

Submission of Dr. Matthew Levitt to the Parliamentary Joint Committee on Intelligence and Security review of the re-listing of Hezbollah's External Security Organization

I. Introduction

There is no doubt that Lebanese Hezbollah fulfills the statutory requirements under the Australian *Criminal Code (Terrorist Organisation—Hizballah's External Security Organisation) Regulations 2021* for continued designation as a terrorist organization. However, it is my expert recommendation to the Parliamentary Joint Committee on Intelligence and Security that renewal of the partial designation of Hezbollah—to include only the group's External Security Organization (ESO)—is insufficient.

Hezbollah is structured and operates as a singular organization, a fact that the group's own leaders proudly proclaim. Moreover, Hezbollah politicians and civilian organizations are deeply involved in the group's terrorist and militant activities. As a result, an increasing number of countries and international organizations have moved to designate the entirety of Hezbollah as a terrorist organization, including the United Kingdom, Germany, Slovenia, Latvia, the Czech Republic, Estonia, Serbia, Lithuania, Kosovo, Argentina, Colombia, Honduras, Guatemala, Paraguay, the Arab League, the Gulf Cooperation Council, Bahrain and more. Banning all of Hezbollah would keep Australia in line with this international trend and make a tangible contribution to Australian and global security.

Moreover, in recent years a laundry list of Hezbollah terrorist plots and illicit financial schemes involved Australian citizens and/or activities on Australian soil.

II. Professional Background and Expertise

My qualifications as an expert in international terrorism, with a focus on Middle East terrorist groups and particular expertise in their logistical and financial support networks, are based on a multidisciplinary combination of my academic education, professional training, and experience. I have developed particular expertise on the terrorist, militant, financial, and criminal activities of Lebanese Hezbollah.

I hold both a Masters of Law and Diplomacy (MALD) and a Ph.D. in International Relations from The Fletcher School of Law and Diplomacy at Tufts University. The Fletcher School, a member of the Association of Professional Schools of International Affairs and one of the preeminent graduate programs in international affairs in the United States, is renowned for its interdisciplinary curriculum and approach to international studies.

My Master's degree included concentrations in Conflict Resolution, International Security Studies, and the Middle East. My doctoral dissertation, entitled "The Impact of Acute Security Crises on the Process of Ongoing Negotiations," examines terrorism's impact on the Arab-Israeli peace process and encompasses acts of terrorism carried out by both Islamic and Jewish terrorists. I was awarded several fellowships and grants in support of this research, including a graduate research fellowship from the Program on Negotiation at Harvard Law School. While at Harvard, I

conducted extensive field research in the West Bank and Gaza Strip. In a letter supporting my application for funding for my doctoral work, an FBI assistant director described the project as one that “will be of great benefit to the FBI and the U.S. Intelligence Community (USIC).”

I currently work at the Washington Institute for Near East Policy where I am a Senior Fellow and Director of the Reinhard Program on Counterterrorism and Intelligence. Previously, I served as a counterterrorism intelligence analyst with the FBI, providing tactical and strategic analysis in support of counterterrorism operations. At the FBI, I developed a special focus on fundraising and logistical support networks for Middle East terrorist groups. In addition, I participated as a team member in a number of crisis situations, including the terrorist threat surrounding the turn of the millennium and the September 11 attacks. In my official capacity as a U.S. government intelligence analyst, I researched and analyzed trends and patterns of international terrorist groups, produced written products and oral presentations for FBI management, FBI field agents and other agencies, and liaised with U.S. intelligence community counterparts, other U.S. government agencies, and foreign services. I received extensive training and developed particular expertise in the analysis of material collected through investigations and the synthesis and further analysis of this material together with other sources of information. Indicative of my expertise, I earned three letters of commendation for my analytical contributions to FBI counterterrorism operations, as well as five awards in recognition of superior service rendered to the FBI.

In November 2001, I left the FBI and returned to The Washington Institute for Near East Policy as a Senior Fellow in Terrorism Studies. Founded in 1985, The Washington Institute seeks to “advance a balanced and realistic understanding of American interests in the Middle East” by bringing “scholarship to bear on the making of U.S. policy in this vital region of the world.” The Institute’s Board of Advisors includes several former Secretaries of State, a former Director of Central Intelligence, and other former senior government officials and diplomats. The Washington Institute holds annual conferences and periodic policy forums, hosts blue-ribbon presidential study groups, and publishes scholarly research.

From November 2005 through January 2007, I served as Deputy Assistant Secretary for Intelligence and Analysis in the United States Department of the Treasury. In that capacity, I served both as a senior official within the department’s terrorism and financial intelligence branch and as deputy chief of the Office of Intelligence and Analysis, one of 16 U.S. intelligence agencies coordinated under the Office of the Director of National Intelligence. During my tenure at Treasury, I was at the center of the government’s efforts to protect the U.S. financial system from abuse and to deny terrorists, weapons proliferators, and other rogue actors the ability to finance threats to U.S. national security. In recognition of exceptional service to the department, in January 2007 I was awarded the Treasury Department’s “Exceptional Service Award.” In 2008-2009 I also served as an advisor on counterterrorism and intelligence for the U.S. State Department’s Special Envoy Middle East Regional Security (“SEMERS”), whose mission was to help achieve the Secretary of State’s vision of resolving the Israeli-Palestinian conflict through two states living side by side in peace and security.

In February 2007, I returned once more to the Washington Institute, where I am a Senior Fellow and Director of the Reinhard Program on Counterterrorism and Intelligence. In this capacity, I am frequently sought after as an analyst and commentator on terrorism issues for major media outlets

including CNN, ABC, NBC, CBS, PBS, The New York Times, The Washington Post, The Wall Street Journal, National Public Radio, BBC, al Jazeera, al Arabiya, and more. I have lectured and consulted on terrorism for a variety of government and other organizations, including the U.S. Departments of State, Homeland Security and Justice, the Commission on Terrorist Attacks Upon the United States (9-11 Commission), the Financial Transactions Reports Analysis Centre of Canada (FINTRAC), the Canadian Security and Intelligence Service, Department of Justice Canada, the Australian Federal Police, AUSTRAC, and others, and write frequent policy briefs and articles on issues relating to terrorism and U.S. policy.

I am an adjunct professor at Georgetown University's Edmund A. Walsh School of Foreign Service and previously taught as a Professorial Lecturer in International Relations and Strategic Studies at Johns Hopkins University's School of Advanced International Studies (SAIS). Along with a collection of journal articles and edited volumes, I am also the author of *Targeting Terror* (Washington Institute, 2002), *Hamas: Politics, Charity and Terrorism in the Service of Jihad* (Yale University Press, 2006), *Negotiating Under Fire: Preserving Peace Talks in the Face of Terror Attacks* (Rowman & Littlefield, 2008) and *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, 2013).

I have developed particular expertise on terrorism in the context of Hezbollah, and Iran as the world's foremost State Sponsor of Terrorism. This expertise is evident from the many publications I have written on these subjects, from newspaper editorials and peer reviewed journal articles to Congressional and court testimonies and books. In addition to authoring a peer-reviewed book on Hezbollah, published by Georgetown University Press, as noted above, I am the creator of the interactive *Lebanese Hezbollah Select Worldwide Activity* map and timeline,¹ which earned high praise from counterterrorism experts such as former director of the U.S. National Counterterrorism Center (NCTC) Nicholas Rasmussen, former British counterterrorism official Richard Barrett, former New York Police Department (NYPD) official Mitchel Silber, and Georgetown University counterterrorism expert Professor Bruce Hoffman.² In the words of Charles Allen, former CIA Assistant Director for Collection, "Matthew Levitt is a recognized authority on Hezbollah and its activities, both in the Levant and globally."³ Since each entry in the map includes source documents, including court documents and other primary sources, I will cite to specific map entries as appropriate in this report.

III. Hezbollah is a Singular Organization

Speaking in the wake of the tragic August 2020 Beirut explosion, French President Macron publicly stated that "Hezbollah cannot operate at the same time as an army against Israel, a militia unleashed against civilians in Syria, and a respectable political party in Lebanon."⁴ In fact, Hezbollah acts as all these things and more—an international terrorist group and transnational organized crime syndicate, for example—and does so as a single, unitary organization.

¹ Matthew Levitt, *Lebanese Hezbollah Select Worldwide Activity*, The Washington Institute for Near East Policy, accessed September 24, 2020, <https://www.washingtoninstitute.org/hezbollahinteractivemap/////////>

² For Rasmussen, Barrett, Silber and Hoffman comments, see https://youtu.be/0Ac2-rom_hs

³ <http://press.georgetown.edu/book/georgetown/hezbollah>.

⁴ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1322>

In a December 3, 2020, interview with a Lebanese newspaper, Hezbollah's deputy secretary-general, Naim Qassem, explicitly debunked the idea that there is any distinction between Hezbollah's militant and other activities, explaining that the group's Shura (consultative) Council provides a single leadership and administration for the group. He stated: "Hezbollah has one single leadership, and its name is the decision-making Shura Council. It manages the political activity, the Jihad activity, the cultural and the social activities... Hezbollah's secretary general is the head of the Shura Council and also the head of the Jihad Council, and this means that we have one leadership, with one administration."⁵

Since its founding, Hezbollah has developed a sophisticated organizational and leadership structure which commands its civilian, political, social, military and terrorist functions. The overall governing authority, the Majlis al-Shura (Consultative Council), wields all decision-making power and directs several subordinate functional councils. Each functional council oversees the normal operations of key areas and reports directly to the Shura Council which, according to Hezbollah Deputy Secretary General Qassem, is "in charge of drawing the overall vision and policies, overseeing the general strategies for the Party's function, and taking political decisions."⁶ U.S. assessments echo Qassem's description: "Hezbollah has a unified leadership structure that oversees the organization's complementary, partially compartmentalized elements," according to a Congressional Research Service report.⁷ In May 2018, the United States and the Gulf Cooperation Council's terrorist financing and targeting center (TFTC) jointly designated Hezbollah Shura Council members, describing the council as Hezbollah's "supreme decision-making body responsible for religious, military and strategic matters" which "asserts control over administrative, planning, and policy-making authorities."⁸

The Secretary General, currently Hassan Nasrallah, presides over the Shura Council and functions as the group's leader under the authority of the Guardianship of the Islamic Jurisprudent, Iran's Supreme Leader Ayatollah Ali Khamenei. Five administrative bodies, organized around thematic responsibilities, run Hezbollah's political, military (Jihad), parliamentary, executive and judicial activities.⁹ The Shura Council purposefully and proactively considers all elements of the group's activities, including its political and military wings, as part of one holistic entity. In the words of Naim Qassem:

If the military wing were separated from the political wing, this would have repercussions, and it would reflect on the political scene. But Hezbollah has one single leadership, and its name is the Decision-Making Shura Council. It manages the political activity, the Jihad activity, the cultural and the social activities...Hezbollah's Secretary General is the head of

⁵ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1271>

⁶ Naim Qassem, *Hizbullah: The Story from Within*, p. 64.

⁷ Casey L. Addis and Christopher M. Blanchard, "Hezbollah: Background and Issues for Congress," Congressional Research Service, January 3, 2011.

⁸ "Treasury and the Terrorist Financing Targeting Center Partner Together to Sanction Hizballah's Senior Leadership," U.S. Department of the Treasury, May 16, 2018, <https://home.treasury.gov/news/press-releases/sm0387>.

⁹ Casey L. Addis and Christopher M. Blanchard, "Hezbollah: Background and Issues for Congress"; New Zealand Police, "Statement of Case to Designate Lebanese Hizbollah's Military Wing," October 11, 2012, <http://www.police.govt.nz/sites/default/files/hizbollah-paper.pdf>; Naim Qassem, *Hizbullah: The Story from Within*, pp. 63-64.

the Shura Council and also the head of the Jihad Council, and this means that we have one leadership, with one administration.¹⁰

Originally, the Shura Council established seven committees dealing with political, military, financial, judicial, ideological, informational, and social affairs in each of Hezbollah's three main operational regions: Beirut, the Bekaa Valley, and southern Lebanon.¹¹ A restructuring period in 1989 led to a several changes, including the creation of Secretary General and Deputy Secretary General positions and a decrease of leadership council members. Later Hezbollah established the five "council assemblies," namely the Executive Council, Jihad Council, Political Council, Parliamentary Council, and Judicial Council.¹²

The Executive Council manages the organization's daily operations and oversees all cultural, educational, social and political affairs.¹³ The Political Council administers Hezbollah's external relations, oversees the group's relations with the other political forces in Lebanon and organizes public information and propaganda efforts.¹⁴ Under the Political Council, a series of subcommittees organize public information and propaganda efforts. For example, the Recruitment and Propaganda organ runs Hezbollah's radio stations and television station, al-Manar.¹⁵ The Political Council continuously works on "fostering relationships with the various political power and parties" in Lebanon, according to Qassem, while the Jihad Council coordinates "resistance activity."¹⁶ The Jihad Council, Qassem explains, "comprises those in charge of resistance activity, be that in terms of oversight, recruitment, training, equipment, security, or any other resistance-related endeavors."¹⁷

In May 2018, the U.S. Treasury Department and members of the Terrorist Financing Targeting Center (TFTC) jointly sanctioned Hezbollah's senior leadership. The TFTC is co-chaired by the United States and Saudi Arabia and includes the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, and the United Arab Emirates (UAE).¹⁸ The joint press statement announcing this action describes Hezbollah's organizational structure this way:

The Shura Council is Hizballah's supreme decision-making body responsible for religious, military, and strategic matters and asserts control over administrative, planning, and policy-making authorities. In the event of a deadlock in the Shura Council, the Supreme Leader of Iran casts the deciding vote. There are five subordinate councils of the Shura Council: (1) the Executive Council,

¹⁰ Naim Qassem, interview with al-Mustaqbal, December 31, 2000, as cited in Center for Special Studies, Intelligence and Terrorism Information Center special information bulletin, "Hezbollah," June 2003. http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/html/hezbollah.htm.

¹¹ Marius Deeb, "Shia Movement in Lebanon: Their Foundation, Ideology, Social Basis, and links with Iran and Syria," *Third World Quarterly*, April 1988, 10, no. 2, pp. 683-698.

¹² Naim Qassem, *Hizbullah: The Story from Within*, p. 63.

¹³ Robert Rabil, "Hezbollah: Lebanon's Power Broker," *The Journal of International Security Affairs*, Fall 2008, pp. 48-49.

¹⁴ Marius Deeb, "Shia Movement in Lebanon: Their Foundation, Ideology, Social Basis, and links with Iran and Syria," pp. 683-698.

¹⁵ A. Nizar Hamzeh, "Lebanon's Hizbullah: from Islamic Revolution to Parliamentary Accommodation," *Third World Quarterly*, June 1993, 14, no 2.

¹⁶ Naim Qassem, *Hizbullah: The Story from Within*, p. 63.

¹⁷ Naim Qassem, *Hizbullah: The Story from Within*, p. 63.

¹⁸ "Treasury and the Terrorist Financing Targeting Center Partner Together to Sanction Hizballah's Senior Leadership," U.S. Treasury Department, May 16, 2018, <https://home.treasury.gov/news/press-releases/sm0387>

which oversees the daily activities of Hizballah; (2) the Parliamentary Council, which selects Hizballah's nominees for parliamentary elections and ensures that the parliamentary representatives carry out the Shura Council's decisions and policies; (3) the Political Council, which manages relationships with Lebanon's political parties; (4) the Jihad Council, which oversees all of Hizballah's military and security operations, deliberates on fighting strategy and tactics, and assesses threats to the organization; and (5) the Judicial Council, which organizes judicial representatives who work with Hizballah on conflict resolution and ensures compliance with their law.¹⁹

The Jihad Council is responsible not only for Hezbollah's formal militia activity (the Islamic Resistance), but also its covert activity—at home and abroad—under the auspices of the Islamic Jihad Organization. To accomplish its mission, the Jihad Council is divided into several smaller units in charge of protecting the leadership, carrying out internal and external surveillance, and overseas operations. Special Security Apparatus is further broken down into three sub-groups, central, preventive and overseas security apparatuses. In 2000, a dedicated Counter-intelligence branch was reportedly founded as well.²⁰

Under this structure, Hezbollah's militia, terrorist wing, and security organ all report to the Jihad Council.²¹ Unlike its sister councils, the Jihad Council enjoys strategic ambiguity, such that neither the majority of its officials nor Hezbollah's elected parliamentary members are aware of the details of the party's covert military and terrorist activities. Decisions about such activities are made by Hezbollah's most senior leadership. According to the U.S. government, while these activities are "executed" by the leadership of the Islamic Resistance and the Islamic Jihad Organization, they are "overseen" by Hezbollah Secretary General Hassan Nasrallah.²² Indeed, the U.S. intelligence community sees Hezbollah as "a multifaceted, disciplined organization that combines political, social, paramilitary, and terrorist elements" in which decisions "to resort to arms or terrorist tactics is carefully calibrated."²³

Indeed, Hezbollah political officials have been directly involved in militant activities, including recruiting operatives for the group's terrorist wing and procuring weapons for the group's fighters. Consider the case of Hezbollah parliamentarian Mohammad Raad who, according to information released by the U.S. Treasury Department, worked with the head of Hezbollah's security apparatus, Wafiq Safa, to maintain a hundred-person list of members slated to acquire foreign citizenship who could conduct long-term missions for Hezbollah in Arab and Western countries using their non-Lebanese passports.²⁴

¹⁹ "Treasury and the Terrorist Financing Targeting Center Partner Together to Sanction Hizballah's Senior Leadership," U.S. Treasury Department, May 16, 2018, <https://home.treasury.gov/news/press-releases/sm0387>

²⁰ "Hezbollah: Rebel Without a Cause?" Middle East Briefing, International Crisis Group, July 30, 2003, p. 3; Robert G. Rabil, "Hezbollah: Lebanon's Power Broker," *The Journal of International Security Affairs*, No. 15, Fall 2008, <http://www.securityaffairs.org/issues/2008/15/rabil.php>; Magnus Ranstorp, "Hezbollah Training Camps in Lebanon," p. 251.

²¹ Robert Rabil, "Hezbollah: Lebanon's Power Broker."

²² "Treasury Designates Hizballah Leadership," U.S. Department of the Treasury, September 13, 2012. <https://www.treasury.gov/press-center/press-releases/Pages/tgl709.aspx>

²³ Dennis C. Blair, Director of National Intelligence, Testimony before the Senate Select Committee on Intelligence, February 12, 2009. <http://intelligence.senate.gov/090212/blair.pdf>.

²⁴ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=708>

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For his part, Wafiq Safa serves not only as the head of Hezbollah's security apparatus, but also as liaison to Lebanese security agencies and the international community. Safa is a member of Hezbollah Secretary-General Hassan Nasrallah's inner circle—again erasing any lines between the group's political and militant activities. According to intelligence released by the U.S. Treasury Department, Safa has exploited Lebanon's ports and border crossings to facilitate Hezbollah's smuggling of contraband, including drugs and weapons, along with the travel of Hezbollah members.²⁵

Another Hezbollah parliamentarian, Amin Sherri, threatened Lebanese bank officials and their family members on behalf of Hezbollah when their banks froze accounts of U.S.-designated Hezbollah members.²⁶

Hassan Hodroj, who holds political positions within Hezbollah, has been indicted in the United States for material support of terrorism related to his activities as a Hezbollah weapons procurement officer who attempted to purchase 1,200 Colt M4 carbine machine guns for Hezbollah and to donate proceeds from his criminal enterprises to Hezbollah.²⁷

Hezbollah civilian organizations have also been tied to the group's militant activities. For example, Hezbollah has used its environmental organization, Green Without Borders, as a platform from which it has fired anti-tank missiles from Lebanon into Israel, as a series of intelligence collection platforms for such attacks, and as a means of threatening and disrupting the activities and patrols of UN forces deployed to south Lebanon.²⁸ Many other Hezbollah civilian organizations serve militant purposes, such as the Peace Generations Organization for Demining.²⁹

In May 2019, a Hezbollah ESO operative, Ali Kourani, was convicted of providing material support for terrorism by carrying out preoperational surveillance of targets in the New York area, of New York and Toronto airports, and more on behalf of Hezbollah. Kourani described the ESO (aka Islamic Jihad Organization, or Unit 910) as the "Black Ops of Hezbollah" which is "the secret or covert part of Hezbollah." Unit 910 (ie the ESO) reports directly to Hezbollah secretary general Hassan Nasrallah, Kourani told the FBI. Nasrallah, he added, then reports to the Supreme Leader of Iran. In other words, Nasrallah is responsible for and in charge of Hezbollah's ESO.³⁰

In short, there is no truth to the myth that Hezbollah operates distinct wings. Hezbollah is a unitary organization and each of its component parts plays roles in the group's militant and terrorist activities.

²⁵ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=706>

²⁶ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=707>

²⁷ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=434>

²⁸ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=729>. For full details, see <https://www.washingtoninstitute.org/policy-analysis/green-without-borders-operational-benefits-hezbollahs-environmental-ngo>

²⁹ <https://israel-alma.org/wp-content/uploads/2020/10/ALMA-demining-Report-9.10-Version-NEW.pdf>

³⁰ See Court transcript at 263, 305 (May 8, 2019), *United States v. Ali Kourani* (S.D.N.Y. 2017). See also <https://www.washingtoninstitute.org/media/367>

IV. Hezbollah and Australia

A number of Hezbollah plots and illicit financial schemes over the past few years involved Australian touch points. Here are just a few examples:

- One of the Hezbollah terrorists who carried out the July 2012 Burgas, Bulgaria bus bombing attack was Australian citizen Meliad Farah (aka Hussein Hussein). On the ground in Bulgaria, Farah used a counterfeit America driver's license from the state of Michigan under the cover name Brian Jeremiah Jameson. Farah flew to Europe and then traveled by train through Hungary and Romania en route to Bulgaria. He stayed in Romania for several days and traveled throughout Bulgaria with his Canadian Hezbollah accomplice, Hassan el-Hajj.³¹ In 2016 a Bulgarian court charged them both in absentia for their roles in the bus bombing. They were found guilty and sentenced to life in prison in September 2020, though both remain fugitives.³²
- In September 2019, the Daily Telegraph reported that the al-Mabarrat Benevolent Society based in Sydney was founded by Hezbollah spiritual leader Muhammad Hussein Fadlallah and was still being run by his sons in Lebanon along with Australia-based Hezbollah sympathizers. Among the latter, the paper alleged, were Yacoub Hammoud, the brother of a Hezbollah commander, and Mustapha Hassan, who in 2006 indicated that the charity regularly sent \$20,000-plus in checks to Lebanon.³³
- In July 2019, a U.S. Department of Homeland Security bulletin highlighted Hezbollah's recruitment strategies, including its interest in operatives with foreign citizenship. In that regard, it noted that both Hezbollah and Iran typically seek personnel who have familial ties to existing operatives, who previously studied in religious institutions or universities in Iran, or who have dual nationality status. It noted that recent worldwide cases included Hezbollah operatives with citizenship in various foreign countries, including Australia.³⁴
- In April 2019, the U.S. Treasury Department lists the Chams Money Laundering Organization as a Specially Designated Narcotics Trafficker, and designates Kassem Chams and his organization as an affiliated network of Hezbollah. According to intelligence made public by the U.S. Treasury, Chams Exchange Company SAL launders millions of dollars in monthly drug charges and facilitated funds transfers for Hezbollah. These payments are laundered around the world in transactions to and from Australia and a long list of other countries to include, Colombia, Italy, Lebanon, the Netherlands, Spain, Venezuela, France, Brazil, and the United States. Chams organization clients including Hezbollah-affiliated drug money launder

³¹ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=486>

³² <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1297>

³³ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1239>

³⁴ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=942>

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Ayman Jouma. The case was part of the U.S. Drug Enforcement Administration's Project Cassandra which targets Hezbollah's global criminal support networks.³⁵

- In 2016 Lebanese-Canadian Hezbollah illicit financier is placed under house arrest in Paris pending extradition to the United States, and his Hezbollah associates Mohammad Ahmad Ammar and Ghass Diab are arrested in the United States. The three are wanted for involvement in laundering cocaine proceeds for Colombian cartels and supporting Hezbollah. They are accused of illegally moving \$500,000 into Miami banks through transactions stretching from Australia to Europe to the United States.³⁶
- In 2015 the U.S. Treasury Department targeted the Altaf Khanani money laundering organization, which engages in third-party laundering by transferring funds to financial institutions on behalf of drug traffickers and transnational criminal organizations, including Hezbollah. Khanani himself was arrested in September 2015. The Khanani MLO facilitated illicit money movement around the world, including Australia, for a diverse clientele that included Chinese, Colombian, and Mexican organized crime groups and individuals associated with Hezbollah.³⁷

There are many other examples going back to at least the 1990s, including a notional Hezbollah plot to target the 2000 Olympics in Australia,³⁸ efforts to infiltrate terrorists from Southeast Asia into Israel through Australia,³⁹ and a 2000 Philippine intelligence report warning of Hezbollah terrorist activities being planned by cells in Indonesia, Malaysia, Thailand, Myanmar, Philippines, Singapore, and Australia.⁴⁰ Details of these legacy plots are available in my book on Hezbollah, "Hezbollah: The Global Footprint of Lebanon's Party of God" at Pp. 117-145.

V. Why a Full Designation of Hezbollah is Necessary

Designating Hezbollah in full is not just a matter of debunking the myth that there are good parts and bad parts to this singular organization, there are practical reasons for doing so. As Europol's 2020 Terrorism Situation and Trend Report notes, Hezbollah traffics in diamonds and drugs and launders illicit funds, but "investigations face the difficulty of demonstrating that the funds collected are channeled to the military wing of the organization."⁴¹ This severely handicaps Hezbollah illicit finance investigations, given that the group does not do law enforcement the courtesy of doing business under the name "ESO."

³⁵ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=693>

³⁶ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=961>

³⁷ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=846>

³⁸ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=242>

³⁹ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=230>

⁴⁰ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=240>

⁴¹ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=788>

Starting in 2014, the U.S. has organized a series of meetings about Hezbollah international terrorist and criminal activities through the Law Enforcement Coordination Group (LECG) in which Australian representatives have participated.⁴² Australian law enforcement and intelligence officials are aware of type of information included in this report, and surely more.

Without question, there is more than enough evidence to warrant an overall terrorist designation of Hezbollah, but the debate has typically focused less on meeting the evidentiary threshold for such action and more on matters of policy. The question is not typically whether such an action could be done, but whether it should. I argue, and an increasing number of countries and international organizations agree, that designating all of Hezbollah makes good policy. But there are several arguments against such action which I will address in turn here.

Some officials maintain that banning Hezbollah in its entirety would undermine domestic stability in Lebanon. In fact, no party has done more to undermine stability in Lebanon than Hezbollah, in part as a result of the international community's reluctance to hold the group accountable for its destabilizing actions in Lebanon. These include, for example, taking over downtown Beirut by force of arms and killing fellow Lebanese citizens in 2008; assassinating Lebanese politicians, journalists and activists not to its liking (including, but not limited to former Prime Minister Rafiq Hariri⁴³); undermining the stability of the Lebanese financial system through its illicit financial schemes; dragging Lebanon into the Syrian civil war by sending thousands of Hezbollah fighters to defend the Assad regime; and using Lebanese civilians as human shields by stockpiling rockets in residential civilian neighborhoods.⁴⁴

Some officials also worry that designating Hezbollah writ large might prompt the group to attack countries that do so, or lead the group to target UN peacekeepers in Lebanon. In fact, not only does Hezbollah already target UN peacekeepers⁴⁵, it engages in plots abroad and dispatches dual citizens to carry them out, as underscored by the role of an Australian operative in the Bulgaria bombing. And while an increasing number of countries and international organizations have designated Hezbollah in full, none of them have been targeted for doing so. In fact, throughout its long history of attacks there is not a single example where Hezbollah plotted an attack because of a designation of the group or one of its members or entities.

Perhaps the greatest sticking point has been the concern that banning Hezbollah would preclude contact with Hezbollah politicians and, by extension, the government of Lebanon. Recent events in Lebanon suggest that pressuring Hezbollah to allow for the formation of a

⁴² <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=958>

⁴³ <https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1403>

⁴⁴ See <https://www.washingtoninstitute.org/policy-analysis/hezbollah-prioritizes-its-own-interests-putting-lebanon-risk>

⁴⁵ see <https://www.washingtoninstitute.org/policy-analysis/green-without-borders-operational-benefits-hezbollahs-environmental-ngo>

technocratic government would be a good thing⁴⁶, but that aside there is ample evidence that countries can ban the group and still maintain effective communication with and influence over the Lebanese government and its policies. The United States had been able to effectively communicate its interests to both the government of Lebanon and even Hezbollah, despite having designated the entire group and following up with a long list of additional targeted sanctions of Hezbollah officials and entities.

Banning only part of Hezbollah has not worked. Hezbollah called the bluff of those countries who continued to ban only part of the group by continuing to engage in terrorist and criminal activities notwithstanding its partial ban. Indeed, the group recruited Australian and European operatives to carry out its operations.

Designating all of Hezbollah would streamline Australian investigations of Hezbollah financial crimes. It would contribute to stability in Lebanon and beyond by communicating to the group that there will be costs to continuing to engage in terrorist, militant, and illicit financial activities alongside its political activities. In the wake of the recent war between Hamas and Israel, in which thousands of Hamas rockets were fired at Israeli civilian communities and Israel felt the need to retaliate against Hamas, even when its activities were carried out from residential areas, the need to address Hezbollah is all the more critical. A rocket war between Hezbollah and Israel would be significantly more deadly and damaging than the recent war with Hamas. Now is the time to indicate to Hezbollah, as President Macron stated, that the international community will not accept the group as a legitimate political actor in Lebanon so long as it continues to engage in militant, terrorist and criminal activities.

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⁴⁶ <https://www.washingtoninstitute.org/policy-analysis/beirut-disaster-implications-lebanon-and-us-policy>