Hezbollah's Hired Hands in Brazil

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ABOUT THE AUTHORS

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Brief Analysis

Operation Trapiche revealed how Hezbollah is outsourcing operatives, criminal revenue, and financial services to build deniable capabilities in Latin America.

On September 15, Brazil's Superior Court of Justice unanimously restored **(https://processo.stj.jus.br/processo/julgamento/eletronico/documento/?documento_tipo=integra&documento_sequencial=399645004&registro_numero=202503767640&peticao_numero=&publicacao_data=20260921&formato=PDF)** the terrorism conviction of Lucas Passos Lima, a man recruited by a Hezbollah-linked network to scout local Jewish and Israeli targets and make other operational preparations. A federal appellate court had acquitted him of preparatory acts of terrorism on the grounds that he was motivated by money rather than ideology. Had that reasoning stood, it would have made Brazil a more permissive environment for exactly the type of Hezbollah operating model that the case exposed. As the first Brazilian prosecution **(https://www.mpf.mp.br/o-mpf/unidades/procuradoria-geral-da-republica-pgr/noticias/stj-restabelece-condenacao-de-brasileiro-por-atos-preparatorios-de-terrorismo-em-caso-da-operacao-trapiche)** to reach the group's external operations arm, the case documents a shift in how Hezbollah works in this part of the world: namely, toward outsourced execution and funding that is locally generated and laundered.

From Cigarettes to Attack Reconnaissance

Dubbed "Operation Trapiche," the investigation did not begin as a terrorism case. In 2022, tax inspectors scrutinized a tobacco shop in Belo Horizonte's Mercado Central that was trading in banned electronic cigarettes. The registered owner, Hussain Abdulmajid, was a mere figurehead—the real operator was his brother, Mohamad Khir Abdulmajid (aka Habibi), a Syrian-born naturalized Brazilian who ran a cluster of tobacconists through relatives and obvious straw owners (e.g., individuals on welfare rolls).

The case changed dramatically in October 2023 when the counterterrorism division of Brazil's Federal Police received a memorandum from the FBI describing a network engaged in financial crime and narcotics with potential ties to terrorism. Alongside Habibi and other individuals, the memo flagged Haissam Houssin Diab, a Lebanese-born naturalized Brazilian whose passport and travel bookings later turned up in Habibi's cloud storage. Germany had sought Diab's extradition in 2005 for organized drug trafficking, but Brazil's Supreme Court terminated that case without reaching the merits because he had obtained citizenship and could no longer legally be extradited.

Investigators then found a recruitment pipeline, with Habibi allegedly approaching **(https://eproc1g.trf6.jus.br/eproc/controlador.php?acao=acessar_documento&doc=381728671116216228604305626167&evento=381728671116216228604307783571&key=2161ebe28baa4e5b8bccc720f12281bfa97154f93096cc526e8** at least five Brazilians through social media and community contacts across three states, paying for their short trips to Beirut, and housing them in upscale hotels there. While in Lebanon, they received operational instruction and clandestine communications training, including a physical recognition signal and shared email accounts used as dead drops, with messages left unsent in drafts. They were told to photograph Lebanese tourist sites to build a cover story for leisure travel.

Passos Lima was one of these well-courted recruits, traveling to Lebanon twice in 2023. Upon returning from the first trip, he began extensive preparatory work: geolocating and filming three synagogues, a Jewish cemetery, the Israeli embassy, and a rabbi in and around Brasilia; training with firearms; buying untraceable radios and surveillance gear; and approaching a pilot about exfiltration routes outside migration control. He also hired a data scientist, apparently for help with special password protection technology. He was arrested at Sao Paulo's Guarulhos International Airport on November 7, 2023, after returning from Lebanon with more than $5,000 in cash.

Lessons About Hezbollah's Evolving Methods

One of the most important lessons from Operation Trapiche is to rethink assumptions about who is executing Hezbollah plots. Latin American outsourcing is hardly new for the group: in 2021, for example, Colombia reportedly expelled **(https://www.timesofisrael.com/hezbollah-planned-to-murder-israeli-in-colombia-to-avenge-soleimani-report)** two criminals commissioned by Hezbollah to kill an Israeli in Bogota. Yet what Trapiche has documented is closer to an assembly line than a contract hit—men with no prior ties to the organization were flown to Lebanon, trained, and sent home to scout targets. The network sought financially vulnerable men with criminal records and no ties to Lebanon or Hezbollah; prior ideological commitment was not a prerequisite. In intercepted audio, recruiters mention looking for aggrieved individuals who had been "locked up" and therefore felt they "owe the courts." (Though one recruit was told that the goal was to kill the organization's enemies and then build cells in Europe, South America, and Australia.) The point of hiring such men is deniability—an attack executed by local ex-convicts could read as a hate crime by fringe extremists rather than an operation directed from Beirut. Hezbollah's need for deniability is even stronger now that it is calibrating its exposure after three years of highly damaging operations by Israel.

Another lesson is Hezbollah recruiters' greater reliance on funding generated by local criminal networks. The Brazilian tobacconist shops raised the money used to purchase plane tickets for recruits, and while Passos Lima returned from Lebanon carrying more than $5,000 in cash, investigators have not established the source of that money.

Of course, Hezbollah has long raised money through foreign criminal activity; a key difference in this case is that it did not launder the proceeds itself. Instead, Dante Felipini—a Sao Paulo cryptocurrency broker arrested in a separate laundering case (Operation Colossus)—ran shell companies registered to straw owners and moved value by buying Tether (USDT) abroad and selling it to Brazilians who wanted to get funds out. In an intercepted chat, he described his role as a buyer in Brazil and a seller in China: "I am Kraken," he boasted, comparing his operation to the unrelated cryptocurrency exchange by that name. While Habibi routed roughly 1.25 million reais (approximately $250,000) to his shell establishments, Felipini's operation sent $658,269 in crypto to three wallets designated **(https://nbctf.mod.gov.il/en/Pages/28062023EN.aspx)** by Israel for sustaining both Hezbollah and Iran's Islamic Revolutionary Guard Corps-Qods Force. Yet Brazil's reporting system for suspected terrorist financing did not issue any alerts about this activity.

Felipini's case points to another revealing lesson: that Hezbollah sees outsourcing as both a tactic and an opportunity for potential recruitment. After traveling to Baalbek, Lebanon, in January 2023 and firing rifles in the hills with Hezbollah members, he told a contact that this was his "baptism" into the group. Ultimately, prosecutors charged him with money laundering, currency evasion, membership in a terrorist organization, and terrorism financing.

Policy Implications

The details of Operation Trapiche show how to build effective transatlantic cases against Hezbollah in the future. Where the evidence supports terrorism-related charges, prosecutors should pursue them alongside underlying criminal offenses. The Brazilian investigation began in 2022 with suspected contraband activity. Information received in October 2023 brought the terrorism nexus into focus, and federal prosecutors subsequently brought terrorism-related charges.

To be sure, authorities can still prosecute Hezbollah collaborators without bringing terrorism charges. For example, a study by George Washington University's Program on Extremism **found that (https://extremism.gwu.edu/hezbollahs-operations)** 128 individuals charged in U.S. federal cases from 1997 to 2020 had concrete links to Hezbollah, but only 14 percent of them were formally charged with materially supporting the group; the rest were charged with ordinary offenses alone. The study also found a substantial difference in prison sentence lengths: on average, individuals convicted on material support charges received sentences twice as long as those convicted on ordinary charges alone. These figures do not establish that material support charges were supported by the evidence in every case; yet they do show why terrorism statistics based solely on formal charges can understate the scope of Hezbollah activity in the Americas and give policymakers an overly rosy view of the threat.

Going forward, authorities should also heed the legal principle upheld by Brazil's Superior Court of Justice: financial motivation does not exclude terrorism liability when a person knowingly and voluntarily contributes to a terrorist plan. The initial acquittal of Passos Lima inverted this principle: it argued that his financial motive was incompatible with liability for preparatory acts of terrorism, when that motive is precisely the instrument that Hezbollah selected for deniability purposes. The workable standard, now affirmed in Brazil, is "functional adherence": suspects who join a plan that they know is driven by religious or ethnic hatred may be held liable for their knowing participation whether or not they share the hatred. Prosecutors in other jurisdictions with motive-based terrorism statutes should expect this defense in future cases and build a robust "intent record" based on Hezbollah's targeting patterns, contemporaneous statements, and disposition of funds.

Trapiche also shows why authorities must "follow the money" across the crypto blockchain and build terrorism-financing typologies distinct from traditional anti-money-laundering ones. The activities conducted by Felipini, Habibi, and others—newly incorporated companies with no commercial history moving funds internationally; straw owners on welfare rolls; fragmented crypto transfers on low-cost networks—should have generated alerts from the financial sector to the government. Those indicators warranted scrutiny independent of whether they were linked to a designated terrorist entity—especially in a jurisdiction like Brazil that has relatively little experience with such designations (see below).

Moreover, enforcement should not stop at the freeze order: networks like the one uncovered by Trapiche often reconstitute under new names, so corporate registries must be monitored afterward. Foreign partners were indispensable here—an FBI memorandum brought the terrorism nexus into focus, and Israeli designations identified cryptocurrency wallet addresses linked to Hezbollah and the Qods Force, enabling investigators to trace transfers to those addresses and establish the financing chain. Yet such help is no substitute for adequate domestic instruments. Brazil's 2019 sanctions law authorizes national terrorism designations, but the government has never issued one against Hezbollah or any other group, significantly limiting investigative efforts. As Robert Clifford, former supervisor of the FBI's Hezbollah unit, **told the Senate Caucus on International Narcotics Control (https://www.drugcaucus.senate.gov/wp-content/uploads/2025/10/Witness-Statement-RFC-1.pdf)** in October 2025, only five Latin American states have designated Hezbollah (Argentina, Colombia, Guatemala, Honduras, and Paraguay). Expanding this club could help domestic financial institutions more readily identify, report, and take action against sanctioned actors and assets. National designation mechanisms would also complement successful prosecutions by disrupting identified networks and prosecuting their members.

Hezbollah's innovation in Brazil was to buy what it used to bring: local executors, local revenue, and commercial laundering. Each purchase was meant to leave nothing traceable back to Beirut. What it left instead was a long trail of receipts, blockchain "hashes," shell companies, and a man who bragged about his terrorist "baptism." Denial is cheaper than deployment, but it is not free.

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