

## Q&A on Hezbollah's 'Global Footprint'

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### ABOUT THE AUTHORS



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### Samuel Rubinfeld interviews Washington Institute fellow Matthew Levitt about how Hezbollah raises and uses its money.

**H**ezbollah is more than an anti-Israel militant organization, despite its perception as such in the U.S. What does its global footprint look like, and why should it concern Americans?

What amazed me as I got into the research of [the book \(http://www.washingtoninstitute.org/policy-analysis/view/hezbollah-the-global-footprint-of-lebanons-party-of-god\)](http://www.washingtoninstitute.org/policy-analysis/view/hezbollah-the-global-footprint-of-lebanons-party-of-god) was how global the footprint really is, spanning not only the Middle East but Africa, Asia, Europe, South America and even here in North America. Just [Friday], the U.S. Drug Enforcement Administration got a Surinam counter-terrorism official [Ed note: It's a son of the president] in a Hezbollah-related case. Until 9/11, Hezbollah was responsible for the deaths of more Americans than any other terrorist organization, and its history of targeting Western interests, including American interests, goes back 30 years.

Thirty years ago last month, Hezbollah blew up the U.S. Marine barracks and the French military barracks in Beirut, both of which were part of the multinational force of peacekeepers.

Today, the U.S. intelligence community describes the relationship between Iran and Hezbollah as a strategic partnership, with Iran as a primary partner, which explains in part why Hezbollah is more engaged in more international terror today than at any time since the late 1980s.

#### **Discuss the various ways Hezbollah raises money.**

Hezbollah gets millions of dollars a year from Iran; it receives as much as \$200 million a year. It's also engaged in abuse of charity and takes money from some deep-pocketed major donors, but more than anything else, Hezbollah has been more involved in criminal activity than any other terror organization out there.

These schemes range from small-scale frauds perpetrated by individual Hezbollah supporters such as credit-card fraud, check fraud, watered-down baby formula, cigarette smuggling, mortgage fraud, visa fraud and more, all the way to far more-organized criminal activity such as complicated arms procurement schemes involving import-

export front companies and, more recently, not the production but the movement and laundering of proceeds of narcotics, particularly cocaine from West Africa.

### **Hezbollah was allegedly engaged in a scheme involving used-car sales. Can you talk about it?**

The used car sales in the U.S. relate to Hezbollah's laundering the proceeds of narcotics. When the U.S. Treasury exposed Hezbollah's penetration of the Lebanese Canadian Bank, it also revealed that, in some cases, it moved drugs from South America across the 10th Parallel, which law enforcement calls "Highway 10," to West Africa.

In some cases, the proceeds were laundered through the purchase of used cars in the U.S., which were then shipped to West Africa and sold there. In at least some of these cases, the individuals selling those cars here in the U.S. are believed to have been knowing and complicit in the criminal nature of the activity, and possibly the Hezbollah connection as well.

### **How does it bank the money?**

Hezbollah uses the formal financial system like any other entity would. It maintains bank accounts in the name of individuals, it has institutions like money managers, a construction company and much more. Remember, Hezbollah is not a banned entity in Lebanon. It has overt and covert activity...It's difficult for banks to necessarily know when funds are in fact covert, because they're always in somebody's name.

### **What do the U.S. and others do to stop the flow?**

It all depends on the jurisdiction. In those places where Hezbollah is banned, in whole or in part, there are legal thresholds to target Hezbollah funds moving through those financial systems. In places where the group is not banned, there still are industry standards that require banks to do their due diligence and address their fiduciary responsibility to their shareholders and balance risk.

Even if the funds are in a jurisdiction where the group is not banned, there are ways to approach financial institutions and share information that explains the nature of the risk that they may be exposing themselves to by banking Hezbollah money if they do so knowingly.

### **Is there anything else we should know about Hezbollah?**

Hezbollah is many things. They are a political party, they are a militia, they are also a terrorist group, and they're involved in international crime. The international criminal activity is increasingly becoming the most important revenue source for them, and it is their Achilles heel because it exposes them to additional law enforcement scrutiny.

Even before the European Union banned its military and terror wings, southern European countries where Hezbollah was moving drugs tended to be cooperative. They had no interest in anybody, whether it was Hezbollah or anyone else, moving drugs in their country.

Hezbollah has a preference in counterfeiting \$100 bills and 200 euro notes. All terrorism definitions aside, the authorities protecting international and national financial systems have to take this seriously. ❖

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