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IN SEARCH OF NUANCE IN THE DEBATE OVER HEZBOLLAH’S CRIMINAL ENTERPRISE AND THE U.S. RESPONSE

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Did the Obama administration torpedo investigations into Hezbollah criminal activities in its zeal to secure the Iran deal? A recent Politico report concluded it did, but the story is more complicated than that. It is as wrong to accuse the Obama administration of “letting Hezbollah off the hook” as it is to assert that protecting the Iran nuclear deal had no impact on decisions to target Hezbollah’s criminal behavior. In fact, the real story here is not about Hezbollah or the Iran Deal so much as bureaucratic turf battles and competing intelligence assessments.

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I. MEA CULPA

In the closing days of 2017, as policy wonks in and outside of government started posting out-of-office emails for their holiday vacations, Politico Magazine published a detailed long-form article by veteran investigative reporter Josh Meyer. [“The Secret Backstory of How Obama Let Hezbollah off the Hook”](#) was explosive both in substance—detailing Hezbollah’s growing involvement in narcotics trafficking, money laundering and other crimes—and in tone, starting with the title and continuing throughout. There was an underlying partisan tenor given the piece’s central theme: that Obama administration policy decisions regarding the Joint Comprehensive Plan of Action (JCPOA, commonly known as the Iran deal) ultimately “let Hezbollah off the hook.”

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In its zeal to secure the Iran deal, the article argued, the Obama administration derailed Project Cassandra, a Drug Enforcement Administration (DEA) campaign targeting Hezbollah narco-trafficking and money laundering. Less than a month later, the Department of Justice announced the formation of a special [Hezbollah Financing and Narcoterrorism Team](#), which it said “will begin by assessing the evidence in existing investigations, including cases stemming from Project Cassandra, a law enforcement initiative targeting Hezbollah’s drug trafficking and related operations.”

The article’s high profile and its tone appear to explain why the reaction was so explosive (and the recriminations often *ad hominem*)—because its argument was not new. Indeed, two of the article’s key sources—[David Asher](#) and [Derek Maltz](#)—made this case in [testimony](#) before the House Foreign Affairs Committee last June. Asher and Maltz are serious people and longtime public servants who have dedicated significant time and energy to U.S. national security. Whether or not one agrees with their positions, they deserve respect and their ideas deserve serious consideration. I remember the June 2017 hearing well; the topic was “Attacking Hezbollah’s Financial Network: Policy Options,” and I too [testified](#). Asher and Maltz were polite but firm in articulating their argument that the Iran deal undermined key Hezbollah and Iran investigations. For example, Asher said in his written [testimony](#) that “in narrow pursuit of the P5 + 1 agreement, the [Obama] administration failed to realize the lasting effect on U.S. law enforcement collaborative efforts and actively mitigated investigations and prosecutions needed to effectively dismantle Hezbollah and the Iran ‘Action Network’.”

At the time, the hearing went largely unnoticed. By contrast, reaction to the Politico article in December was fast and furious, especially on social media, where informed and uninformed parties alike penned pithy retorts and heated threads slamming the Obama administration or Meyer. Others dismissed the very idea that Hezbollah might be engaged in narco-trafficking or other criminal activities. Lost in the ensuing debate—and the underlying issues are indeed the subjects of serious debate—was any sense of nuance. To agree with any part of the article was seen by many as being inherently anti-Obama. To disagree with any part of it was seen by just as many as being soft on Hezbollah, Iran and the nuclear agreement.

That placed me in the crosshairs of a great many critics. I suppose this should have come as no surprise since I have friends on both sides of this debate and have staked out clear positions on some of these issues. I have written extensively about Hezbollah’s deep involvement in a wide range of [criminal activity](#); what I see as [flaws in the JCPOA](#) as negotiated; and my position that the nuclear agreement should not be discarded but, rather, [strictly enforced](#).

I have written [a book](#) on Hezbollah’s global illicit financial, logistical, procurement and operational activities, and I have also [written](#) and [testified](#) about Iran’s ongoing sponsorship of terrorism and engagement in other malign activities in the region and beyond. Along with then-Obama administration officials such as Adam Szubin, I have [documented](#) how Iran’s support for

terrorism and regional adventurism have not abated since the nuclear agreement was signed. (In June 2016, Szubin bluntly [acknowledged](#): “As we expected, Iran has not moderated this conduct since the implementation of the JCPOA.”)

But I fear I am not just someone who was caught in the middle of this debate—it appears I may have inadvertently played a small part in events that paved the way for the Politico article and the hoopla that followed. In the course of my own research, I heard many times that as the Obama administration pursued the nuclear deal with Iran, and then as the agreement took effect, some—by no means all—law enforcement and other efforts targeting Hezbollah were put on ice for fear of undermining the deal. In many cases I could not confirm these charges; in others, it was unclear if the decision to shelve some actions was made at the direction of senior administration officials or if lower-level bureaucrats acted on their own initiative, thinking that actions targeting Hezbollah would not be appreciated or supported given the policy priority of securing a nuclear deal with Iran. In still other cases it appears that interagency bickering and disagreements impeded some actions. But there is no question that some actions targeting Hezbollah were, in fact, shelved. In a few important cases, I was able to confirm these stories and heard firsthand the anger and frustration of investigators, analysts and others involved. Some of these involved Project Cassandra, the DEA program at the heart of the Politico story, and others had nothing to do with it.

I included this information in a post-election briefing I was asked to provide to the Trump transition team before the inauguration. I took the opportunity to advise the nascent Trump foreign policy team not to ditch the Iran deal but to enforce it vigorously. I later included this finding in a paper I co-authored with two colleagues—Patrick Clawson and Katherine Bauer—in which we argued against “tearing up the deal” and suggested, instead, pursuing a sanctions policy that could win international support for a much tougher stance to expose and disrupt Iranian malign activity. Part of my contribution to that report, “[Reinforcing the Role of Sanctions in Restraining Iran](#),” documented a long list of Obama administration actions targeting Hezbollah and then added this line: “Under the Obama administration, however, these investigations were tamped down for fear of rocking the boat with Iran and jeopardizing the nuclear deal.”

That was the case, and it did not get more space because it was not the paper’s primary focus. In hindsight, however, I wish I had provided more context. *Mea culpa*.

While we were finalizing our report, one of my co-authors, Katherine Bauer, was asked to testify at a House Foreign Affairs Committee hearing entitled “[Iran on Notice](#).” In the opening paragraph of her [written testimony](#), Bauer made clear that portions of her testimony were drawn from our report: “Much of the following comes from analysis done in conjunction with my colleagues Patrick Clawson and Matthew Levitt at the Washington Institute for Near East Policy as part of a new study released earlier this week.” Among the passages from our report included in her testimony was the sentence about “tamped down”

investigations. The Politico article attributed the “investigations were tamped down” line to Bauer’s congressional testimony, but it originated with me.

In fact, as I have [documented](#) at length elsewhere, the Obama administration took the threat from Hezbollah seriously and enacted a long list of actions targeting the group. And yet, some actions were shelved. There were also significant turf battles between law enforcement and intelligence agencies, though some of those related in the Politico article, such as CIA and State Department meddling in a major FBI case targeting Hezbollah out of Philadelphia—called [Operation Phone Flash](#)—had nothing to do with the Iran deal (that particular case largely predated the Obama administration (see details [here](#)).

Since the Politico article was published I have thought about the story at length. The article is an impressive piece of investigative journalism and contributes to the debate and discussion of serious and complicated issues. But in several important ways, I assess these events differently than Meyer and reach different conclusions. This should not be construed as some kind of personal argument between myself and Meyer, a journalist I respect and have known for a long time. To the contrary, this is how mature debate and discussion are conducted: by laying out detailed positions and hashing them out.

Since the timeline of events is critical to determining if and when the Obama administration “let Hezbollah off the hook,” I have structured this paper chronologically and address key issues and themes as they arise on the timeline. Six outside readers provided fact-checks for this paper, though they did not necessarily agree with all of my conclusions. While these outside readers all have firsthand knowledge of various aspects of the issues at hand, they come from different sides of the debates I lay out below and disagree with one another on a variety of points I discuss.

What follows is my attempt to offer some nuanced and considered feedback to this debate. The bottom line is that the Obama administration did not let Hezbollah off the hook, but neither did it do everything it could have. In my estimation, there were reasonable explanations for some decisions not to pursue particular actions that were shelved, but not all of them. Here is how I see these issues:

II. FROM OBAMA’S INAUGURATION TO ROUHANI’S

The timeline of all these events—the Hezbollah actions that did take place, those that were shelved, events related to the Iran nuclear negotiations and the deal’s implementation, etc.—is important. Is the allegation that the Obama administration was soft on Hezbollah from the outset? Was it only once the secret negotiations with Iran commenced in July 2012 with mid-level Iranian foreign ministry staff? Did this occur at some later point in the negotiation process or when the agreement was signed in July 2015? When it was implemented in January 2016? Did it persist after the deal for fear that the Iranians would bolt from the agreement if the United States took action targeting Hezbollah? At

some points, the Politico article suggests the timeline starts early on. Following a discussion of events in 2010, it [states](#):

In practice, the administration’s willingness to envision a new role for Hezbollah in the Middle East, combined with its desire for a negotiated settlement to Iran’s nuclear program, translated into a reluctance to move aggressively against the top Hezbollah operatives, according to Project Cassandra members and others.

Later, the article cites unnamed officials who suggest the Obama administration was wary of targeting Hezbollah only *until* the negotiations with Iran were over. But a few paragraphs later it cites David Asher as saying unnamed officials had “expressed concerns to him about alienating Tehran *before, during and after* the Iran nuclear deal negotiations” [emphasis added]. Which was it?

Asher is also quoted as saying, “The closer we got to the [Iran deal], the more these activities went away.” Two paragraphs later, the article states that within months of the deal’s implementation on Jan. 17, 2016, “Project Cassandra was all but dead”—suggesting the reticence to target Hezbollah continued after the Iran deal was done.

But here’s the thing: The Obama administration took a great many actions targeting Hezbollah, some more public than others, several of which were very forward-leaning. Some former Obama administration officials upset with the Politico article—including some who were out of office by the time the deal came about—made this point in an effort to undermine what they saw as the article’s implicit thesis that the Obama administration was soft on Hezbollah. But the real question raised by the Politico article is whether, in the interest of securing the Iran nuclear deal, the Obama administration put the brakes on the good work it had been doing targeting Hezbollah. That the Obama administration did take the fight to Hezbollah is a matter of fact, as I lay out below.

When, then, were actions taken against Hezbollah, and when were they shelved, if at all, in relation to the timeline of the Iran deal? Might there have been other things going on, beyond the Iran deal, to explain pauses or delays in efforts to target Hezbollah? Careful study shows that while some Hezbollah actions were shelved in the context of the Iran nuclear deal, others went ahead just the same, suggesting there may have been reasons some were not pursued other than the thesis that the Obama administration went soft on Hezbollah.

To be clear, the Obama administration was not particularly fast out of the gate on targeting Hezbollah. Like most administrations, including those of George W. Bush and Donald Trump, the Obama team came into office and initiated an across-the-board review on a wide range of policy issues.

But even factoring in that policy review processes are common after presidential transitions, about a year and a half passed before the Obama administration took actions against Hezbollah. Accordingly, work that had been done toward the end of the Bush administration to prepare actions targeting

Hezbollah, especially Treasury designations, were shelved for a period. It was during this time, in May 2010, that John Brennan, then assistant to the president for homeland security and counterterrorism, talked about finding ways to build up “[moderate elements](#)” within Hezbollah. But then big things started happening.

The first major actions the Obama administration took against Iran and Hezbollah came in August 2010 in the form of Treasury [designations](#) targeting senior officers of the Islamic Revolutionary Guards Corps (IRGC) Quds Force, the Iranian Committee for the Reconstruction of Lebanon, and the Lebanon branch of the Imam Khomeini Relief Committee. All provided various types of support to Hezbollah. These were followed by [designations](#) of two brothers—Ali and Husayn Tajideen, who served as prominent Hezbollah financiers—and several of their businesses in Africa. Also designated was Hezbollah’s chief representative in South America, Bilal Mohsen Wehbe.

But it is what came next that really ratcheted up the pressure on Hezbollah: namely, the designation of [Ayman Joumaa](#) as a narcotics kingpin and the designation of two money-exchange houses in Beirut in January 2011, and the Treasury Department’s determination the following month that the [Lebanese-Canadian Bank](#) (LCB) was a primary terror financing and money-laundering concern under Section 311 of the USA Patriot Act.

These actions were based on Drug Enforcement Administration investigations, and long before secret negotiations began over the Iran deal they sparked vociferous interagency debate over the wisdom of publicly identifying the actions as being tied to Hezbollah. Joumaa was designated under counter-narcotics authorities, and the word Hezbollah did not appear in the [press release](#) announcing this step. That was not necessarily a policy decision; lawyers typically like to limit press releases to those facts directly relevant to the premise of the designation (in this case, narcotics trafficking). But the action had immediate impact, leading to some \$700,000 being [blocked](#) by J.P. Morgan Chase and around 350 vehicles that were about to be shipped from the United States to Africa being held up at various ports.

A few weeks later, as the Treasury Department prepared to target the Lebanese-Canadian Bank for knowingly laundering the proceeds of illegal activities by Joumaa and others, a heated interagency debate erupted over whether to mention Hezbollah’s role. This debate ran until just before the action went forward, and in the end the Hezbollah connection was made explicit in the complete finding underlying the action and the [press release](#) announcing it. The Section 311 action specifically linked Joumaa to Hezbollah: “According to USG information, Hezbollah derived financial support from the criminal activities of Joumaa’s network.” And for all the concern about Brennan’s plans to support “moderates” within Hezbollah, he went on the record [supporting](#) the idea of exposing the group’s involvement in narcotics and other criminal activities: “I thought that if Hezbollah was involved in the drug trade, let’s make sure that gets out.”

But the careful language that appeared in the Section 311 action reflected the heated interagency debate—which gets short shrift in the Politico piece—

over the nature and extent of Hezbollah's role in money laundering and narco-trafficking. On the one hand, the Section 311 action exposed the role of Abdullallah Safieddine, a senior Hezbollah official featured prominently in the Politico story who played a direct role connecting the Lebanese-Canadian Bank and Iranian officials. On the other hand, the statement says only that Hezbollah "derived support" from the Joumaa network's criminal activities. It does not describe these as Hezbollah criminal activities. This is a key distinction, underpinning a fierce interagency debate that long predated the Iran nuclear negotiations and even the Obama administration.

After a long interagency process, the White House issued its [Strategy to Combat Transnational Organized Crime](#) in July 2011. I will return to this, but it is worth mentioning here that the strategy made specific reference to Hezbollah under the category of "Crime-Terror-Insurgency nexus." Around this time, and after a lengthy policy review, the Obama administration issued policy guidance regarding actions targeting Iran that it did not want pursued for fear of retaliation, as well as categories of actions that could be pursued. Law enforcement action against Hezbollah for criminal conduct was explicitly included in the latter category, leaving law enforcement agencies with the impression that they were free to pursue such cases. In retrospect, this was a turning point marking the tailspin in the relationship between parts of the intelligence and policy communities and elements of law enforcement when it came to assessing the nature of and deciding how to deal with Hezbollah's involvement in international crime.

Four months passed without more actions targeting Hezbollah. That was probably less a matter of policy, I am told, than the result of the government trying to keep up with events of the Arab Spring. Then, in December 2011, a federal grand jury in Virginia [indicted](#) Ayman Joumaa on charges of drug trafficking and money laundering. Two days later, the U.S. attorney's office in the Southern District of New York filed a [civil money-laundering and forfeiture complaint](#) seeking \$483 million from entities including the Lebanese-Canadian Bank. The complaint detailed an alleged "massive, international scheme in which Lebanese financial institutions, including a bank and two exchange houses linked to Hezbollah, used the U.S. financial system to launder narcotics trafficking and other criminal proceeds through West Africa and back into Lebanon." The year closed out with a Hezbollah-related narcotics [kingpin](#) designation.

In June 2012, a month before the earliest secret meetings with Iranian officials, the Treasury Department [designated](#) several persons and entities tied to the Joumaa network, as well as Ali Mohamad Saleh. He operated as a money launderer for an established criminal organization while also acting as "a key Hezbollah facilitator who has directed and coordinated Hezbollah activity in Colombia." A former Hezbollah fighter, Saleh led a support cell in Maicao, Colombia, that raised funds for the group. He also was a contact for Hezbollah's foreign relations department. He maintained communications with suspected

Hezbollah operatives around the world, including in Venezuela, Germany, Lebanon and Saudi Arabia.

The next month, in July 2012, more than a year before Hassan Rouhani was elected president of Iran, [secret backchannel negotiations](#) commenced in Oman between U.S. and Iranian officials. These were highly compartmentalized, however, and actions regarding Hezbollah targeting proceeded at pace. One reason for this was the severity of the terrorist threat posed by Hezbollah and Iran at the time; U.S. officials worried that targets included not only Israelis but also Americans. That month, a Hezbollah operative was arrested in Cyprus, thwarting an attack there. But 10 days later a Hezbollah cell in Bulgaria detonated an explosive on a bus full of Israeli tourists, killing six people. The Hezbollah operative in Cyprus seemed to think his actions were of no big consequence, [telling](#) local police: “I don’t believe that the [surveillance] missions I executed in Cyprus were connected with the preparation of a terrorist attack in Cyprus. It was just collecting information about the Jews, and this is what my organization is doing everywhere in the world.”

A few days later, National Counterterrorism Center Director Matthew Olsen [warned](#) publicly that while Iran and Hezbollah had not yet hit targets in the United States, officials worried that could soon change. “We’re seeing a general uptick in the level of activity around the world,” he noted, adding that “both Hezbollah and the Qods Force have demonstrated an ability to operate essentially globally.” In fact, the Hezbollah-Qods Force threat had sometimes eclipsed that of al-Qaeda. Olsen continued: “There are times when we are briefing the White House [on terror threats and] at the top of the list are Hezbollah or Iran.” Speaking at the same conference, Olsen’s predecessor at the National Counterterrorism Center, Michael Leiter, made [clear](#) that this was a factor of Iranian policy: “This is a hot war that has gotten hotter. The Iranians have considered this a shooting war for some time.”

In August, the Department of Justice conducted a [forfeiture action](#) and seized \$150 million related to the then-defunct Lebanese-Canadian Bank. The department’s press release was clear: “Manhattan U.S. Attorney Announces Seizure Of \$150 Million In Connection With A Hizballah-Related Money Laundering Scheme.”

As the group continued to launch international terrorist attacks, Hezbollah was also beefing up its military presence in Syria and playing an increasingly significant role—in partnership with Iran—defending the Assad regime. In August 2012, the U.S. Treasury Department [blacklisted](#) Hezbollah, which was already on the department’s terrorism list, this time for providing support to the Assad regime. The department added key Hezbollah leaders to the blacklist, including Secretary-General Hassan Nasrallah and Islamic Jihad Organization (also known as External Security Organization) leaders Mustafa Badr al-Din and Talal Hamiyah. Since the rebellion began in Syria the year before, Treasury [explained](#), Hezbollah had been providing “training, advice, and extensive logistical support to the Government of Syria’s increasingly ruthless efforts” against the opposition. Hezbollah’s “resistance” rhetoric notwithstanding, U.S.

officials [informed](#) the U.N. Security Council in October 2012 that “the truth is plain to see: Nasrallah’s fighters are now part of Assad’s killing machine.” Two months later, a [United Nations report](#) confirmed that Hezbollah members were in Syria fighting on behalf of the Assad government.

More actions followed in October 2012, when the Justice Department issued a 76-page [amended civil money-laundering and forfeiture complaint](#) in the Southern District of New York detailing Hezbollah’s drugs-for-intelligence program. It included evidence collected about Lebanon-based Hezbollah members discussing cocaine trafficking in Europe and Africa. The complaint offers a window into the extent of Project Cassandra’s success penetrating Hezbollah’s narco-trafficking enterprise. What’s more, this was not intelligence collected by sensitive sources and methods that would be put at risk by exposing the information. This was criminal evidence collected through law enforcement techniques; that made it uniquely actionable, leading to the amended complaint.

The parallel timelines of the nuclear talks and Hezbollah actions continued in 2013. In March, Deputy Secretary of State Bill Burns led a U.S. delegation to Oman for further secret discussions; in April, the Treasury Department used its Section 311 authority against non-bank institutions for the first time in an action [targeting](#) two Lebanese exchange houses that it said were “tied to global narcotics and money laundering networks and Hezbollah.” The same month, the Drug Enforcement Administration launched its [Super Facilitator Initiative](#), which brought together U.S. Special Operations Command; Customs and Border Protection; the Departments of State, Treasury and Justice; and international law enforcement partners “to target the illicit narcotics trafficking in Europe, Latin America, West Africa and the Middle East” as well as “the narcotics trafficking derived illicit financial flows that utilize existing External Security Organization (ESO) financial support units.” The Super Facilitator Initiative was not particularly well-received at Treasury or the State Department, especially at the working level. The departments participated, but within both there was no shortage of contention over this initiative behind closed doors.

In May, the Drug Enforcement Administration was effectively gut-punched when it was excluded from a [press conference](#) announcing the sentencing of an American-Iranian citizen who pleaded guilty to plotting to assassinate the Saudi ambassador to the United States at the Café Milano restaurant in D.C. The plot was thwarted thanks to a well-placed DEA source. Not only did this start off as a DEA case, but it was one that the rest of the U.S. government interagency (an inside-the-Beltway term for an informal group of departments, usually coordinated by the National Security Council, working together on a set of issues) at first did not take seriously. The idea that a Quds Force officer would task his disgruntled cousin in Texas to hire a hitman affiliated with a Mexican drug cartel to kill a Saudi official in Washington was too far-fetched. The Drug Enforcement Administration was mocked within the interagency—until approximately [\\$100,000](#) hit an undercover account as down payment for the assassination. At that point, the case was taken seriously—and taken away from the DEA and given to the FBI. Drug Enforcement Administration leaders were

even barred from attending the press conference and standing in the background, with the flags, as Justice Department and FBI officials announced the sentencing. The DEA was furious. (Indeed, one aspect of the interagency squabbling that is central to this story yet often overlooked is the tension between not only the law enforcement and intelligence communities but also within the law enforcement community. When it came to Project Cassandra, the Drug Enforcement Administration and the FBI often did not see eye to eye.)

In June 2013, Gulf Cooperation Council countries unanimously [concluded](#) that Hezbollah was a terrorist group, and several member states began taking discrete actions against the group's supporters in their countries. After months of often acrimonious deliberations, senior European officials gathered in Brussels in July 2013 to announce that all 28 EU member states agreed to [add Hezbollah's military wing](#)—though not the entirety of the organization—to the EU's list of banned terrorist groups.

Hezbollah had remained [active across Europe](#), from a 2012 bombing thwarted in Greece to the 2013 arrest and deportation of a Hezbollah operative in Denmark who arrived on a commercial ship for purposes still unknown. Four months after the EU ban, in late 2013, two Lebanese passengers were caught at a Brussels airport with nearly 770,000 euros in their possession. At least some of this cash was suspected to be intended for Hezbollah's coffers, [Europol reported](#).

In September 2013, Hassan Rouhani was elected president of Iran. Until then, the U.S. nuclear negotiations with Iran had been held in secret and had had no apparent impact on DEA, Treasury or other actions targeting Hezbollah. (For example, the CIA's espionage war with Hezbollah continued unabated throughout this period, though not always with the best [results](#).) But Rouhani's election put the Iran deal into "high gear," as the Politico article put it. And that, according to a "former senior Justice Department official," led to the creation of "an informal multi-agency Iran working group that 'assessed the potential impact' of criminal investigations and prosecutions on the nuclear negotiations."

By November 2013, negotiations yielded an interim freeze on some of Iran's most sensitive nuclear activities, yet this multi-agency Iran working group apparently gave the go-ahead for a laundry list of interagency actions targeting Hezbollah. Others actions were not approved, such as the indictment of Abdullah Safieddine, but the Iran negotiations were not the only—and probably not the primary—reason for those denials.

III. INTERAGENCY BATTLES

As the Iran nuclear negotiations proceeded, a parallel and wholly unhealthy phenomenon was taking place across U.S. agencies. I cannot say that the two are mutually exclusive. It is possible that one reason for the interagency fight that ensued over the approach toward Hezbollah criminal activities was a growing concern that pursuing such cases so aggressively could undermine the Iran negotiations. But neither can I say definitively that they are connected. What I can say is that the foundation for the interagency *mêlée* preceded the Iran

negotiations (tensions arose in the context of [Operation Titan](#), for example, which was initiated in 2004) and that it played out in parallel to the Iran negotiations but not expressly because of them.

In early 2014, several months after Rouhani assumed office, Drug Enforcement Administration task-force members briefed Attorney General Eric Holder. Project Cassandra members report that a planned follow-up meeting to brief senior White House and other administration officials never materialized. The reason, I am told, is that the meeting was intended to focus on a specific and pressing issue that fell under the umbrella of Project Cassandra but that was not intended to be a briefing on the project overall. National Security Council officials feared that DEA representatives would not be able to limit themselves to the issue at hand and canceled the meeting. According to others, the meeting was canceled because many in the intelligence community and the broader U.S. government interagency thought that the conclusions the DEA was drawing from evidence it had collected were too broad and the meeting was canceled as a consequence of their pushback.

Several people, including several sympathetic to the Drug Enforcement Administration, have told me that a key issue was that the agency did not facilitate intelligence-community access to the full extent of the information it collected. Much of the information the agency collected did not make it into [intelligence information reports](#) (IIRs), which are the primary vehicle through which the intelligence community documents and shares raw—especially human-source—intelligence to its consumers. An IIR is submitted in a particular message format that enables it to be included in intelligence-community databases. The intelligence community was less than receptive when the Drug Enforcement Administration published assessments based on information to which the intelligence community was not privy, and complaints about DEA assessments were repeatedly referred to the intelligence community ombudsman, noting that the DEA could not cite its work to intelligence information reports.

From a law enforcement perspective, putting case information into intelligence information reports presented staffing and operational challenges. The Drug Enforcement Administration was neither organized nor staffed for timely filing of these reports, and putting information from ongoing law enforcement investigations into them for the intelligence community caused much discomfort among DEA agents. Nonetheless, the agency improved in this regard over time and started issuing more intelligence information reports. When a major DEA analytical paper with detailed report citations was published, however, the intelligence community accused the agency of failing to meet intelligence analytic standards by selectively citing only reports that supported the agency's positions. From the DEA's perspective, it was damned if it did and damned if it didn't.

To put all this in context: The DEA is the [newest member](#) of the intelligence community. Its Office of National Security Intelligence officially became part of the intelligence community in 2006, and it is still making the cultural and

bureaucratic transition from an organization focused wholly on law enforcement to one also focused on leveraging its intelligence collection capabilities in service of broader U.S. national security interests. This is a lengthy, slow process. I started my career in U.S. government service as an FBI counterterrorism intelligence analyst and saw firsthand that it took the FBI several years, and the 9/11 disaster, to make this transition. It should not surprise that the DEA experienced some growing pains as it adapted to new standing procedures for putting law enforcement information into intelligence channels and vice versa.

On the flip side, the counterterrorism community does not typically invest significant collection resources into understanding transnational organized crime. The intelligence community has dedicated transnational organized crime missions toward which it directs resources, but those are outside the counterterrorism mission. To put it bluntly: This represented a significant intelligence gap for the intelligence community, especially as it related to Hezbollah, but that did not result in issuing new and prioritized intelligence information requirements tasking intelligence collectors to bring in more information to fill this deficit. As a result, there was a not-insignificant gap between what information the Drug Enforcement Administration collected and knew to be true and what the intelligence community collected and knew to be true. Without basis in competing information of their own, many components of the intelligence community would routinely dissent on DEA papers, saying the agency was overreaching. When those papers did cite to specific intelligence reports, the intelligence community would accuse the agency of cherry-picking information that supported its case. Even when DEA conclusions were seen as accurate, concerns were raised that they were based on information others could not see or verify. On top of that, the Drug Enforcement Administration often presented its case in such a brash and aggressive manner that many in the rest of the interagency were turned off to its message.

Disagreements over individual cases aside, the intelligence community displayed fierce hostility toward the DEA anytime it wanted to participate in intelligence community assessments or other initiatives and represent its position on Hezbollah's narcotics and other criminal activities. Working relationships were poor, and they would get worse still.

Meanwhile, Hezbollah kept demonstrating how serious a threat it posed to international security. In April 2014, Thai authorities [arrested](#) two Hezbollah operatives, one French and the other a Philippine national, who conceded they were plotting a bombing attack targeting Israeli tourists.

That same month, German authorities raided the offices of the [Orphan Children Project Lebanon](#) in Essen and accused the group of being a Hezbollah fundraising front. But a more significant action was taken against Hezbollah in Europe that month: Acting on a U.S. arrest warrant, Czech authorities took [Ali Fayad](#) into custody in Prague. The Fayad arrest was a huge success for Project Cassandra. Fayad is a Lebanese-Ukrainian arms dealer with exceptionally [close ties](#) to Hezbollah and Russian President Vladimir Putin, as well as Syria, Iran and Latin American drug cartels. Officials with Project Cassandra desperately

wanted Fayad in U.S. custody, and they set up a textbook sting operation. Putin put significant pressure on the Czech Republic not to extradite Fayad to the United States, but that is not the only reason that after almost two years in Czech custody Fayad was suddenly released and sent to Lebanon in January 2016. While he was still in Czech custody, the U.S. interagency food fight over Hezbollah criminal activity—how to assess it and what to do about it—came to head.

The counterterrorism community did have a Hezbollah strategy, which included a section on law enforcement and combating Hezbollah's criminal activities. But it was more of an afterthought and not a central part of the strategy. Meanwhile, the White House [Strategy to Combat Transnational Organized Crime](#), issued in July 2011, had included specific mention of Hezbollah and empowered the Drug Enforcement Administration to proactively investigate Hezbollah narcoterrorism worldwide. On top of the lack of analytical consensus and information sharing, this exacerbated the clash between counterterrorism officials within the intelligence community and the DEA and others in law enforcement.

Meanwhile, the Obama National Security Council was making matters worse. One White House counterterrorism official told Politico, "The intelligence community fundamentally doubted the intel from the DEA.... I spent so much time trying to get them to work together." That the council did. But it not only failed to help coordinate these agencies' activities (the Drug Enforcement Administration was never included in the National Security Council-led Counterterrorism Security Group interagency meetings coordinating counterterrorism policy on a regular basis), it also failed to coordinate its own efforts across the counterterrorism and transnational organized crime (TOC) directorates within the National Security Council.

The White House strategy for those directorates introduced several "new and innovative capabilities and tools." One was the creation of an interagency [Threat Mitigation Working Group](#) that would draw on agencies with relevant expertise to "identify those TOC networks that present a sufficiently high national security risk and will ensure the coordination of all elements of national power to combat them." Not surprisingly, the council's transnational crime director decided to include the Drug Enforcement Administration in the working group (there were many threat-mitigation topics, and the DEA was included in all of them), but the National Security Council's counterterrorism director was never informed that the DEA was being included in the working group's discussions about Hezbollah, a U.S.-designated terrorist group. This presented no problems at first, because the counterterrorism community was not particularly interested in the working group's meetings or the transnational organized crime issues it was tasked to coordinate. That is, until the issues related to Hezbollah's narcotics trafficking and other criminal activities that came up for discussion and debate within the interagency working group percolated up to higher-level discussions.

Things came to a head in May 2014, when the DEA was selected to lead the brief on Hezbollah's drug running and other criminal activities at a key

interagency conference at U.S. Special Operations Command headquarters in Tampa. The counterterrorism community reacted furiously, raising hell to the National Security Council's counterterrorism director, who had been unaware these developments were taking place within the council's TOC directorate. Referred to by several participants in retrospect as "the big event," the Tampa meeting was expected by the Drug Enforcement Administration to be a turning point at which law enforcement agencies' role in combating Hezbollah criminal enterprises would be recognized and formalized. For others, at the National Security Council or the Justice Department, for example, the Tampa summit was just another in a series of annual Special Operations Command conferences, no more or less important or dramatic than other counterterrorism interagency events in Tampa.

"The funny thing is Tampa was supposed to settle how everyone would have a seat at the table and what the national strategy is going to be, and how clearly law enforcement has a role," Jack Riley, who was the DEA's chief of operations at the time, told Politico. "And the opposite happened. We walked away with nothing."

One reason is that the Threat Mitigation Working Group wanted to create a transnational organized crime strategy regarding Hezbollah rather than incorporate a more robust TOC component into the existing overall counterterrorism strategy targeting Hezbollah. This issue alone, I am told, accounted for about a day's worth of arguing during preparatory meetings in advance of the Tampa conference.

While the Politico article noted the interagency battle in question, it downplayed its significance. For example, the article quoted "people familiar with the [Tampa] summit" as saying that "senior Obama administration officials appeared to be alarmed by how far Project Cassandra's investigations had reached into the leadership of Hezbollah and Iran, and wary of the possible political repercussions." That definitely played a part, but the article continued: "As a result, task force members claim, Project Cassandra was increasingly viewed as a threat to the administration's efforts to secure a nuclear deal, and the top-secret prisoner swap that was about to be negotiated." It is true that the Obama administration did not approve indictments for senior officials such as Abdallah Safieddine, and that may well have been out of fear of potential consequences of such an action, whether affecting the Iran deal or U.S.-Iran [prisoner swaps](#) or concern about possible retaliatory action by Hezbollah. But the interagency battles between the Drug Enforcement Administration and the intelligence and counterterrorism communities played a huge role in that as well.

Yet while the Tampa summit made interagency matters worse—DEA officials were invited to fewer meetings, and Hezbollah was removed from the Threat Mitigation Working Group's list of terrorist entities to be targeted under the White House strategy on transnational organized crime—a series of important actions targeting Hezbollah proceeded all the same.

IV. NEGOTIATING WITH IRAN AND SQUEEZING HEZBOLLAH

Over the next three years the U.S. intensified its targeting of Hezbollah drug trafficking, money laundering and weapons procurement. What was done may not have been enough for some, and certainly more could (and I have [argued](#) should) have been done as part of the campaign targeting Hezbollah financing, but the facts speak for themselves.

The impact of these actions was made exponentially greater by virtue of the fact that over the previous 18 months or so Iran had cut back its financial support to Hezbollah—a collateral benefit of the unprecedented international sanctions regime targeting Iran's nuclear program and the fall in oil prices. This was not the first time Iran had to suddenly and significantly, albeit temporarily, [reduce its financial support](#) for Hezbollah, and as with previous cutbacks this one pushed Hezbollah to further diversify its sources of income beyond Iranian state sponsorship.

I [tracked](#) this phenomenon in 2011:

As a result [of Iran slashing its funding for Hezbollah], Hezbollah was forced to enact austerity measures, reducing salaries and paid staff and placing several building projects on hold. Hezbollah operatives feared for their jobs, and Hezbollah beneficiaries feared for their handouts. The ensuing cutbacks caused tension within the organization as certain programs and activities were prioritized over others.

Suddenly constrained after years of abundant Iranian funding, Hezbollah turned to its preexisting criminal enterprises to boost its assets. The organization views its illicit income as critical for providing social services to an expanding swath of the Lebanese electorate, paying the families of its fighters, and investing in its growing arsenal of rockets and other advanced weapons.

Hezbollah was forced to enact austerity measures again around 2014. As I [testified](#) to a House Foreign Affairs subcommittee in 2015:

The cutback has mostly curtailed Hezbollah's political, social, and military activities inside Lebanon. Its social service institutions have cut costs, employees have received paychecks late or been laid off, and funding for civilian organizations, such as the group's satellite television station, al-Manar, has been reduced. By contrast, Hezbollah's Syria command, which has been a priority for Tehran given its commitment to defending Bashar al-Assad's regime, has shown no sign of financial hardship.

Once again, Hezbollah doubled down on its criminal enterprises as a means of filling the financial gap and procuring weapons for its military intervention in Syria. As a result, Hezbollah found itself in a uniquely vulnerable position just

as Washington kicked its campaign against the organization's criminal activities into high gear.

As the Iran nuclear agreement went into effect in 2016, however, fewer if any actions targeting entities close to Iran (let alone Iranian targets themselves) were approved. As Project Cassandra's most successful operations began to reach these more sensitive targets, both the intelligence and policy communities within the U.S. government interagency worried about the potential fallout if such actions went forward. This would impact critical Hezbollah cases such as those involving Ali Fayad, Abdullah Safieddine and others. Several people have stressed to me that this was the work of the informal interagency Iran working group; others have said that it was more formal than that and involved senior State Department or White House officials. Even if it was the former, senior officials could have used that vehicle as a means to sideline actions they preferred not move forward. In any event, the actions that were approved and went ahead targeting Hezbollah were significant, even unprecedented.

After the Tampa summit in May 2014, a variety of proposed actions by officials with Project Cassandra were rebuffed. Cassandra leaders thought the Obama administration was [not doing enough](#) to support the standing request to the Czech government to extradite Ali Fayad to the United States, even as Putin pressed Prague to release him; they felt that efforts to locate and arrest many other high-value targets, some of whom had gone to ground after Fayad's arrest, did not receive the kind of support they merited; their proposal to offer bounties for Hezbollah-connected kingpins like Joumaa under the State Department's "rewards for justice" program was rejected; and the Department of Justice declined requests to unseal secret indictments of key Hezbollah operatives.

Frustration within the Drug Enforcement Administration was palpable. The investigative legwork of agents and cooperating witnesses around the world was yielding reams of actionable evidence and timely intelligence. But Cassandra leaders could not understand why evidence of criminal conduct would not automatically lead to indictments, extraditions and prosecutions. At the same time, many in the White House and much of the interagency could not understand why DEA agents and leadership had such a hard time appreciating that the more high-profile of their planned actions would invariably have foreign policy, security or other consequences and therefore were subject to discussions in which diplomatic, intelligence or other equities would be balanced against the benefits of these law enforcement actions.

The Drug Enforcement Administration did not help its case when it made requests that demonstrated a deep lack of understanding regarding international diplomacy. Consider an example recounted in the Politico article: "[T]ask force officials pushed the Obama team, also unsuccessfully, to use U.S. aid money and weapons sales as leverage to push Lebanon into adopting an extradition treaty and handing over all of the indicted Hezbollah suspects living openly in the country, they said." Politico quoted one senior DEA agent as saying, "There were ways of getting these guys if they'd let us." Perhaps there were, but this was not one of them. The odds of getting the government of Lebanon to hand over a

bunch of senior Hezbollah suspects for prosecution in the United States is infinitesimal under any circumstances. And while withholding aid to the Lebanese Armed Forces is a hotly debated topic, the suggestion that withholding financial or military aid—which is largely provided to counter the influence of Hezbollah and Iran—would induce Lebanon to hand over Hezbollah suspects demonstrates a lack of nuance regarding Lebanon and foreign aid, among other things.

The Tampa summit occurred just six months before a November 2014 diplomatic [deadline](#) for concluding the Iran nuclear talks. Ultimately, the deadline was extended, but the pressure was on in the months leading up to it. It was against the backdrop of the contentious Tampa summit and the looming diplomatic deadline that Project Cassandra leadership saw some operations curtailed and started to hear lower-level officials say things indicating that the Hezbollah actions were “getting in the way” of the Iran nuclear negotiations. And DEA agents were not the only ones dismayed by this turn of events, as Politico documented:

DEA operations in the Middle East were shut down repeatedly due to political sensitivities, especially in Lebanon, according to one former CIA officer working in the region. He said pressure from the White House also prompted the CIA to declare “a moratorium” on covert operations against Hezbollah in Lebanon, too, for a time, after the administration received complaints from Iranian negotiators.

In July 2014, DEA Supervisory Agent and Project Cassandra chief Jack Kelly wrote a series of emails, some of which are cited in the Politico article, noting examples “of how long DOJ has been under-performing on this [Hezbollah criminal enterprise] issue to the detriment of national security.” Despite inviting interagency partners to participate in the “Iran-Hezbollah Super Facilitator Initiative” it founded the previous year, Kelly said, only Customs and Border Protection was sharing information and resources with the DEA. As a result, he concluded in an email, “The USG lack of action on this issue has allowed [Hezbollah] to become one of the biggest transnational organized crime groups in the world.”

But not all actions targeting Hezbollah were shelved.

Key Treasury designations, often based on DEA investigations, proceeded at pace. Take, for example, the July 2014 designation of a Hezbollah procurement network led by important operatives such as brothers Kamel and Issam Amhaz and Ali Zeiter. Their associates used a Lebanon-based consumer electronics business, [Stars Group Holding](#), as a front for a variety of illicit activities. Together, they functioned as a “key Hezbollah procurement network” that purchased technology around the world—in North America, Europe, Dubai and China—to develop the drones Hezbollah was already deploying over Israel and Syria. The Treasury Department [press statement](#) announcing this action underscored the issues Project Cassandra sought to address:

With disturbing reach far beyond Lebanon, Hezbollah's extensive procurement networks exploit the international financial system to enhance its military capabilities in Syria and its terrorist activities worldwide. This global terrorist activity and expanding criminal network belie Hezbollah's claimed purpose as a national liberation movement. It is critical that countries throughout the world work together to combat this dangerous organization and sever it from sources of revenue and support.

And the U.S. government proactively built frameworks to foster international cooperation to do just that. In 2014 it founded what became known as the Law Enforcement Coordination Group, a State Department-led initiative focused on countering Hezbollah's criminal and terrorist activities. Speaking to graduating West Point cadets in 2014, President Obama announced the creation of the [Counterterrorism Partnerships Fund](#). He called on Congress to support the fund, which he envisioned growing as large as \$5 billion, to build "[a network of partnerships from South Asia to the Sahel](#)" to counter terrorist groups where they seek a foothold. Using this fund, the State Department developed programs targeting a wide range of terrorist threats. One initiative—pursued in close partnership with the Departments of Justice and Homeland Security and the intelligence community—sought to raise awareness about Iran and Hezbollah's broad ranges of terrorist and criminal activities around the world and to increase law enforcement cooperation and coordination among a wide range of countries to disrupt these activities. Intelligence community officials did not like it, but Drug Enforcement Administration briefers participated in these meetings, where they presented their investigative findings and built still more international relationships of the kind that would soon bear fruit for Project Cassandra. The State-led coordination group continues to [convene meetings](#)—including as recently as December 2017—aimed at countering Hezbollah's terrorist and illicit activities.

So, while some of the DEA's more forward-leaning proposals targeting sensitive targets drew interagency pushback, others went ahead with great success. It is not an exaggeration to say that the DEA was one of a handful of key agencies driving the interagency effort targeting Hezbollah. Indeed, other initiatives were never made public or received scant attention at the time.

For example, around October 2014 Belgian officials acting on DEA information arrested a key Hezbollah operative, [Ali Koleilat](#), on arrival from West Africa at the Brussels airport. A convicted criminal who also appeared on a U.N. sanctions list related to former Liberian strongman Charles Taylor, Koleilat was reportedly quietly [extradited](#) to the United States that December after U.S. authorities uncovered intelligence suggesting Hezbollah was planning operations aimed at securing his release, including plans to kidnap Belgian judges and diplomats.

To be sure, several other planned arrests and extraditions did not go forward, including the one targeting Ali Fayad (who at this point in the timeline is still

being held by Czech authorities) and others from [Colombia, Lithuania](#) and several spots in between. But some did, and these were not unimportant. In other words, for all the interagency squabbling, and despite the lack of intelligence consensus over the extent of Hezbollah's involvement in organized crime, and amid political pressure to secure a deal over Iran's nuclear program, Washington was still targeting Hezbollah's criminal, logistical and procurement activities around the world. Some proposed actions were declined approval, but a substantial number got the go-ahead and had an impact.

In 2015 the Iran negotiations and efforts to target Hezbollah continued along parallel tracks. February brought the Treasury designation of an Africa-based Hezbollah support network that included members of Hezbollah's Islamic Jihad Organization. "We will track Hezbollah's illicit activities to all corners of the earth," a Treasury official [pledged](#) as the designations were rolled out. "Together with our international partners, we are tirelessly working to dismantle Hezbollah's financial apparatus. Wherever this terrorist group may seek to raise funds, we will target and expose its activity."

But Hezbollah was keeping up the tempo of its activities as well. In June, another Hezbollah plot was thwarted in Cyprus, where Hussein Bassam Abdallah, a dual Lebanese-Canadian citizen, was found to have [stockpiled](#) 8.2 tons of ammonium nitrate, a popular chemical explosive. The case [stood out](#) for its international logistical links and indications that some of the ammonium nitrate may have been intended for shipment elsewhere in Europe. Abdallah was ultimately convicted by a Cypriot court for participation in a terrorist group (Hezbollah), possessing explosives and conspiracy to commit a crime. It was the second time in three years that a Cypriot court had sentenced a Hezbollah operative to prison for plotting an attack within the country.

Then came one of the most significant counter-Hezbollah successes to date. That June Treasury designated one of the most senior and significant Hezbollah financial and logistical criminal facilitators: [Adham Tabaja](#). Tabaja, Treasury revealed, provided financial support to Hezbollah through his businesses in Lebanon and Iraq, describing him as "a Hezbollah member" who "maintains direct ties to senior...organizational elements, including the terrorist group's operational component, the Islamic Jihad." The Treasury [press release](#) language is significant, pointing to "direct ties between Hezbollah's commercial and terrorist activities, as well as the group's continued exploitation of the legitimate commercial sector for financial, organizational, and material support—from vehicles to investment and construction services—which enable the group to carry out acts of terrorism." The Drug Enforcement Administration was given no credit for this action, but it would not have occurred without DEA involvement.

The Iran negotiations were making significant progress, but the interagency still approved a Treasury designation targeting the man who (together with Abdullah Safieddine, as the DEA would [later charge](#)) oversees a dedicated network responsible for providing a steady revenue and weapons stream specifically for Hezbollah's terrorist activities. Over the following months and

years, many more of Tabaja's associates would be designated by the Treasury Department. In the meantime, the impact of the Tabaja designation was not lost on Hezbollah Secretary General Hassan Nasrallah. Speaking in July 2015, Nasrallah flatly [rejected](#) accusations that Hezbollah engaged in any illicit financial conduct or corruption, waving off such charges as a propaganda campaign intended to besmirch Hezbollah's image.

The next month, the "P5+1" (the five permanent members of the U.N. Security Council and Germany) and Iran reached a breakthrough [agreement](#) on Tehran's nuclear program. Hezbollah's terrorist activities continued unabated. Less than a week after the Iran agreement was signed, Israeli officials [arrested](#) a Swedish-Lebanese man, Hassan Khalil Hizran, at Ben Gurion Airport for attempting to gather intelligence on Israeli targets on Hezbollah's behalf. And just days before the signing, Lebanese-Canadian operative Hussein Bassam Abdallah [confessed](#) his ties to Hezbollah and said the group had directed him to attack Israeli targets. But an altogether different Hezbollah case had Project Cassandra's attention.

Ali Fayad was very important for Hezbollah, Iran and Russia and therefore was a high-value target for the DEA. Getting the Czechs to arrest Fayad had been no small feat, but closing the deal and getting him extradited to stand trial in the United States was proving difficult. One reason was the significant pressure Putin imposed on Prague to release Fayad. Lebanon so wanted the chapter closed that at one point the Lebanese government [suggested](#) Fayad had been active in Europe as a Lebanese agent. Another key factor is that in July 2015 five Czech citizens (including a lawyer from Fayad's defense team) were kidnapped in Lebanon by Hezbollah operatives [related](#) to Fayad.

A message was sent to the Czech government that the well-being and freedom of these Czech citizens depended on Fayad's release. For the counterterrorism community, Hezbollah's willingness to engage in operational activity to secure Fayad's release was a dangerous turn. Hezbollah's operational planning to secure Koleilat's release from Belgium several months earlier had been detected, and Koleilat was extradited before an operation commenced. But now five civilians were being held by Hezbollah, the group that cut its teeth kidnapping Westerners in Lebanon before moving on to suicide truck bombings and other large-scale terrorist operations. To make matters worse, intelligence officials would determine that like some of the Hezbollah kidnappings from the 1980s, this one was not carried out on the orders of Hezbollah officials. Fayad's relatives, who were Hezbollah operatives, kidnapped the Czechs on their own initiative, making the situation still more complicated to navigate.

For now, Fayad remained in custody, but the United States was not the only country putting the screws to Hezbollah. Saudi Arabia was by this time leading a Gulf Cooperation Council effort to undermine Hezbollah, and on Aug. 26, 2015, Lebanese authorities working with Saudi counterparts [detained Ahmed al-Mughassil](#), the military chief of Saudi Hezbollah (Hezbollah al-Hijaz) and the principal architect of the 1996 Khobar Towers bombing. Al-Mughassil was apprehended in Beirut—where he was believed to live under Lebanese

Hezbollah protection—and was transferred to Saudi custody. His capture was an intelligence bonanza.

In early September, as Congress was reviewing the Iran agreement, the State Department designated [Samir Kuntar](#), a Hezbollah terrorist, specifically calling out that he had played an “operational role, with the assistance of Iran and Syria, in building up Hezbollah’s terrorist infrastructure in the Golan Heights.”

On Sept. 16, 2015, Treasury Undersecretary Adam Szubin [spoke](#) at the Washington Institute for Near East Policy, where he pointed to the case of Adham Tabaja as “precisely the type of target that we try to go after: somebody who is key in terms of supporting a terrorist group’s activities but somebody who is trying to retain one foot in the licit, legitimate world and therefore has a tremendous amount to lose.” The next day marked the end of the 60-day congressional review period for the Iran nuclear deal. Testifying that day before the House Foreign Affairs subcommittee for the Middle East and North Africa, I [argued](#) that “targeting Hezbollah’s financial and logistical choke points is very effective, but only if done in a steady stream of actions, not a series of one-off designations from which Hezbollah can easily recover by rerouting its financing and logistics through other fronts.”

More generally, I [predicted](#) that despite the nuclear deal, Iran was almost certain to increase its reliance on Hezbollah for illicit activities, and I called for actions targeting Hezbollah’s terrorist activities and Iran’s as well:

While the Iran deal leaves much open to interpretation, one thing is certain: for Iran this deal is strictly transactional, not transformational. To the contrary, Iran is almost certain to increase its clandestine activities and support for proxies engaged in asymmetric warfare and reasonably deniable intelligence and terrorist operations. In other words, Hezbollah is about to take a place of even greater prominence within the planning of Iran’s revolutionary elite. Hezbollah heeded Tehran’s call to step into the breach of the Syrian war, and as a result has drifted even further into the Iranian orbit as a result of its intimate operations with the IRGC there.

But designating only Hezbollah entities—or those connected to other Shiite militia or terrorist groups answering to Iran—is not enough. Whether through Treasury designations or other tools, IRGC and Qods Force officers and entities engaged in Iran’s ongoing illicit conduct must also be taken to task.

As the Iran deal moved forward, Project Cassandra operations remained in play, and several would soon yield impressive results. First, the Drug Enforcement Administration and Treasury teamed up to [designate](#) more of the Ayman Joumaa narco-money-laundering network with a narcotics kingpin designation targeting six individuals and 11 companies, including several ships used by the Joumaa network. That Oct. 1, 2015, action proved to be particularly

well-timed, disrupting narco-money-laundering shipments, but still bigger things were to come.

In coordinated [U.S.-French law enforcement actions](#) a few days later, authorities arrested Joseph Asmar in Paris and Iman Kobeissi in Atlanta. Kobeissi had been lured to the United States, where she informed an undercover DEA agent posing as a narcotics trafficker that her Hezbollah associates sought to purchase cocaine, weapons and ammunition. Asmar, an attorney, discussed potential narcotics deals with an undercover DEA agent and suggested he could use his connections with Hezbollah to provide security for narcotics shipments. In the DEA recording of the conversation, the two discussed their money-laundering network and the services they provided to drug traffickers, terrorist organizations and other criminal groups in Lebanon, Iran, France, Belgium, Bulgaria, Benin, the Democratic Republic of the Congo, Ghana, Nigeria, Cypress and cities across the United States.

The following month, the DEA and the Treasury Department teamed up again to target more branches of Hezbollah's sophisticated procurement network, including [procurement agents](#) Fadi Hussein Serhan and Adel Mohamad Cherri and their companies, as well as additional companies owned by Ali Zeiter, a Hezbollah procurement agent who had been [designated](#) by Treasury in July 2014.

Then came the [Hizballah International Financing Prevention Act of 2015](#). Passage that December was a watershed event in the financial war against Hezbollah. Mimicking sanctions developed to target Iran before the nuclear deal, the legislation threatened to cut off from the U.S. financial system any financial institution knowingly facilitating significant transactions for Hezbollah or those affiliated with it or acting on its behalf. Although the White House and Treasury Department were not early proponents of the legislation, fearing its impact on the Lebanese banking system, they quickly got on board, with the White House press secretary [saying](#) the bill aimed to "thwart" the group's "network at every turn" by imposing sanctions on financial institutions that dealt with Hezbollah or its al-Manar television station.

The bill also [required](#) the administration to submit various reports to Congress, including one due within 180 days determining whether Hezbollah met the criteria for designation as a significant foreign narcotics trafficker under the Foreign Narcotics Kingpin Designation Act. The [bill](#) included the "Sense of Congress" that "Hezbollah meets the criteria for designation as a significant transnational criminal organization under Executive Order No. 13581" and that "the President should designate Hezbollah as a significant transnational criminal organization."

Much to the chagrin of the DEA and other law enforcement agencies, President Obama assigned the preparation of this report to the director of national intelligence and not the law enforcement agencies that investigate criminal activities as a matter of course and are therefore best positioned to judge whether a group has engaged in [transnational organized crime](#). Intelligence agencies are at a disadvantage in this regard. Why? Because the intelligence community does

not have a dedicated collection effort focused on Hezbollah organized crime, and its information on the issue is therefore fragmentary at best. Any information the intelligence community collects on Hezbollah organized crime is incidental to standing collection efforts focused on other issues. For several years the intelligence community has self-identified 50 top intelligence gaps related to counterterrorism; several have [reportedly involved Hezbollah](#). In other words, the intelligence community was tasked with making a judgement on a topic on which it had a significant collection gap. Some suggest that the director of national intelligence was perfectly suited for what was fundamentally an intelligence assessment, in part because that office includes the intelligence components of key law enforcement agencies, including the FBI and the DEA. There is merit to that argument, which is grounded in the idea that single-seal intelligence products (those produced by one agency, rather than being coordinated community-wide) can skew policymaking. But when the DEA tried to get its information about Hezbollah's narcotics and other criminal activities reflected in the intelligence community assessments and reports under the 2015 legislation, the counterterrorism and intelligence communities went up in arms.

The day after the Hizballah International Financing Prevention Act became law, Samir Kuntar, a notorious Hezbollah operative [designated](#) by the State Department in September 2015, was [assassinated](#) by an Israeli airstrike in Syria. At one point Kuntar was honored by then-Iranian President Mahmoud Ahmadinejad, though his ties to Iranian and Syrian leadership did not save him from being targeted. Despite the Iran deal, a wide range of actions targeting Hezbollah—military, financial and more—were still forthcoming.

The impact of the legislation was not lost on Hezbollah's secretary general. Within days of the law's enactment, Nasrallah gave a public speech [blasting](#) the U.S. sanctions as "unjust and false accusations" and asserting that Hezbollah is "not concerned with offering a proof of its innocence." Nasrallah dismissed accusations of Hezbollah narco-trafficking and money laundering as a "political accusation aimed at tarnishing the image of Hezbollah in the minds of the peoples of the world and the region." He insisted that "We [Hezbollah] do not have funds in any bank in the world ... or in Lebanese banks and the central bank and the directors of banks must not panic."

In fact, Hezbollah was already panicking. By this point it had had to [cut salaries](#) of some personnel, defer payments to suppliers and slash monthly stipends to allied parties. Now, some Lebanese banks were actually going above and beyond the letter of the new U.S. law and were proactively shutting Hezbollah-linked bank accounts as a matter of due diligence intended to protect themselves against reputational risk. In the wake of the Treasury action that shut down the Lebanese-Canadian Bank, and then the Hizballah International Financing Prevention Act, the risk of banking Hezbollah had become severely heightened. Nasrallah recognized that and was beside himself that when the U.S. accused people or businesses of having ties to Hezbollah, Lebanese banks would "[take measures](#)" against those people or the accounts of their entities.

And Lebanon's central bank issued a [circular](#) ordering banks to close accounts belonging to individuals and institutions associated with Hezbollah. According to the central bank, hundreds of Hezbollah-linked accounts have since been [closed](#). In response, Hezbollah has reportedly begun to store some funds outside of Lebanon, in places including Iraq and Dubai.

Implementation of the Iran nuclear agreement came the month after passage of the Hezbollah financing prevention legislation, in January 2016. Although not every initiative had been approved, many actions targeting Hezbollah had continued throughout the lead-up to the Iran deal. The question becomes whether these would continue or if they would be pulled back for fear of rocking the boat as implementation of the Iran deal moved forward.

V. OUTING HEZBOLLAH'S BUSINESS AFFAIRS COMPONENT

A week before implementation of the Iran deal began, the U.S. Treasury issued a set of designations targeting Lebanon-based Hezbollah member and financier [Ali Youssef Charara](#) and his telecommunications company. In a direct rebuke of Nasrallah's statement that Hezbollah had no businesses or bank accounts in Lebanon, Treasury said that "Charara has received millions of dollars from Hezbollah to invest in commercial projects that financially support the group." In a statement, Treasury stressed that "Hezbollah relies upon accomplices in the business community to place, manage, and lauder its terrorist funds," adding, "We are committed to exposing and disrupting these networks to pressure Hezbollah's finances and degrade its ability to foment violence in Lebanon, Syria, and across the region."

That commitment was on display later that month when Treasury targeted key money launderers tied to the Tabaja-led Hezbollah criminal network. The accompanying press statement noted that [Mohamad Nouredine](#) "worked directly with Hezbollah's financial apparatus to transfer Hezbollah funds via his Lebanon-based company Trade Point International S.A.R.L. and maintained direct ties to Hezbollah commercial and terrorist elements in both Lebanon and Iraq." This was no rogue operation but, rather, a function of Hezbollah's "financial apparatus," which "maintained direct ties" to both Hezbollah commercial and terrorist elements.

Within days of this designation, Nouredine was arrested in France along with several other accused Hezbollah operatives. The arrests, it would turn out, were part of long-planned and well-executed law enforcement operation—[Operation Cedar](#)—of which the Treasury designation was just one part. Working with law enforcement counterparts in France, Germany, Italy and Belgium, as well European Union agencies such as Europol and Eurojust, the DEA's Project Cassandra disrupted what the DEA described as a "massive Hezbollah drug and money laundering scheme." Traditionally, European law enforcement would decline to identify suspects as Hezbollah operatives and describe them instead as Lebanese criminals. But having worked so closely with DEA agents on this operation, they broke the mold and ultimately referred the suspects for prosecution in France as "[Hezbollah members](#)."

Fifteen individuals were arrested in [raids](#) across Europe on Jan. 24-25, 2016, during which authorities seized some half-million euros in cash, \$9 million worth of watches, a luxury vehicle and several million dollars' worth of property. The raids passed quietly, but the DEA press release issued a few days later stirred significant controversy. Originally the plan was for a joint press release including Europol and several European countries as well as the DEA. Senior French officials later balked (and the rest of the Europeans quickly followed suit) because Iranian President Rouhani was in Paris at the time and French authorities were reportedly concerned their participation might undermine negotiations for Iran to purchase Airbus airplanes under nuclear-deal provisions expressly allowing such sales.

But it was a lack of domestic U.S. interagency, not foreign government, coordination that really rocked the boat. The DEA press release was approved internally by senior leadership, but it was not coordinated with the rest of the intelligence community or the broader interagency. The intelligence community had not been particularly concerned by the raids several days earlier, in large part because many did not see them as intimately tied to Hezbollah; so little attention was paid to a joint law enforcement action targeting Lebanese criminals. When it came up in the days before the raids, intelligence community reporting downplayed the Hezbollah link. But outrage over the press release was not limited to [headlining](#) the raids as a "massive Hezbollah drug and money laundering scheme." The DEA notice also formally outed what it called Hezbollah's "Business Affairs Component" and tied that entity to the group's terrorist network, the External Security Organization (ESO, also known as the Islamic Jihad Organization). The [press release](#) said the arrests targeted "Lebanese Hezbollah's External Security Organization Business Affairs Component (BAC), which is involved in international criminal activities such as drug trafficking and drug proceed money laundering. These proceeds are used to purchase weapons for Hezbollah for its activities in Syria."

Now, the intelligence community has always been sensitive about revealing information about key Hezbollah operatives. And the DEA press release drew a thick line from Tabaja, Nouredine and the Business Affairs Component to the late Hezbollah terrorist mastermind, Imad Mughniyeh:

This effort is part of DEA's Project Cassandra, which targets a global Hezbollah network responsible for the movement of large quantities of cocaine in the United States and Europe. This global network, referred to by law enforcement as the Lebanese Hezbollah External Security Organization Business Affairs Component (BAC), was founded by deceased Hezbollah Senior Leader Imad Mughniyah and currently operates under the control of Abdallah Safieddine and recent U.S.-designated Specially Designated Global Terrorist (SDGT) Adham Tabaja.

The statement continued, announcing as fact a direct, institutional relationship between Hezbollah and drug cartels moving cocaine into the United States and Europe:

Members of the Hezbollah BAC have established business relationships with South American drug cartels, such as La Oficina de Envigado, responsible for supplying large quantities of cocaine to the European and United States drug markets. Further, the Hezbollah BAC continues to launder significant drug proceeds as part of a trade based money laundering scheme known as the Black Market Peso Exchange.

For the DEA, this information was based on clear evidence collected through law enforcement investigations and therefore was nothing remarkable. But the intelligence community felt sandbagged. To its members, the press release was a runaround of the process of interagency intelligence consensus that, as far as they were concerned, was still a matter of fierce debate. Citing Project Cassandra officials, the Politico article underscores the claim that Operation Cedar was pursued without full interagency concurrence or participation: “the [DEA] task force [initiated](#) the multinational partnerships on its own, after years of seeing their cases shot down by the Justice and State departments and other U.S. agencies.”

Confusion persisted within the intelligence community as information underscoring the arrested individuals’ Hezbollah bona fides became clear. Whereas in some previous cases the individuals involved in narcotics trafficking and money laundering for Hezbollah had strong ties to Hezbollah operatives but were not themselves members of the group, the network arrested in Europe included Hezbollah operatives caught red-handed running drugs, laundering money and procuring weapons for Hezbollah’s use in Syria. The DEA’s [assessment](#) was unequivocal: “These drug trafficking and money laundering schemes utilized by the Business Affairs Component provide a revenue and weapons stream for an international terrorist organization responsible for devastating terror attacks around the world.”

In short: Operation Cedar was a tremendous success, but the intelligence community and the many in the wider interagency became determined to shut down Project Cassandra, at least in its current form.

Yet that same intelligence community would soon formally recognize the importance of Operation Cedar as well as the fact that it was a bona fide case of Hezbollah involvement in transnational organized crime. In October 2016, the director of national intelligence issued National Intelligence Meritorious Unit Citations to the interagency members of the “Lebanese Hizballah Transnational Organized Crime Analysis Team.” The award reads in part:

The Lebanese Hizballah Transnational Organized Crime Analysis Team helped lead a dual Intelligence Community effort to provide both strategic level alternative analysis and operational support to law enforcement related to involvement

by members, associates, and affiliates of Lebanese Hizballah, a United States designated terrorist organization, in criminal activities including drug trafficking and money laundering.

In early February 2016, Czech authorities [released](#) Ali Fayad in return for the freedom of the Czech citizens Fayad's relatives had grabbed in Lebanon. Lebanese authorities [detained](#) Fayad on his return and held him for several weeks, but he was ultimately released. The failure to secure Fayad's extradition was a tough blow. So much painstaking work had been done to catch a real high-value subject, only to see him slip away. The U.S. embassy in Prague issued a harsh [condemnation](#) of Fayad's release, but this was too little too late. A few years earlier, DEA officials had seen what strong White House pressure could do to secure a high-value extradition in the case of Russian arms dealer Viktor Bout (also known as [the "Merchant of Death"](#)), who was [extradited](#) from Thailand in 2010 to stand trial in the United States despite significant Russian pushback. Now, the Fayad case felt like a polar-opposite experience. Several mistakes had been made, with plenty of blame to go around. At one point, Fayad was nearly released on a technicality when legal paperwork required to extend his detention was almost not filed on time.

In March 2016 both the [Gulf Cooperation Council](#) and the [Arab League](#) declared Hezbollah a terrorist organization. Still, the next month Project Cassandra suffered another setback, though this one was not unexpected. Although the director of national intelligence report assessing whether Hezbollah should be listed as a transnational organized criminal network was never released publicly, the intelligence community ultimately recommended that, despite the repeated findings of law enforcement and criminal courts as well as Treasury designations, Hezbollah should not be designated a transnational criminal organization. For many in and outside of government, [myself included](#), the decision to task the director of national intelligence with producing this report seemed like a calculated move by the administration to steer the assessment away from a finding that Hezbollah engages in transnational organized crime.

In truth, the debate over Hezbollah's organized criminal activities is not really about whether or not the group benefits from said criminal activities but about whether those engaged in them are doing so on their own and primarily for their own profit or as an organized Hezbollah activity. To my mind, the involvement of key personalities such as Safieddine, Tabaja, Nouredinne and others (someone like [Muhammad Jaafar Kassir](#), who was recently outed in the Arabic press) demonstrates that at least some of this activity is conducted by Hezbollah operatives at the direction of still more senior ones. That Hezbollah leader Hassan Nasrallah consistently denies that his group is involved in any wrongdoing, and especially not narco-trafficking, is not particularly persuasive to me (though it is to some in the intelligence community).

I summed up my own [assessment](#) in April 2016 this way:

Hezbollah is deeply involved in organized criminal enterprises, running illicit networks of its own while also plugging into

those of other criminal entities. The U.S. interagency debate over how to characterize these activities is based on a distinction that makes little difference in practice. In some cases, Hezbollah criminal operatives are carrying out direct instructions from Hezbollah officials. In other cases, members or supporters of the group share the proceeds of their crimes with Hezbollah but do not always act under its direction. The reality is that the group purposefully structures its criminal activities and covert operations to be as opaque as possible, and whichever model is used, Hezbollah is the ultimate beneficiary.

Meanwhile, a variety of actions targeting Hezbollah illicit financing continued. A Treasury narcotics kingpin designation targeted the Panama-based [Waked Money Laundering Organization](#) in May 2016. The press release about this action mentions neither Hezbollah nor Iran, but the action reportedly tied up illicit finances linked to both, forcing them to shift some of their illicit activity elsewhere in the region, such as to Paraguay.

Then, a day after Treasury Undersecretary Szubin [testified](#) before Congress that Hezbollah was “in its worst financial shape in decades” and pledged that “alongside our international partners, we are working hard to put [Hezbollah] out of business,” Treasury Assistant Secretary Daniel Glaser traveled to Beirut, where he met with senior Lebanese political, security and banking officials to discuss implementation of sanctions targeting Hezbollah. Glaser stressed that the new U.S. law—sometimes shorthanded as HIFPA—targets neither Lebanon writ large nor the Shia community, and that the United States was keen not to undermine Lebanon’s financial stability. A [press statement](#) from the U.S. Embassy in Beirut said that “HIFPA targets Hezbollah’s financial activities worldwide, and will be implemented worldwide.” Glaser was [clear](#) that he was not there to negotiate or debate the law but, rather, to discuss ways to implement it.

Hezbollah got the message—and didn’t like it. It is widely believed that a bombing outside the headquarters of Blom Bank in central Beirut, which injured two and damaged the building, was carried out by Hezbollah in response to the bank closing some of the group’s accounts. Authorities quickly [arrested](#) two suspects tied to Hezbollah in connection with the incident.

Later that month, Nasrallah publicly [insisted](#) that Hezbollah does not bank in Beirut. “We do not have any business projects or investments via banks,” he said, adding that Hezbollah “will not be affected” by U.S. sanctions. In an effort to deflect attention away from the organization’s criminal and illicit financial activities, Nasrallah insisted that all of Hezbollah’s money comes from Iran: “We are open about the fact that Hezbollah’s budget, its income, its expenses, everything it eats and drinks, its weapons and rockets, are from the Islamic Republic of Iran.” It was an unprecedented statement. It was also misleading. Hezbollah receives [hundreds of millions of dollars](#) a year in support from Iran, but with Lebanon’s Central Bank issuing a circular ordering banks to follow the

U.S. legislation and close Hezbollah accounts, Nasrallah was desperate to protect Hezbollah's ability to bank with impunity in Beirut.

In the interim, more actions targeting Hezbollah piled up. Colombia-based Hezbollah associate [Mohammad Ammar](#) was arrested in the United States for laundering narcotics proceeds through Miami banks. Another associate was arrested in France, and a third remains a fugitive believed to be in Lebanon or Nigeria. A Hezbollah special operations commander in Yemen, [Abu Ali Tabtabai](#), was designated as a terrorist by the State Department; [Mohammad Hamdar](#), a Hezbollah operative caught plotting an attack in Peru, was designated by the Treasury Department; still more senior operatives and companies tied to Adham Tabaja and Hezbollah's Business Affairs Component—including some explicitly described as External Security Organization terrorist operatives—were [designated](#) by the Treasury Department as well; and Kassem Tajideen was [indicted](#) in federal court in Washington on sanctions evasion and money-laundering charges.

Again, while more might have been done it is hard to say at this point how the Obama administration "let Hezbollah off the hook."

VI. BALANCING MULTIPLE POLICY OBJECTIVES

So what types of proposed actions targeting Hezbollah were shelved? And is it true that the "main reason was a political choice to prioritize the Iranian nuclear agreement over efforts to crack down on Hezbollah," as the Politico article said that "many Project Cassandra agents insist."

There were, as the article said, other considerations, including concerns about potential security repercussions of taking especially aggressive action against Hezbollah and Iran. I do not share the opinion that taking these actions would have led Hezbollah or Iran to carry out spectacular acts of terrorism targeting American interests, but that position was not without basis for concern.

The Blom Bank bombing spooked a great many people in both Beirut and Washington. Would Hezbollah now be quicker to resort to violence in response to financial measures than it was in the past? Would Hezbollah kidnap Westerners again, as some of its members did to secure the freedom of Ali Fayad, having seen how effective that tactic was? Since the failed assassination plot against the Saudi ambassador to the United States in 2012, U.S. intelligence officials had worried whether not only Hezbollah but also possibly Iran was more willing to risk carrying out attacks targeting U.S. interests. At the time, Director of National Intelligence James Clapper [testified](#) that the plot "shows that some Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived U.S. actions that threaten the regime." Some officials worried even more about potential security consequences of actions targeting senior Hezbollah or Iranian officials.

In time, Project Cassandra was all but shut down (in the past I have described Project Cassandra as "[now-defunct](#)," but I stand corrected). Technically, it still

exists, but it is a shadow of its former self. The team that aggressively targeted Hezbollah's criminal enterprises was scattered to unrelated assignments. Some of the most experienced agents chose to retire. There was no longer any attempt at balancing out Drug Enforcement Administration positions with others from elsewhere in the intelligence or law enforcement communities; DEA's position was simply and abruptly shut down. For many in the government interagency, including many supportive of the DEA position, this had less (if anything) to do with concerns about rocking the boat over the Iran deal and everything to do with the bigger-than-life and sometimes abrasive personalities of some of the individuals driving Project Cassandra. Even before it was effectively disbanded, Project Cassandra members increasingly were not invited to interagency meetings. When they were invited, they were discouraged from having certain people brief their material.

The impact of the February 2016 Business Affairs Component press release cannot be overstated. While interagency knives had already been out for Project Cassandra, that press release gave the task force's detractors significant ammunition. Project Cassandra agents may disagree, but it is clear to me that this press release set off a furious reaction that quickly led to the effective dismantling of the task force. As David Asher [told](#) Politico: "This was a policy decision, it was a systematic decision ... They serially ripped apart this entire effort that was very well supported and resourced, and it was done from the top down." At this point, it was. I cannot say how much of this was anger over mishandling interagency process and how much was perception among senior officials across the interagency and the White House that DEA cowboys were pushing the envelope too close to senior Hezbollah and Iranian officials. And if it was the latter, wholly or in part, how much of that was concern about the impact on the Iran deal and how much was concern about things like revenge attacks?

According to former senior Treasury and CIA official [David Cohen](#), there was never "anything approaching a stand-down order" regarding actions targeting Hezbollah. Cohen has [said](#) that in all his time serving in senior positions in the Obama administration, from March 2009 through January 2017, "I never once heard anyone suggest we should back off on Hezbollah or anyone associated with Hezbollah."

But some actions were denied approval, out of fears of undermining the Iran deal and/or a combination of other concerns. Even putting aside the Ali Fayad case, a string of Hezbollah criminal associates arrested abroad have yet to be extradited. Neither were parallel U.S. indictments issued for some who were going to be tried abroad. The significance of this inaction is that in some countries, such as France, individuals indicted for nonviolent crimes (like narco-trafficking and money laundering) are not detained but released to house arrest. And a couple of the indicted Hezbollah operatives have reportedly fled France, presumably back to Lebanon. Had they been indicted in the U.S. as well, it is likely they would have been more closely monitored and thus been unable to escape the country and evade justice.

Another example is the determination not to classify Hezbollah as a transnational organized criminal enterprise. That decision was made not by law enforcement but the intelligence community—and DEA efforts to provide input were not well received. That skewed process left many feeling that the decision had effectively been fixed from the outset.

Then there is the issue of Treasury designations. While many did go forward, others were shelved, especially if they came too close to Iran. Multiple people I spoke to reported that as the Iran deal was agreed upon and implemented it became well-known that some designations simply were not going to proceed because the marching orders out of the State Department were that nothing related to Iran would be approved. Regular Hezbollah designations were not blocked, I'm told, except over standard issues such as operational equities. A proposed action targeting a bank was not pursued when multiple departments expressed concerns that going forward would destabilize the Lebanese financial system, which is far from concern about the Iran deal. But one specific designation that was shelved during the Obama presidency and that ultimately did go forward early in the Trump administration was the designation of Beirut-based IRGC Quds Force officer [Hasan Dehgah Ebrahimi](#), who served as an Iranian moneymen for Hezbollah. That, I understand, was seen as being too close for comfort to core Iranian interests and not something to be pursued while securing and implementing the Iran deal.

For me, the clearest example of action shelved over the Iran deal came in early 2016, during a conversation with law enforcement officials in a city well outside the Washington Beltway. I was told about Hezbollah-related cases that were not being allowed to go forward over concerns that doing so might undermine the Iran deal. It was not at all clear that this was the result of any direct instruction from Washington, let alone the White House, and may have been the result of local supervisors exercising a sense of self-restraint in an environment in which they assumed taking a hard line against Hezbollah or Iran would not be welcome in D.C. Either way, some actions targeting Hezbollah and Iran were shelved.

One of the most obvious examples, and for the Drug Enforcement Administration the most painful, was the refusal to follow through on Project Cassandra's thorough investigation of senior Hezbollah operative and Iran confidant Abdullah Safieddine.

Safieddine has long been Hezbollah's representative in Tehran, an overt and senior political role. But at the same time he [headed](#) Hezbollah's Business Affairs Component (BAC) and was a key link between Hezbollah and Iran. As the Politico article lays out in detail, it was Safieddine who helped [connect](#) Iranian officials to officials at the Lebanese-Canadian Bank, which functioned as one of Hezbollah's primary money-laundering enterprises until it was [shut down](#) in a U.S. Treasury Department action. That should not surprise, given that a United Nations criminal investigator [found](#) that Safieddine—a cousin and close associate of Nasrallah—is “considered one of the Hezbollah's top moneymen.” His brother, Hashem Safieddine, is a senior

Hezbollah official and [U.S.-designated](#) terrorist sometimes [mentioned](#) as a possible successor to Nasrallah. But there is more: Project Cassandra [uncovered](#) information tying Safieddine not only to Hezbollah narco-trafficking but also to networks used to target coalition forces in Iraq with improvised explosive devices (IEDs). Intercepted telephone conversations “painted a picture of Safieddine as a human hub of a criminal enterprise with spokes emanating from Tehran outward into Latin America, Africa, Europe and the United States via hundreds of legitimate businesses and front companies,” Politico [reported](#).

The Justice Department reportedly refused multiple requests to prosecute Safieddine, nor would it approve plans to indict his son, who played a critical command-and-control role in the Hezbollah network overseen by his father, [according](#) to Politico. The refusals persisted even after Safieddine was connected to the FBI major case run out of Philadelphia, Operation Phone Flash. Law enforcement officials, not limited to those at the DEA, were exasperated.

There were other instances in which Iran-related considerations impacted law enforcement efforts, such as European officials’ decision to drop out of the February 2016 press conference in Paris announcing Hezbollah arrests in Europe (and outing Hezbollah’s Business Affairs Component) because Iranian President Rouhani was in Paris at the time.

The question is whether there are legitimate reasons why approval to target someone like Safieddine might not be forthcoming. The answer lies in the nature of interagency policy implementation: Specific actions are proposed, then assessed for interagency consensus, legal review and, finally, policy review. Policy proposals are weighed against the potential impact on other policies, including possible unintended consequences. It is never only a question of whether a certain action *could* be taken but also whether it *should* be. For law enforcement agencies, these issues arise only when their cases intersect with high policy, such as in international relations. Otherwise, law enforcement officials are basically free to prosecute cases and enforce the law. Accordingly, concern that a high-profile indictment, operation to capture abroad, extradition and prosecution might undermine other policy priorities does not seem so outlandish. I stress this point even though I personally felt Safieddine should have been indicted (or at least designated) over his activities.

But another factor was at issue here. Namely, that senior Obama administration officials pledged on multiple occasions that the Iran deal, which is limited to nuclear issues, would in no way undermine other policy objectives such as countering Iran’s state sponsorship of terrorism, its malign activities in the Middle East and efforts to target Hezbollah. When selling the Iran deal to the American people senior Obama administration officials pledged that competing policy priorities would not forestall action targeting Iranian state-sponsorship of terrorism in general or Hezbollah in particular.

For example, speaking at a Washington Institute event in April 2015, three months before the agreement was signed, Treasury Secretary Jack Lew acknowledged that Iran was certain to keep supporting Hezbollah and [stressed](#) that the United States would keep combating such activities: “We are under no

illusions that Iran will all of a sudden stop providing significant support to dangerous actors like Hezbollah and the Assad regime—and so we will remain vigilant in our efforts to combat those activities.” Lew went on to [pledge](#):

Make no mistake: deal or no deal, we will continue to use all our available tools, including sanctions, to counter Iran’s menacing behavior. Iran knows that our host of sanctions focused on its support for terrorism and its violations of human rights are not, and have never been, up for discussion. The Treasury Department’s designations of Iranian-backed terrorist groups and the Iranian entities that support them, most notably the IRGC-Qods Force, will persist, giving us a powerful tool to go after Iran’s attempts to fund terror.

A year later, President Obama underscored this [pledge](#) to Gulf Cooperation Council partners at a summit in Saudi Arabia: “We have to be effective in our defenses and hold Iran to account where it is acting in ways that are contrary to international rules and norms.” Two months later, Treasury Undersecretary Szubin [echoed](#) Secretary Lew:

As we expected, Iran has not moderated this conduct since the implementation of the JCPOA. And, as we promised, we have continued to target this behavior, with interdictions, with diplomatic pressure, and with sanctions.

Many actions were taken, as I have documented here. But others were not, and the administration was not open and forthcoming about those. For many law enforcement officers working overtime to “counter Iran’s menacing behavior,” the administration’s pledge to do so using “all our available tools,” the Iran deal notwithstanding, rang hollow.

Recognizing these frustrations, it is inaccurate and unfair to go so far as to claim that the Obama administration let Hezbollah off the hook. While the Politico article opens by charging that, and more, it closes with a far more caveated conclusion. Citing Derek Maltz, the former head of the Drug Enforcement Administration’s Special Operations Division, the article closes with this:

Turf battles, especially the institutional conflict between law enforcement and intelligence agencies, contributed to the demise of Project Cassandra, Maltz said. But many Project Cassandra agents insist the main reason was a political choice to prioritize the Iranian nuclear agreement over efforts to crack down on Hezbollah.

“They will believe until death that we were shut down because of the Iran deal,” Maltz said. “My gut feeling? My instinct as a guy doing this for 28 years is that it certainly contributed to why we got pushed aside and picked apart. There is no doubt in my mind.”

It is as wrong to accuse the Obama administration of “letting Hezbollah off the hook” as it is to assert that protecting the Iran nuclear deal had no impact on decisions to target Hezbollah’s criminal behavior.

Both horizontal (interagency) and vertical (policy) factors contributed to the decisions not to pursue some actions targeting Hezbollah, even as others went ahead and had a significant impact. Turf battles played a major role in this story, which is not limited to Project Cassandra; in some cases, so did considerations involving the Iran deal.

Maltz’s instinct, which is far more nuanced than the article’s opening accusations, is that the Iran deal “certainly contributed” to the effective disbanding of the DEA task force. But so did other significant issues, including DEA missteps navigating the interagency process, a fierce analytical disagreement within and across the intelligence community about how to understand the transnational criminal activities of Hezbollah operatives and the group overall, and a severe clash of personalities among all sides of this debate that poisoned working relationships and undermined interagency cooperation.

Since all this, Maltz has pressed for greater interagency coordination on counterterrorism matters, including but not limited to those intersecting with law enforcement investigations. If nothing else, the moral of this story is that such efforts should be applauded and supported. More than anywhere else, this is where the Justice Department’s new Hezbollah Financing and Narcoterrorism Team should focus its efforts.