

# Hizballah: Governing Faction in Lebanon, Criminal Group Abroad

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## ABOUT THE AUTHORS



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## Brief Analysis

**T**his week marked the sixth anniversary of the assassination of former Lebanese prime minister Rafiq Hariri, killed in a Beirut bombing on February 14, 2005. Noting the solemn occasion, UN secretary-general Ban Ki-moon issued a statement paying tribute to Hariri and the other twenty-two people killed that day and reaffirming the UN's "commitment to the efforts of the Special Tribunal for Lebanon to uncover the truth so as to bring those responsible to justice and send a message that impunity will not be tolerated." Meanwhile, outgoing prime minister Saad Hariri, Rafiq's son, pledged to abstain from the coalition government led by Hizballah, whose members include several of the Special Tribunal's primary suspects. Joining the political opposition, Saad called for mass protests on March 14 -- the date of the 2005 Cedar Revolution and the name of his own coalition -- and accused Hizballah and its allies of "lies, betrayal, and lack of loyalty."

Even as the Hizballah-led coalition prepares to take the reins of power, crowning the group as the dominant political force in Lebanon, a series of international criminal investigations have highlighted the organization's illicit activities at home and abroad. From money laundering and narcotrafficking to the Hariri assassination, Hizballah's track record of worldwide criminal activity may soon catch up with its political ambitions at home.

## Conspiracy to Support the Taliban

**T**he latest charges against Hizballah, released February 15, are the product of an international sting operation led by the Drug Enforcement Administration (DEA), targeting seven suspects who allegedly conspired to provide support to DEA sources posing as Taliban representatives. Beginning in summer 2010, meetings in Benin, Ghana, Ukraine, and Romania were caught on audio and videotape.

Some of the suspects agreed to receive, store, and move tons of Taliban heroin, while others were willing to sell the Taliban representatives substantial quantities of cocaine that could then be sold at a profit in United States. Still others -- including an Israeli national, Oded Orbach, and Alwar Pouryan, an Iranian national described by one of his fellow conspirators as "a weapons trafficker affiliated with Hizballah," both U.S. citizens -- allegedly held a series of meetings in Ghana, Ukraine, and Romania to discuss the weapons they planned to sell to Taliban representatives.

These reportedly included surface-to-air missiles, antitank missiles, grenade launchers, and AK-47 and M-16 rifles.

## Trafficking Drugs and Laundering Money

Last month, the U.S. Treasury Department blacklisted Lebanese drug trafficker and money launderer Ayman Joumaa, along with nine other people and nineteen businesses involved in his enterprise. According to Treasury, an extensive DEA investigation revealed that Joumaa laundered as much as \$200 million per month from the sale of cocaine in Europe and the Middle East via operations in Lebanon, West Africa, Panama, and Colombia, using money exchange houses, bulk cash smuggling, and other schemes. In addition, several Lebanese entities were designated under the Foreign Narcotics Kingpin Designation Act, including the landmark Caesar's Park Hotel, a shipping company, several money exchanges, and a holding company. Two weeks after this drug-related action, authorities targeting a Hizballah-affiliated Lebanese bank revealed that the group "derived financial support from the criminal activities of Joumaa's network."

On February 10, the Treasury Department identified the Lebanese Canadian Bank (LCB) and its subsidiaries as "a financial institution of primary money laundering concern" under section 311 of the USA PATRIOT Act. Aided by key bank managers, including some with family ties to members of his network, Joumaa used LCB accounts to execute sophisticated trade-based money laundering schemes. For example, LCB used U.S. correspondent banking relationships to send suspiciously structured electronic wire transfers to American used car dealerships, some of which have come up separately in other drug-related investigations. The funds were used to purchase cars in the United States, which were then shipped to West Africa or elsewhere and sold. Ultimately, the proceeds were repatriated to Joumaa's network in Lebanon. Based on information from "law enforcement and other sources," Treasury reported that LCB was complicit in international drug trafficking and money laundering.

LCB is the eighth-largest Lebanese bank by assets, worth more than \$5 billion in 2009, with thirty-five branches in Lebanon and a representative office in Montreal. Treasury linked LCB managers to Hizballah officials based outside Lebanon, including Abdallah Safieddine, the group's Tehran-based envoy. The bank was also tied to Hizballah through one of its subsidiaries, the Gambia-based Prime Bank, which Treasury revealed is partly owned by a Hizballah supporter in Lebanon.

## Prime Suspects in Hariri Assassination

Hizballah is greatly concerned about the prospect of public indictments in the Hariri case, in large part because some of the group's senior members have already been named in the media as potential suspects. These include Qassem Suleiman, Hajj Salim, Abdul Majid Ghamloush, brothers Hussein and Mouin Khreis, and, most significantly, Mustafa Badreddine. The latter is the brother-in-law of Imad Mughniyah -- the assassinated chief of Hizballah's external operations, known as the "Islamic Jihad Organization" (IJO) -- and himself a senior IJO official.

Hizballah's acute anxiety over the forthcoming indictments can be seen most prominently in its public denunciations of the tribunal as an American project based on false communications data fabricated by Israeli spies embedded in Lebanon's telecommunications industry. Similarly, Hizballah chief Hassan Nasrallah has blamed "false witnesses." The group's public relations campaign against the tribunal began in earnest after a May 2009 *Der Spiegel* story reported new evidence implicating Hizballah as the primary suspect. That report also named Ghamloush as an Iranian-trained Hizballah operative who made the critical error of calling his girlfriend from an operational cellphone tied to the group. Following a February 2010 *Le Monde* report underscoring the Hizballah angle and requests by tribunal investigators to interview group members, Nasrallah took to the airwaves to condemn the prosecution as a U.S.-Israeli political tool. Exhorting the Lebanese people against cooperating with investigators, he went so far as to claim that Israel was behind Hariri's assassination.

Moreover, long before taking this public stance, Hizballah conducted quiet surveillance of the tribunal's

headquarters in the Hague. The Netherlands considers Hizballah a terrorist group, and Dutch intelligence has been conducting bimonthly assessments of any potential threat to the tribunal. So far, they have found no active plots. What they have noted, however, is periodic surveillance of tribunal headquarters. In particular, before the tribunal occupied its newly refurbished building, a Lebanese camera crew was caught taking suspicious pictures and video of the unfinished facility.

Meanwhile, Hizballah regularly follows tribunal investigators on the ground in Lebanon and uses intimidation tactics against them. The group reportedly collects information on tribunal officials entering and leaving the country through airport surveillance, creating an environment in which investigators do not feel safe. The January 25, 2008, assassination of Lebanese Internal Security Forces captain Wissam Eid, who was detailed to the Hariri investigation, underscored those fears. According to a Canadian Broadcasting Corporation report, the investigation of Eid's murder -- which also falls under the tribunal's jurisdiction -- implicated two more senior Hizballah officials, Hussein Khalil and Wafiq Safa.

## Conclusion

Many factors undermine Hizballah's self-promoted image as the incorruptible defender of the oppressed, but none as powerfully as the Hariri investigation. Charges of engaging in terrorism against fellow Lebanese (particularly a Sunni leader such as the late Hariri) are completely at odds with the group's longstanding position that it is first and foremost part of the fabric of Lebanese society, and only secondarily a pan-Shiite or pro-Iranian movement. Hizballah was widely criticized for occupying downtown Beirut in March 2008, when the government tried to rein in the group's airport surveillance activities and its maintenance of a private telecommunications system. At the time, many Lebanese viewed Hizballah as putting its own interests ahead of the country's. Yet that incident would pale in comparison to the charges the tribunal appears set to release within the next few weeks. In the meantime, Saad Hariri's calls for massive protests in Beirut on March 14, coming on the heels of events in Egypt and Tunisia, could pose a more immediate political challenge to Hizballah -- especially when it is already under the spotlight for operating less like a "resistance group" and more like a global criminal organization.

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