

Hezbollah's Strategic Shift: A Global Terrorist Threat

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Chairman Poe, Ranking Member Sherman, distinguished members of the committee; it is an honor to appear before you this morning to discuss the nature of the global terrorist threat posed by Iran's strategic partner and principle terrorist proxy, Hezbollah. The nature of this threat has increased dramatically over the past few years. Allow me to explain why and how.

Today's hearing on Hezbollah's strategic shift is extremely timely. This week marks the 21st anniversary of the 1992 Israeli embassy bombing. Failure to respond to that attack emboldened Hezbollah, which incurred no cost for the attack. Two years later Hezbollah struck again, this time escalating from a diplomatic to civilian target and blowing up the AMIA Jewish community center in Buenos Aires. Hezbollah is watching Europe and the west closely now, much as it watched Argentina twenty-one years ago this week, to see if there will be any consequence to its recent escalation of terrorist activity around the world.

Today's hearing is also well timed because tomorrow will be a critical day for Hezbollah, the West and Europe in particular. This is because a verdict is expected tomorrow in the case of Hossam Yaakoub, a self-confessed Hezbollah operative now on trial in Cyprus.

I refer members of the committee to my book, *Hezbollah: The Global Footprint of Lebanon's Party of God*, for details related to Hezbollah's worldwide activities from North and South America to Europe, Asia, Africa, and the Middle East.

As Director of National Intelligence James Clapper testified last week before the Senate Select Committee on Intelligence: "We...face uncertainty about potential threats from Iran and Lebanese Hezbollah, which see the United States and Israel as their principle enemies."

He added, "We continue to assess that [Hezbollah] maintains a strong anti-US agenda but is reluctant to confront the United States directly outside the Middle East." But Hezbollah is certainly active well beyond the Middle East.

The uncertainty about the potential threats stem from Hezbollah's recently increased global terrorist operations.

Hezbollah has two, distinct operational trends:

First, Hezbollah continues to seek revenge for the death of its chief terrorist mastermind, Imad Mughniyeh, who was killed in Damascus in February 2008. To this end, Hezbollah is specifically targeting senior current or former Israeli officials.

Second, Hezbollah is actively targeting Israeli tourists around the world as part of Iran's shadow war with the West. I discuss the details behind the development of this second operational trend, as well as the concurrent Qods Force effort to target Western diplomatic and other Jewish targets in my written testimony for the record.

Hezbollah has successfully rejuvenated the Islamic Jihad Organization, its foreign operations and terrorist branch. It recruited people with foreign passports – recent arrests included Hezbollah operatives with passports from Sweden, Canada, and Australia, for example—and returned to its long tradition of careful and calculated tradecraft. The result: terrorist plots in Azerbaijan, Thailand, Cyprus, Bulgaria, kidnaping plots in Africa, delivering weapons to Houthi rebels in Yemen, and more.

According to Bulgarian authorities, two of the three suspects in the July bus bombing that killed five Israelis and a Bulgarian were men with Canadian and Australian passports who "belonged to the military formation of Hezbollah." Investigators traced the suspects' activities around the world, uncovering "information about financing and their membership in Hezbollah."

This was not the first Hezbollah plot in Bulgaria. A similar plot targeting Israeli tourists in Bulgaria was thwarted a few months earlier, in January, just weeks ahead of the anniversary of the assassination of Hezbollah terrorist chief Imad Mughniyeh, when a suspicious package was spotted on a bus carrying Israeli tourists from Turkey to Bulgaria.

In fact, Western intelligence officials had long worried about Bulgaria as a potential venue for Hezbollah or Qods Force attacks. Five years earlier, Western intelligence agencies concluded "that Hezbollah chiefs and Iranian intelligence officials had put Bulgaria on a list of nations propitious for developing plots against Western targets."

Just days before the Burgas bombing, Cypriot authorities arrested Hossam Taleb Yaakoub -- who has since described himself in court as a Hezbollah operative -- in an eerily similar plot. Yaakoub testified that he conducted surveillance of Israeli tourists arriving on the island nation on flights from Israel and took note of the buses they boarded to their hotels. Cypriot police tracked the suspect before arresting him, and found in his possession information on arriving Israeli flights and buses taking Israeli tourists to their hotels.

Though he initially denied ties to Hezbollah, Yaakoub later admitted being a Hezbollah operative sent to Cyprus to conduct surveillance for Hezbollah. Just four hours after insisting to police he was just in Cyprus on business, Yaakoub sat back down and told police, "I did not tell the whole truth." He claimed he did not know what his reconnaissance was for, but knew "something weird was going on" and speculated it was "probably to bring down a plane, but I don't know, I just make assumptions." Later, he put it to police differently: he was not part of a terrorist plot in Cyprus at all: "it was just collecting information about the Jews, and this is what my organization is doing everywhere in the world."

Further underscoring the European bent to the case, Yaakoub admitted that before sending him to Cyprus, first to create a cover story and then to conduct surveillance, Hezbollah initially used him as a courier to deliver or retrieve packages to or from Hezbollah operatives in places like Turkey, the Netherlands, and France. His trial is due to end next month and, unlike the Bulgarian case, the evidence in Cyprus -- which has undergone full judicial scrutiny and cross-examination -- is a matter of public record. The public airing of evidence presented in court so far, and the prospect of a conviction in that case, has Hezbollah doubly worried.

Taken together, the Bulgarian and Cypriot cases present compelling evidence of Hezbollah's continued operational activity, specifically in Europe.

Mind you, FBI investigations here in the US have also revealed the global links of Hezbollah's activities. Consider, for example, the US cases which exposed the amazing extent to which Hezbollah forgers are producing counterfeit US dollars, Euros and other European currency. Another investigation exposed Hezbollah robberies around the world and plans to launder and sell the stolen currency, including \$2-million worth of stolen Swedish Krona. Yet another case involved a dual Lebanese-German citizen who used his Slovakian import-export company as a front to procure weapons -- including shoulder-fired anti-aircraft rockets -- for Hezbollah.

Hezbollah is watching Europe and the rest of the international community closely, much as it watched Argentina 21 years ago this week. Argentina failed to respond to Hezbollah's challenge then, and suffered the repercussions two years later. Europe has an opportunity now to avoid that same mistake and should designate Hezbollah -- in whole or in part -- a terrorist group for executing terrorist plots in Europe. History suggests that failure to do so could result in still more attacks by an emboldened Hezbollah.