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**House Committee on International Relations**  
**Subcommittee on International Terrorism and Nonproliferation and**  
**Subcommittee on Middle East and Central Asia**  
**“Hizballah’s Global Reach”**  
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Chairman Royce, Chairwoman Ros-Lehtinen, Congressman Sherman, Congressman Ackerman, distinguished Members of the Subcommittees, thank you for the opportunity to testify today on Hizballah, its ambitions, capabilities and global reach. I will summarize my formal written statement and ask that you include my full testimony in the record.

**Hizballah’s Origins, Aims and Ambitions**

Formed in 1982 in response to the Israeli invasion of Lebanon, this Lebanese-based radical Shia group takes its ideological inspiration from the Iranian revolution and the teachings of the late Ayatollah Khomeini. The group follows the religious guidance of Khomeini’s successor, Iranian Supreme Leader Ali Khamenei. Hizballah is closely allied with Iran and often acts at its behest, but it also can and does act independently. Though Hizballah does not share the Syrian regime’s secular orientation, the group has been a strong ally in helping Syria advance its political objectives in the region. The Majlis al-Shura, or Consultative Council, is the group’s highest governing body and has been led by Secretary General Hasan Nasrallah since 1992.

Hizballah promotes Shia interests within the Lebanese political system and is an exemplar for Shia communities throughout the region. Hizballah supports a variety of violent anti-Western groups, including Palestinian terrorist organizations. This support includes the covert provision of weapons, explosives, training, funding, and guidance, as well as overt political support. Prior to September 11, Hizballah was responsible for more American deaths than any other terrorist group.

Hizballah formed its ranks in part by subsuming members of separate Lebanese organizations, many of which had cooperated under the umbrella of the Islamic Jihad group during this time period. It also began to receive financial and material support from the Iranian government very early on. The organization has

portrayed itself as an instrument of legitimate national resistance, focusing a majority of its efforts on ending the Israeli occupation of Lebanon. Following Israel's 2000 withdrawal from southern Lebanon, Hizballah has continued to assert that regions of Lebanon remain occupied and has used this pretext as cover to strengthen its capabilities.

Hizballah has a wide, increasing global reach, with an ability to harm U.S. and other western interests across continents. As we saw during the most recent conflict, Hizballah's rhetoric targets the United States for its alleged complicity with Israel. In addition, Hizballah's recent actions demonstrate the destabilizing effect it has on the region. These events have reinforced the need to deny non-state actors such as Hizballah the ability to exploit weak states and undergoverned areas.

We believe that Hizballah maintains the ability to threaten the survival of the current government of Lebanon from within, as well as continuing to threaten the security of Israel and the region. Hizballah receives logistical, material, and financial support from its Iranian and Syrian backers. It maintains an extended network of social and support services to the Lebanese people, particularly in the Shia-dominated south of the country. We cannot recognize Hizballah as a legitimate party until it ends its terrorist activity and gets out of the terrorist business.

### **Relationship Between Hizballah, Iran and Syria**

Hizballah, Iran, and Syria continue to enjoy a relationship which can best be characterized as symbiotic. Iran and Syria cooperate with each other and with Hizballah to supply funds, arms and training for, and to facilitate travel by Hizballah members. Hizballah continues to actively advance interests within the Lebanese political system that coincide with Syrian and Iranian interests, and otherwise behaves in a manner that benefits both Tehran and Damascus.

The USG has long assessed that Iran provides technological, operational, and financial support and guidance to Lebanese Hizballah. The Iranian regime has for 27 years used its connections and influence with terrorist groups to combat U.S. interests it perceives as at odds with its own, and Hizballah has acted as a willing partner in that conflict.

We believe that Iran's support for Hizballah continued throughout Hizballah's recent conflict with Israel. Hizballah and Iran are strategic collaborators. We believe that Hizballah's decision to exacerbate the conflict with

indiscriminate rocket attacks into Israel targeting Israeli civilians could not have happened without at least the tacit support of Tehran. We also believe that Iran and Syria's non-humanitarian support for Hizballah – including financial, logistic, and military support – has not stopped since the cease-fire or the adoption of UN Security Council Resolution (UNSCR) 1701. Just last week Nasrallah bragged publicly about Hizballah's remaining weapons cache. We continue to call upon Iran and Syria to comply with the legally binding requirement of UNSCR 1701 to prevent the transfer of illicit weapons to Hizballah.

The United States and the international community condemned the recent conflict and we worked hard with our partners in the international community to end it, and to adopt and implement all of the provisions of UNSCR 1701. When it is fully implemented, resolution 1701 will radically change the reality in Lebanon for the better, strengthening Lebanon's sovereignty, independence, and freedom – thus ending Hizballah's ability to threaten its stability. The international community continues to call upon both Syria and Iran to meet their obligations fully to help implement resolution 1701 and past Security Council resolutions on Hizballah, including the full and verifiable disarmament of Hizballah.

Iran is the “central banker” of terrorism and a primary funding source for Hizballah. Because money is a terrorist group's oxygen, attacking terrorist financing is an essential element to combating terrorism. In that regard, we have made progress in impeding Iran's financial support for Hizballah and in undermining Hizballah's own financial network. The Department of Treasury is spearheading an interagency effort to undermine Iran's financial support for terrorism. In recent weeks, Treasury and State Department teams have traveled to Europe, the Middle East and Asia to meet with banking officials to enlist their support in our efforts to combat terrorism and cut off Iran's support for terrorist groups like Hizballah. The U.S. Government announced on September 8 that it will prevent one of Iran's largest state-owned banks – Bank Saderat – from gaining access to the U.S. financial system. We believe Bank Saderat has been used by Iran to transfer money to Hizballah, Hamas, Palestine Islamic Jihad, and other terrorist organizations. We have also taken active steps to cut off Hizballah's financial support from Iran and others, including by designating the Islamic Resistance Support Organization, a key front charity funding Hizballah, under U.S. Executive Order 13224, thus freezing that organization's assets under U.S. jurisdiction. Finally, we continue to urge our partners in the Global War on Terror to take similar steps to cut off Iran's funding of Hizballah's terrorist activities, and to press the Iranian regime to end its support for terrorism.

Finally, we assess Lebanese Hizballah and the Iranian Revolutionary Guard have implemented training programs for Iraqi militants in the construction and use of sophisticated IED technology. These individuals then pass on this training to additional militants in Iraq.

### **Hizballah's Current Activities in Lebanon**

Hizballah maintains the only significant armed militia in Lebanon, despite requirements under UNSCR 1559 that it be disarmed. We believe that UNSCR 1701 will strengthen the previous resolution, and assist the Lebanese Armed Forces and UNIFIL troops in interdicting weapons shipments coming into Lebanon intended for Hizballah. The Government of Lebanon will need to address the ability of Hizballah to re-arm, particularly as this relates to the Lebanon-Syria border.

Hizballah, an established, stable movement with deep roots and broad support, especially in the southern Lebanon Shia community, has shown an ability to cross confessional lines in order to garner further support. With its social services network largely intact, Hizballah has also been very quick to provide high-profile reconstruction and humanitarian assistance over the past month, well in advance of international donor efforts.

For the moment, Hizballah appears to have lowered its military profile in the south; however, we are unable to assess whether this is primarily motivated by domestic political concerns, UNFIL presence, or losses suffered during the recent conflict. Hizballah leaders have made public statements indicating that they will not be disarmed and that the disarmament issue should not fall within the purview of the UNFIL troops. With that said, we remain wary that even with the increasing presence of the Lebanese army and international troops in the south, Hizballah will retain a potentially strong military capability in southern Lebanon and its ability to receive logistic and material assistance from Syria and Iran. Indeed, Hizballah was able to receive this support despite the fighting with Israel, taking full advantage of existing land access routes and tunnels along the porous Lebanon-Syria border, especially in the Bekaa Valley, to receive weapons and other material.

### **Hizballah's Activities Worldwide**

The Middle East. While Hizballah's most robust presence remains in the Levant, its support network extends well beyond, including into the Gulf, where Hizballah performs various fundraising activities. Hizballah has supported

terrorist activities in the Palestinian territories since at least 2000, by providing financial, training and logistical support to Palestinian Islamic Jihad and other Palestinian terrorist groups. While the vast majority of Palestinians support peace negotiations and want a two-state solution, Hizballah actively foments terrorist activity that directly undermines this goal.

Latin America. Although there is little credible evidence of the present activity of operational Hizballah cells in Latin America, Hizballah has numerous supporters and sympathizers throughout Arab and Muslim communities in the region who are involved primarily in raising funds for the terrorist group, by licit and illicit means. Hizballah supporters and sympathizers are also involved in a number of illegal activities, including smuggling, drug and arms trafficking, money laundering, fraud, intellectual property piracy, and other transnational crime.

We are working with all our partners in the Americas to heighten awareness of this threat and to take the necessary measures to contain and eventually dismantle Hizballah activities in this hemisphere. Our focus has been on thwarting terror financing, improving border controls, strengthening our friends' intelligence capabilities, and urging adoption of stricter counterterrorism legislation.

On the critical component of intelligence, U.S. bilateral cooperation with our hemispheric partners is, with a few notable exceptions, excellent. Perhaps more importantly, intelligence and information sharing *among* our neighbors is at an unprecedented high. We are particularly encouraged by the growing collaboration among Brazil, Argentina, and Paraguay to address smuggling, drug and arm trafficking, money laundering, fraud, intellectual property piracy, and other transnational crime in the Tri-Border Area. Through formal dialogue with the U.S., Argentina, Brazil and Paraguay have begun to institutionalize what were once ad-hoc cooperative or loosely-coordinated activities among local officials. This enhanced cooperation has led to a number of these suspects being prosecuted by our three partners for a variety of crimes.

Yet challenges remain. Most of our neighbors in the hemisphere have high competing priorities for scarce public resources, making it politically difficult to invest even modestly in CT capabilities when basic social services, such as education and healthcare, remain under-funded. Official corruption is another serious problem that can undermine the most advanced training and the most sophisticated detection systems.

We have more work to do in encouraging foreign legislation. No Latin American country has in place, or is seriously considering adopting, terrorist designation regimes that would make membership in and support for a designated terrorist organization a crime. In the case of Hizballah, this is an especially high hill to climb, particularly because some of our neighbors consider Hizballah a legitimate political party.

West and Central Africa. Hizballah also receives a significant amount of financing from the Shiite Muslim diaspora of West and Central Africa, whose presence was established in the late 19<sup>th</sup> century. The Lebanese diaspora is active in West Africa's commercial sector with extensive business networks throughout the region and extending beyond. In many cases these businesses have significant control over basic imported commodities, such as rice and chicken. Lebanese traders are also very active in diamond exports, both as a business and in criminal exploitation.

It is important to note that the Lebanese community in West Africa is not monolithically Muslim nor completely supportive of Hizballah, but mirrors the same religious and political divisions present in Lebanon. It is clear, however, that Hizballah receives significant support from this community. Contributions, which often take the form of religious donations, are often paid in cash, and are collected by Hizballah couriers transiting the region. These groups provide safe haven and R&R sites for Hizballah fighters. Countering this network of terrorist financing will be a challenge and will take significant resources and time.

### **Al-Manar**

Hizballah has been designated by the U.S. Government under three different counterterrorism authorities – as a Foreign Terrorist Organization, a Specially Designated Terrorist, and a Specially Designated Global Terrorist. The Lebanese Media Group (LMG) and its subsidiaries, Al-Manar television and Al-Nour radio, form a recognized arm of Hizballah. Hizballah established Al-Manar in 1991. Al-Manar and Al-Nour have provided Hizballah with fundraising and other material support. Al-Manar has raised funds for Hizballah by running advertisements on its television broadcasts and website. In addition, Al-Manar regularly airs Hizballah promotional videos featuring suicide bombers and rallies of Hizballah fighters.

To confront the threat posed by the LMG, Al-Manar, and Al-Nour, the USG has multiple authorities for designating terrorist organizations, each with significant – and different – consequences. In December 2004, the U.S.

Department of State added Al-Manar to the Terrorism Exclusion List (TEL). Putting an organization on the TEL has immigration and deportation consequences for non-U.S. citizens who have certain associations with the group, but it does not result in economic sanctions. Their addition to the TEL did, however, lead to the removal of Al-Manar's programs from its main satellite television provider in the U.S. and made it more difficult for Al-Manar associates and affiliates to operate here. At the same time, Al-Manar also lost access to its main satellite television service providers in Europe.

On March 23, 2006, the Department of Treasury designated the LMG, Al-Manar, and Al-Nour under Executive Order 13224, making all three organizations Specially Designated Global Terrorist entities. This resulted in economic sanctions, namely the assets and other property of these entities, subject to U.S. jurisdiction, which have now been frozen. Moreover, it is now a criminal act for any U.S. person to willfully engage in any financial transactions with these organizations or to provide them any material benefit. This has made it far more difficult to gain access to Al-Manar programs in the U.S. A satellite television service provider in New York was recently arrested for making Al-Manar available to customers. We continue to monitor the situation and keep a careful eye on the activities of the LMG, Al-Manar, and Al-Nour.

## **Conclusion**

In summary, I would emphasize that Hizballah presents a very serious challenge to us. Hizballah is a highly organized, disciplined, and trained organization, which enjoys robust funding through multiple sources and means, and is capable of acting against U.S. interests on several fronts and on several continents. Where we can act effectively to stem its activity is through the close cooperation of our allies across the globe who also recognize this threat.

We aim to enhance our partners' capacity to counter the terrorist threat and address conditions that terrorists exploit. We work with or through partners at every level (both bilaterally and multilaterally), whenever possible. To implement this strategy, U.S. Ambassadors, as the President's personal representatives abroad, lead interagency Country Teams that recommend strategies using all instruments of U.S. statecraft to help host nations understand the threat, and strengthen their political will and capacity to counter it.

The Office of the Coordinator for Counterterrorism has worked to develop the Regional Strategic Initiative, which is designed to establish flexible regional

networks of interconnected Country Teams. We are working with Ambassadors and interagency representatives in key terrorist theaters of operation to assess the threat and devise collaborative strategies, actionable initiatives and policy recommendations.

Our strategy is aimed over the long-term. Over time, our global and regional operations will reduce the enemy's capacity to harm us and our partners, while local security and development assistance will build our partners' capacity. Once partner capacity exceeds threat, the need for close U.S. engagement and support will diminish, terrorist movements will fracture and implode, and the threat will be reduced to proportions that our partners can manage for themselves over the long term.

Hizballah's penchant for exploiting poorly-governed areas is all the more reason to continue focusing our efforts and our resources on enhancing regional cooperation and building partner will and capacity. Absent this type and level of continued attention to Hizballah and the threat it poses, our knowledge of the group and the means of confronting it are hindered immeasurably.

This completes the formal part of my remarks, and I welcome your questions and comments.