Global Gangsters:
Hezbollah's Latin American Drug Trafficking Operations

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Chairman Cornyn, Co-Chair Whitehouse, distinguished caucus members, thank you for this opportunity to appear before you today. In the wake of Israel's blistering reprisal attacks against Hezbollah, the group is facing a cash shortfall just when it needs more money. On top of that, Hezbollah has to contend with a new Lebanese government that is beginning to do its part to implement the November 2024 ceasefire, which ended over a year of near-daily Hezbollah rocket attacks on Israeli communities and Israeli reprisal strikes that severely degraded the group. Hezbollah lost key leaders, fighters, weapons, stockpiles of cash and gold, communication systems, and infrastructure. As it seeks to recover, Hezbollah is certain to look to criminal enterprises—including laundering the proceeds of narcotics trafficking—to fill the gap, as it has in the past after less severe financial crises.

Nor is the risk limited to terrorist financing alone. Many Hezbollah networks involved in narcotics trafficking have had operational ties as well. Coming on the heels of the beating Israel inflicted first on Hezbollah and then on its patron, Iran, U.S. authorities worry about the prospect of reprisal attacks by Iran, Hezbollah, and their allies.[1]

For these reasons, today's hearing focused on Hezbollah's Latin American drug trafficking operations is extremely timely. Hezbollah has a long history of engaging in fundraising, logistics, and operational activity in Latin America, and over time it has developed a niche role in narcotics trafficking—in particular laundering the proceeds of narcotics trafficking. All too often, these activities overlap with one another in dangerous ways. More often than not, Hezbollah's illicit financial activities tend to take place in one or more of Latin America's free trade zones (FTZs).

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[1] Matthew Levitt, "Tehran's Homeland Option: Terror Pathways for Iran to Strike in the United States," *CTC Sentinel*, August 2025, https://www.washingtoninstitute.org/policy-analysis/tehrans-homeland-option-terror-pathways-iran-strike-united-states

U.S. authorities are constantly tracking Hezbollah's global illicit financial activities, including the group's involvement in drug trafficking and money laundering. In March of this year, the U.S. government targeted a Lebanon-based Hezbollah sanctions evasion network that oversaw commercial projects and oil smuggling networks generating revenue for Hezbollah.[2] The network involved senior Hezbollah operatives including Muhammad Qasir, his son-in-law, Muhammad Qasim al-Bazzal, and others.[3] Qasir was particularly close to and trusted by Qods Force general Qasem Soleimani, and headed Hezbollah finance, procurement, and smuggling operations.[4] The designation was paired with a Rewards for Justice notice offering up to $10 million for information leading to the disruption of Hezbollah financial mechanisms. "Trafficking in illicit drugs," the reward notice noted, is one of the ways Hezbollah raises funds.[5]

In recent years, Hezbollah worked closely with the former Assad regime in Syria in the production and trafficking of Captagon.[6] Since the fall of the Assad regime, the new government in Damascus has cracked down on smuggling of arms and drugs across the Syria-Lebanon border, sparking tensions with Hezbollah.[7] But Hezbollah's far more established and potentially lucrative drug trafficking activities have long been far from Lebanon's borders, in distant Latin America.[8]

Hezbollah's Budget Crunch

Significant attention has been given to the Israeli attack on Hezbollah fighters carrying operational pagers and radios, to the many fighters and weapons systems Hezbollah lost, to the vast network of Hezbollah tunnels, bunkers, and forward-deployed weapons uncovered along the Lebanon-Israel border, and to the killing of senior Hezbollah leaders, including Hassan Nasrallah. But alongside these devastating blows, Hezbollah also lost a tremendous amount of money. Israel long claimed that Hezbollah stored millions of dollars in underground bunkers, and the Israeli bunker-busting munitions used to target the group's operations center and kill Hassan Nasrallah reportedly also destroyed Hezbollah cash and gold reserves.[9]

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[2] "Sanctioning Evasion Network Supporting Hizballah Finance Operations," U.S. Department of State, March 28, 2025, https://www.state.gov/sanctioning-evasion-network-supporting-hizballah-finance-operations#:~:text=Hizballah%20Finance%20Operations-,Sanctioning%20Evasion%20Network%20Supporting%20Hizballah%20Finance%20Operations,longer%20threatens%20the%20Lebanese%20people
[3] "Treasury Targets Hizballah Finance Team Sanctions Evasion Network," U.S. Department of the Treasury, March 28, 2025, https://home.treasury.gov/news/press-releases/sb0063
[4] Matthew Levitt, "Hezbollah's Procurement Channels: Leveraging Criminal Networks and Partnering with Iran," *CTC Sentinel*, March 21, 2019, https://www.washingtoninstitute.org/policy-analysis/hezbollahs-procurement-channels-leveraging-criminal-networks-and-partnering-iran
[5] See DEA poster, available at "Hizballah's Financial Network," Rewards for Justice, Diplomatic Security Service, U.S. Department of State, https://rewardsforjustice.net/rewards/disruption-of-hizballah-financial-mechanisms/
[6] "Treasury Targets Hizballah Finance Network and Syrian Captagon Trafficking," U.S. Department of the Treasury, October 16, 2024, https://home.treasury.gov/news/press-releases/jy2648
[7] Ahmad Sharawi, "Analysis: Syria's Crackdown on Smuggling Sparks Tensions with Hezbollah and Lebanon," *Long War Journal*, Foundation for Defense of Democracies, February 11, 2025, https://www.longwarjournal.org/archives/2025/02/analysis-syrias-crackdown-on-smuggling-sparks-tensions-with-hezbollah-and-lebanon.php
[8] For a detailed examination of Hezbollah's global operations, including those in Latin America, see Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, updated 2024).
[9] "Hezbollah Hides Millions in Cash, Gold under Beirut Hospital, Says Israel," Reuters, October 21, 2024, https://www.reuters.com/world/middle-east/hezbollah-hides-millions-cash-gold-under-beirut-hospital-says-israel-2024-10-21/#:~:text=Reuters%20could%20not%20independently%20verify,says%20is%20Hezbol-

Israel also targeted several branches of Hezbollah's de facto bank, the U.S.-designated al-Qard al-Hassan (AQAH), which is thought to hold around "$750 million a year in Iranian funding, as well as the proceeds from the organization's criminal enterprises."[10] The airstrikes, which targeted multiple AQAH branches, also struck an AQAH vault hidden underneath a residential building in Beirut.[11] First designated in 2007, AQAH filled the breach after U.S. designations of two other Hezbollah financial institutions in Lebanon in 2006.[12] The Treasury Department took several more actions against AQAH personnel, including the July 2025 designation of several AQAH officials who helped facilitate Hezbollah's "shadow banking."[13] That same month, in a groundbreaking action that never could have been imagined under previous Lebanese governments, the Lebanese Central Bank issued a circular banning all Lebanese banks and brokerages from working with AQAH and several other financial institutions tied to Hezbollah.[14]

In the wake of the Israeli campaign, and amid Hezbollah's rising costs to rebuild lost infrastructure and cover salaries and stipends for the families of killed and wounded fighters, Hezbollah suddenly found itself running out of funds and unable to pay salaries and promised reconstruction grants. Hezbollah issued postdated compensation checks to residents seeking to rebuild homes, for example, but payments were suspended before most people saw any money.[15]

Facing financial stress of its own stemming from the twelve-day war, the snapback of sanctions, domestic energy and environmental crises, and more, Iran is reportedly unable to foot the bill for Hezbollah's reconstruction efforts as it did after Hezbollah's 2006 war with Israel.[16] While Iran reportedly provides Hezbollah with about the same amount of money as it did before the Israeli reprisal strikes, Hezbollah now needs much more money than it did before.

Iran is having a much harder time getting money to Hezbollah in Lebanon. In September 2024, Lebanon's Transport Ministry refused an Iranian plane entry into Lebanese airspace after Israel

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lah's%20financial%20arm; "Israeli Bunker-Busters Allegedly Destroyed Hezbollah Cash," *L'Orient Le Jour*, October 7, 2024, https://today.lorientlejour.com/article/1430267/israeli-bunker-busters-allegedly-destroyed-hezbollah-cash.html

[10] Aryn Baker, "What Is Al-Qard al-Hasan, the Hezbollah-Linked Finance Group Targeted by Israel?" *New York Times*, October 21, 2024, https://www.nytimes.com/2024/10/21/world/middleeast/israel-lebanon-hezbollah-bank.html

[11] Aryn Baker, "What Is Al-Qard al-Hasan, the Hezbollah-Linked Finance Group Targeted by Israel?" *New York Times*, October 21, 2024, https://www.nytimes.com/2024/10/21/world/middleeast/israel-lebanon-hezbollah-bank.html

[12] "Twin Treasury Actions Take Aim at Hizballah's Support Network," U.S. Department of the Treasury, July 24, 2007, https://home.treasury.gov/news/press-releases/hp503

[13] "Treasury Sanctions Hizballah Financial Officials," U.S. Department of the Treasury, July 3, 2025, https://home.treasury.gov/news/press-releases/sb0189

[14] Timour Azhari and Laila Bassam, "Lebanon bans dealing with Hezbollah financial entity," Reuters, July 15, 2025, https://www.reuters.com/world/middle-east/lebanon-central-bank-bans-interactions-with-hezbollahs-al-qard-al-hassan-2025-07-15/; See BDL circular here: https://www.bdl.gov.lb/CB%20Com/Laws%20And%20Regulations/Basic%20Circulars/Decision_13735_AR%C2%A710770_1.pdf

[15] "Hezbollah's Hollow Promises in South Lebanon," This Is Beirut, June 25, 2025, https://thisisbeirut.com.lb/articles/1319127/hezbollahs-hollow-promises-in-south-lebanon

[16] Euan Ward, "Lebanon, Ravaged by War, Needs Changes to Unlock Aid. That Could be a Tall Order," *New York Times*, March 24, 2025, https://www.nytimes.com/2025/03/24/world/europe/lebanon-hezbollah-israel-government-economy.html

warned it would shoot down planes coming from Iran with funds or supplies for Hezbollah.[17] In other cases, Iranian planes have been delayed and searched on arrival in Beirut based on intelligence suggesting they may be carrying cash for Hezbollah.[18] As flights from Iran garnered more attention, Iran started sending funds to Hezbollah with individuals traveling to Lebanon from Iraq, leading Lebanese authorities to start searching flights from Iraq as well.[19] Soon, Lebanese authorities reported seizing funds for Hezbollah from passengers on flights from Turkey,[20] while authorities of the new government in Syria also reported seizing cash in vehicles seeking to cross into Lebanon.[21]

All told, Hezbollah is facing more severe financial constraints than ever before. The groups remains financially resilient,[22] but it must contend with a government in Lebanon that is trying to implement the terms of the ceasefire with Israel, an Israeli military that continues to carry out strikes against Hezbollah targets violating the ceasefire, the loss of the Assad regime in Syria, and a regime in Iran that remains committed to supporting Hezbollah but has a wide range of its own challenges to contend with.

Past as Precedent: What Hezbollah Does When Short on Cash

Based on its past behavior, authorities have every reason to fear that Hezbollah will attempt to alleviate its financial crisis by doubling down on its criminal enterprises for quick and reliable infusions of cash. Whereas Iran pumped millions of dollars into Hezbollah after the 2006 war, in the years that followed Hezbollah started to expand its reliance on its criminal-financial networks to meet its increased financial needs.[23] Hard financial times also forced Hezbollah to rely in part on deceptive means to secure funding for development projects in the wake of the 2006 war, such as hiding its own and Iran's ties to Hezbollah's construction arm, Jihad al-Binaa, when approaching international development organizations for development funding.[24]

By 2009, declining oil prices and sanctions combined to force Tehran to slash its annual budget for

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[17] "Lebanon Blocks Iranian Plane from Entering Airspace after Israeli Threats, Ministry Source Says," Reuters, September 28, 2024, https://www.reuters.com/world/middle-east/lebanon-blocks-iranian-plane-entering-airspace-after-israeli-threats-ministry-2024-09-28/

[18] "Lebanon Said to Stop Transfer of Funds to Hezbollah through Iranian Flight to Beirut," *Times of Israel,* January 3, 2025, https://www.timesofisrael.com/lebanon-said-to-stop-transfer-of-funds-to-hezbollah-through-iranian-flight-to-beirut/

[19] "Funds Transfer to Hezbollah: Passengers from Iraq to Face Increased Searches at Beirut Airport, *L'Orient Le Jour*, February 12, 2025, https://today.lorientlejour.com/article/1447526/funds-transfer-to-hezbollah-passengers-from-iraq-to-face-increased-searches-at-beirut-airport.html

[20] "Lebanon Seizes $2.5 Million Bound for Hezbollah, Sources Say," Reuters, February 28, 2025, https://www.reuters.com/world/middle-east/lebanon-seizes-25-million-bound-hezbollah-sources-say-2025-02-28/

[21] "Four Million Dollars Reportedly Seized in Car Coming from Syria," *L'Orient Le Jour*, March 11, 2025, https://today.lorientlejour.com/article/1451302/four-million-dollars-reportedly-seized-in-car-coming-from-syria.html

[22] "Hezbollah Weakened but Financially Resilient a Year after Israel War," AFP, September 24, 2025, https://www.yahoo.com/news/articles/hezbollah-weakened-financially-resilient-israel-024500548.html

[23] John Fernandez, "The DEA's Targeting of Hezbollah's Global Criminal Support Network," PolicyWatch 3240, Washington Institute for Near East Policy, January 10, 2020, https://www.washingtoninstitute.org/policy-analysis/deas-targeting-hezbollahs-global-criminal-support-network

[24] "Treasury Designates Hizballah's Construction Arm," U.S. Department of the Treasury, February 20, 2007, https://home.treasury.gov/news/press-releases/hp271

Hezbollah by 40 percent.[25] As a result, Hezbollah enacted severe austerity measures to reduce spending and diversified its income portfolio by significantly expanding its international criminal activities. In one case, Drug Enforcement Administration (DEA) agents caught a weapons trafficker affiliated with Hezbollah, Alwar Pouryan, seeking to sell weapons to the Taliban for desperately needed cash instead of trying to procure weapons for Hezbollah.[26]

By early 2015, DEA investigations into Hezbollah narco-trafficking and money-laundering operations revealed a wide array of Hezbollah illicit financing and weapons procurement efforts as well. The DEA dubbed the entity involved in these activities as the "Business Affairs Component" (BAC) of Hezbollah's External Security Organization (ESO)—its terrorist wing, also known as the Islamic Jihad Organization (IJO)—which it said was founded by the late Hezbollah terrorist mastermind Imad Mughniyah himself.[27] The DEA reported that the BAC is run by two key Mughniyah deputies: Abdallah Safieddine and Adham Tabaja. Safieddine served as the group's representative to Tehran and is a cousin of the late Hassan Nasrallah.[28] Tabaja was designated by the U.S. Treasury in June 2015. According to Treasury, Tabaja is a Hezbollah member who "maintains direct ties" to its senior organizational elements, "including the terrorist group's operational component, Islamic Jihad."[29] As then-DEA Acting Deputy Administrator Jack Riley explained, the reason Hezbollah was so deeply involved in the drug trafficking and money laundering schemes utilized by the BAC was to "provide a revenue and weapons stream for an international terrorist organization responsible for devastating terror attacks around the world."[30]

In a coordinated action in October 2015, U.S. and French law enforcement agencies arrested Joseph Asmar in Paris and Iman Kobeissi in Atlanta. U.S. authorities lured Kobeissi to the United States, where she allegedly informed an undercover DEA agent posing as a narcotics trafficker that her Hezbollah associates sought to purchase cocaine, weapons, and ammunition.[31]

In November 2018, a Paris court found Mohamad Noureddine and several of his associates guilty of drug trafficking, money laundering, and engaging in a criminal conspiracy to finance Hezbollah. The result of an international joint investigation involving seven countries, the conviction marked the first time a European court specifically found defendants guilty of conspiracy to support Hez-

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[25] Matthew Levitt, "Hezbollah: Party of Fraud," *Foreign Affairs*, July 27, 2011, https://www.foreignaffairs.com/articles/benin/2011-07-27/hezbollah-party-fraud

[26] "Seven Defendants Charged with Conspiring to Aid the Taliban," U.S. Drug Enforcement Administration press release, February 14, 2011, https://www.dea.gov/press-releases/2011/02/14/seven-defendants-charged-conspiring-aid-taliban

[27] "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," U.S. Drug Enforcement Administration, February 1, 2016, https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money#:~:text=Members%20of%20the%20Hizballah%20BAC,criminal%20activities%20in%20that%20region

[28] Josh Meyer, "The Secret Backstory of How Obama Let Hezbollah Off the Hook," *Politico*, December 2017, https://www.politico.com/interactives/2017/obama-hezbollah-drug-trafficking-investigation/

[29] "Treasury Sanctions Hizballah Front Companies and Facilitators in Lebanon and Iraq," U.S. Department of Treasury press release, June 10, 2015, https://home.treasury.gov/news/press-releases/jl0069

[30] "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," U.S. Drug Enforcement Administration, February 1, 2016, https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money#:~:text=Members%20of%20the%20Hizballah%20BAC,criminal%20activities%20in%20that%20region

[31] "Two Hezbollah Associates Arrested on Charges of Conspiring to Launder Narcotics Proceeds and International Arms Trafficking," U.S. Department of Justice press release, October 9, 2015, https://www.justice.gov/usao-edny/pr/two-hezbollah-associates-arrested-charges-conspiring-launder-narcotics-proceeds-and

bollah. But it was telling for another reason, too: authorities revealed that at least some of the proceeds of these Hezbollah drug and money laundering schemes were "used to purchase weapons for [the group's] activities in Syria."[32]

Mariano Federici, who served as the head of Argentina's Financial Intelligence Unit from 2016 to 2020, appeared on my podcast, *Breaking Hezbollah's Golden Rule*, and explained how this impacted Hezbollah's illicit financial activities in Latin America:

"As a result of the greater involvement that Hezbollah had undertaken, particularly in places like Syria, it was in deep need for additional funding. And [it] had made calls for additional funding to the different cells it had spread out all over the world. So that, for us, represented a present and prospective threat, because if Hezbollah was in need [of] additional funding, if it has placed demands on its cells for additional funding and we had cells connected to it in our country or right next to it, that meant...the financial integrity of our system was at risk."[33]

Cognizant of the likelihood that Hezbollah will rely on its global financial networks in this time of need, in October 2024 the Treasury Department's Financial Crimes Enforcement Network (FinCEN) issued an alert to help financial institutions counter financing of Hezbollah and its terrorist activities. Hezbollah's revenue generation is global in scale, including a wide range of illicit financial schemes, including laundering the proceeds of drug trafficking. "In some cases," FinCEN noted, "individual [Hezbollah] donors who are affiliated with transnational organized criminal groups and drug trafficking organizations may donate some of their illicit proceeds to [Hezbollah]."[34] FinCEN further reported that:

"[Hezbollah's BAC] has developed close ties with South American drug trafficking organizations and has benefited from laundering the proceeds of drug trafficking through elaborate schemes involving the Black Market Peso Exchange, the Hawala system, and intercontinental bulk cash smuggling networks that span Europe, Latin America, and the Middle East. Numerous [Hezbollah] financiers and supporters have been arrested in South America for providing financial services to the organization and plotting attacks."[35]

Narco-Terror Overlap in Hezbollah's Latin American Operations

Not every Hezbollah operative involved in narcotic trafficking is also involved in militant activities, but there is no shortage of episodes where that has been the case. Consider a few examples:

- **Sobhi Mahmoud Fayad** received military training in Lebanon before moving to the Tri-Border Area (TBA), where he served as a "professional Hezbollah operative," traveled back to

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32 "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," U.S. Drug Enforcement Administration, February 1, 2016, https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money#:~:text=Members%20of%20the%20Hizballah%20BAC,criminal%20activities%20in%20that%20region

33 "Crime and Terror in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 1, episode 3, Washington Institute for Near East Policy, February 23, 2022, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-1#episode-3-crime-and-terror-in-south-america

34 "FinCEN Alert to Financial Institutions to Counter Financing of Hizballah and its Terrorist Activities," FIN-2024-Alert003, Financial Crimes Enforcement Network, U.S. Department of the Treasury, October 23, 2024, https://www.fincen.gov/system/files/shared/FinCEN-Alert-Hizballah-Alert-508C.pdf

35 "FinCEN Alert to Financial Institutions to Counter Financing of Hizballah and its Terrorist Activities," FIN-2024-Alert003, Financial Crimes Enforcement Network, U.S. Department of the Treasury, October 23, 2024, https://www.fincen.gov/system/files/shared/FinCEN-Alert-Hizballah-Alert-508C.pdf

Lebanon and Iran for meetings with Hezbollah operatives, and functioned as the liaison between the Iranian embassy and the "Hezbollah community" in the TBA. He was also "involved in illicit activities involving drugs and counterfeit U.S. dollars."[36]

- **Hamzi Ahmad Barakat** owned a store in a Ciudad del Este shopping center described as "the central headquarters for Hezbollah members in the TBA" and was suspected of smuggling arms, explosives, counterfeit currency, and narcotics.[37]

- **Farouk Omairi**, "a principal member of the [Hezbollah] community in the TBA," procured false Brazilian and Paraguayan documentation for people, served as a coordinator for Hezbollah members in the area, and was also "involved in narco-trafficking operations between South America, Europe, and the Middle East."[38]

Hezbollah operatives have historically established business relationships with cartels such as La Oficina de Envigado, primarily laundering drug proceeds through trade-based money laundering schemes such as the Black Market Peso Exchange.[39] In recent years, the overlap between Hezbollah's operational activities and its narco-trafficking have come into stark relief as unclassified studies and U.S. government actions shined a bright spotlight on one particular Hezbollah network in Latin America with ties to Salman Raouf Salman (aka Samuel Salman El Reda), a senior Hezbollah operative who served as the "on-the-ground coordinator" for the July 1994 bombing of the AMIA Jewish community center in Buenos Aires and still "directs and supports" the group's terrorist activities in the Western Hemisphere.[40]

In March 2022, the Washington Institute for Near East Policy published a study on Hezbollah activities in Colombia that highlighted a particularly disturbing example of Hezbollah's narco-terrorism overlap.[41] The study zeroed in on Amer Mohamed Akil Rada, the businesses owned by him and his family members in Lebanon and Colombia, and their ties to Hezbollah. The author, Aurora Ortega, then appeared on my podcast to discuss Hezbollah's use of front companies in still greater detail in September 2023.[42] That same month, the Treasury Department listed Rada as a Specially Designated Global Terrorist in an action coordinated with the DEA. As Treasury revealed, Rada is a senior Hezbollah operative—a member of its foreign terrorist operations branch known as ESO, IJO, or Unit 910—who participated in the 1994 AMIA bombing and is also believed to have played a role in

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[36] "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil, and Paraguay," U.S. Department of the Treasury, December 6, 2006, https://home.treasury.gov/news/press-releases/hp190

[37] "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil, and Paraguay," U.S. Department of the Treasury, December 6, 2006, https://home.treasury.gov/news/press-releases/hp190

[38] "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil, and Paraguay," U.S. Department of the Treasury, December 6, 2006, https://home.treasury.gov/news/press-releases/hp190

[39] "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," U.S. Drug Enforcement Administration, February 1, 2016, https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money#:~:text=Members%20of%20the%20Hizballah%20BAC,criminal%20activities%20in%20that%20region

[40] "Salman Raouf Salman," Rewards for Justice, Diplomatic Security Service, U.S. Department of State, https://rewardsforjustice.net/rewards/salman-raouf-salman/

[41] Aurora Ortega, "Hezbollah in Colombia: Past and Present Modus Operandi and the Need for Greater Scrutiny," Policy Note 119, Washington Institute for Near East Policy, March 28, 2022, https://www.washingtoninstitute.org/policy-analysis/hezbollah-colombia-past-and-present-modus-operandi-and-need-greater-scrutiny. The opinions expressed by Ms. Ortega in this study are hers alone and do not necessarily reflect those of the U.S. government or any department or agency therein.

[42] "Risky Business in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 2, episode 1, Washington Institute for Near East Policy, September 27, 2023, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-2

the 1992 bombing of the Israeli embassy in Buenos Aires.[43] He "worked in close coordination with U.S.-designated Salman Raouf Salman to case targets around South America on behalf of [Hezbollah]," while using as much as 80 percent of the proceeds of his commercial enterprises to support the group.[44]

Rada's ties to Salman are worrisome given that the latter "has risen through the ranks of Hezbollah" over the years and served as a handler for Hezbollah operatives with a particular focus on Southeast Asia and South America.[45] He dispatched a Hezbollah operative to attend to a cache of explosives in Thailand in 2009; sent another to carry out preoperational surveillance of the Panama Canal and the U.S. and Israeli embassies in Panama in 2011; instructed a Hezbollah operative to carry out still more surveillance in Panama in 2012; and was identified as the handler for a Hezbollah operative arrested in Peru in 2014.[46]

Amer Rada's brother, Samer Akil Rada, also designated by the United States in September 2023, had been based in Belize but had to flee the country over a drug-related case. He was later implicated in the trafficking of around 500 kilograms of cocaine that was hidden in shipments of fruit and seized in El Salvador.[47]

Companies tied to Amer Rada and his family have links with companies tied to Hassan Mohsen Mansour, a dual Canadian-Lebanese citizen indicted by authorities in both the United States and France on charges of laundering the proceeds of drug trafficking.[48] Mansour established his own Lebanese-based company, Zoom Zoom Motors SARL, around 2014. Although it is officially described as a general trade and import-export company for motor vehicles, Zoom Zoom Motors received charcoal shipments in 2014 and 2015 from at least two Colombian companies.[49] In 2015, Mansour disclosed to undercover law enforcement officers that he used his business to obscure shipments of cocaine as charcoal.[50] This technique, which turns cocaine into "black bricks" by adding charcoal and other chemicals to powdered cocaine, is utilized by Columbian drug cartels to evade detection by drug-sniffing dogs and chemical tests. Once the disguised cocaine is delivered,

[43] "Treasury Designates Hizballah Operatives and Financial Facilitators in South America and Lebanon," U.S. Department of the Treasury, September 12, 2023, https://home.treasury.gov/news/press-releases/jy1726
[44] "Treasury Designates Hizballah Operatives and Financial Facilitators in South America and Lebanon," U.S. Department of the Treasury, September 12, 2023, https://home.treasury.gov/news/press-releases/jy1726
[45] "Treasury Targets Senior Hizballah Operative for Perpetrating and Plotting Terrorist Attacks in the Western Hemisphere," U.S. Department of the Treasury, July 19, 2019, https://home.treasury.gov/news/press-releases/sm737
[46] "Justice Department Announces Terrorism Charges Against High Ranking Hezbollah Member Who Helped Plan 1994 Bombing in Buenos Aires, Argentina," U.S. Department of Justice, December 20, 2023, https://www.justice.gov/archives/opa/pr/justice-department-announces-terrorism-charges-against-high-ranking-hezbollah-member-who
[47] "Treasury Designates Hizballah Operatives and Financial Facilitators in South America and Lebanon," U.S. Department of the Treasury, September 12, 2023, https://home.treasury.gov/news/press-releases/jy1726
[48] David Ovalle, "Hezbollah-Linked Group Laundered Drug Money Through Miami Banks," *Miami Herald*, October 11, 2016, https://www.miamiherald.com/news/local/crime/article107366182.html
[49] "Risky Business in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 2, episode 1, Washington Institute for Near East Policy, September 27, 2023, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-2
[50] Aurora Ortega, "Hezbollah in Colombia: Past and Present Modus Operandi and the Need for Greater Scrutiny," Policy Note 119, Washington Institute for Near East Policy, March 28, 2022, https://www.washingtoninstitute.org/policy-analysis/hezbollah-colombia-past-and-present-modus-operandi-and-need-greater-scrutiny

experts transform it back to powder before it reaches the market.[51]

Using charcoal companies to smuggle narcotics gives experts pause as to what other illicit items could be smuggled using the same technique. "Given the clandestine nature of the IJO," Aurora Ortega warned, "it cannot be discounted that Amer and his network have adopted this drug-smuggling tradecraft to obfuscate shipments of more dangerous materials, such as explosives or explosive precursors." Indeed, Hezbollah has used drug-smuggling techniques and networks to move explosives, as seen in a foiled 2012 plot to smuggle explosives into Israel from Lebanon.[52]

Hezbollah's Proclivity for Operating in Free Trade Zones

When authorities in El Salvador intercepted a vehicle carrying hundreds of kilos of cocaine tied to Samer Akil Rada, they found that the car had Costa Rican license plates, had arrived in the country from Panama, and was heading to Belize's Corozal Free Trade Zone along the country's border with Mexico.[53] In fact, Hezbollah has long had a preference for operating in and through FTZs in Latin America and around the world.

Christian Vianna de Azevedo is a special agent with the Brazilian Federal Police who also served as undersecretary of justice and public security focused on intelligence and integration in the Brazilian state of Minas Gerais. A specialist on Hezbollah, he has appeared on my podcast several times to discuss Hezbollah's activities in Latin America.[54] In one episode, we discussed Hezbollah's preference for operating in FTZs. Mr. de Azevedo explained it this way, noting the many different criminal enterprises found in Latin American FTZs, including drug trafficking:

"From my perspective and what I have seen so far, those free trade zones are actually zones in which there [are] a lot of black holes, so to speak. For instance, a lot of informal trade [and] informal economy thrive. And within the formal economy…comes a lot of crimes, not only tax evasion but also contraband and drug trafficking, arms trafficking, everything."[55]

In the early 1970s, the Tri-Border Area was declared a regional free trade zone, and gangs, militants, and traffickers of all stripes began taking advantage of the flourishing black market economy. On the Paraguayan side of the TBA is the bustling city of Ciudad del Este, described by a local vendor as "the United Nations of crime."[56] Hezbollah operatives have long preferred operating in South

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[51] "Risky Business in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 2, episode 1, Washington Institute for Near East Policy, September 27, 2023, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-2
[52] Matthew Levitt, "Hezbollah's Criminal Networks: Useful Idiots, Henchmen, and Organized Criminal Facilitators," in *Beyond Convergence: World Without Order*, ed. Hilary Matfess and Michael Miklaucic (Washington DC: INSS, 2016), https://www.washingtoninstitute.org/policy-analysis/hezbollahs-criminal-networks-useful-idiots-henchmen-and-organized-criminal
[53] Aurora Ortega, "Hezbollah in Colombia: Past and Present Modus Operandi and the Need for Greater Scrutiny," Policy Note 119, Washington Institute for Near East Policy, March 28, 2022, https://www.washingtoninstitute.org/policy-analysis/hezbollah-colombia-past-and-present-modus-operandi-and-need-greater-scrutiny
[54] The opinions expressed by Mr. de Azevedo on my podcast are his alone and do not necessarily reflect the official views of the Brazilian federal government or those of the State of Minas Gerais.
[55] "Crime and Terror in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 1, episode 3, Washington Institute for Near East Policy, February 23, 2022, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-1#episode-3-crime-and-terror-in-south-america
[56] Sebastian Rotella, "Jungle Hub for World's Outlaws," *Los Angeles Times*, August 24, 1998, https://www.latimes.com/archives/la-xpm-1998-aug-24-mn-16046-story.html

American FTZs—places like the TBA, Margarita Island in Venezuela, Iquique in Chile, Colon in Panama, and Maicao in Colombia, among others. The TBA is a hub for the sale of stolen and counterfeit goods. When a reporter for the *Los Angeles Times* visited the region, he concluded that when it comes to products sold in the TBA, "just about everything that is not biodegradable is fake."[57] This is an issue well beyond the TBA, however.

Take Maicao, for example. In 2012, the U.S. Treasury Department designated Hezbollah facilitator Ali Mohamad Saleh, a Lebanese-Colombian dual national who "directed and coordinated Hezbollah activity in Colombia." A former Hezbollah fighter, Saleh was the acting leader of a Hezbollah "support cell" in Maicao that raised funds for Hezbollah. Part of his Hezbollah portfolio included maintaining communication with suspected Hezbollah operatives around the world, including suspects in Germany, Lebanon, Saudi Arabia, and Venezuela. "Saleh coordinated the transfer of checks and U.S. dollars by courier from Maicao via Venezuela to [Hezbollah] in Lebanon," Treasury reported.[58]

It should not surprise that seven months before being listed as a Specially Designated Global Terrorist, Saleh had been designated under Treasury's Kingpin Act for his role as a money launderer with the Cheaitelly/El Khansa criminal organization, which was tied to the Ayman Joumma drug trafficking and money laundering network. His brother, Kassem Mohamad Saleh, is a dual Lebanese-Venezuelan citizen and was also designated in June 2012 under the Kingpin Act.[59]

Or consider Iquique, Chile. Already in the early 1990s, Assad Ahmed Barakat served as the personal representative of Hezbollah leader Hassan Nasrallah. According to Argentinian authorities, Barakat was an active member of Hezbollah's terrorist wing. By the fall of 1993, Barakat's phone records show that he was in touch with Samuel El Reda as the two planned the 1994 AMIA bombing.[60]

Fast forward a few years to the day after the 9/11 attacks, when police raided Barakat's Casa Apollo electronics store in Ciudad del Este. Investigators found hundreds of receipts, many from Hezbollah's Martyrs Foundation, and videos of Hezbollah military operations on computers in his store.[61] Feeling the need to diversify beyond the TBA, Barakat's business took him to other regional free trade zones like Iquique, where authorities observed him and other members of his network open import-export companies, conduct lengthy meetings, and engage in a range of suspicious activities. Paralleling its Paraguayan counterpart's investigation into Barakat's illicit financial activities and links to Hezbollah, the Chilean Ministry of Interior initiated an investigation into what it suspected was "illicit association for the purpose of committing terrorist acts."[62] Barakat's financial activities in Chile, it seemed to investigators, were an extension of his Paraguay-based schemes, which were

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[57] Sebastian Rotella, "Jungle Hub for World's Outlaws," *Los Angeles Times*, August 24, 1998, https://www.latimes.com/archives/la-xpm-1998-aug-24-mn-16046-story.html

[58] "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America," U.S. Department of the Treasury, June 27, 2012, https://home.treasury.gov/news/press-releases/tg1624

[59] "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America," U.S. Department of the Treasury, June 27, 2012, https://home.treasury.gov/news/press-releases/tg1624

[60] "Crime and Terror in South America," *Breaking Hezbollah's Golden Rule*, podcast, season 1, episode 3, Washington Institute for Near East Policy, February 23, 2022, https://www.washingtoninstitute.org/policy-analysis/podcast-breaking-hezbollahs-golden-rule-season-1#episode-3-crime-and-terror-in-south-america

[61] Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, updated 2024).

[62] Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, updated 2024).

aimed at supporting "relatives fallen in terrorist acts and the economic strengthening of Hezbollah." According to Chilean intelligence, in March 2001, Barakat set up two fictitious businesses in Iquique, Saleh Trading Limitada and Importadora/Exportadora Barakat Limitada, for the purpose of laundering money earned through his criminal enterprises in Ciudad del Este.[63]

Hezbollah's penchant for operating in FTZs continues today. Free trade zones can promote economic growth, but they also present acute money laundering and terrorist financing vulnerabilities since they are typically not subject to traditional AML-CFT regulation and supervision or the same customs inspections. They are especially attractive for trade-based money laundering schemes. For this reason, FTZs have been the subject of attention from the likes of the Financial Action Task Force (FATF)[64] and industry experts.[65] The introduction of the "Containing and Limiting the Extensive Abuse Noticed in Free Trade Zones Act" (CLEAN FTZ) is therefore a very welcome initiative.[66]

Conclusion

Hezbollah faces the prospect of a financial crisis at the worst time possible for the organization. As it has in the past, the group is certain to rely on its global network of illicit financial supporters to help bridge the gap. And among the illicit financial enterprises that Hezbollah operatives and supporters are engaged in, drug trafficking and money laundering are the most lucrative.

In the infamous case of Ayman Joumma, for example, his drug trafficking organization laundered as much as $200 million per month through bulk cash smuggling and the use of Lebanese money exchange houses and banks tied to Hezbollah.[67] Some portion of the profits earned from laundering these funds went to Hezbollah.

And one of the places where Hezbollah is best positioned to engage in illicit financial enterprises is within the Latin American region's many free trade zones. In 2018, for example, Argentinean authorities froze the assets of members of the Assad Barakat network, which was still based out of the Tri-Border Area's FTZ. The Argentinean Financial Intelligence Unit accused the network of being involved in a wide range of criminal enterprises, including drug trafficking, and laundering tens of millions of dollars through a casino in Puerto Iguazu.[68]

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[63] Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, updated 2024).
[64] "Money Laundering Vulnerabilities of Free Trade Zones," Financial Action Task Force, March 2010, https://www.fatf-gafi.org/en/publications/Methodsandtrends/Moneylaunderingvulnerabilitiesoffreetrade-zones.html
[65] "The Dark Side of Illicit Economies and TBML: Free Trade Zones, Ports, and Financial Safe Havens," International Coalition Against Illicit Economies, 2022, https://icaie.com/wp-content/uploads/2023/03/ICAIE-New-Report-The-Dark-Side-of-Illicit-Economies-and-TBML-Free-Trade-Zones-Ports-and-Financial-Safe-Havens.pdf
[66] "Cassidy Introduces Bill to Combat Illicit International Trade in Foreign Free Trade Zones," April 3, 2025, https://www.cassidy.senate.gov/newsroom/press-releases/cassidy-introduces-bill-to-combat-illicit-international-trade-in-foreign-free-trade-zones/
[67] "Treasury Targets Major Lebanese-Based Drug Trafficking and Money Laundering Network," U.S. Department of the Treasury, January 26, 2011, https://home.treasury.gov/news/press-releases/tg1035; "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America," U.S. Department of the Treasury, June 27, 2012, https://home.treasury.gov/news/press-releases/tg1624
[68] "Terrorist Financing," Unidad de Informacion Financiera Argentina, July 13, 2018, https://www.argentina.gob.ar/noticias/terrorist-financing

Taking a hard look at Hezbollah narco-terrorism is critical not only as a means of combating terrorist financing, but also to map Hezbollah networks and their potential ties to operations. Hezbollah and Iran hold the United States responsible for much of the losses they suffered in their recent wars with Israel, making it all the more important to track the group's presence and activities throughout the Western Hemisphere and beyond.