peruvians have traveled to both Lebanon and Iran in recent years, due to the seeds planted by Assad four years ago.

In Mexico, Assad made his first known visit in 2007 when he gave a lecture in Mexico City at an event sponsored by several Mexican cultural foundations. The Shiite community in Mexico seems to reside around the Soraya Mosque in Torreón, Coahuila. Interestingly enough, it was the Soraya Mosque that petitioned to grant residency status to Assad so that he could serve as "cultural and educational attaché" to the mosque. This never happened, however, as Assad was denied re-entry into Mexico in 2009 because Mexican intelligence "watch-listed" Assad for his ties to terrorists involved with the AMIA bombing in Buenos Aires. The Iranian Ambassador at the time, Mohammad Hassan Ghadiri, lobbied to the Mexican government to allow Assad entry, but to no avail.

Because Assad could not gain entry into Mexico, he travelled several times to El Salvador. Assad's first known trip to El Salvador was in 2013, when he was invited by the country's first Islamic Cultural Center in San Salvador to present several lectures at local universities on the "political situation of Iran." It was during this visit that Assad is believed to have made contact with the *Farabundo Marti National Liberation Front* (FMLN), a former Marxist guerrilla movement turned political party whose past commander, Salvador Sánchez Ceren, is now president of El Salvador. Sánchez Ceren's growing alliance with Venezuela and ALBA countries, coupled with Iran's soft power strategy in El Salvador, presents an opportunity for the Islamic Republic to expand its influence in Central America.

While subtle and often under the radar, Iran's "cultural" outreach has been significant over the last decade and is only growing in both size and scope. One of the most visible outcomes of this outreach is their Spanish language 24 hour news broadcast, HispanTV, that is operated by the larger, state-owned Islamic Republic of Iran Broadcaster (IRIB). Launched in 2012, this Iranian network has grown to broadcast in at least 16 countries throughout Latin America, often in conjunction with what is known as counter-hegemonic news media in the region, namely the Venezuela-based TeleSUR. This media network provides Iran with a large megaphone to enhance its influence and information operations in the region. Suhail Assad is known to host at least one talk-show on this network.

This soft-power strategy by Iran is used to legitimize more nefarious, covert activities discussed later in this testimony. But it is important to understand that there is a degree of separation between Iran's soft power networks and their more nefarious proxies such as Lebanese Hezbollah, managed by the Qod's Force of the Iranian Revolutionary Guard Corps (IRGC-QF). This is not to say there is no overlap, as their certainly is cross-communication, but the profile of individuals like Suhail Assad, and the several agitator-propagators under his wing, are protected and kept clean from the narco-trafficking activity of Hezbollah or operational presence of the IRGC-QF.

This compartmentalization allows Iran to maintain plausible deniability and increase its legitimacy in the region, while using drugs, thugs and terrorism as leverage points to advance its interests. Moshen Rabbani was the master at these sort of influence and information operations aimed at achieving legitimacy, and has passed his knowledge down to several dozen disciples in Latin America who have exponentially grown this network.

As evidence of this, in March 2012, Gen. Douglas Fraser, the former commander of U.S. Southern Command (SOUTHCOM), indicated that there were at least 36 Shi'a Islamic cultural centers propagated by Iran in Latin America during his posture statement before the House Armed Services Committee. Three years later, in March 2015, the current SOUTHCOM commander, Gen. John Kelly, testified before the same committee that: "Iran has established more than 80 'cultural centers' in a region with an extremely small Muslim population." That is a 55 percent increase, mostly under Rouhani's watch.

3. Diplomatic Penetration

The under the radar, informal cultural outreach creates the conditions necessary for Iran to begin it's illicit and illegal activity in Latin America, under the guise of diplomatic, economic and military cooperation. To appreciate Iran's ability to coerce or co-opt Latin American governments to do their bidding, it is important to understand the high level of corruption rampant throughout the region. The non-profit watch-dog Transparency International consistently ranks the region as one of world's worst in terms of perception of corruption.

This past week, the Brazilian weekly VEJA ran a story that demonstrates this high-level corruption, and how Iran benefits. Through interviews with Venezuelan defectors close to the regime, VEJA uncovered that in 2007 Iran secured cash donations for then presidential candidate Cristina Fernández de Kirchner of Argentina via Venezuela. In turn, Tehran asked for access to Argentina's nuclear intelligence, while whitewashing their accused from the AMIA attack. Several years later we know at least half of this was documented through the highly controversial Iran-Argentina Memorandum of Understanding (MOU) signed in January 2013. For many, this MOU blindsided Argentina but as Dr. Nisman and now VEJA revealed, it was the complicity of the regime in the *Casa Rosada* that Iran gained lost ground in Argentina.

Iran understands Latin America's corrupt infrastructure and weak institutions play to its favor and is moving aggressively to co-opt various politicians throughout the region. Some of whom are unwittingly coerced but many others are complicit in selling out their countries to make a quick, sometimes deadly buck.

Iran's very competent intelligence service, commanded by the Ministry of Intelligence or MOIS in Tehran, has infiltrated the security services of several Latin American countries. In a select few, particularly within the ALBA nations, Iranian intelligence services are embedded into the security services of the host country. Advising, managing and collecting through the Bolivarian intelligence network, Iran's security service also forms part of the presidential security details of the leaders of many ALBA nations.

This is most evident in Venezuela, where a Middle Eastern mafia is embedded within various levels of the Bolivarian Republic. Several individuals of Lebanese and Syrian origin hold high level posts throughout the Venezuelan government, many with close ties to Iran and/or Lebanese Hezbollah.

In January, the Federal Bureau of Investigation (FBI) added Venezuelan diplomat Ghazi Nasr al Din to its "seeking information" terrorist watch list. In 2008, Ghazi already had his assets frozen by the U.S. Treasury Department for providing material support to Hezbollah. As a high-level Venezuelan diplomat, Ghazi has used his position and placement in the Venezuelan embassy in Damascus, Syria to raise money and establish connections for Lebanese Hezbollah. He is just one of several family members involved in this illicit scheme, that not only raises money for Hezbollah operatives, but provides them with immigration documentation to facilitate their travel to the Western Hemisphere.

This state-sponsored immigration scheme is reinforced through Ghazi's connection to a very important Chavista governor—Tareck El Aissami. The former Venezuelan Minister of Interior and Justice from 2007 through 2012, El Aissami is Iran's man in Mérida who has helped Hezbollah funnel funds to the Middle East and fly foreign fighters to Latin America, operating clandestinely through the region.

Research at the Center for a Secure Free Society (SFS), revealed that during El Aissami's tenure as the Interior Minister a large number of Islamist militants from Iran,

Iraq, Syria, Lebanon and Jordan received immigration benefits from the government of Venezuela. Regional intelligence officials have data on at least 173 individuals who received such benefits, most of which are believed to be affiliated with Lebanese Hezbollah. In some cases, a visa was expeditiously awarded so that Hezbollah affiliates can open bank accounts in Latin America, however, in other cases a passport was more convenient to establish front companies and travel freely throughout the region. In the most extreme cases, birth certificates were doctored, completely changing the identity of an Islamist militant who becomes a ghost, almost impossible to track.

Over the years, El Aissami developed a sophisticated, multi-layered financial network that functions as a criminal-terrorist pipeline bringing militant Islamists into Venezuela and surrounding countries, and sending illicit funds and drugs from Latin America to the Middle East. His financial network consists of close to 40 front companies that own over 20 properties with cash, vehicles, real estate and other assets sitting in 36 bank accounts spread throughout Venezuela, Panama, Curacao, St. Lucia, Southern Florida and Lebanon. This network became integrated with the larger Ayman Joumaa money-laundering network that used the Lebanese Canadian Bank to launder hundreds of million of dollars and move multi-ton shipments of cocaine on behalf of Colombian and Mexican drug cartels as well as Hezbollah.

This immigration scheme is suspected to also be in place in Ecuador, Nicaragua and Bolivia, as well as some Caribbean countries.

In July 2008, Dominica, a small Caribbean island that forms part of the ALBA alliance, signed an agreement with Iran that enabled its citizens to hold dual-citizenship with several countries throughout the Middle East, including the Islamic Republic. A Dominica passport allows Iranians and other Islamists to gain access to the Caribbean Community (CARICOM). Another member of this community, Belize, has also been implicated in immigrations schemes to help Hezbollah travel through Mexico into the United States.

On September 2012, a U.S. citizen and resident of the Bay Area in California—Rafic Labboun—was arrested by Mexican authorities for smuggling Hezbollah operatives from Belize into Mexico. At the time of his arrest, Labboun was captured in the southern city of Mérida, Yucatán, with a fake Belizean driver's license, birth certificate, and passport, all acquired in less than 72 hours. Labboun was no ordinary Hezbollah fundraiser, he was believed to be the highest ranking Hezbollah leader in the San Francisco Bay Area and spiritual leader for the Shi'a Association Bay Area (SABA) Mosque. He was previously convicted of credit card fraud in 2009 for illicit financial schemes to raise money for Hezbollah.

While only gaining moderate attention in the U.S., the Labboun case created quite a controversy in Belize. A concerted effort was taken in this small Caribbean country to bolster the Immigration and Nationality Department against fraud and corruption. Nevertheless, the larger question was whether Labboun was an aberrant case of public corruption - or - part of a larger immigration scheme similar to what transpires in

Venezuela. According to Central American intelligence officials, it is the latter. Through its multi-billion dollar subsidized oil program, PetroCaribe, Venezuela owns a large portion of Belize debt. A debt that can be leveraged, as it was in Argentina, for political favors, such as working more closely with Hezbollah. Venezuela's petri-diplomacy is characterized by its business sweeteners and ties to social programs, such as the Miracle Mission (Mision Milagro) in which hundreds of Belizean patients are flown to Venezuela to receive "free" eye surgery.

Through these cases what is evident is that specific Latin American governments are using state-power to create spaces for Lebanese Hezbollah to operate. Whether through immigration schemes, or political corruption, these governments use formal diplomatic and economic channels to move illicit Iranian funds and foreign Hezbollah fighters throughout the region. This is not new, as Abdul Kadir's famous five-year plans conceived the infiltration of police, security forces, intelligence and diplomatic/military posts as a strategic move for Iran. He also suggested the Islamic Republic urge Guyana to allow Iran to obtain dual citizenship and forge documents to devise ways and means towards achieving strategic ends.

While Abdul Kadir may have devised the ways and means for Iran to attain its strategic ends, the ALBA nations have enabled the Islamic Republic to achieve its strategic ends. Today, Iran more looks more aggressively outside of the ALBA bloc and watches for opportunities to co-opt strategic governments with influence in the United States. One such opportunity could open up today with the potential election of the former Foreign Minister of Uruguay, Luis Almagro, to become the general secretary of the Organization of American States (OAS). Almagro started his tour within the Uruguayan diplomatic corps as ambassador to Tehran from 1991 to 1996, through the AMIA and Israeli attack in Buenos Aires. As foreign minister, Almagro was known to frequent the residence of the Iranian ambassador in Montevideo.

4. Military Penetration

In February 2014, student-led demonstrations erupted throughout Venezuela protesting the high levels of crime and violence, inflation and shortages, and the overall oppression of freedom in the country. The Bolivarian government response was to quell these protests with brutal and harsh tactics including sodomizing students, beating and killing protestors, and jailing or exiling political dissidents. Human Rights Watch called these "systematic" human rights violations for which seven Venezuelan government officials have already been sanctioned.

To most, the Venezuelan government's ability to brutally stifle student protests, is a capacity developed by the Cuban regime whose intelligence and military direct many aspects of Venezuela's national security apparatus. While mostly true, this excludes another vital player that has enhanced Venezuela's foreign internal defense, the Iranian paramilitary force known as the *Basij*.

In April 2009, the current Iranian commander of the Basij paramilitary force, Brig. Gen. Mohammad Reza Naqdi, accompanied then-Iranian Defense Minister Gen. Mostafa Mohammad-Najjar on a high-level visit to Caracas at the invitation of then-Venezuelan President Hugo Chavez and his foreign minister (now President) Nicolas Maduro. Gen. Naqdi's role in these high-level meetings was to serve as an advisor to Venezuela's Ministries of Defense and Interior to aid in training their civilian militias, known as the infamous *colectivos'*. Years later, the results of this advisory support are evident on the streets of Venezuela as the *colectivos'* tactics are a step-up in its previous capabilities, to include new clandestine communication and infiltration/espionage techniques.

Gen. Naqdi, who previously served as the Iranian Police Force's counterintelligence chief, has a long list of human rights violations dating back to the 1999 student protests in Iran. Aside from Venezuela, he is rumored to have also visited Bolivia during his travels to the region.

Unfortunately, Iran's paramilitary presence is not the only concern regarding their unprecedented deployment of military officers to Latin America. Over the last few years, Iran has capitalized on its increased legitimacy in the region to establish a military industrial footprint, most prominently in Venezuela and Bolivia. Through several joint military-to-military agreements with these two nations, Iran has established an illicit procurement and acquisition program to obtain dual-use material for its strategic military programs, particularly its ballistic missile and nuclear initiatives.

For instance, Iran's bilateral military venture to help Venezuela develop drone technology resulted in twelve outdated unmanned aerial vehicles (UAV) called the *Arpia* class. This technology is based on the Mohajer-2 reconnaissance drone developed by the Islamic Republic. While on the surface, this seems to be a legitimate function of bilateral military cooperation between both nations, beneath the surface, their are several irregularities that made many analysts suggest that this joint UAV program was a cover for something else. First, a fourth of these new drones crashed during its initial flight tests. Second, the hefty $28 million the Bolivarian government paid is outside the market value of these type of reconnaissance drones. Lastly, a mysterious explosion in January 2011 at the site where the drones were being built only served to further fan speculation about the dual-use capacity of the drone factories now operational in Maracay, Venezuela.

Maracay is the home of Venezuela's military industry known as Compañia Anónima Venezolana de Industries Militares, or CAVIM. This state-owned Venezuelan weapons company was sanctioned by the U.S. under the Iran, North Korea, and Syria Nonproliferation Act, known as INKSNA. CAVIM was the hub of at least six major joint military projects with Iran, at least three of which violated U.S. and UN international sanctions. To shield their activity with Iran, CAVIM would use Venezuela's state owned energy company, Petróleos de Venezuela, S.A. (PDVSA) and the Islamic Republic of Iran Shippling Lines (IRISL) to make these military transfers. In a highly irregular dual billet, Gen. Aref Richany Jiménez, the commander of CAVIM from 2008 to 2011, also directed PDVSA's external relations department. Son of Lebanese immigrants, Gen.

Richany Jiménez was also recently listed as one of the Venezuelan government officials sanctioned by the U.S. for human rights violations in that country.

According to Stuart Levy, the former U.S. Under Secretary of Terrorism & Financial Intelligence for the Department of Treasury: "Iran attempts to shield its procurement activities behind a maze of entities, essentially hoodwinking those still doing business with Iran into facilitating illicit transactions for the transport of dual use, missile-related items." Special attention needs to be paid to the state-owned energy companies of the ALBA nations, namely Ecuador and Venezuela, as they have created the "maze of entities" that Stuart Levy described, through their energy conglomerates.

Moreover, many countries in South America have an abundance of strategic minerals and metals that have dual-use applications to Iran's military programs. Thorium, for instance, often used in electronics is also predicted be able to replace uranium as nuclear fuel in nuclear reactors. Other more commercial minerals such as Lithium and Tantalum (or the core element Coltan) also have military-grade applications due to their high degree of heat and corrosion resistance. Iran has been involved in the strategic and at times illicit acquisition of these minerals through gray and black markets in Latin America for the last several years.

Lastly, and most controversial, is Uranium. Several countries, including Bolivia, Brazil, Ecuador, Venezuela, Guyana, Paraguay, Peru, Chile, Guatemala, Mexico, and Uruguay have uranium deposits although these are largely unexploited. Latin America hasn't historically produced much uranium, which means investors haven't paid much attention to the market. Except Iran. The Islamic Republic has been involved in various geological studies and surveys exploring these uranium markets, and while I cannot say they have successfully exploited this strategic mineral. Iranian front companies have established themselves in and around these deposits in Ecuador, Bolivia and Venezuela. In the latter, the Roraima basin in the southeastern section of Venezuela, along the border of Guyana, has significant uranium deposits and by extension a large Iranian presence.

Iran's aggressive posture in obtaining items, materials and technology from Latin America that benefit both it's nuclear program and ballistic missile program are at the heart of what led to the death of Dr. Nisman.

In his final term as president, the late Hugo Chávez became an prominent player in Argentina's foreign policy. Buying out approximately $10 billion of Argentine debt, Chávez gained an inordinate amount of influence over that country, particularly over their president, Cristina Fernández de Kirchner. Since 2007, Venezuela began nuclear cooperation with Argentina for the development of its own nuclear reactor. At the same time, Venezuela began its military transfers to Iran. Parallel to this nuclear cooperation were several joint financial agreements between Argentina and Venezuela centered around agricultural and social projects. Many of these projects did not materialize, however, millions of dollars tied to these projects still moved between both countries.

Argentina's nuclear program, which dates back to the 1950s, has been dormant since the 1980s. President Fernández de Kirchner gave the nuclear program new life in 2011. The *Veja* article released this month, mentions Argentina's nuclear technology and capability as Iran's primary objective for their rapprochement with that country.

The question remains to what degree is Argentina's new nuclear ambition tied to Iran's intent to attain this technology? And has Venezuela's own defunct nuclear program and triangulated trade with Argentina served the purpose of helping Iran? Perhaps Dr. Nisman knew more than he reported. Unfortunately he is no longer with us.

5. U.S. Government Vulnerabilities

Many elements of the U.S. government, particularly within law enforcement and the intelligence community, as well as the U.S. Congress, have paid significant attention to Iran's intrusion in the hemisphere. Nevertheless, there is not a concerted, whole-of-government approach to the problem-set. And there are differing opinions within the government as to the extent of the threat that has lead to three distinct vulnerabilities: (a) borders; (b) budgets, and (c) bureaucracy.

The U.S. State Department in particular missed a valuable opportunity to remedy this by working with congress and its defense/intelligence counterparts on this issue. In June 2013, they issued an assessment of Iran's influence in the region that sparked controversy within the USG as many individuals and entities who hold a vast amount of knowledge about this threat were not consulted. The State Department's conclusion that Iran's advancements in Latin America are "waning" was premature, even by their own measure. This is evidenced by a State Department letter on August 1, 2013 to Senator Mark Kirk (R-IL) stating that they will reexamine their own assessment. Quite frankly, the original State Department report lacked the depth and seriousness required to develop a comprehensive, whole-of-government strategy against this threat. Almost two years later, there has not been a reassessment of their original report made public.

Meanwhile, many dedicated professionals within various levels of government, both at the state and federal level, continue to unravel the Iran/Hezbollah network in the region. Unfortunately, there efforts are constrained because this is done at a time of austerity when budgets for several elements of our national security that monitor the southern hemisphere—are receiving drastic cuts.

U.S. Southern Command (SOUTHCOM), the regional combatant command responsible for Latin America and the Caribbean, is already absorbing a 26 percent cut across a range of programs. Because of these asset shortfalls, SOUTHCOM is unable to pursue 74 percent of suspected maritime drug trafficking vessels, according to commander Gen. John Kelly. Vessels that could very possibly contain more than drugs but WMD effects that aid or abet Iran's illegal nuclear and ballistic missile program. Moreover, these cuts affect the Defense Department's ability for military-to-military engagement that is critical to offset Iran's influence in these particular sectors. Capacity-building activities, multinational exercises, and bilateral defense support in Latin America have

all reduced in the last few years creating a vacuum that Iran and Hezbollah have exploited.

In particular, Intelligence, Surveillance, and Reconnaissance (ISR) shortfalls are very detrimental because it creates blindspots where terrorists, transnational criminal organizations and WMD proliferators can operate without our knowledge or awareness. This is especially true along our "third border" the Caribbean. Border security as a whole needs to be reexamined because the emphases placed on our physical border, while important, looses sight of the fact that threats usually emanate beyond the border. In this context our ISR cuts are compounded because the USG loses its ability to monitor many porous borders from South through Central America that regional governments lack the capacity to control.

At this moment, we are at a critical inflection point of Iran and Hezbollah's presence in Latin America. There is still time to reengage, as the U.S. has several levers of influence in the region that is quickly being filled by not only Iran, but also Russia and China. Examining these three extra-regional actors (China, Russia and Iran) as separate phenomena's is detrimental to understanding how the balance of power is shifting in Latin America and the Caribbean.

6. Policy Recommendation: Strengthen North America

There are several tactical policy recommendations I could provide, some of which are listed in the final chapter (11) of our book *Iran's Strategic Penetration of Latin America* (Lexington, 2014). But I'd like to focus on a strategic policy recommendation that has a distinct vision and encompasses a grand strategy. If implemented this would allow the U.S. and our allies in Latin America to unite under the banner of a greater North America and by consequence neutralize Iran and Hezbollah.

For most of our history, the grand strategy of the United States has been to *ensure stability in this hemisphere so that we can be free to balance our interests in Europe, Asia and elsewhere*. This helps us understand why President Ronald Reagan unwaveringly declared that he would "draw the line" against Cuban/Soviet aggression in Central America. And he did. Now we are facing a reinvigorated Russia in the region, an economically empowered China commanding influence in the hemisphere, and a bold Iran intruding on our interests in Latin America.

This is the time to **reinvigorate and expand a North American grand strategy**. Not least because of the recent plunge in oil prices that has shocked the petro-regimes of Venezuela, Ecuador, Russia and Iran. But also because of the decline in Chinese consumption of commodities in Latin America that created an artificial boom throughout the region.

In the energy domain, the increased production of U.S. shale oil, reserves of which have been estimated to be able to supply North America for 100 years, with another 100 years capability from Canada's tar sands—has opened up opportunities to become less

dependent on Venezuelan crude. On the flip side, Venezuela's rapidly declining oil production places it in a vulnerable position as it's regional influence spurred by petro-diplomacy has diminished.

Following this logic, there is no better time and no greater friend to the U.S. than Canada. Sharing the world's largest border, and the world's largest trade relationship. Our relationship with our northern neighbor is not just vital for our economic success, it's vital for our national security. Reinvigorating a greater North America is vital to any anti-access strategy against Iran and Hezbollah's advancement in the Western Hemisphere.

Mr. DUNCAN. I thank the gentleman for his testimony. There will be an opportunity for us to delve more into that during the question and answer time.

So I will recognize Mr. López-Dolz.

STATEMENT OF MR. DARDO LÓPEZ-DOLZ (FORMER VICE MINISTER OF INTERIOR OF PERU)

Mr. LÓPEZ-DOLZ. Thank you. Ranking Member, Chairman and members of the Subcommittee on the Western Hemisphere, I very much appreciate the invitation sent by Committee Chairman Royce permitting me the opportunity to appear before you today.

My testimony began with the case of Muhamad Amadar, a presumed Lebanese terrorist and confessed Hezbollah member, who was arrested by the Peruvian National Police in October 2014 for possession of explosives that have distant similarities with explosives usually employed by Hezbollah. The intended target of these explosives was not identified. Photos were found on his iPad by the Peruvian-North American Cultural Institute and the Lima International Airport.

But since clear is that Amadar is not—is an explosives manufacturer but not an operator. He was not going to be the engineer who would carry out the attack that was presumably being prepared.

His network will continue to be around and should be assumed to be intact. Therefore, its operational regional capability can continue to build and intensify without difficulty.

In my testimony, I describe Hezbollah recruitment in Peru. Since at least the end of the 1990s, Iran had recruited native-born Latin Americans into training, where they use faith with military and political indoctrination and a key precept is that Iran's mission—indeed, its obligation—is ostensibly expressed as a movement to liberate the oppressors of the world.

This purported goal is one also embraced by the violent radical movements in South America that almost all have clear anti-Western and anti-Reagan inspiration.

Hezbollah recruitment activity has been focused in southern Andes, the poorest region of Peru, an area of rampant and flagrant trafficking in drugs, weapons, and human trafficking—without any real possibility of detecting what or who enters or leaves the area that has many conditions that are a clear advantage for the expansionist plans of Iran.

The southern border with Bolivia and Chile is highly porous and permeable in the jungle regions as well as the highland and mountain ranges. Consider the great interest of Iran in Bolivia and the apparent closeness of the two governments, the dangers stemming from their presence in the area expands geometrically.

Another significant concern is that Peruvian national intelligence source speak of more than 120 military reservists, meaning former active duty soldiers, who were recruited and sent to Iran via Quito in Ecuador for political indoctrination and possible advanced military training.

In terms of risk, the Hezbollah reserves in Bolivia could be easily used as a support element or an attack element against entities perceived as U.S. or Israeli interests.

In fact, they are already acting to undermine democratic institutions and the political capacity of the Peruvian economy in coordination with their obvious allies, receiving inspiration from Chavista or Bolivarian movements.

It is important to stress that fundamental characteristics of Andean culture. It's considered a fertile breeding ground for totalitarian ideological proposition or fundamentalist theocratic concepts.

The cultural similarity between the Shi'ite worldwide and the southern Andean world could, given funding and sufficient education, generate a rapid expansion of Hezbollah cells.

Finally, there is a dangerous proximity between these cells, the Governments of Cuba and Venezuela, and Latin American terrorist organizations that joined to direct the so-called Fronts for the Defense of the Environment, positions to which no one has elected them, in titles that they themselves have appropriated.

Using this cover, they systematically and flagrantly oppose all major investments and development projects, leaving illegal mining and illegal narcotics production as the only de facto industries in these poverty-stricken areas.

I will say it is imperative to reinforce ties with the Peruvian police force, its legal system, Peruvian intelligence, and the Peruvian armed forces to combat these new enemies to democratic stability, freedom, and economic growth, which is in the common interest of my country and the U.S.

This new focus, if backed by your country, would support not only security in the U.S. and Peru, but also freedom and free markets in the Western Hemisphere, all of which are undermined by narcotics trade and extremists in the region.

Human intelligence networks are also needed in a broad area and electronic communication to ensure that Hezbollah and their partners cannot expand their influence and ultimately cannot threaten the common interest as well as the internal security of both Peru and the United States.

Thank you for your time and attention. I look forward to your questions.

[The prepared statement of Mr. López-Dolz follows:]

IRAN AND HEZBOLLAH IN THE WESTERN HEMISPHERE

Statement before the
U.S. House of Representatives Committee on Foreign Affairs
Subcommittee on the Western Hemisphere & Subcommittee on the Middle East and North Africa

Dardo Lopez-Dolz[1]
Lima, Peru

March 18, 2015

Chairman Duncan, Chairwoman Ros-Lehtinen, ranking members Sires and Deutch, distinguished members of the Subcommittee:

It is a pleasure to appear before you today to offer my perspective on Iran and Hezbollah's presence, activities and influence in Latin America, with a particular focus on Peru, my home country.

Peru is not typically associated as part of the wave of anti-American populist countries in Latin America characterized by the Cuban and Venezuelan-led Bolivarian Alliance of the Americas (ALBA). In fact, Peru is a growing trade partner of the United States and, along with Chile, Colombia and Mexico; it forms part of the Pacific Alliance that counters the more socialist message of the ALBA narrative. In the past few years, Peru's economy has enjoyed healthy economic growth. Nor is Peru's government currently hostile to the United States.

Nevertheless, Iran and Hezbollah, two forces hostile to U.S. interests, have made significant inroads in Peru, almost without detection, in part because of our weak institutions, prevalent criminal enterprise, and various stateless areas. These elements are particularly weak in the southern mountainous region of my country.

As Peru's Vice Minister of Interior in 2006, and through my work as an analyst of political and social conflict conducting various risk analyses for a variety of private sector clients—I have become very familiar with these sub-regions and the illicit actors that operate within them. In the case of Iran and Hezbollah, I began noticing their presence back in 2011. At this time, a connection was forming between the Islamic Republic and other

[1] *Dardo Lopez-Dolz is the former Vice Minister of Interior (2006) and a political and security analyst in Peru, who, as the president of PKS Consultants, advises several multinational firms on the dynamics of political and social conflict in the country.*

activist movements in Peru controlled by Havana, Caracas and La Paz. These activist groups, have been operating in my country since at least 2005, and include the *Casas de ALBA* (Houses of ALBA) and the *Casas de Amistad Peruano-Cubanos* (Peruvian-Cuban Friendship Houses) — political/social organizations aimed at subverting and weakening our democratic institutions and spreading socialist ideology throughout the country.

Since the Iranian attack on the *Asociación Mutual Israelita Argentina* (AMIA) in 1994, I have been concerned about the Iranian and radical Islamist presence in my country. But it wasn't until a few years ago (circa 2011) that I began receiving information regarding the presence and activity of Iranian and Hezbollah operatives in Apurímac, Peru, which is a poor, not densely inhabited, remote region of the country. Apurímac is also a mineral rich region, with tremendous potential for strategic minerals such as uranium (Minera), but the region is also heavily involved in cocaine production.

The following written testimony provides details to the presence and activities of Iran and Hezbollah in my country, which has advanced very rapidly almost unnoticed.

A Hezbollah terrorist is arrested in Lima

On October 28, 2014, a 28-year-old Lebanese-national—**Muhamad Amadar**—was arrested in Lima by the Peruvian National Police for possession of explosives. Amadar entered the country from São Paulo, Brazil using false documents from Sierra Leone and admitted to being a member of Hezbollah during his initial interrogation (Aguirre).

According to immigration records, Amadar first arrived in Peru in November 2013, and married Peruvian-American Carmen del Pilar Carrión Vela, a U.S. citizen who resides in Miami but was born in Pucallpa, a remote city in the Amazon region of Peru with a great amount of narco-trafficking activity. Peruvian police monitored Amadar intermittently after he arrived in country since the police anti-terrorism database had information that tied him to Islamic terrorist networks. But because he was married to a Peruvian national, his immigration status prevented him from being immediately deported. (Aguirre)

After a little more than a year in Peru, the police proceeded to apprehend Amadar after noticing he had not left his apartment for several weeks. At the time of his arrest, Amadar was alone and no explosives were found; however, there were plastic gloves and traces of TNT, carbon, and other chemical products. These products were later analyzed by a technical team of the Peruvian National Police and determined to have similarities to explosives usually employed by Hezbollah. (Aguirre)

The target of attack was not identified, and Amadar has declined to cooperate with the Peruvian Counter-Terrorism Police (*Dirección Nacional Contra el Terrorismo*—DIRCOTE) Photos, however, were found on his iPad of the Peruvian-North American Cultural Institute (*Instituto Cultural Peruano-Norteamericano*—ICPN) in Miraflores as well as the Jorge Chavez International Airport in Callao ("Peru Dicta", 2014).

All of this is reminiscent of the AMIA attack in Buenos Aires on July 18, 1994 and the lesser known bombing of a Panamanian commuter flight the next day, on July 19, 1994 that

killed 21 persons including 12 Jews. A cultural center and an airport are common soft targets for Hezbollah.

Based on conversations with Peruvian officials familiar with this investigation, what seems clear is that Amadar is an explosives expert, but not an operator. He was not going to be the individual who would carry out the attack that was presumably being prepared.

Although the quick dissemination to the press of Amadar's arrest prevented further identification and arrest of other members of his cell, it is logical to assume that he belonged to a larger, regional network. There is speculation that his premature arrest, before it was possible to identify more members of his cell, was a political decision made at the highest levels of my country. (Aguirre)

Amadar stands accused of possession of explosives and his case is with the Peruvian prosecutor. Although it is evident that he handled or manufactured explosives, as an attorney my self, based in my experience as litigator, I can say the case is quite fragile legally, since it is only based on expert analysis of explosive residue and reports provided, apparently by the Mossad, in which he is identified as an explosives expert. But since no target was confirmed, nor is there an actual confession, it is quite possible that he will be found not guilty and released from prison. Meanwhile, his network is unknown and presumably intact, therefore its operational capability can continue to build and intensify without interruption.

The Amadar case is but the tip of the iceberg as Iranian and Hezbollah operatives have been leaving a growing footprint throughout the Americas. While Iran has been shown to have established substantial links with ALBA countries, its presence and influence in other countries in Latin America seems to be growing as part of a coordinated strategy to expand throughout the region. In doing so, Iran is utilizing the same strategy, and even the same agents of influence, that allowed it to grow exponentially within the ALBA countries. In Peru, this strategy began to take shape in 2011.

It's important to be aware of the tendency of Hezbollah to raise funds from illegal activities like drug trafficking and illegal mining, both heavily related to the economic life of the southern mountain and jungle areas of my country.

Creating a cultural climate favorable to Iran

Unlike the U.S. and many countries in Europe, Peru's Islamic community is relatively small, comprising approximately a few hundred people throughout the country. Most of this community is dispersed, however, Tacna, along our southern border with Chile is an exception with a small but unified Islamic community (approximately 60 Muslim families).

The majority of Tacna's Muslims are Pakistani, engaged in used-car importing, and have assimilated into Peruvian society, with many obtaining Peruvian citizenship and subsequently applying for immigrant investor visas in the United States.

Due to the small size of the Islamic community in Peru, with the only major Sunni Mosques in Lima and Tacna, the transfer of cash donations for the construction of additional

mosques and/or Islamic cultural centers deserves attention. This bears watching since there is not a large enough Islamic community in Peru to warrant the construction of more Mosques or any significant Islamic cultural activity.

Yet, on September 2011 an Iranian-Argentine dual citizen named Suhail Assad (birth name: Edgardo Ruben Assad) visited Peru for the first time to do just that. It is important to note that in July 2011 Ollanta Humala Tasso assumed his presidency of Peru. Sources close to Humala have suggested that Suhail Assad showed interest in establishing contact with President Humala at the offset of his presidency. I cannot confirm that he made such contact, but Assad did meet with a former professor at the Pontifical Catholic University in Lima, who is in Humala's inner-circle. Assad also met with a government official who helped clear his way through immigration, since he is on a watch-list.

Numerous intelligence reports have identified Assad, who resides alternatively between Chile, Venezuela and Iran, as the Islamic Republic's main agent of influence in charge of recruitment and proselytizing in Latin America. (Salcedo)

While in Peru, Assad made a series of films with Marxist historians focused on the benefits of pre-Columbian cultures and contrasting these with the alleged devastating damage done by the West during the 20th century. Assad used these films continuously speaking about the "enemies of Islam" without specifying who these exact enemies are. Assad's skill as a propagandist is instrumental for the influence operations that have recruited thousands of young, native-born Latin Americans to travel to Qom, Iran to receive "training" from the infamous terrorist, and "mastermind" of the AMIA attack—Mohsen Rabbani.

Through religious proselytizing, several of these Latin Americans have intertwined their new Muslim faith with existing militant positions prevalent throughout their communities, adopting the Iranian and Bolivarian (ALBA) mission to "liberate the oppressed" in their country. This narrative sits well with many violent radical movements in South America who have clear anti-Western attitudes. In this context, the 1979 Iranian revolution is viewed as a recipe for success for many homegrown Latin American radical movements that look to move the region away from U.S. and Western influence. (Teólogo Sheij)

In Peru, it appears that Assad's first contact was a Peruvian national, Edwar Quiroga Vargas, who contacted the Argentine through his Iranian-Latin American Cultural Center in Caracas, Venezuela, via an introduction from the late Venezuelan president Hugo Chavez Frías. Quiroga has a reputation as an avid fundraiser in Peru, Venezuela and Bolivia, with connections throughout various indigenous movements in the country. Quiroga managed to convince Assad that Apurímac, a remote, sparsely populated region, rich with minerals and agriculture—is a strategic region to start building Iran's presence in Peru.

It is not clear whether Quiroga continues to be involved with Iran. There are several rumors circulated within the small Peruvian Shiite community concerning the disappearance of a $40,000 grant awarded by Iran for the construction of a mosque, which was never built. Nevertheless, Quiroga was able to organize several trips for an unknown number of Peruvians to Qom, Iran for political, religious and other training. Peruvian national

intelligence sources speak of more than 120 military reservists (former active duty soldiers) who were recruited and sent to Iran via Quito, Caracas or La Paz. Most of these recruits have no Islamic ancestry and belong to remote indigenous communities, with some harboring significant resentment toward the West. Many participated in a violent takeover of the Micaela Bastidas National University of Apurímac (*Universidad Nacional Micaela Bastidas de Apurímac*—UNAMBA) a couple years ago. The total number of Peruvians who received this Islamic indoctrination and possible advanced military training is unknown, but at least two (2) remained in Iran or outside Peru for several years and at least eight (8) are back in Apurímac directing the INKARRISLAM, an Islamic cultural center in this sub-region.

Peruvian police have also linked Quiroga to the *Etnocaceristas*, a militant nationalist movement and political party leaded from jail by Antauro Humala, the brother of President Ollanta Humala, who attained prominence by occupying a rural police station in Apurímac back in 2005 but is now imprisoned and convicted of sedition, homicide and kidnapping. Etnocacerist party (a racist organization that advocates against western races and western aspects of Peruvian society and Peruvian culture) also played an important roll in the takeover of Pichanaki town, which was followed by the expulsion of Plus Petrol oil company from the region, as they have done in several riots in the last 10 years.

The link between Quiroga and the *Etnocaceristas* is a Peruvian citizen named Guillermo Bermejo Rios, who is part of Venezuela and Cuba's activist movements in Peru with ties to several Latin American terrorist groups, namely the FARC in Colombia, *Alfaro Vive Carajo* in Ecuador, MRTA (the terrorist group that took control of the Japanese Embassy in Peru and previously kidnapped or killed several businessmen in Peru and Bolivia) and the infamous Shining Path. Bermejo is currently in prison for his ties to drug trafficking and to the Shining Path, but was initially arrested in 2006 by the Peruvian National Police for allegedly planning to attack the U.S. Embassy. Bermejo was not convicted in 2006 because "conspiracy" to commit a terrorist act is not a legal concept in Peru, nor do we have sufficient anti-terror legislation to prosecute someone for affiliation to terrorist entities (Humire, 99).

These cases raise significant concern over the growing presence of Iranian-allied operatives and organizations in a friendly nation, taking advantage (in the same way China and Russia do) of each void the U.S. has left in Peru for years now, Hezbollah related activities, even those of a preliminary type, indicate the possibility of greater and more serious threats. The Amadar arrest this past October does not tell us the extent of the cell or other networks with which it presumably operates, nor the intended primary and secondary targets and objectives. All of this raises more questions than answers.

What is clear, however, is the coordinated set of activities that bear watching. Colonizing Middle Eastern and Islamic communities, recruiting people with an anti-Western predisposition and their unspecified "training" abroad, outreach to indigenous communities with previous grievances, the presence of activists with ties to militant and intelligence operations are not the acts of a friendly power. When an individual is found to be engaged in the handling of explosives and is not prosecuted to the full extent of the law, then the suggestion of political cover ups and end runs around the legal system should set off alarms about the extent of the Iranian infiltration in my country.

Peru's geo-strategic advantage

Peru's south is a region with many advantages for Iran's expansionist plans. Both Apurimac and Puno have proven uranium reserves and the border with Bolivia and Chile is highly porous and permeable, encompassing jungle area, highlands and mountain ranges. It has become an area of rampant and flagrant trafficking in drugs, weapons, explosives, gas, oil and human smuggling, without any real possibility of detecting what or who enters or leaves the area. (Minera)

Considering Iran's extraordinarily large presence in neighboring Bolivia, and the apparent closeness of Bolivia's government to that of Peru—this presents the possibility that Iran could use its embassy in La Paz as a central hub to command and control operatives and agents in neighboring countries.

These neighboring countries, namely Peru and Chile, share a very porous border that is filled with criminal and other elements of organized crime. The lack of legal oversight and systematic weakness in the Free Trade Zones of Tacna (Peru), Arica and Iquique (Chile, and El Alto (Bolivia) could conceal a variety of illicit or sanctioned activity. On August 28, 2012, Brazilian and Bolivian authorities found two tons of tantalite in nylon bags in the office garage of the Venezuelan military attaché in La Paz, Bolivia. This strategic mineral, with dual-use military grade applications, was reported to be mined out of Guajará-Mirim in Brazil and transported via smuggling river routes through Bolivia, than by land to Arica, Chile where it was allegedly going to be docked and transported via vessel to Venezuela and then to Iran.

Moreover, its large Andean indigenous population also characterizes this sub-region. In an attempt to win converts and sympathizers, cultural memes are used to create parallels between seemingly disparate religions and cultures. Such concepts as the Shiite belief in the "return of the Mahdi" can be translated closely to resemble the traditional *Inkarri* myth, believed by many indigenous in the Andes to represent the return of the Inca (God). Such parallels can be used to provide a certain cover of legitimacy to those otherwise thought of as "outsiders."

Iranian agents have shown to have an acute familiarity to the cultural environment of the Andes and do not ignore any of these elements. The combination of weak institutions, religious parallels, and a strong anti-American political narrative are all consciously used to lay the foundations for carrying out future actions and operations by Iran and its terror proxies.

Iranian interests, by working with local anti-Western movements, work against economic cooperation with the U.S. and other countries, undermining productive capacity and therefore making us more dependent on our relations with Iran and its allies. The cultural similarity previously mentioned between the Shiite worldview and the southern Andean world could, given funding and sufficient dedication, generate a rapid expansion of Hezbollah cells with effects that are hard to predict.

Finally, there is a dangerous convergence taking place in Peru between Iranian and Hezbollah cells, the governments of Cuba and Venezuela, the *Etnocacerista* movement

(founded by President Humala), the FARC, the Shining Path and the MRTA which jointly direct the so-called "Fronts for the Defense of the Environment" – positions to which no one has elected them and titles which they themselves have appointed. The connections between this convergence is not entirely clear; however, what is clear is that Iran's ability to spread its influence is increasing due to the growth of these groups in Peru.

Conclusions and Recommendations

Peru's current government may show some sympathy towards Iran, but it is not openly an ally of Iran. Iran is recruiting and using clandestine entry into Peru, constructing networks with a growing capability for action in the southern Andean region, which puts at risk not only U.S. interests, but also undermines the very stability of democracy and economic growth of my country.

These networks have links with subversive organizations; operate under the facade of self proclamed (not elected by citizens) fronts for environmental protection (usually forcing the population to back them by fear), and to promote an anti-investment climate that has already yielded their desired results by paralyzing major mining, energy and hydrocarbon projects. The arrest in October 2014 of a presumed Lebanese terrorist (Amadar), who confessed to being a member of Hezbollah, with clear evidence of having handled explosives, indicates they seem to be ready to move into an offensive phase using terror.

The U.S. government should strengthen its traditional friendship with Peru, increasing efforts to train the armed forces, police and prosecutors starting at the basic professional training of its members. So far, at least in the Army (where Etnocacerist party, close to Iran's political position is making itself stronger), Peru's military training continues under the influence of the Russian schooling instilled in the 70's. It would also be highly advisable to direct more effort toward human and electronic intelligence collection so as to better understand how Hezbollah is deploying its plans of action in the southern Andean region. Human Intelligence collection by local peasants is crucial in far regions still poorly connected. To be valuable, this must be analyzed by professionals who really understand the culture of the area, which is quite idiosyncratic and different than large Peruvian cities, and very different from U.S. culture itself.

The police and armed forces of my country also need to build strong quick-response capabilities to act efficiently and promptly when need against these common enemies of democracy and freedom.

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Mr. DUNCAN. I thank you.

Mr. Modell, you are recognized for 5 minutes.

STATEMENT OF MR. SCOTT MODELL, SENIOR ADVISOR, THE RAPIDAN GROUP

Mr. MODELL. Chairman Duncan, Chairwoman Ros-Lehtinen, Ranking Member Sires and Deutch, thank you, members of the committee, fellow panelists. Good morning.

I was planning on spending the first part of my statement going over what I thought was the Iran Action Network, a combination of the ministry of intelligence and the IRGC and all the things that they have done over the years in the region.

But I think that has been adequately—more than adequately covered. I would like to spend the little time that I have to discuss some of the things that I think we should do going forward as far as solutions as a government looking at this region, particularly given the inadequacies that have been pointed out as far as the lack of attention and resources toward this region.

In my opinion, even if sanctions and diplomacy lead to a nuclear agreement with Iran, the activities of both Iran and Hezbollah will continue to post significant challenges to any long-term relationship or rapprochement with the West.

To address the threats that are likely to live on long after any deal is reached, in my opinion we should consider the following recommendations.

First, we need to take more of network approach to countering Iran. I think it was pointed out here that the State Department is woefully inadequate in the attention that it gives toward the Iranian threat in Latin America. There is a government-wide lack of attention.

I think when you look at the agency or look at DEA and others who have very specific mission sets, I would argue that they actually are adequately focused on, whether it is narcotrafficking or Iran or other hard targets in the region, but there is not a combined whole of government counter network approach that I think we really need to start looking at.

In particular, when you are looking at Hezbollah, which I think is arguably even more dangerous than Iran as a whole across the region, there is a real need to identify the external security organization—Hezbollah's armed wing overseas that has been responsible for all of the terrorism.

All of the failed attempts, all the successful attempts most of its criminality tend—really, tend to go back to the ESO, also known as the IJO.

There is broad disagreement within the U.S. Government as to what that organization does, what it is, who is affiliated with it. We need to all be on the same page and there needs to be a networked plan for figuring out how to better go after that.

Anti-illicit finance measures—Hezbollah activity in Venezuela, Colombia, Mexico, and Brazil has been linked directly to several drug related trade-based money laundering schemes, which I think we are all familiar with. All of these were—the key point to take away in this is all roads generally lead back to Lebanon.

One of the things I would recommend is enhancing the role of Treasury not only in designations but resume the overseas presence of the Treasury where they can kind of roll up their sleeves and be involved in financial investigations, building that Treasury attache for us but as long—but with the idea of having a more of a systematic approach to financial targeting and criminal disruption.

Hezbollah's finances within the Lebanese banking system have been widely exposed. Lebanese-Canadian banking—the Canadian bank case was a very good example of it. The degree of vulnerability, I think, is underestimated.

We need to give Treasury more latitude to actually put pressure on that banking system in order to change Lebanon—Lebanese Hezbollah's behavior.

Software initiatives—one of the things I mentioned the Supreme Leader and senior Iranians conservatives in their government consistently refer to the software from the United States as being the single biggest threat to the Islamic Republic.

One of the things that I think we need to do is a much better job of exposing and trying to neutralize its nonofficial cover organizations, its religious, cultural and charitable organizations, and the businesses that effectively blur the lines between its official and its unofficial activities.

I would also focus on transnational organized crime. Again, Hezbollah has become a global criminal enterprise. It is a shadow of its former self. Mughniyah and the others, some of the key founding members of the ESO, had this in mind 25 years ago.

It has blossomed into a global commercial network that leads back to the Jihad Council and the decision-making apparatus in Lebanon is responsible for the worst attacks and the kinetic activities that we are all concerned about, particularly in this hemisphere.

Finally, I think that the U.S. needs to find creative incentives for working with our liaison partners across the region, whether it is Uruguay, Argentina, Brazil. I don't think that our good old fashioned military-to-military or intel-to-intel relationships are enough.

I think that we need to do better to incentivize our foreign liaison partners to go after Iran. I served across the region and what I saw was a willingness to do that, but without properly incentivizing our partners to actually take the risks of engaging in higher impact operations against these types of threats, which are higher priority to us than they are to them, there is a limit to what we can do down there.

One of the things that I have always focused on and I have always talked about is the Rewards for Justice program. Generally, in my experience people do things—corruption is rampant almost everywhere in Latin America from what we saw.

The Rewards for Justice program could be something that could be effectively used in a positive way to further incentivize policemen, intelligence officers, the foreign governments that are working closely with us against these threats.

In conclusion, I would just say with or without a nuclear deal I don't think this regime is going to change. The conservative establishment that has been there since the beginning is still in power.

You are starting to see more maneuvering behind the scenes with regard to the Supreme Leader and his upcoming succession transition. He has been given 18 to 24 months to live. Cancer—his prostate cancer has apparently metastasized.

So the assembly of experts, the body responsible for choosing the next Supreme Leader, has already—he has already started to make—he has already started to position people in that body that are going to ensure that the succession goes toward—leans toward the hardliners.

So a number of things that are being done inside the apparatus are only going to verify that this externalization of the Islamic regime is going to go on.

[The prepared statement of Mr. Modell follows:]

"Iran and Hezbollah in the Western Hemisphere: Realities and Recommendations"

Prepared testimony of Scott Modell, Senior Advisor, The Rapidan Group and Non-Resident Fellow,
Center for Strategic and International Studies (CSIS)
Before the House of Representatives Committee on Foreign Affairs
Subcommittee on the Western Hemisphere and Subcommittee on the Middle East and North Africa

March 18, 2015

Chairman Duncan, Chairman Ros-Lehtinen, Members of both Committees, good morning and thank you for this opportunity to testify on Iran and Hezbollah in the Western Hemisphere. I will briefly describe Iran's global foreign policy apparatus, which I refer to here as the "Iran Action Network," Iran's long-term foreign policy goals and their impact on the Western Hemisphere, and offer recommendations on how to address one of our most pressing national security challenges.

Overview

For more than three decades, Iran has sought to preserve the Islamic revolution at home and promote it abroad through a network of government and nongovernment organizations that I refer to as the "Iran Action Network" (IAN). The members of that network are involved in crafting and implementing the covert elements of Iran's foreign policy agenda, from terrorism and other forms of political subversion to illicit finance, weapons and narcotics trafficking, and nuclear procurement and proliferation. They include the Iranian Revolutionary Guard Corps (IRGC) and its special operations wing, the Qods Force; the Iranian Ministry of Intelligence and Security (MOIS); Iran's terror proxies, most notably Lebanese Hezbollah; a web of Islamic cultural centers, foundations, charities, and mosques; Iran's ambassadors (often IRGC and MOIS officers) and other Ministry of Foreign Affairs personnel; and an expanding global network of agents, middlemen, and facilitators involved in a wide range of illicit activities, from arms and drug trafficking to nuclear procurement.

While Iran's most ambitious attempts to externalize its revolution have occurred in the Islamic world, since 2005 it has gone to considerable lengths to build influence in its geographic and strategic countries that can act as partners in a global network designed to oppose U.S. policies. Iran has relied mainly on a small group of "Bolivarian" nations led by Venezuela to blunt the impact of sanctions. They have facilitated Iran's oil trade, provided access to the international banking system in the face of U.S. and EU sanctions, and given Iran avenues for illicit nuclear and conventional military procurement.

Former President Ahmadinejad saw Latin America as a series of "emerging markets" for exporting the Islamic Revolution. He relied on promises of economic assistance, mainly in the energy and construction sectors, and Iranian ideological appeals to fight U.S. imperialism. In doing so, he discovered a receptive audience in two of the region's champions of the left, Hugo Chavez in Venezuela and Evo Morales in Bolivia. Before long, diplomatic missions expanded, Iranian Revolutionary Guard Corps (IRGC) and Ministry of Intelligence and Security (MOIS) officers began to surface in greater numbers, and security pacts and intelligence sharing agreements were signed. Ahmadinejad found willing supporters of Iran's quest to promote the interests of independent nations of the developing world.

His rhetorical outreach was a success: Within a few years, Iran was well on its way to having a wide array of diplomatic, commercial, and clandestine networks stretching across Latin America. Iran quickly made it clear that it was not merely seeking ways to irritate the United States in its own backyard, but rather to weaken it by creating alternative centers of power. Iran's honorary membership in Latin America's anti-U.S. club known as the Bolivarian Alliance of the Americas (ALBA) is seen as proof that Ahmadinejad's efforts were a success. Added strength through ALBA, which would go on to include intelligence, military, and other security-related exercises, facilitated the execution of Iran's regional agenda, which included obtaining proscribed military technologies, providing cover for Iran's nuclear program, and gaining access to the international banking system.

Yet, Iran's growing reach into the Western Hemisphere also proved to be an uphill climb given the U.S.'s ability to counter with economic inducements such as trade or aid and the absence of social and political conditions that are amenable to Iran's ideological overtures. In many cases, U.S. efforts to counter Iran in the Western Hemisphere have been enough to prevent Iran's partnerships from having a significant and lasting impact. On the other hand, Iran's efforts often unravel entirely on their own. Its poor track record of following through on aid and trade often leads its new Latin American partners – who tend to be weak militarily and economically – to question the political and economic wisdom of membership in an anti-U.S. coalition. The recent collapse in the price of oil has also forced Iran to downsize several of its missions across the continent.

While Tehran's web of relationships in the western hemisphere has fallen short of what Ahmadinejad and Iran's more ambitious hardliners had envisioned, there are reasons why it cannot be ignored. It began and continues with subversive intent, is largely covert and criminal in nature, and can be used to directly threaten U.S. interests in the future. Iran's involvement in the 1994 bombing in Buenos Aires and its foiled plot to assassinate Saudi Arabia's ambassador to the United States are vivid reminders of what Iran is capable of.

Perhaps the most daunting challenge related to the IAN in the Western Hemisphere is how to stop the transnational criminal networks of Iran's closest terror proxy, Lebanese Hezbollah. Hezbollah continues to play a key role in the projection of Iranian power, no longer limited to aiding Iran's traditional goals of fighting Israel and protecting Lebanon, or supporting Iran's latest operations in Syria and Iraq. It includes several countries in the Western Hemisphere, where Hezbollah has evolved into one of the region's most significant drug trafficking organizations. Hezbollah's criminal reach extends far beyond Latin America, from Guinea Bissau, Benin, and other West African crime states to a rapidly expanding criminal infrastructure in Thailand and China.

Iran's subversive agenda is unlikely to change, nuclear deal or not. U.S. policymakers should bear in mind that Iran's nuclear program is just the tip of a revolutionary spear that extends across the world and threatens key U.S. interests. While Iran hopes to cut a deal to bring its economy back online, the IAN will continue to represent Iran's "whole-of-government" approach to preserving the regime at home and coordinating and promoting the revolution around the world.

Current Trends

Nuclear Talks: A nuclear agreement with Iran will give a much-needed boost to the Iranian economy. By most accounts, Iran stands to gain access to over $100 billion dollars frozen in foreign banks, as well as billions more as oil export restrictions are lifted. At the same time, several EU countries appear poised to return to Iranian markets, adding billions of dollars more in potential foreign direct

investment and trade. All of this will provide the leaders of the IAN with the resources they need to gradually return to previous levels of operational activity. It means funding proxies that were either cut off or cut back due to sanctions; reversing the ongoing downsizing of Iranian embassies in Africa and Latin America; and expanding commercial offerings, religious proselytizing, and joint military training and security programs.

Cyber Warfare: A nuclear agreement could lead to an uptick in Iran's ideological posturing, non-lethal support to local proxies, and more outreach to political opposition and leftists across the continent. Iran has also made cyber warfare a fundamental part of its asymmetric warfare. Iranian hackers employed primarily by the MOIS oversee Computer Network Exploitation operations targeting the computer systems of U.S. and Gulf personnel, companies, and government facilities. The U.S. has been Iran's number one cyber target since Stuxnet attacks on centrifuges at Natanz, which Iran interpreted as a declaration of cyber war (by the U.S. and Israel), and is now responding in kind. While Iran's cyber offensive against the U.S. has concentrated on the Gulf, it could extend into the Western Hemisphere as Iran's financial situation improves in the aftermath of a nuclear deal.

Resistance: Iran has gone to considerable lengths to create a global shadow apparatus designed to evade sanctions. It enables the Iranian government to support Islamic movements and pro-Iran militants around the world and spread the value of the "resistance" via cultural, social, economic, political, and business entities and organizations. That apparatus, referred to above as the IAN, goes hand in hand with the asymmetrical nature of almost everything Iran does. Iranian leaders, including the Supreme Leader, have made clear their doubts that the West will honor a final deal, which is why the IAN is here to stay.

Transnational Organized Crime: In addition to being the world's most formidable terrorist and paramilitary organization, Hezbollah is also engaged in a global crime spree, including cocaine trafficking, money laundering and racketeering. Indicting Hezbollah as a criminal organization holds great promise. There is a mountain of evidence of direct and lasting links between Hezbollah-affiliated individuals and Mexican and Colombian drug trafficking organizations. It points to an uncomfortable reality: That senior Hezbollah leaders in Beirut support Hezbollah's involvement in drug trafficking and other criminal activities that yield hundreds of millions, if not a billion or more in annual revenue.

The Way Forward

Even if sanctions and diplomacy lead to a nuclear agreement with Iran, the activities of the IAN will continue to pose significant challenges to any lasting rapprochement with the West. To address IAN threats that are likely to live on long after a nuclear deal is reached, policymakers should consider the following recommendations:

- **Coordinate U.S. Efforts Against Networks**. U.S. policymakers should call for an interagency and international task force for supporting the mechanisms that will be put into place to monitor Iran's compliance with a potential nuclear deal. Given the interrelation between the nuclear program and illicit networks and operatives, including its financial, business, and logistical support networks, the goal would a counter network disruption campaign, modeled where appropriate, on previous successful U.S. whole-of-government initiatives against defiant state actors that combine overt and covert action, law enforcement, sanctions, and containment. Efforts should target the IAN's most dangerous network led by Hezbollah's External Security Organization (ESO), also known as the Islamic Jihad Organization (IJO). The ESO is not only

responsible for Hezbollah's terrorist operations; it also oversees a global web of companies, investments, and trade-based money-laundering schemes, supported by thousands of facilitators who generate hundreds of millions of dollars every year that end up in Hezbollah coffers.

- **Enhance Anti-Illicit Finance Measures**. Hezbollah activity in Venezuela, Colombia, Mexico, and Brazil has been linked directly to several drug-related trade-based money laundering schemes. All roads eventually lead to Lebanon, which is why a Section 311 designation against the entire Lebanese banking system should be developed and prepared as a credible and coercive lever. The soft underbelly of Hezbollah's global crime organization is vulnerable to systematic financial targeting and disruption. Given the exposure of the criminal foundations of Hezbollah's finances within the Lebanese banking system (the Lebanese Canadian Bank case and other designations and exposures of corrupt Lebanese banks) and the widespread allegations of Iranian and Syrian finances deeply nested within Beirut's banks, the systematic use of U.S. government tools to deny Iran, Syria and Hezbollah access to the Beirut financial system is warranted, and the degree of vulnerability is widely underestimated. Lebanon may be the largest bulk cash money laundering country in the world with billions being flown into Beirut International Airport each year. Lebanon's heavily dollarized economy is supported by a government bond market bubble that depends on the constant inflow of cash and electronic transfers of money from abroad.
- **Refine and Expand Soft War Initiatives.** The Supreme Leader repeatedly refers to the U.S.-led "soft war" as the single biggest threat to the existence of the Islamic Republic. Since we're already guilty of carrying out a soft war, then it should be more effectively used to expose and neutralize the state and non-state actors involved in subversive activities that are instrumental in marketing the Islamic Revolution overseas. At the very least, this should include Qods Force, MOIS, and Hezbollah operations and criminal activities. Of equal importance are Iran's non-official cover organizations – religious, cultural, and charitable – as well as businesses that effectively blur the lines between overt and covert activity.
- **Focus Efforts on Transnational Organized Crime.** In addition to being one of the world's most formidable terrorist and paramilitary organizations, Hezbollah has become involved in a global criminal enterprise involving money laundering, racketeering, and drug trafficking. Indicting Hezbollah as a transnational criminal organization would dispel its image as an elite and "pure" resistance organization. We should approach and counter Hezbollah from the vantage point of strategic law enforcement, financial sanctions, and even the International Court of Criminal Justice (for its long record of global terrorism, for its involvement in the assassination of a democratically elected head of state, and possibly even for war crimes being perpetrated in Syria). This is where intelligence-enabled law enforcement can play a bigger role. But both agencies will only come together and collaborate better if doing so will support their respective missions.
- **Developing Non-Military Policy Options**. At any given time, dozens of U.S. government agencies are pursuing the same elements of the IAN. To improve the way multiple agencies work against the IAN, the government has to be better organized. In relatively new and developing areas such as Counter Threat Finance, it would go a long way to work from an agreed-upon "financial order of battle" that maps key networks on a transnational scale (e.g., banks, exchange houses, front companies, trade-based money laundering, shipping companies, etc.). In doing so, U.S. government agencies should draw assiduously on partner country liaison services as part of a global effort to build a coalition of like-minded states. An order of battle would generate a series of non-military or military-enabled policy options that could

serve as the basis of a strategic intelligence and law enforcement campaign – not just a series of strikes.

- **Focus on Counter Threat Facilitation**. As long as Iran has an agenda of creating new centers of power in the world and doing so at the expense of the United States, it behooves us to consider a law enforcement-led "Counter Threat Facilitation" initiative. Such an initiative should emphasize strategically planned law enforcement operations to expose illicit networks, arrest their perpetrators, freeze assets and attack the IAN's crime-terror pipelines though the international trade and banking system. It could go a long way in weakening the illicit financial networks around the world that buttress Iran's strategic foundations, revolutionary resolve, domestic staying power, and power projection capabilities.
- **Create Offices of Irregular Warfare.** As sanctions are eased, the U.S. government will need to find other ways of identifying and disrupting Iran's involvement in nuclear proliferation, terrorism, and other threats to international security. Creating offices of irregular warfare in various government agencies would go a long way toward exposing and damaging the criminal foundations of the IAN. While irregular warfare is usually the domain of the military, several operationally robust and aggressive non-kinetic initiatives should be considered. In the area of Information Operations, for example, covert influence authorities "with teeth" are necessary to more effectively bolster Iranian moderates in Iran and to undermine Iran's message to audiences across the Middle East but also in Africa, Central Asia, and Latin America. In the still developing area of Counter Threat Finance, the Treasury Department should be put on a financial and economic warfare footing, or better integrated with interagency partners who possess the needed level of financial operational authorities and capabilities. Treasury needs to be more involved in financial operations, particularly overseas, where there are significant gaps of understanding in the areas of international banking and finance.
- **Come up with New Incentives**. Finally, the U.S. cannot do it alone. The IAN has grown increasingly transnational, making it critical to have the support of foreign liaison partners who have the ability to hit Iran's threat facilitation networks (transport, shipping agents, freight forwarders, warehouses, pilots, airlines, etc.). Properly incentivizing our partners to conduct higher impact operations against the IAN depends on creativity, money, and persistence. The Rewards for Justice Program, or a version thereof, should offer payouts to exceptional foreign government officials or units who successfully assist U.S. government initiatives.

Conclusion

With or without a nuclear deal, the strategic calculus of the Supreme Leader and much of the ruling conservative establishment is the same today as it was when the Islamic Revolution began: preserve the regime at home and deter threats from abroad, while externalizing the revolution and resistance. The IAN is the engine of the regime and will resume Iran's pursuit of broader goals in the region. Look for a return to past levels of activity by elements of the IAN, including units of the Qods Force, whose budgets have been cut back as a result of Iran's economic downturn. First and foremost, this will mean more operations in Iran's backyard, but it will also reverberate in the Western Hemisphere and other areas on Iran's strategic periphery. As the world attempts to verify the peaceful nature of Iran's nuclear program for the next decade (or perhaps less), we should expect more denial, deception, and dissimulation as long as the current political and ideological structures remain in place. Whether Iran can ever effectively spread its version of resistance into the Americas successfully or not, the Americas will remain a potential launching pad for IAN terror and crime.

Mr. DUNCAN. I appreciate those questions and we can get into that a little bit more going forward.

I will recognize Mr. Shifter for 5 minutes.

STATEMENT OF MR. MICHAEL SHIFTER, PRESIDENT, INTER-AMERICAN DIALOGUE

Mr. SHIFTER. Thank you very much, Chairman Duncan, Chairman Ros-Lehtinen, Ranking Member Sires. It is a pleasure to be here this morning and I appreciate the opportunity to share some of my views about Iran's agenda in the Western Hemisphere.

Let me start by saying that this is an issue that needs to be taken seriously. No one has any illusions about the nature of the Iranian regime and its history in flouting international law, supporting terrorist groups, threatening Israel and violating U.N. resolutions in its nuclear program.

When it comes to Iran's role and influence in the Western Hemisphere, we need to keep our eyes wide open and be vigilant. Some of Iran's allies—some of Iran's ties in the region are of concern including its relationship with Venezuela, the allegations in the Nisman case in Argentina, and Brazil's previous support for Iran's nuclear program.

But in my judgment, these do not amount to very much and, if anything, since I last appeared before the House Committee on Foreign Affairs over 3 years ago, the situation has improved.

The good news in the region in this regard is overwhelming. Iran has little real influence in the region today and what influence it had has declined in the recent period.

There is no evidence that Latin America has an interest in aligning itself strategically with Iran. That would be irrational and counter-productive for a region that over the last decade has moved forward in many respects.

If we consider Iran's main entry point in Latin America Venezuela, while the geopolitical alliance between the two countries remains, the relationship today is weaker than it was a few years ago when Chavez and Ahmadinejad were in charge.

Many of the development projects announced between Iran and Venezuela along with Bolivia, Nicaragua, and Ecuador have simply not materialized. Although Brazil is Iran's largest trading partner in Latin America, the political relationship has cooled.

To be sure, the Brazilian Government took a stand supporting Iran's position on the nuclear program in 2008. But today, 7 years later, there is a distance between the two governments and President Rousseff has criticized Iran's human rights record.

There have been reports and allegations in the past about Iranian agents sponsoring training camps for terrorists in Latin America and Iranian support for prospecting uranium in Venezuela and Ecuador. But these remain unsubstantiated.

In Argentina, prosecutor Alberto Nisman accused President Kirchner of trying to shield Iran in the investigation of involvement in the bombing of the Israeli Embassy. I was in Argentina in Buenos Aires when that Embassy was bombed, just a few blocks from the Embassy back then, and in AMIA in 1994 that killed 85 people.

Nisman was found dead right before he was set to testify before the Argentine Congress. But even if one accepts Nisman's troubling

report that Argentina and Iran were negotiating an exoneration of Iran in the 1994 attack in exchange for increased trade relations, this does not necessarily show a growing influence of Iran in Argentina or the wider region.

The circumstances of Nisman's death remain mysterious but so far there is nothing to indicate that Iran was involved in any way.

There have also been more plausible allegations of money laundering through the region's banks to finance Hezbollah activity. But this is a fundamental problem not just related to Iran's role and influence in Latin America but is much broader.

In my judgement, the time, effort, and resources that are being spent on the subject of Iranian intervention in the Western Hemisphere should, rather, be devoted to proactive engagement and support around the very real security issues that Latin America is confronting today—a robust drug trade and other illicit commerce, an epidemic of violence and crime, a deteriorating political, economic, and human rights situation in Venezuela, and widespread corruption and state weakness.

These are critical questions that risk being neglected when we focus all of our attention on Iran. Indeed, the best way for Washington to address concern about Iran's role in the hemisphere is to help improve the capacity and effectiveness of Latin American governance to protect their citizens against varied sources of insecurity and instability.

That is where we should place our policy priority. Issues of organized crime and governance challenge need greater attention and enhanced cooperation from Washington.

Thank you very much.

[The prepared statement of Mr. Shifter follows:]

Statement of Michael Shifter
President, Inter-American Dialogue

Subcommittee on the Western Hemisphere, House Foreign Affairs Committee

"Iran and Hezbollah in the Western Hemisphere"

March 18, 2015

Mister Chairman and Members of the Committee:

I am grateful for the opportunity to share my views about Iran's agenda in the Western Hemisphere.

This is an issue that merits public discussion and needs to be taken seriously. No one has any illusions about the fundamental nature of the Iranian regime. One can debate about its capacity and strength—and its complex internal politics—but few would dispute that the regime deserves the widespread condemnation it has received in the past. Iran's history of flouting international law, supporting terrorist groups, threatening Israel, and consistently violating UN resolutions in its nuclear program have made it, justifiably, an international outcast. Its actions anywhere in the world should be watched closely. Vigilance is critical.

Where Iran stands today and whether or not it is in a moment of transition is not, however, a question I am fit to answer. Instead, I can happily testify that regardless of Iran's current intentions, in today's Latin America it will not find a very hospitable environment. This is the same message I delivered before. I am pleased to report that Iran's influence in the region – even in the handful of countries where it has been most active – has only declined since I last appeared before this committee, addressing the same question, in February 2012.

In general, Latin America has become increasingly assertive and confident in global affairs in recent years. The region may be seeking to be more independent from the United States but at the same time it is also interested in closer ties and greater cooperation on a range of issues. There is no evidence it has any interest in aligning itself strategically with Iran. Tying itself to Iran and its troubles would be irrational and counterproductive. The last thing Latin America wants to do is to risk going backwards, which is what any kind of political or security alliance with Iran would signify.

As I said before this committee more than three years ago, there is absolutely no reason why most countries in Latin America should support any gambit to bolster Iran's role and influence in the region. The same remains true today.

To date, Iran's main point of entry in Latin America has been Venezuela's Nicolás Maduro. While there has been far less interaction with Iran than under his predecessor, Hugo Chávez, the geopolitical alliance between the two countries—aimed at curtailing US influence throughout the world—still stands. As major oil producers, they have used available revenues to pursue that overriding objective. They have also employed diplomatic resources to advance their aims. But it is clear that the relationship between the two countries is weaker than it was a few years ago.

In the past, Iran has clearly sought to expand its support in Latin America. But with its economy in dire straits, its ability to do so is severely limited. Economic projects in country after country have failed to materialize. There have been in the past myriad bilateral deals between Iran and Venezuela, including joint ventures to produce cars, tractors, and bicycles, and some cooperation in mining exploration and housing construction. Although President Maduro has declared that Iran is a strategic partner of Venezuela, few of these projects have had concrete results. One of the central aspects of their cooperation, oil industry cooperation, ended when the offices of the National Iranian Oil Company (NIOC) in Venezuela and Bolivia—Iran's other major ally in Latin America—were closed in 2014. In Nicaragua, similarly, Iran pledged construction of a dam and a $350 million deep-water port, as well as auto and cement projects—and none has come into being. Economic cooperation between Ecuador and Iran remains virtually nil.

Brazil, its largest trade partner in Latin America, had relatively strong political ties with Iran throughout the 2000s. The Brazilian government even supported the Iran's position on the nuclear question in 2007 and 2008. Under Dilma Rousseff's presidency, however, the relationship has notably cooled, in some measure because of her personal objections to Iran's human rights record. During her first presidential campaign, Rousseff went so far as to call aspects of Iran's human rights violations "medieval behavior." When Ahmadinejad visited Rio de Janeiro as part of the Rio+20 conference in 2012, not only was he greeted with large protests, but President Rousseff refused his request for a meeting. This hardly suggests a strong alliance.

Moreover, while Ahmadinejad made improving ties with Latin America a foreign policy priority, Rouhani does not seem to share this objective. At the same time,

the death of President Hugo Chávez of Venezuela in 2013 deprived Iran of one of its major backers in the region. Although Rouhani had promised to attend the G77 summit in Santa Cruz, Bolivia in June 2014, at the last minute he sent his first vice-president, Eshaq Yahanguir. Ahmadinejad, in contrast, had made numerous trips to the region during his presidency.

One crucial question, however, is whether, given the nature of the regime, Iran's involvement in the region should be regarded as benign. On this score there are admittedly ample grounds for skepticism, given the regime's demonstrated support for terrorist activities and organizations such as Hezbollah. A number of serious allegations in the past have been made about Iran's current activities in Latin America. The first is that Iranian agents are sponsoring training camps for terrorists. Another allegation has to do with Iranian support for prospecting uranium in Venezuela and Ecuador. Yet, of all of these, arguably the most grave is a 2013 report on Iran's activities in the region by Argentine prosecutor Alberto Nisman. As it is now widely known, early this year Mr. Nisman accused President Fernández de Kirchner of attempting to shield Iran in the investigation of accused involvement in the bombing of the Israeli embassy (1992) and the AMIA Jewish center in Buenos Aires (1994) that killed 85 people. Nisman was found dead in his apartment in Buenos Aires immediately before he was set to testify in the Argentine Congress. The circumstances of his death remain disputed.

Shortly after Nisman's death, a series of phone transcripts between Iranian officials and Argentine political leaders close to the President were revealed. The content of the calls indicated that both nations were negotiating an exoneration of Iran for the 1994 attack in exchange for increased trade relations. These accusations, though troubling in some respects, do not necessarily demonstrate a growing influence of Iran in Argentina or in the region. According to Nisman himself, Teheran signed the agreement with the objective of lifting Interpol Red Notices against Iranian officials accused of taking part in the AMIA attack. When this did not happen Iran lost interest and has not even ratified the agreement.

Moreover, the agreement was declared unconstitutional by the Argentine judiciary in early 2014, which means it cannot be implemented even if the government decided to. The government has appealed, but with presidential elections to take place in October and a new president taking office in December, the agreement will most likely never be implemented. Interpol Red Notices against the Iranian officials accused of planning the 1994 attack are still in effect. Finally, while the circumstances of Nisman's death remain mysterious, there is still nothing to indicate that Iran was involved in any way.

Charges about Iran using Latin America as a recruiting base for terrorist activities have not, however, been substantiated. Although Iranian involvement in the region is by nature non-transparent, at this point there is no convincing evidence that significant recruitment activities have ever taken place. Most of these allegations have never provided substantiating data, and merely point out that Latin America has a large Muslim community, which allegedly makes it a potential recruitment base for terrorism. I am dubious about this view.

More plausible are repeated accusations of money laundering through the region's banks, to help finance Hezbollah's activities. The drug question, and associated money laundering, is a widespread and serious problem throughout much of the Western Hemisphere that requires sustained and coordinated efforts among law enforcement agencies. Any available information about this problem, and Iran's possible role, should be pursued energetically. However, the threats that drug trafficking, money laundering, violence, and instability in Latin America pose to the United States exist *regardless* of whether or not Iran is involved. For instance, the situation in the Triple Frontera between Argentina, Paraguay and Brazil has been closely monitored by the United States for many years—an effort that should continue.

Some have argued that the lack of depth and detail in the State Department's assessments under the *Countering Iran in the Western Hemisphere Act* reflect negligence in gathering information. But my sense is that the State Department's serious investigation has simply not yielded solid evidence of extensive Iranian influence and involvement in the region.

It would further be a mistake to base a policy course merely on speculation and conjecture. It is important to adhere to the highest standards of evidence in assessing Iran's role and what the US should do in response. Otherwise, there is a risk that policies could end up being counterproductive and only strengthening Iran's influence in the region. Without ample evidence—and now it appears to be scant—we should not find ourselves panicked by a specter that does not exist.

There have been calls for a more aggressive and hardline US posture towards the role of Iran in Latin America. It is not clear, however, what an alternative position would entail and what it would accomplish. Invoking the Monroe Doctrine in this day and age would be very misguided and would alienate our closest Latin American friends. It would ultimately be self-defeating. As Secretary Kerry indicated, the Monroe Doctrine has been inoperative for years.

In fact, the time, effort, and resources that are being spent on the subject of Iranian intervention in the Western Hemisphere should rather be devoted to proactive engagement and support around the very real security issues that Latin America is confronting today: a robust drug trade and other illicit commerce; an epidemic of violence and crime; a deteriorating political, economic, and human rights situation in Venezuela; and widespread corruption and state weakness.

These are critical questions that risk being neglected when we focus our attention on Iran alone. Indeed, the best way for Washington to address concern about Iran's role in the hemisphere is to help improve the capacity and effectiveness of Latin American governments to protect their citizens against varied sources of insecurity and instability. That is where we should place our policy priority. Issues of organized crime and governance challenges need greater attention and enhanced cooperation from Washington.

That said, on the Iran question and issues like it, we should take advantage of opportunities for greater hemispheric engagement. Most crucially, US officials should be consulting in a quiet and discreet way with our allies in the region about this matter. Such high-level consultations by US officials – in Colombia, Chile, Brazil and other countries – would be consistent with viewing Latin America not as a threat to our interests but rather as a series of opportunities. The region has a lot to offer the United States and is interested in deepening cooperation.

It is one thing to have economic and diplomatic relations with Iran and quite another to permit, say, the training of terrorists. There is in fact a tension and contradiction between the two. If Iran is courting allies in Latin America it would have little reason to sow mischief in a region that prizes order, democracy, and peace.

This is a propitious moment for the United States to engage more deeply with governments committed to effective economic and social policies and democratic politics. The governments with which Iran maintains ties are not influential in the region today. They are marginal—and becoming even more so. There is no credible evidence that they pose a security threat to the United States.

While the US should have a full and accurate understanding of what is happening throughout the hemisphere, it should give its highest priority, and the bulk of its attention, to the countries that exhibit dynamism and are committed to progress – the ones best-positioned to advance our national interests and values.

Mr. DUNCAN. I want to thank the—all four of the panelists for great testimony and I will begin with the question period.

First off, let me say, Mr. Humire, your written testimony is chock full of information. Thank you for your longstanding work into this issue and you provide me a lot of information. I will come back to you in just a second with some questions.

But as I was reading and listening to Mr. López-Dolz's testimony, I was in Peru in November and I understand the vastness of the country and the different—jungle, mountains, desert—all the elements. And thank you for your service there.

But it is interesting. You were the Minister of Interior in 2006. Were you aware of Iran's activity at that point in time?

Mr. LÓPEZ-DOLZ. When I was Vice Minister of Interior, I didn't have a sign of Iran at the beginning. After a few months and a few weeks in the position, I started to see some relation but not something to pay too much attention.

We were more concerned about other houses—more about the Venezuelan Government's involvement in these organizations. Iran's presence was not clear at this time.

Mr. DUNCAN. Do some of the cultural centers that General Kelly talks about, the general commander of SOUTHCOM, are they located in Peru? Are you aware of any of that? I am just curious.

Mr. LÓPEZ-DOLZ. At least one that I know. The name is Inkarri Islam. It is a mix between Islam and Inkarri. Inkarri is a myth of Southern Andes culture about an Incan will be reborn and free the people from any kind of oppressor. Similar to another myth from the followers of Ali, one of the sons of Muhammad, and they mix both and use it to recruit people in the center.

Mr. DUNCAN. Not putting you on the spot but in 2012–2013 are you aware that—of any conversations elements of the Department of State had with Peruvian officials about the Iranian threat as part of their application of the law to counter the Iranian threat and do an assessment? Do you know if they have contacted any Peruvian officials?

Mr. LÓPEZ-DOLZ. I don't know if in 2012 or 2013. But right now, there is some contact between the American Embassy and the special task—small special task force to Interpol in the case of international terrorists.

Actually, now, clearly, they are in contact.

Mr. DUNCAN. Right. Okay. Thank you.

Mr. Humire, given the recent events with attempted attacks in Peru but also Uruguay, the Iranian-Argentine scandal this last week, do you agree with the State Department's assessment that Iranian influence is waning in the hemisphere?

Mr. HUMIRE. Thank you, Mr. Chairman.

No, I don't agree. I think the State Department's assessment when it came out—at least the public portion that came out the annex—lacked the depth and the seriousness to really examine this issue and offer some type of insight.

The work I have done there is plenty that you can get on the granular level to look at anecdotal evidence of this. But if you look at the strategic level on pretty much every indicator, even if you look at the indicators of what is out there in the public, the agreements in the trade and everything, there is an increase.

There is a marked increase. But those aren't the indicators that I think are particularly worrisome. The most worrisome indicators is what they are not telling you that they are doing.

So when they create a factory, say, in Venezuela or they create a cement plant in Bolivia and those factories don't produce anything or don't create cement, what are they doing?

Some wisdom—conventional wisdom might say okay, they are just politically posturing. But my evidence suggests that they serve a dual function, a dual purpose, and it is that other function that we need to examine.

So I think that has been the focus of my research and what you are seeing Iran's influence today as it was yesterday when Ahmadinejad was in power is that it is expanding beyond the ALBA nations. The ALBA bloc as a political power project is weakened.

But the sentiments that brought the ALBA to power in Latin America—the anti-U.S. sentiments, the—specifically the anti-Israel sentiments—are stronger than ever throughout the region.

And Cuba and Venezuela have a new political soapbox now to project this influence called the CELAC and Iran, under Rouhani, has made a concerted effort to align himself closer to that kind of narrative, moving into countries like Peru, countries like Chile, and even countries like Mexico and El Salvador, which are not typically ALBA-associated nations.

Mr. DUNCAN. I mean, you can understand the sympathy with especially Chavez in power with ALBA countries and the ties there that possibly Chavez opened some doors in the ALBA countries for Iran as he furthered that relationship.

But let me delve into the Veja report for just a minute, which I thought was fascinating. I don't know—I am still reading it and chewing on whether, you know, it is factual. I want to go a little bit further on that.

But in that Veja report—article it talks about Iran trying to procure some nuclear capability, intelligence research components, whatever. I just find that hard to believe in that Iran seems to me like they are further down the road than that and why would they not go to Pakistan or somewhere like that to get that versus a relationship with Argentina.

So is there anything else that Iran may have been going—interested in that Argentina could provide?

Mr. HUMIRE. Well, there is two major strategic programs that you have to look at when you examine Iran. One is the one that is the most paid attention to here in Washington which is the nuclear program.

The other is their ballistic missile program. These aren't mutually exclusive, of course. But raw materials that are perhaps needed for the ballistic missile program sometimes aren't always needed for their nuclear program and Latin America has an abundance of these raw materials. Argentina, Bolivia, Brazil—all these countries have an abundance of minerals that have dual-use functions. They have commercial applications——

Mr. DUNCAN. Would you say Argentina has long-range missile technology or expertise in any way for a payload delivery system?

Mr. HUMIRE. They have medium range missile technology. From my understanding they don't have an intercontinental ballistic missile or any of that kind of know-how.

Mr. DUNCAN. Right. Okay. Lord, there is just so much to ask. Let me ask this of Mr. López-Dolz. Do you have any additional information surrounding the recent incidents in Uruguay and what does this event show about Iran's activities?

Because that is probably the most recent. Assuming that Iran wasn't involved in Alberto Nisman's demise, Uruguay was one of the most recent incidents. Do you have anything to point to—Iranian activity, Hezbollah's activity—with relation to that?

Mr. LÓPEZ-DOLZ. We don't have information about—I don't have information if there is a connection or there is not a connection with the cells. We are not sure yet because he was captured very soon and the information was released to the press pretty soon. So when information was public, if there wasn't something that they were hiding, there is no single piece of information to know who is with him.

But what is important to remark is he was manipulating explosives. Not weapons, not ammunition, something that you could expect to wait for some time to use it all or sending it across the border.

When you manipulate explosives in a big city, as Lima, with millions of inhabitants, it means will they use it or somebody else. We don't know who. We don't know the target and they have—I think they have this explosives ready to use. We don't know when and we don't—and we don't know against what.

Mr. DUNCAN. Yes. I was asking about Uruguay, though, if you knew of anything about Uruguay and the recent bombing attempt there or on the Israeli Embassy, in Uruguay.

Mr. LÓPEZ-DOLZ. No, I don't have more information about it. I read it in the press.

Mr. DUNCAN. Okay. Thank you.

So I will just stop and hopefully we will have a second round of questioning and I will recognize the ranking member, Mr. Sires.

Mr. SIRES. You know, one of the hearings that we had here, some of the people that came and spoke before this committee, mentioned that Iran had a number of flights into Venezuela per week, and they were delivering crates and so forth.

I was just wondering if you have any information as of late whether those flights are still going in and out of Venezuela, whoever—I guess you don't.

Mr. HUMIRE. No. The flights, from my knowledge, Mr. Sires, stopped in the end of 2010, beginning of 2011. But it should be noted that the President of Venezuela, Nicolas Maduro, in his last trip to Iran late last year asked President Rouhani if they could resume that flight.

It is not clear whether he agreed or what his response was. But that flight that existed for about 3 years nobody knows as to what exactly was in the contents. There is rumors of drugs, explosives, terrorists and other.

But I can tell you that the flight, which was a commercial flight, lost more than $30 million in those 3 years and those $30 million were subsidized by the Venezuelan Ministry of Mines, which you

have no—which doesn't make sense. It would have been subsidized by the transportation ministry. But there was something very nefarious going on with that flight.

Mr. SIRES. Anybody else?

Mr. MODELL. Mr. Sires, the only thing I would add to that is a meeting in the Iranian Supreme Council on national security where they discussed the use of Mahan and other—and Iran Air and other airlines for the purpose of transporting lethal supplies and other forms of aid to Syria and to Iraq, and have considered the use of it in non-geostrategic areas like Latin America and Africa.

Mr. SIRES. Anybody else? Mr. Shifter?

Mr. SHIFTER. Thank you.

The only thing I would say is that, you know, if one reads all the press reports and media accounts there was a lot of attention paid to this a few years ago and, I mean, I follow it pretty closely.

I haven't seen anything on these flights. Doesn't mean it doesn't exist but, you know, that does suggest that there were a lot of people that were following this and writing about it that no longer is out there.

Mr. SIRES. Mr. Shifter, I just wonder if you know anything about the relation between Hezbollah with the Colombian guerillas and the Mexican drug traffickers' organization.

Mr. SHIFTER. I think there have been—as I said in my testimony, I think—Mr. Sires, I think that the main connection there is through—is through money laundering for support of—these are groups, obviously, that are very wealthy through the drug trade and what concerns me is their connections through money laundering—they are supporting some of the groups in the Middle East.

I think that is the main connection and I think, you know, that is something that we are aware of and we need to address and I think the governments in Colombia and Mexico that are concerned about—we haven't talked about the government—the regional governments.

But they are, obviously, worried about their own security and are also focusing on this effort. So I think that is the connection that concerns me and I think we need to do more.

Mr. SIRES. Anybody?

Mr. MODELL. Congressman, I would just suggest that you have a series of briefings with DEA if you haven't already to discuss the links between several senior Hezbollah members who are currently residing in Lebanon because they have to reside in Lebanon who were previously based in Mexico and Venezuela and places like Colombia where the cartels operate.

There have been a number of high-profile cocaine busts, drug stoppages, investigations that have led back to Hezbollah. The only question is to what extent was Hezbollah institutionalizing—was there an institutional program on the part of the Hezbollah leadership council with regard to its involvement in drug trafficking.

But DEA can give you a long list of Hezbollah affiliation with drug-related activities in Latin America that will actually pertain to trade-based money laundering that not only expands into Latin America but goes into—deep into West Africa as well.

Mr. HUMIRE. Mr. Sires, I agree with Mr. Shifter. There is a huge laundering component. But the question you have to ask is who is the one doing the laundering.

One of the connections to the FARC and Hezbollah resides in Venezuela. The current governor of a very important state in the northern Caribbean coast called Aragua is a gentleman named Tareck El Aissami.

He is connected through Hezbollah to the former intelligence director, Hugo Carvajal, that was detained through the U.S. authorities in Aruba and he is connected to Hezbollah through his—through his financial network. This is a clear connection with the Venezuelan Government that links the FARC with Hezbollah.

There is probably more connections but that is one that has been relatively looked at publicly that I know our law enforcement and intelligence officials are examining very closely.

Mr. SIRES. And I was just wondering if you know where the investigation is to the prosecutor in Argentina today. Is it done? It just went by the wayside or is there any effort? Does anybody—where is that at?

Mr. HUMIRE. The investigation on his death?

Mr. SIRES. Yes, the circumstances of his death.

Mr. HUMIRE. It is still ongoing. My understanding is that they asked for a second autopsy and they are proceeding the investigation on the circumstances around his death.

Mr. SIRES. Okay. Thank you. My time is up.

Mr. DUNCAN. I thank the gentleman.

Ms. Ros-Lehtinen had to leave. Just for the committee members, there was a terrorist attack in Tunis, Tunisia. I know of 12, I believe, people killed, 17 wounded, and I am sure that is part of why she had to leave. But I just wanted to let you be aware of that.

I will now recognize Mr. Weber from Texas for 5 minutes.

Mr. WEBER. Thank you, Mr. Chairman.

Mr. Modell—is that how you pronounce your name? You said earlier that there seems to be a government-wide lack of attention to this connection in South America. Can you elaborate on that?

Mr. MODELL. Are you referring to the governmen- wide lack of attention to Iran and Hezbollah in Latin America?

Mr. WEBER. Correct.

Mr. MODELL. When you look at most of the government—let me just reiterate—when you look at most of the government agencies and what they are doing based out of Embassies and other activities throughout Latin America, I would say that most of them recognize that Iran is an important thing to be looking at.

But there are some exceptions. I think it was mentioned that the State Department has neglected Iran. I mean, if you worked at an average Embassy and you watch what the Embassy—political officers are doing, what the Ambassador is doing, for the last 10 years for the most part they avoid Iran at all costs.

So that is not necessarily true in the intelligence business and the defense business. But the point I wanted to make wasn't necessarily that it was being totally neglected but that there wasn't a very well thought out networked plan and approach to figuring out what the true threats of Iran and Hezbollah are across the re-

gion and how do—and whatever residual elements have been left behind over the years by their attempts to build infrastructure——

Mr. WEBER. You are talking about the United States government-wide?

Mr. MODELL. Exactly right. Yes. I am talking about the U.S. Government agencies who are operating outside the United States in Latin America who are trying to address threats posed by Iran and Lebanese Hezbollah.

Mr. WEBER. That is not very encouraging.

Mr. MODELL. I would agree. Let me make one—let me make one other point. I would agree with Mr. Shifter in one sense.

In terms of a geostrategic alliance—I mean, people are wondering. You know, while Iran has pulled off some, you know, obviously, some bombings and they have done some horrible things and we have foiled a lot of their plots across the Western Hemisphere, is there a geostrategic alliance that has formed between Latin American governments and Iran?

I would say with the exception of maybe Venezuela and a few of the ALBA countries that Joseph mentioned I would say no. They have very little in common.

But what is more striking to me is when you have—we have an Iranian Ambassador, for instance, in 2005 who shows up on a country like Mexico and he tells the Mexican Government that his main priorities in that country during his tenure are to proselytize and spread Twelver Shi'a Islam in a country that is—it is 99.9 percent Catholic.

Nevertheless, they are headstrong and they are going to push their form of Islam in that country. And the other objective that they had, according to this Ambassador, was to break the relationship between Mexico and the United States. So, obviously, incredibly unrealistic.

No foundation for geostrategic alliance but the point isn't necessarily that he was—that Iran is on the verge to actually succeeding in that. It is that they are headstrong and they are willing to push and——

Mr. WEBER. Hold that thought. I appreciate you going there, and I am going to go to Mr. Shifter next.

Having heard that, Mr. Shifter, you know, you made the statement earlier that you didn't see that overall alliance, basically. But let us talk about fraudulent documents.

It has been reported that several countries in Latin America have provided fraudulent documents for Islamic radicals—passports, national ID cards, birth certificates, et cetera. Are you aware of those reports?

Mr. SHIFTER. To those reports, yes.

Mr. WEBER. Do you have—is it—are they true? Do you have any information, any background?

Mr. SHIFTER. I can't verify those reports but if—you know, I wouldn't be shocked if they were true. I think that—you know, the reports of fraudulent passports of that for lots of governments and they need to be investigated and I think they need to be seen what is the significance of that, what are——

Mr. WEBER. So you don't seem to think it is a concern, this—apparently, as Mr. Modell just described, a growing alliance with no

other—if no other purpose with the intent to divide America or United States and Mexico. You don't seem to be concerned about that kind of alliance.

Mr. SHIFTER. I don't think strategically it is of concern. I think these incidents of the passports and the other fraudulent documents are of concern. They are always of concern for any government.

But I don't think that one should exaggerate the threat that that poses to——

Mr. WEBER. Well, what I think when there is Islamic militants who have created a kind of mayhem that they have, I mean, how do you exaggerate those who are intent on killing men, women and children, in some instances with suicide bombers? That is a pretty heavy threat. I mean, how do you exaggerate that?

Mr. SHIFTER. Well, I think that—I think that if you look at from country to country there have been mentioned—leaving aside Venezuela but if you look at Mexico and Peru and Colombia these are all countries with governments that are committed to trying to improve the security situation.

Mr. WEBER. Well, they are but——

Mr. SHIFTER. They are more concerned than we should be.

Mr. WEBER [continuing]. Well, we happen to have less than—someone called it a porous border between—I was—in the Texas legislature I was the vice chairman of the borders committee.

I can tell you how porous the border is in many instances. So the fact that we have Islamic militants that are getting forged documents and coming up into the country just to the south of us how would you mitigate that?

Mr. SHIFTER. I think there must—has to be a much stronger pressure and more cooperation to try to guard against that. I agree that that is a concern. I share that. But I don't think that we should—I don't think it poses a major threat to the United States.

I think these are specific questions that need to be addressed that should be addressed, and I wanted to make that point in my testimony that there are things that are troubling and this troubles me.

But I don't think it means—I don't think we should—we should take it beyond what the evidence suggests.

Mr. WEBER. You don't think it is a major threat? So if nine people—I think, Mr. Chairman, was it Tunisia—were killed or 12, whatever the total is—if nine or 12 were killed in the United States then that is not a major threat?

Mr. SHIFTER. If they were killed in the United States it would be a very, very significant and troubling event.

Mr. WEBER. Okay. I yield back. Thank you.

Mr. DUNCAN. I thank the gentleman.

I think if you talk to Paraguayans they would tell you that there are a lot of false documents that are transferred between Lebanese that are traveling in other Tri-Border region.

I think it is very prolific there. The question, I think, the gentleman was trying to get to is Venezuela's role—what Chavez may have provided to the Iranians on the flights that went from Caracas to Tehran and where terrorists or other Iranian operatives may have been able to travel on Venezuelan documents and other

things. I think that is something to delve into. I think that is what the gentleman was getting to.

So with that, I will recognize Mr. Deutch from Florida for 5 minutes.

Mr. DEUTCH. Thank you, Mr. Chairman.

Mr. Humire—is that right? You spoke as the chairman did of the Brazilian newspaper article that alleged Iran and Venezuela were part of a scheme aimed at restarting nuclear cooperation between Iran and Argentina.

The report is based on three high-ranking former officials of the government of Hugo Chavez, all of whom are now in the United States and requested asylum in this country.

According to three officials, on January 13th, 2007, Iranian President Ahmadinejad asked Venezuelan President Chavez for assistance in securing nuclear cooperation from Argentina and in dissuading Argentina from pursuing Interpol Red Notices, which are akin to arrest warrants in connection with the bombing of the AMIA Jewish Center, Buenos Aires.

I just got a few questions based on that article. First of all, what is your assessment of Prosecutor Nisman's complaint that Argentina was seeking to absolve Iran of responsibility in the AMIA attack?

Mr. HUMIRE. I think Dr. Nisman is probably the most credible Latin American governing official that has worked on the portfolio of Iran in Latin America. Not just in Argentina, in general. His report in 2013 provided a lot of details about seven countries that had the same kind of activity.

Dr. Nisman's most recent report was—unfortunately, was not surprising because our independent investigation came to very similar conclusions. Argentina's economic deficits puts them in a very vulnerable position. Even if they say they don't want to align themselves with Iran, they may have to out of necessity.

Argentina did align themselves with Venezuela because they needed energy, because they needed help financially. We know that the former President, Hugo Chavez, authorized the purchase of almost $10 billion worth of Argentine debt. That gives him an inordinate amount of influence and that could be triangulated toward Iran.

Mr. DEUTCH. So you don't have any—you don't have any reason to believe that Prosecutor Nisman was operating at the request of interested parties and not simply following the evidence?

Mr. HUMIRE. The only interested party that I know that he had in his mind was the AMIA victims and he spoke about them quite frequently and he sought justice and truth for the case in Argentina.

Mr. DEUTCH. Interpol said that no official requests have been made to cancel the Red Notices. So on what basis then would Nisman have said that Iran sought to lift them?

Mr. HUMIRE. Well, I mean, one thing is what the Argentine Government can do and another thing is what they promise Iran. You know, they might make promises that they can't actually deliver but they will make those promises to get whatever benefits that they can receive.

I am not—I can't tell you if they actually made the request but Nisman didn't say that they actually were going to go through it.

What he said was that they told Iran that that is what they were going to do and that is based on wiretaps so there is audio recording evidence and that is also based on eyewitness accounts. So he had the evidence to make those statements.

Mr. DEUTCH. And the Foreign Minister Timerman said that Argentina's refineries wouldn't be able to process the high sulfuric content of Iran's crude oil and therefore, he has claimed, that Nisman's allegations on that front couldn't be true. How do you respond to his rebuttal?

Mr. HUMIRE. Again, this is—these are not the purpose of what Nisman—he wasn't trying to make a sophisticated case as to what Argentina could actually get.

He is only telling you what they told them. Argentina has energy agreements with other countries—Brazil, Bolivia, Venezuela—where they perhaps could get the refineries they need to get the crude.

I couldn't tell you if that is what they actually are going to do. But there was triangulation with a lot of their activities with Iran, not just with Venezuela. Perhaps with Bolivia as well.

Mr. DEUTCH. And do you know how Argentina would be able to share nuclear information or material with Iran, considering the sanctions that are in place on Iran?

Mr. HUMIRE. I would say it would be a third-party country, most importantly through Venezuela. At the same time that Argentina started to become more active with Iran they became more active with Venezuela, especially on the financial level and also through social projects—projects that actually never were completed but yet the money was still being moved between two countries.

They would have to shield this through other activities, through other projects that perhaps wouldn't get the scrutiny that would a military project or something else.

Mr. DEUTCH. And, finally, what has to happen in order for us to ensure that the work that Nisman did is not lost and that it is seen through?

Mr. HUMIRE. I think one of the things that Dr. Nisman was really focused on was how to take the AMIA case and particularly the Iranian accused to be focused on the international level.

The Red Notices for him just didn't work because in order for that to happen the Iranian Government would have to arrest their own accused and send them for custody. He knew that was never going to happen.

However, if he was able to move the case to a third party court international—on an international level, perhaps the United Nations, they can maybe obligate not as—perhaps as a—I am sorry, not as a accused but as a witness to another crime, perhaps a criminal conspiracy.

So in my opinion, Dr. Nisman knew that in order for the AMIA case—in order for the conspiracy in Argentina to be paid attention to, he had to take it to a higher level to the international community.

Mr. DEUTCH. Great. I really appreciate your insight. Thanks for being here and thank you, Mr. Chairman. I yield back.

Mr. WEBER. I thank the gentleman.

The gentlelady from Illinois is recognized for 5 minutes.

Ms. KELLY. Thank you, Mr. Chair, and thank you and Ranking Member Sires and Deutch and the witnesses here today.

The State Department has maintained for a number of years, as you know, in its annual terrorism report that there are no operational cells of al-Qaeda or Hezbollah in the hemisphere but that ideological sympathizers in the region provide financial support to these and other terrorist groups in the Middle East and South Asia.

In contrast, as we have talked about a little bit, General John Kelly has maintained in the SOUTHCOM's 2014 posture statement that he remains concerned that Hezbollah maintains an operational presence in the region.

In your opinion, what accounts for the apparent discord between the State Department's terrorism report and SOUTHCOM'S 2104 posture? Why is there a difference of opinion? Anyone who dares.

Mr. MODELL. Based on my own experience in the region, I can tell you that people focus on different things. Going back to the issue of false documentation in the region, one of the things that Hezbollah has developed a very, very good skill in is counterfeiting—counterfeiting false documentation and they have long relied on Latin America not necessarily as a base of terrorist operations but as a fund-raising center.

So whether you are talking about the Tri-Border area or the free trade zones where they have been reportedly active, there are certain things that they do very well down there.

And the U.S.—let me just mention something—the U.S. Government needs to get on the same page with the regard to the extent of those activities and the extent to which there is a very formally approved process between the chain of command in Beirut and what goes on in places like the Tri-Border area, the extent to which people are actually doing Hezbollah-specific or Hezbollah-supported activities.

But to address the idea that there is a discrepancy between the two, again, in my experience in the region, while we were very focused on Iran or on Russia and other what we call hard targets, State Department wasn't focused on them at all and there was a different—there was a fundamental difference in their approach and the way they view the problems and the tools they had and the resources they had for dealing with it. And that—for me, that is the only explanation.

Ms. KELLY. Thank you.

Mr. SHIFTER. Thank you. I would only add that I think there is no question—again, I think we have to distinguish between—in the Tri-Border area there is contraband, there is smuggling, there is money laundering, there is illicit commerce, and there are Muslim communities there as well.

Whether there is an operational cell there, I think some of it is—you know, one has to have—apply very high standards of evidence and make sure that that is confirmed.

And there may be information that—different kinds of information that get to different parts of the U.S. Government and they reached different conclusions and I think the State Department

said, we really want very, very hard incontrovertible evidence that there is an operational cell before we include it in our report, and whereas perhaps other parts of the government say there is a lot of information that we are getting that lead us to this conclusion. So there are different emphases that happen.

My own sense and just consulted a lot of people who are very familiar with that area say that, you know, there is no question that there is enormous, you know, contraband and illicit trafficking and there is a big Muslim community. But whether there is an operational cell there is still not yet substantiated.

Ms. KELLY. Thank you.

Beyond Hezbollah, is there evidence to suggest that there is other extra-hemisphere foreign terrorist organizations that maintain operational presence in Latin America and the Caribbean—and/or the Caribbean?

Mr. SHIFTER. Terrorist organizations?

Ms. KELLY. Mm-hmm.

Mr. SHIFTER. Not that I am aware of.

Mr. HUMIRE. Ms. Kelly, yes. To answer your question, there is operational intelligence—operational presence of other foreign terrorist organizations even though they are Islamic terrorist organizations.

The case in 2007 that was a thwarted plot against the John F. Kennedy International Airport—that is a very interesting case to study because here you have a Sunni Islamic terrorist group, Jamaat al-Muslimeen, in Trinidad cooperating with the Shi'a imam and political figure in Guyana to coordinate an attack against a U.S. target.

The Caribbean has a lot of this type of activity that is not particularly always Iranian funded or supported that is supported by other elements and other groups that are looking also at different type of terrorist operations.

But I also want to make a quick point on your earlier question. There is also a legal distinction that needs to be understood and it creates a big vacuum in the region that could be a vulnerability for the United States.

If you are the State Department and you were to call Brazil and say, you know, is there a Hezbollah-operated presence in your country, they will say no and they would be legally correct because they don't distinguish legally Hezbollah as a foreign terrorist organization.

Until Hezbollah commits a crime or a member of Hezbollah commits a crime—narcotrafficking, extortion or other—they are not considered a terrorist in their country, and that legal distinction is, I think, what causes some of the confusion.

When people on the ground like, perhaps, people in Southern Command or special operations commander or other, are seeing some of the same individuals that they see are on watch lists in other parts of the world operating in those countries they don't make those legal distinctions and so they understand that there is a Hezbollah presence.

But there is a vacuum in Latin America with anti-terror legislation. They don't look at Islamic extremism the way we look at it and so that causes some of that confusion.

Ms. KELLY. My time is up.

Mr. DUNCAN. The gentlelady's time has expired. Thank you—a great question. The chair will—okay. The chair will recognize Mr. Weber. Mr. Yoho—I am sorry. Mr. Yoho from Florida.

Mr. YOHO. Thank you, Mr. Chairman.

Gentlemen, I appreciate you being here and your testimony, and this is something that I think we are all very well concerned with what is going on in our Western Hemisphere and I think it is something that has been overlooked.

I want to reference—go back to the State Department request for the report on the Western Hemisphere, and they finally reported in 2012—they gave a report and it says—it found that Iran's influence in the Western Hemisphere was waning.

And if so, if that was—do you feel that was true back then in 2012 when the report came out from the State Department about the influence of Iran and Hezbollah in the Western Hemisphere? Was it waning?

Mr. MODELL. I thank you for your question.

You know, in 2012—between 2012 and today, budgets at the Iranian Government as for any types of activities whether you are talking about in their own immediate back yard in Iraq and Syria, intelligence activities further afield in Africa and Latin America, have gone drastically down.

So has their influence gone down? I would point out there was mentioned earlier today Mr. Rabbani, the guy who was the Iranian cultural attache at the time in the bombing in 1994 who has since remained in Iran and reportedly left a few times here and there—that he is still doing—but he is in charge of a network of people that the Iranian Government relies on, whether they are people who have gone—who are running mosques, cultural centers and so forth, throughout Iran. So—go ahead.

Mr. YOHO. Well, that is what I wanted to ask you. I mean, if they are waning but they are building mosques at the time and they are donating $800,000 to the Argentinian President—Presidential race, it seems like their influence was pretty strong and we know that.

So to say it was waning I think was a mischaracterization, and they had a report and it says in this here that they can only submit five pages back to Congress, which is very limiting.

It would be like, you know, having a cake recipe and you only can do three pages of it or, you know, three sentences of how to make that and then the rest is on your own.

It just seems very limiting. So I feel like they have been growing and it just wasn't a correct conclusion. Mr. Humire?

Mr. HUMIRE. Correct, Mr. Yoho.

The—you know, there was some evidence to say that perhaps they were maintaining. But I will give you a point that supports the evidence that they are growing. This was mentioned just a minute ago.

The commander, Southern Command General John Kelly, just testified before Congress saying that there is 70 culture centers or 80 culture centers——

Mr. YOHO. Right.

Mr. HUMIRE [continuing]. In Latin America. In 2012, the former commander of Southern Command, Doug Fraser, testified that

there was 36. That is a 55-percent increase, and those culture centers are what is linked to those influence operations.

The gentleman that Mr. Modell mentioned, Mohsen Rabbani, has a network of disciples in Latin America that are in charge of those operations.

Mr. YOHO. Right.

Mr. HUMIRE. That number has multiplied. So if you talk about terms of influence, there is more agents of influence. There is more access of influence and these individuals are the ones that make contacts with the host governments.

Mr. YOHO. Is there a Muslim-practicing population sufficient enough to warrant 80 mosques in Latin America?

Mr. MODELL. I would point out one thing with regard to the 80 mosques and the cultural centers, and I agree with Joseph that they have expanded those efforts.

Mr. Rabbani invites people from all over Latin America to come in and do training courses and learn about Islam, and then he has this leave behind—this sort of operational force or influence force around Latin America.

I would say no. In most cases, they would be happy to take any person who walks through the door who expresses even the smallest willingness to learn about Islam.

Mr. YOHO. Right.

Mr. MODELL. And then they are happy to say hey, go run our cultural center or our mosque. And I am not suggesting that that is not influential or dangerous or maybe something needs to be monitored. But it is very tenuous and to call it an operational cell in a lot of cases is an overstatement.

Mr. YOHO. I would agree with that, and then I have got a minute left here, roughly, and I don't know if you guys have touched on that structure in Bolivia that is built by Iran, supposedly, and heavily guarded.

Do you have a feel for what that is or has that already been discussed? And if so, I apologize.

Mr. HUMIRE. I have looked at the facility in great detail. I could tell you this. The facility doesn't function the way it is supposed to function. It is a military academy of some sort for asymmetric warfare but is an academy that doesn't receive students, that doesn't have operational presence as far as, like, logistics and others.

Mr. YOHO. How large is that compound or structure?

Mr. HUMIRE. It is not entirely large. There are more administrative buildings—about four buildings. I couldn't tell you the exact geographic dimension but it is about four administrative.

Mr. YOHO. I have heard all kinds of theories and rumors about it—you know, launch sites and all that. You know, I just wanted to make sure it has been looked at well.

Mr. HUMIRE. Okay.

Mr. YOHO. Anybody else have an opinion on that?

I am out of time and I appreciate your testimony. I yield back, Mr. Chairman.

Mr. DUNCAN. I thank the gentleman.

One thing I think that is interesting to note is the amount of student travel from South American countries to Tehran, and based on those cultural centers.

So Mr. Castro from Texas is recognized.

Mr. CASTRO. Well, thank you, Chairman, and thank you to each of the witnesses. Thank you for your testimony and for your scholarship and work on these issues.

I think our nation should, of course, be vigilant about any kind of growing influence that Iran may have whether it is in Latin America, Europe or anywhere else.

But I guess let me ask you a baseline question. How many people have been radicalized in Latin America and gone over to fight for, say, in ISIS or in al-Qaeda? Has anybody been radicalized that you all know of?

Mr. HUMIRE. I think there has been individuals in Venezuela and several countries in the Caribbean that have gone over to Syria to fight. But the numbers aren't significant. They are relatively small.

Mr. CASTRO. Do we know their names or what impact they have had? I know you gave the example of the Guyanese man, of course, who has been convicted here for his actions.

Mr. HUMIRE. Correct.

Mr. CASTRO. Is there anybody else that we know of by name?

Mr. HUMIRE. To that level of such a high profile I don't know a specific name but I can tell you that there is a criminal terrorist pipeline that has developed through Venezuela that sends funds and drugs from Latin America to the Middle East and, in turn, sends foreign fighters from the Middle East back to Latin America. That pipeline is still active today.

Mr. CASTRO. Is it safer to say that there have been more folks radicalized both in the United States and Europe than they have in Latin America?

Mr. HUMIRE. Correct.

Mr. CASTRO. Okay. What would be the advantage to a Latin American country? I guess—or let me preface my question by reiterating some of the points that have been made.

Iranian—the Iranian budget is drastically down for some of these outreach efforts. Their economy right now is—I don't want to say quite in shambles but is going through a very rough time. So what is the advantage of a Latin American to cozy up to Iran, at least in the period that we find ourselves now?

Mr. SHIFTER. Well, Congressman Castro, I don't think there is much of an incentive. That is why—precisely why I am trying to make the case that although there are concerns and we should watch closely, Latin America, you know, wants to be prosperous.

They want investment. They want democracy. I mean, this is a region that is in a very different state and I think that this—they are not going to find what Iran has to offer very, very attractive, either economically or in any other way.

So I don't think there are great incentives. There are, obviously, a few—a handful of countries we know—they have already been mentioned that have more of an anti-U.S. agenda and so they will find common cause with Iran because they share that to sort of—to curtail the influence of the United States. And so the geopolitical—they are joined in sort of a geopolitical alliance. Some of

that exists. But beyond a few countries and beyond that issue, I see very little.

Mr. CASTRO. Sure. Yes, sir?

Mr. LÓPEZ-DOLZ. In the case of my country, Peru, the advancements that were obtained by radical movements is money because in general terms the violent movements in my country don't have the money. They obtain some money from drug trafficking but any kind of money they receive will be well received.

What I want to remark is the same people that is—they are acting—are heads of every single violent movement against any kind of legal production or whatever in the deep country, in order to preserve the drug trafficking and illegal money is that all activity that could be done in this area is the same people connected with Iran activity.

So we will find people who are chiefs of a party or an organization leading to FARC, leading to Venezuela, and the same are pretty close to those Iranian activities in the area.

Mr. CASTRO. Okay. Thank you.

Chairman, I yield back my time.

Mr. DUNCAN. I want to thank the gentleman.

We are going to enter in a second round, if the gentlemen would like to stay. I will recognize myself for 5 minutes.

Last Congress, the House passed the Hezbollah International Financing Prevention Act, which died over in the Senate. It targets foreign banks and requires that the administration to determine whether Hezbollah is a transnational organized criminal significant narcotic trafficker.

So I would ask this of Mr. Modell, do you believe that this legislation could effectively enhance our ability to target Hezbollah in Latin America?

Mr. MODELL. I do think it could make a difference. I was—I am aware that legislation, and we had some meetings to discuss that legislation as it was being formed.

I think that any time you can put additional pressure on the Lebanese banking system to—for them to crack down on Hezbollah within Lebanon is going to help and it is going to reverberate out.

I think—I think as far as the U.S. Government that we can do in addition to passing legislation anything that enables Treasury to have more latitude in pursuing banks, particularly with banks that we have already identified, but people are concerned that it is going to destabilize the Lebanese banking system and they don't want to—they don't want to do anything about it, recognizing that, well, it is too bad because we see so much IRGC Quds Force or we see so much Syrian money illegally going through there. We even see Lebanese bulk cash shipments coming from West Africa going right into these banks.

But yet, it is part of a major banking center within the region. We don't want to destabilize it. So if that led—to the extent that that legislation can lead to more latitude and better tools at our disposal for putting pressure on that financially I am entirely in favor of it. I think it could have an impact, yes.

Mr. DUNCAN. I mean, we have focused on Latin America here but the 2012 law was Iran's presence in the Western Hemisphere. So we are talking about financial transactions. We can't ignore the Ca-

nadian Bank and the fact that there is very clearly transactions that were going, whether it was money laundering and other things.

And as we mentioned Paraguay earlier, you know, anybody in Ciudad del Este, whether it is Paraguayans or others, will tell you Hezbollah's activity there, which is financial transactions to fund Hezbollah.

Now, whether it is skimming rents or whether it is, you know, contraband that is being sold and I have seen it with my own eyes. And so I think you are right. I think that is just—this would be just another tool and I am going to talk with the author about possibly reintroducing that.

In your written testimony, you make several specific policy recommendations for the—Mr. Modell, for the U.S. to consider. Of these recommendations, which do you believe has the highest priority?

If you had to rank them, give me the first one or two.

Mr. MODELL. First one or two is the first thing that I mentioned today and I would say first—if we are really serious and, again, I don't want to overstate the threat.

I mean, I think that when you have somebody like Rabbani or, you know, and other Iranians who have made a consistent effort to build networks of influence in Latin America, I don't deny that that is going on.

I don't want to inflate that, though, to a geostrategic problem in the region. That said, if I was going to do one thing—if I could make one recommendation, distill all of this down to one thing, that would be getting everybody on the same page.

I hear a lot of talk about whole of government solutions within DoD, and DoD says well, wait a minute—we have got to enable whole of government solutions where we are going to work with State and we are going to work with the agency and everybody else, and rarely does that happen.

Everybody is pursuing different aspects of the problem set and there are working groups that get together—counter threat mitigation working groups that get together and they talk about problems like Hezbollah and they say, here are our transnational criminal organizational problems and nobody agrees and nobody is forced to work together, to take it to the next level and actually implement steps that are coming to a common set of platforms that can last the test of time in a place like Latin America.

And, again, I don't see the hordes coming over the gates, you know, coming across the wall. I think that Iran is a problem we need to be looking at.

But it is the leave behind—the residual leave behind force—the influence networks that they have that need to be better identified and rooted out. But that will require a counter network strategy and I don't think we have that.

Mr. DUNCAN. Let me—let me ask you on that point. After 9/11, we saw that stove piping of information was a big factor in allowing a terrorist attack to happen on the United States.

So do you think—I agree with you. DIA, DoD, elements of DIA and others—NCTC, CIA, all these elements—should be talking with our neighbors, our allies in the hemisphere about this real

threat. And so I gather from what you said they are not, or at least we are not forcing them to come up with a comprehensive approach.

You know, this committee has jurisdiction over State. We don't have jurisdiction over DoD, over intel. But I think there needs to be an effort to try to make sure there is no stove piping of that information because we are going to miss something if we do.

And it may not be an attack on the United States but it may be something in our hemisphere that, for our involvement, may be able to thwart. Would you agree with that assessment?

Mr. MODELL. I would agree with that assessment, and when you look at the people—the men and women in the United States Government who are working out of our Embassies around—throughout the hemisphere, the Ambassador obviously is the Chief of Mission and he is the one who gets, you know, the country team together and finds out what everybody is working on and he tries to drive everyone toward the larger objectives of the United States Government in that particular country.

But one thing I would comment on is yes, I agree with you. The State Department needs to have—there needs to be a different dynamic and part of it would be a new series of incentives that would have to be created at the Embassy level.

Everybody, at the end of the day, even post 9/11, goes about their good old traditional missions and you can create a DNI. You can create an NCTC. It has very, very limited impact on how we do business overseas. The agency continues to do what it has always done and so does State, and so does DIA, and so does DoD and everybody else.

So if you really decide that you want a networked approach to figuring out how to better go against Hezbollah, which is a complex undertaking, particularly because it is a criminal issue more than anyone else for the most part until they are called on to do terrorism, you really need to have everybody working together.

Mr. DUNCAN. Yes, I agree. Look, I think NCTC, CIA—I think all of these organizations alphabet soup of them do a great job, and if you look at all the worldwide activity whether it is what happened in Tunisia today, what is going on with ISIS across North Africa and the Middle East, whether it is Iran and nuclear weapons, whether it is even terrorist attacks in Indonesia and India and others that are directly tied to Iran, this is our hemisphere. This is our neighborhood. These are our allies, our neighbors, our friends, and I will remind the committee that the largest loss of life from a terrorist attack prior to 9/11 happened in Buenos Aires in the 1994 attack—the largest loss of life from a terrorist attack.

And many believe that Iran or Hezbollah, its proxy, was directly involved in that. We can't take our eye off that ball and it hits to home when it is here. I don't want to see it happen again here to anyone, most importantly, not to the United States or our assets or elements.

And so this has been a great hearing. I am going to recognize the former chairman of the Western Hemisphere Subcommittee and now the chairman of the Asia-Pacific Subcommittee, my friend, Mr. Salmon, for 5 minutes.

Mr. SALMON. Thanks a lot, Mr. Chairman.

My question is to anybody who has a great answer, or even if it is a not so great answer go ahead and take a stab. But as we are looking at the Nisman allegations and his subsequent murder, logic dictates he must have had something beyond what he revealed before his death to have driven somebody to have murdered him.

Have any of you looked closely at Argentina's missile program, formerly known as Condor II but reconstituted by President Kirchner as Gradicom?

Is there any indication beyond conjecture that Kirchner transferred missile technology indirectly to Iran via Venezuela? As you all know, missile technology is really the missing piece should Iran be seeking to militarize its nuclear capability.

So could this sort of technology transfer have been that grave finding that Nisman wanted to take to the U.N. Security Council but was murdered before he could reveal it?

Mr. HUMIRE. Mr. Salmon, the missile technology that was given to Venezuela from Argentina, the important component of that transfer is who received it in Venezuela.

The recipient in Venezuela was the Venezuelan military industry known as CAVIM. CAVIM has been littered with Iranian agents as well as Iranian projects—joint projects that have several dual-use capacities.

The missile transfer was just one of them. There were several other projects that were also done with CAVIM. CAVIM was sanctioned for this very purpose.

I think it is highly probable that something nefarious was in that transfer because on the face of it the missile program that Argentina was building didn't have a real endogenous production.

It wasn't something that they necessarily needed or the Latin Americans needed that much. They don't have those kind of conflicts right but—but it is something that perhaps Iran could have benefitted from.

Mr. SALMON. Thank you.

As an aside, I was in Buenos Aires back in April in 2013 right around the time that the intercepts revealed that D'Elia and his Iranian interlocutor were discussing Foreign Minister Timerman's role in the alleged plan to whitewash Iran's role in the AMIA bombing.

While I was there along with Ranking Member Sires, I met with Timerman and asked him about the Truth Commission his government signed with Tehran. I remember Timerman flying off the handle at the very question—very much an overreaction.

I remember I walked out of my meeting, turned to my staffer and I asked, what is wrong with this guy—he seemed like a really extreme and overreaction to a—you know, a reasonable question.

Now I know. Nisman's allegations show that Timerman was being asked to help cover up Iran's role in the largest attack against Jews since World War II.

So that was just an aside I would like to share with the chairman, the committee and the panelists. There is a lot of stuff going on over there that we need some answers on and I don't—this administration, dealing with the current President, the current Foreign Minister is not very forthcoming. In fact, they put up brick

walls every time we try to get close to something and people end up dead.

Thank you, Mr. Chairman.

Mr. DUNCAN. I thank the gentleman. I thank him for his leadership on that.

We have got one last member, Mr. Yoho, for a final round of questions.

Mr. YOHO. Thank you, Mr. Chairman, for indulging me, and gentlemen, I will make this hopefully quick.

Hezbollah, the Party of God, is a Shi'ite Islamist militia. It was founded in 1982 in response to the first Israeli-Lebanese War and its stated goal include wiping Israel off the map.

Has that goal changed, in your opinions?

Mr. MODELL. I think it—I think it hasn't changed at all and I think that both Iranian and Lebanese Hezbollah officials have restated it.

Mr. YOHO. Mr. Shifter?

Mr. SHIFTER. The goal—that goal remains.

Mr. YOHO. All right. Are we pretty much in agreement that that goal has not changed? And then it is disturbing to me that the U.S. national intel report that came out has removed Iran and Hezbollah off the terrorist threat list.

Do you see that as just a—what do they call it? A graphical drop when they reformat at a graphical format error? Knowing what we know, and we also know that Fidel Castro went to Iran I think it was approximately 10 years ago and met with the Ayatollah, and they said their common goal was to bring America to its knees.

Has that changed with the Cubans and the Iranians working together? Has that goal changed, in your opinions? Mr. Shifter, we will start with you.

Mr. SHIFTER. I think the goal of Cuba has changed. I think the latest change in U.S.-Cuban relations suggests to me that that is not what the goal of the Cubans is, that they realize that they can't do that. They need the United States and that is why they are pursuing this opening with the United States.

Mr. YOHO. Okay. So you feel that way. Does anybody else feel that way or is there a counterpoint—somebody feel different? That the Cuban——

Mr. HUMIRE. No. I believe, Mr. Yoho, that—the Iranians entered, by extension also as well, Hezbollah into a global campaign for international legitimacy.

Latin America is a big component of that. The nuclear—the conversations and the negotiations over their nuclear program that began in 2013 paralleled the negotiations that were happening in Argentina to whitewash themselves from the AMIA attack.

I mean, there was even some of the same negotiators. The former Foreign Minister of Iran, Ali Akbar Salehi, was also the negotiator for the nuclear program and we are talking about the same individuals that are looking to do the same things.

Cuba's role in Latin America, aside from what they are telling the United States, is also a role of an intelligence function. They have restructured and enhanced the intelligence apparatus of many countries in Latin America to the benefit of Iran.

This immigration scheme, which I want to—I want to clarify one thing. It is not—they are not fraudulent documents. These are state issued documents that are not doctored. They are actually given by the government to a Hezbollah member.

The research at my center, we have a list of 173 individuals that have gotten this type of service. That is evidence we have submitted to law enforcement. I would be happy to submit it to the——

Mr. YOHO. No, I have seen that and that is the thing that disturbs me about this whole thing. In 2013, the State Department report stated that Iran and Hezbollah terrorist activity has reached a tempo unseen since the 1990s, and that is with sanctions on Iran.

So I think this is something we need to really pay attention to and I think it is a misstep by our State Department and this administration to negotiate with Iran and open up that negotiation without giving anything.

I mean, they still have four of our hostages. They have four Americans still sitting over there. To even open up those negotiations in good faith I would have asked for those to return.

And so you kind of wonder why we even entered into this, and then you look at the relaxation of the foreign policy with Cuba that we got nothing out of, and then we sat here a week ago or 2 weeks ago and we asked the experts, did we get anything out of this and did the Cuban people—did they get more freedoms and liberties with the proposed change through the Obama administration.

All four of them said no, and they all four said that this negotiation, along with what we are doing with Iran, has weakened the Western Hemisphere and has weakened America. And, you know, I can only take that as expert opinion and if that is true I just—I just think this is the wrong way and that we need to heed the warning.

We had a professor in vet school that said if it walks like a duck, quacks like a duck, smells like a duck, it is a duck. What we are seeing is not good, I feel, for the direction of America and America's security and I think we need to pay strong attention to this.

Mr. Shifter, do you have anything you want to add?

Mr. SHIFTER. Just one final comment, if I could.

Mr. YOHO. Sure.

Mr. SHIFTER. I think you are right. But I also think that in terms of the role of Iran and Hezbollah I would also consult with the Israeli Government.

They are—of all the governments besides ours would be concerned. I have talked to them a lot and at least what I have——

Mr. YOHO. I think that is a wise—a wise decision.

Mr. SHIFTER. I think they follow it closely.

Mr. YOHO. Yes, sir. Thank you for your time. Mr. Chairman, thank you for the second round.

Mr. DUNCAN. I thank the gentleman from Florida, and there being no other committee members we will wrap up.

I will say that I agree with Mr. Humire that these aren't fraudulent travel documents. They are issued by a government. They are just carried by the wrong person or they are exchanged, as we see down in Paraguay, with a lot of Lebanese coming over, and this

has been pointed out to me by the Paraguayan intelligence. So I think you are right.

Well, pursuant to Committee Rule 7, the members of the subcommittee will be permitted to submit written statements to be included in the official record. As an addition, they may have additional questions that could be put in.

So we are going to leave the hearing record open for 5 days to allow statements, questions, extraneous materials for the record subject to the length of limitations.

And so there being no further business for the subcommittee, we will stand adjourned.

[Whereupon, at 12:17 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

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

Subcommittee on the Western Hemisphere
Jeff Duncan (R-SC), Chairman

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

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 Western Hemisphere and the Subcommittee on the Middle East and North Africa in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Wednesday, March 18, 2015

TIME: 10:15 a.m.

SUBJECT: Iran and Hezbollah in the Western Hemisphere

WITNESSES: Mr. Joseph Humire
Author

Mr. Dardo López-Dolz
(*Former Vice Minister of Interior of Peru*)

Mr. Scott Modell
Senior Advisor
The Rapidan Group

Mr. Michael Shifter
President
Inter-American Dialogue

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.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Western Hemisphere* HEARING

Day *Wednesday* **Date** *March 18, 2015* **Room** *2172*

Starting Time *10:15 a.m.* **Ending Time** *12:17 p.m.*

Recesses [ ] (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Chairman Jeff Duncan, Weber Sr.

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

"Iran and Hezbollah in the Western Hemisphere"

SUBCOMMITTEE MEMBERS PRESENT:

Reps. Duncan, Ros-Lehtinen, Salmon, Sires, Yoho, Castro, Kelly

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

Rep. Deutch, Weber Sr.

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.)*

Testimony of Mr. Leonardo Coutinho - Duncan
Testomony of Mr. William Ross Newland III - Duncan

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:17 p.m.*

Mark A. Walker
Subcommittee Staff Director

MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE JEFF DUNCAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

IRAN AND HEZBOLLAH IN THE WESTERN HEMISPHERE

Statement before the
U.S. House of Representatives Committee on Foreign Affairs
Subcommittee on the Western Hemisphere & Subcommittee on the Middle East and North Africa

Leonardo Coutinho*
São Paulo, Brazil

March 18, 2015

Chairman Duncan, Chairwoman Ros-Lehtinen, ranking members Sires and Deutch, distinguished members of the Subcommittee:

Thank you for the invitation and opportunity to submit this written testimony about the growing Iranian presence in Brazil, their connections to the terrorist organization Hezbollah in Brazil, and the nexus between Hezbollah and organized crime in my country.

Between 2010 and 2011, I was tasked by VEJA, my employer, to investigate Iran's presence and activities in Brazil. This investigation allowed me to research the AMIA case of Argentina and develop several sources throughout Latin America that informed me of how Iranian agents active during the AMIA attack continue to operate in the region and especially within Brazil.[1]

Over the last two decades, Brazil has enjoyed attention mostly as an emerging BRIC country, receiving international plaudits as two successive governments took advantage of the commodity price "supercycle" to maintain a decade and a half of relative prosperity. This economic prosperity has been coupled with savvy foreign policy that allows Brazil to remain out of the spotlight that was focused for much of the last decade on Venezuela and its ideological allies in the region. But it also helped to hide the fact that South America's most populous and geographically vast country was being utilized by terrorist and criminal groups to recruit and organize while raising funds, laundering money, building illicit business enterprise, and planning terrorist attacks on neighboring countries.

While Brazil has never experienced a terrorist act carried out by Islamic extremists on its territory, it has served as a planning and operations hub for the attacks recorded in Argentina against the Israeli Embassy (1992) and the *Asociación Mutual Israelita Argentina*, known as AMIA (1994). These attacks demonstrate how Brazil is used as an operational base, a weapons cache, and a source of revenue generation for the financing of terrorist organizations, most notably Hezbollah. Still, successive parliaments in Brazil have refused to pass anti-terrorism legislation that would set parameters for surveillance, prosecution, and international cooperation, and would better serve to prevent future attacks.

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* *Leonardo Coutinho is an award-winning Brazilian investigative journalist who was responsible for the investigations that exposed the presence of Islamic extremist groups in Brazil. He is currently one of the editors of Veja Magazine in São Paulo.*

Brazil as an operational hub for Iran and Islamic Terrorism

Official investigations carried out by Argentine, American and Brazilian authorities have revealed how Brazil figures into the intricate network set up to "export Iran's Islamic Revolution" to the West, by both establishing legitimacy and regional support while simultaneously organizing and planning terrorist attacks. Despite the fact that Brazil has never been the target of one of these terrorist attacks, the country plays the role of a safe haven for Islamic extremist groups, as explained below.

In May 2013, the late Dr. Alberto Nisman, special prosecutor of the AMIA bombing, produced a comprehensive dictum that describes in detail the participation of Iranian authorities, Shia clerics and Hezbollah militants in the 1994 Buenos Aires bombing that killed 85 and wounded more than 300 innocent civilians. The 502-page dictum not only describes the operations of the network responsible for this terrorist attack, it also names those who carried it out. Consequently, the document lists twelve people in Brazil with ties to Hezbollah, who reside or resided in Brazil. Seven of these operatives had either direct or indirect participation in the AMIA bombing.[2]

According to Nisman, Samuel Salman El Reda, a citizen of Lebanon who lived in the Brazilian city of Foz do Iguaçu, was sent a command to carry out the attack just prior to the explosion,[3] marking him as the point person in Brazil for executing this terrorist operation. According to Dr. Nisman, the central character and architect of the attacks against AMIA, was the Iranian cleric Mohsen Rabbani. According to my investigation, Rabbani, under the guise of visiting Brazilian mosques and with fradulent identification, had made a number of trips to Brazil in the years following the AMIA attack.

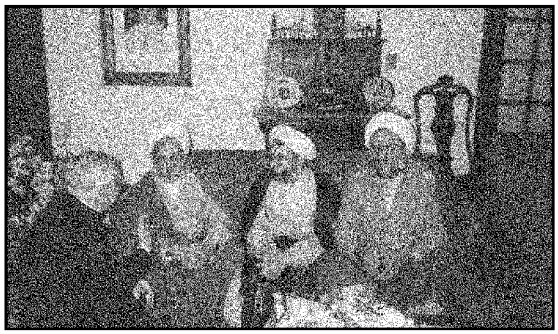
For several years, Mohsen Rabbani was identified by Brazilian intelligence services as the coordinator of a youth recruitment network throughout Latin America to carry out "studies" in Qom, Iran.[4] Brazilian intelligence' sources claim that Rabbani visited Brazil frequently, which means that he used false documents, given that he has a red notice from INTERPOL barring his travel outside of Iran. In September 2010, Brazilian Federal Police organized an operation to arrest him in the country. But the operation failed to capture the cleric.

Sources within Brazilian law enforcement say Rabbani entered Brazil from Venezuela carrying an authentic Venezuelan passport, but using the alias Ali Tayvidiantareial.[5] Taking advantage of regular flights between Tehran and Caracas, Rabbani was able to travel undetected between Iran and the Western Hemisphere via the Venezuelan state airline Conviasa.[6]

> *"The Federal Police and ABIN, the country's secret service agency, have followed Rabbani's recruitment of Brazilians for courses abroad for the last four years. Rabbani himself, with the help of trusted associates, chooses who will travel. Since 2007, three groups of Brazilians have visited Iran. There are plenty of reasons for such official surveillance. The course has strong religious content, but this is not the main reason for concern. Rather, students of one of Rabbani's classes have confided that during the trips they visited the facilities of the radical Lebanese group Hezbollah, considered a terror organization by many countries, including the United States. Reports to which Veja had access indicate that professor Rabbani's courses are a gateway to terrorism. According to these documents, classes are used for preaching radicalism and include training in military camps."*[7]

Dr. Nisman's investigation found that, although Rabbani was the main leader of Iran's cell in Latin America at the time of the attacks, the Brazilian contingent was led by Iraqi Shiite cleric Taleb Hussein al-Khazraji.

Al-Khazraji is the founder of an Islamic center in Brazil, and according to information from INTERPOL in Brazil, was an agent of the Iranian government.[8] In the 1980s, al-Khazraji was responsible for hosting Rabbani during several visits that the Iranian made to Brazil. On one of these visits (recorded by the photo below), Rabbani participated in a meeting with then Archbishop of São Paulo, Dom Paulo Evaristo Arns.



Mohsen Rabbani and al-Khazraji in São Paulo, during a meeting in the 1980s.

Nisman's investigation also revealed that al-Khazraji used the Shiite Islamic Center of Brazil to recruit Brazilians and bring them closer to Tehran.

> *"The strategic alliance between the Islamic Republic of Iran and Hezbollah is very tight in the 'Triborder Area'. Moreover, it exceeded those boundaries reaching other Brazilian cities such as Sao Paulo and Curitiba. A report from the Brazilian Federal Police informs that radicalized Arabic Shias, members of the terrorist organization Hezbollah and Sunnis related to Hamas, the Islamic Jihad and Gamat Al-Islamiyah, were detected particularly in the Brazilian States of Sao Paulo, Parana and the Federal District."*
>
> *(...)*
>
> *"According to Interpol Brasilia, the Islamic Association of Brazil that used to operate in Sao Paulo – and that shared its building with "Prophet Mohammed" mosque – was a common meeting place for Hezbollah's members. In the diplomatic arena, the information indicates that Jaffar Saadat Ahmad-Nia, Civil Attaché of the Iranian Embassy in Brasilia between 1991 and 1993, would have worked as an Intelligence agent (VEVAK). About him, Mesbahi also stated that during operative actions this person was "in situ," from where he directed and solved potential logistic problems. It is striking that he entered Argentina on March 16th, 1992 and left on March 18th, 1992, that is, the previous and the following day of the Israeli Embassy bombing in Buenos Aires."*[9]

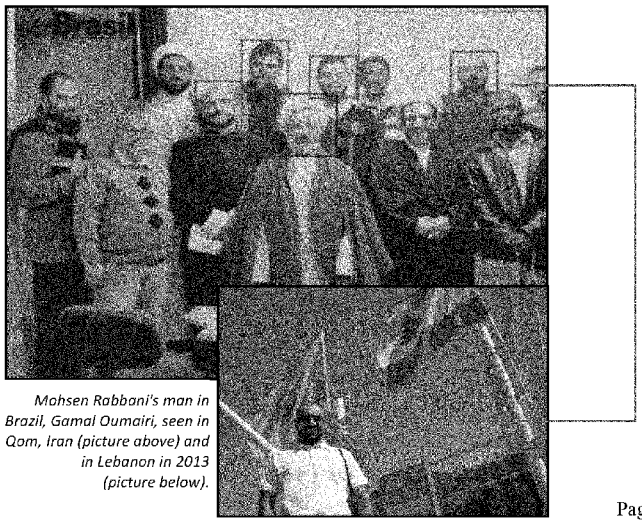
Dr. Nisman was unable to say whether al-Khazraji was directly involved in the AMIA bombing, although he claims to have found phone records showing that the Shiite cleric kept constant contact with Rabbani and his assistants. Both men were in frequent contact with Abdul Kadir, a former politician from Guyana, who was also an engineer and leader of an Islamic community in the Caribbean. Kadir was later convicted in the United States for conspiring[10] to carry out a terrorist attack on New York's John F. Kennedy International Airport.[11] Al-Khazraji is also known to have hosted Kadir's son in Brazil, and had traveled to Argentina under Rabbani's protection.

Rabbani's point main in Brazil; however, is the son of Lebanese nationals—**Gamal Oumairi**—who is the vice president of the Islamic Charitable Society of Paraná, a state on the southern coast of the country. As a top disciple of Mohsen Rabbani, Oumairi was selected by the Iranian cleric to be the guide and interpretor of Rabbani's brother, Mohammad Rabbani Baquer Razavi. Mohsen Rabbani's brother lived in Brazil for several years after the AMIA attack, but after his presence was revealed by VEJA in 2011, he left Brazil because he was residing illegally in the country. Since his departure, Omairi stepped up to serve as the main Iranian agent in country: recruiting, proselytizing, and sending Brazilian youth to Qom, Iran.

One of the points of connection between Rabbani, Kadir, al-Khazraji and Oumairi is **Farouk Abdul Hay Omairi**, a Lebanese citizen who was designated by the US Department of the Treasury[12] for his links to terrorist groups. Omairi, lives in the Brazilian city of Foz do Iguaçu.

Omairi was arrested in 2006 for being the kingpin of a gang of cocaine traffickers, along with his son, Ahmad Farouq Omairi. The two were accused of leading a drug-delivery network trafficking to Europe and the Middle East.[13] For years, Brazilian authorities monitored the Omairi family and other extremists who were operating in the Tri-Border Area, but the lack of anti-terrorism legislation in Brazil prevented their arrest.[14] But, because terrorism financing transactions are generally associated with other illegal activities, such as money laundering, smuggling and drug trafficking,[15] Federal Police focused their efforts on these crimes in order to arrest them.

Mohsen Rabbani and Brazilian "students" (in red highlight) in Qom, Iran



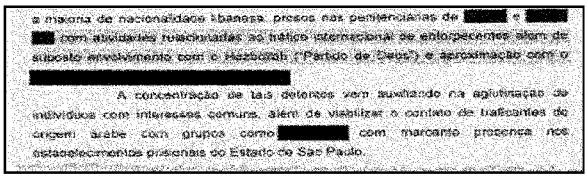
Mohsen Rabbani's man in Brazil, Gamal Oumairi, seen in Qom, Iran (picture above) and in Lebanon in 2013 (picture below).

Brazil's burgeoning crime-terror connection

The arrest of Farouk Omairi and his son Ahmad was the genesis of a criminal-terrorist association in Brazil. The most powerful criminal group in Brazil, the First Capital Command (Portuguese: *Primeiro Comando da Capital, or PCC*),[16] controls drug trafficking in various parts of Brazil and exercises informal control of most Brazilian prisons. The Omairi family was offered protection by members of the PCC while in prison—an agreement that was negotiated with Hezbollah according to an investigation by the Brazilian Federal Police.[17] The partnership has since deepened, and now PCC and Hezbollah work jointly in drugs and arms trafficking. This pairing has been compared to similar partnerships in Mexico[18] with Los Zetas and in Colombia with the FARC.[19]

According to a recent report by Brazil's Federal Police, Hezbollah sells weapons to Brazilian criminal organizations, and has also used the PCC's criminal services inside Brazil. Hezbollah has also brokered the sale of C4 explosives that was stolen in Paraguay, and was being sold on the black market at very low prices.[20]

Translation of an excerpt from the report by Brazilian Federal Police


a maioria de nacionalidade libanesa presos nas penitenciárias de [redacted] e [redacted] com atividades relacionadas ao tráfico internacional de entorpecentes além de suposto envolvimento com o Hezbollah ("Partido de Deus") e aproximação com o [redacted]

A concentração de tais detentos vem auxiliando na aglutinação de indivíduos com interesses comuns, além de viabilizar o contato de traficantes de origem árabe com grupos como [redacted] com marcante presença nos estabelecimentos prisionais do Estado de São Paulo.

English Translation: "*the majority of Lebanese nationality, trapped in prisons of* [redacted] *and* [redacted] *with activities related to international drug trafficking as well as alleged involvement with Hezbollah (" Party of God ") and approximation with* [redacted]. *The concentration of prisoners has helped the assemblage of individuals with common interests, as well as providing the contact with Arab traffickers and groups such as* [redacted] *with striking presence in prisons of the State of São Paulo."*

Source: O Globo

Conclusion and Recommendations

Separate investigations in Brazil and Argentina have both concluded that, since Iran's 1979 Islamic Revolution, the regime in Tehran has been targeting Latin America as part of its strategy to "export the revolution." The spread of Iranian-controlled mosques and Islamic cultural centers in the region is part of a strategy to provide cover for Tehran's international goals, which include recruiting militants as well as pursuing international political support for thwarting sanctions.

Until recently, there was little known evidence suggesting that Hezbollah's actions could pose a threat to Brazil. But authorities have now become aware that these extremists are making use of Brazilian territory to raise funds for their actions[21] and to plan attacks. Hezbollah's association with Brazilian organized crime, namely the PCC, changes significantly the need for a new approach to monitoring and thwarting the terrorist group's operations in Brazil. The U.S. Congress can help with cooperation in forming and framing anti-terrorism legislation in my country.

Moreover, the U.S. can also help to influence the Brazilian government to cease recognizing Hezbollah as a legitimate political party,[22] which protects it from sanctions imposed by the U.S. and the European Union.

The upcoming 2016 Summer Olympics can provide an opportunity for cooperation with Brazil to ensure that such a major sporting event has adequate force protection necessary to prevent or deter any terrorist action on Brazilian soil. Further investigation, either by Brazilian authorities solely or by working jointly with international law enforcement organizations, is necessary to prevent these groups from continuing to use Brazil as safe haven for extremist groups.[23]

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[NOTE: A statement by William Ross Newland III, submitted for the record by the Honorable Jeff Duncan, is not reprinted here but the link is available on the Internet at http://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=103177]

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