

Combating Corruption for the People of Lebanon

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ABOUT THE AUTHORS



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Brief Analysis

Regardless of the Biden Administration's stance on Iran and Hezbollah, sanctioning corrupt politicians in Lebanon is a good call.

For many Lebanese, the Biden administration's prioritization of reaching a nuclear deal with Iran has signaled that a Biden presidency will turn into a second Obama presidency. For some, Lebanese have wrongly construed that the Biden administration's interest in reinstating the nuclear deal will put an end to their economic hardship and that an ostensibly dovish U.S. foreign policy would be able to fix an entire region in turmoil. Others see the Obama administration as having imposed the nuclear deal at the expense of the people of the region, turning a blind eye to the destructive expansion of Iran's proxies, chiefly Hezbollah.

Either way, Lebanon is not the same country that it was under the Obama administration. During the intervening Trump years, Lebanon was caught up in the United States' maximum pressure campaign against Iran as the United States aggressively targeted Hezbollah's financial resources. This policy forced Hezbollah to tap into the meager resources of the Lebanese state, thus hastening the country's economic crisis.

In contrast, there is also the concern that the new administration's focus on returning to the Joint Comprehensive Plan of Action (JCPOA)—especially given the [appointment \(https://www.arabnews.com/node/1800806/world\)](https://www.arabnews.com/node/1800806/world) of Robert Malley, a renowned Iran apologist who played a crucial role in the 2015 deal and who has [whitewashed \(https://www.youtube.com/watch?v=PK72p66ngvQ&feature=youtu.be\)](https://www.youtube.com/watch?v=PK72p66ngvQ&feature=youtu.be) Iran's aggressive behavior, as Iran envoy will yet again come at the expense of Lebanon's almost non-existent sovereignty and rampant economic crisis.

That being said, many of the Trump administration's calls on Lebanon are very hard to reverse, especially the sanctions it passed on a number of corrupt Lebanese politicians. Chief among those politicians is the Lebanese president's son-in-law Gebran Bassil, who was [designated \(https://home.treasury.gov/news/press-releases/sm1177\)](https://home.treasury.gov/news/press-releases/sm1177) under the Global Magnitsky Human Rights Accountability Act. Bassil's designation emphasized that "the systemic corruption in Lebanon's political system exemplified by Bassil has helped to erode the foundation

of an effective government that serves the Lebanese people.”

Many Lebanese—even those who blindly support Hezbollah and its axis—approve of the the designation of Hezbollah allies. Bassil, former Minister of Finance Ali Hassan Khalil, and former Minister of Transport Youssef Fenianos were all designated for corruption and “facilitating Hezbollah’s agenda.” For the Lebanese, it has become vividly clear that the nexus between their corrupt political elite and Hezbollah needs to be removed to allow for some sort of economic and political stability to return.

And while many Lebanese are too afraid to publicly call for U.S. sanctions against their politicians so as not to be branded as pro-American or specifically anti-Hezbollah, they are beyond convinced that with no functioning judicial system the only way to punish and limit corruption starts with imposing wider sanctions that specifically targets Bassil and the country’s other corrupt politicians.

The Trump administration was equally clear in its refusal to allow Lebanese political elite to continue to use Hezbollah as a pretext for the crisis, and the administration refused to carry out structural economic and political reforms that the entire international community has mandated as conditions for future aid. Under the Trump administration, senior U.S. diplomats were no longer under the illusion that the Lebanese political class could be reformed, and thus were dissatisfied with the pretext that Hezbollah alone was to blame for Lebanon’s total economic collapse, calling out instead Lebanon’s economic and banking system for the money laundering operation it really is.

The swampish and toxic nature of the Lebanese political system is essential for Hezbollah’s survival, and thus any serious plan to contain Iran in the Mediterranean must address Lebanon’s deeper structural issues, which Hezbollah so effectively exploits. Rather than focusing on sanctioning shady Hezbollah businessmen and shadow companies for financing terrorism alone, the Biden administration should broaden its sanctions and efforts to address the broader corruption of Lebanon’s political class, which allowed the country’s banking sector to run a massive **Ponzi** (<https://www.nytimes.com/2019/12/02/opinion/lebanon-protests.html>) scheme that swindled the Lebanese out of their life savings and turned a once thriving economy to a money-laundering operation for Iran and its proxies.

With further sanctions to isolate Lebanon’s Bassil-like political elite, the United States would have an opportunity to push for reforms in Lebanon’s political structure while also protecting its investments in the country. Millions of U.S. tax-payer dollars in **aid** (<https://explorer.usaid.gov/cd/LBN>) should go to supporting the Lebanese people and not funding the activities of Hezbollah and the ruling political junta that protects them.

It is important that the process of reinstating the nuclear deal not come at the expense of broader U.S. interests in the region or sell out the region’s people to Iran. As with all deals, both sides are required to enter negotiations with signs of good will and willingness to carry out their respective obligations, and the Iranian nuclear deal and its attainment is no different in this respect. Addressing Iran’s ballistic missile program and above all its proxies’ barbaric behavior in the region can start with Lebanon, where the pressure on the state is pushing it towards collapse and fueling ongoing protests.

That being said, the negative impacts of Iranian influence in the region are interconnected. Effective U.S. policy on Lebanon will also need to tackle the Syrian crisis and to go after the Lebanese-Syrian nexus of corruption, which uses Lebanon’s meager resources to funnel money to Bashar al-Assad’s dying economy. Consequently, whomever Biden picks to lead on Syria should focus on assiduously implementing the **Caesar** (<https://www.congress.gov/bill/116th-congress/house-bill/31/text>) Syria Civilian Protection Act and the Magnitsky Act, which can help ensure that any U.S. or foreign aid money that goes to Lebanon is not smuggled to Syria through **Hezbollah’s smuggling** (<https://english.alarabiya.net/views/news/middle-east/2020/05/20/Hezbollah-is-smuggling-in-broad-daylight-as-a-political-strategy-it-won-t-work>) rings.

Biden's imminent appeasement of Iran should not entail an abandonment of its Lebanon policy, assuming he has one. Both the White House and Congress should continue to push for much-needed reforms, as well as to continue to pass further sanctions on Lebanon's corrupt political elite who provide Iran's militia with political legitimacy. Furthermore, the United States should continue to support and protect the masses that went to the street on October 17, 2019 to demand the end of Lebanon's corrupt system. In all, Lebanon needs a simple U.S. policy that requires a sober bi-partisan commitment to reform and human liberal values. ❖

RECOMMENDED



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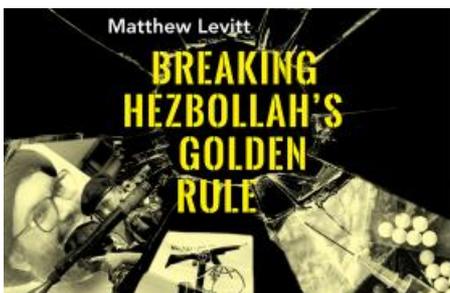
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