

Hezbollah's Global Reach

Testimony of
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Mr. Chairman and Members of the Committee:

I have been asked to speak to you today about Hezbollah and the threat it poses to the U.S. In this regard, your committee has posed a number of questions which I will try to address briefly at the end of my comments here and in more detail in the question and answer period which follows.

In responding to your questions, I will attempt to focus my analysis on the situation which now exists following the recent conflict between Israel and Hezbollah. This conflict was, I believe, an important event that should be studied carefully in terms of its impact on the future policies of both sides. To this end, I would like to first make some very general conclusions regarding Hezbollah and then discuss these conclusions in more detail in the time I have remaining.

First, while this conflict did have an important impact on the military capabilities of both Israel and Hezbollah, its impact on Hezbollah's global terrorist capability was negligible. More specifically, this conflict had very little, if any, impact on Hezbollah's capability to conduct terror operations or to train and support other terrorist organizations – most notably, those opposed to the Middle East Peace Process. These capabilities remain intact and robust.

Second, while it may be early to draw this conclusion, Hezbollah, by virtue of its actions in this conflict, now seems to be less of a proxy for Iran and more of a junior partner in an alliance. For this reason, Hezbollah will be an influential actor in Middle East politics for the foreseeable future.

Third, notwithstanding its heightened stature in the so-called "Arab Street," I would assess the overall terror threat from Hezbollah *in the U.S.* in the aftermath of this conflict to be unchanged at level between moderate and low. Breaking this assessment down further, I believe Hezbollah's intentions to conduct a terror attack against the U.S. under the present circumstances to be low while its capabilities are from moderate to high. I say "other organizations" because Iran funds and supports at least two other terror organizations which have significant representation in the U.S. - HAMAS, and Palestinian Islamic Jihad (PIJ). We should not, therefore, discount the threat from all three of these organizations which could work in close coordination with one another should our confrontation with Iran escalate. But I want to emphasize here that at the present time and under the present circumstances, I see very little immediate threat from any of these organizations. I will expand on this shortly.

Fourth, one often overlooked factor regarding Hezbollah's threat to the U.S. concerns its intelligence collection capability. One of the findings of the recent conflict in Lebanon has been the emergence of a very capable intelligence apparatus on the part of Hezbollah which was used against the Israelis. This intelligence apparatus showed great skill in collecting clandestine

intelligence inside Israel and in rapidly exploiting this intelligence on the battlefield. We must assume that Hezbollah is building a similar apparatus here in the U.S. not only for its own purposes but to assist Iran and Iran's allies in the Western Hemisphere (such as Cuba and Venezuela) also.

Fifth, we continue to find little credible evidence of an alliance between Hezbollah and the Sunni Transnational terror networks such as al-Qaeda and its affiliate groups. This may be the result of the emerging Sunni-Shia split, alluded to above.

Lastly, relative to Hezbollah's capabilities in the U.S., we must not, as other countries have done, make the mistake of distinguishing between their fund raising and charity dispensing functions, on the one hand, and their terror apparatus on the other. These two wings – the so-called political and military wings – are one and the same and cannot be separated. As such, we must not lose sight of the fact that, notwithstanding all the good works these organizations do for the impoverished populations globally, their *raison d'être* is violent terrorism and they remain a serious threat to the U.S. and its allies. Inasmuch as this last conclusion relates specifically to your questions regarding Hezbollah's activities in the U.S., I would like to expand on this issue by examining it first in the context of Hezbollah's broader strategic intentions.

Hezbollah's Intentions

As you are now well aware, Hezbollah's grand strategy cannot be understood by focusing solely on Hezbollah as a solitary actor. To be sure, Hezbollah's stated objective of bringing about the Islamization of Lebanon remains a high priority. But in the near term, Hezbollah's actions should be understood in the context of other seismic forces developing in the Middle East. These other forces include an emerging Iran, the growing strength of the Global Sunni Jihad Movement, what may to be an emerging Sunni-Shia conflict, the Israeli-Palestinian conflict, and the deteriorating situation in Iraq. The U.S. has major equities in each of these issues. Moreover, because both Hezbollah and Iran perceive the U.S. and Israel to be a declining powers and, conversely, themselves to be powers on the ascent, particularly in the Middle East, the U.S. cannot avoid being a potential interlocutor of both Iran and Hezbollah in the future..

While my co-panelists will be discussing each of these issues separately, I would like to briefly discuss here the role of Iran in Hezbollah's global grand strategy. As I have noted above, because of Hezbollah's heightened stature in the Muslim world, its relationship to Iran has evolved from that of a patron-client to that more akin to an alliance. In this regard, their common interests include the spread of Islam, in particular Shia Islam, globally; political dominance of the Middle East region; the demise of Israel; the eradication of U.S. influence in the Middle East; and the diminution of U.S. influence globally. One of their primary weapons in this endeavor is terrorism. Why? Because terrorism has in the past proven to be an effective weapon for Hezbollah to achieve these ends. Indeed, perhaps more than any other terrorist organization, Hezbollah is highly skilled at getting results using terrorism. We need only recall Hezbollah's attack on the Marine Barracks in 1983 and their attacks on the Israeli Defense Force in Southern Lebanon prior to 2000 to understand how terrorism, under the right circumstances, can achieve results. For this reason, terrorism, perhaps more so than guerrilla warfare, is

Hezbollah's primary weapon of choice. This conclusion has important implications for both the U.S. and Israel inasmuch as neither country, I believe, has yet mastered the art of Low Intensity Conflict.

While we can logically assume that the above issues will lead to growing tension between the U.S. and Hezbollah and between the U.S. and Iran, I do not believe that, under the present circumstances, a near term terrorist attack by Hezbollah targeting U.S. interests is probable. The basis for this conclusion lies in the fact that in the past Hezbollah has initiated attacks against U.S. and Israeli almost exclusively in retaliation for direct attacks against Hezbollah. This was the case both in the Marine Barracks bombing and in the attacks against Israeli interests in Argentina in 1992 and 1994.

It should be emphasized, however, that this assessment does not apply to Hezbollah activities inside Israel, the West Bank, and Gaza, where Hezbollah's intentions and capabilities to conduct terror attacks remain very high. Indeed, Israeli security authorities recently advised that during the recent conflict Hezbollah was a party to as many as nine failed terrorist attacks in which Hamas, PIJ, and Fatah's al-Aqsa Brigades were its partners. Because one of the unstated objectives of both Iran and Hezbollah is the delegitimization of Israel, and because Hezbollah's terror attacks are intended in part to provoke an overreaction by Israel, it must be assumed that low level attacks against Israel will continue. In this regard, Hezbollah and Iran will remain major partners with these terrorist organizations in carrying out this strategy.

Hezbollah's Capabilities in the United States

While we can assess Hezbollah's intentions at the present time to be low, it is important not to ignore the fact that, as mentioned above, Hezbollah continues to maintain a robust capability to conduct terror attacks globally. In this regard, it should be understood that Hezbollah is well represented in the U.S., Latin America, Africa, Southeast Asia, and the Caribbean by a number of front organizations which perform a variety of functions for Hezbollah, to include fund raising, recruitment, public relations, and logistical supply. Recognizing this, the Department of the Treasury has recently blocked the assets of two Hezbollah affiliated commercial enterprises (Bayt al-Mal and the Yousser Company), both headquartered in Lebanon, one individual (Husayn al-Shami, the Head of Byt al-Mal), and one overseas fund raising organization (the Islamic Resistance Support Organization).

With regard to the operation of foreign terrorist organizations in the U.S., there are two points I would like to make. First, these organizations are well aware of our interest in them and what our intentions are. To this end, they have become experts in the art of concealing their activities. This applies not only to Hezbollah, but to Hamas, PIJ, and other Islamic terror organizations as well. In fact, there is a term in the Islamic lexicon for this which originates from the era of the Prophet Mohammad - *al-Takiyya*. Muslim extremists, both Sunni and Shia, take pride in their ability to employ *al-Takiyya* to divert suspicion from U.S. authorities. As a result, it is possible that we will find it increasingly difficult in the future to use the two principle statutes we have to disrupt terror support in the U.S. – the International Emergency Economic Powers Act (IEEPA) and the Anti-Terrorism and Effective Death Penalty Act of 1996 as terror

organizations become more adept at evading the requirements of these statutes.

Secondly, even if we are successful in disrupting the activities of these terrorist front organizations via these statutes, these groups are becoming very skilled at rapidly creating new institutions in new locations to replace them. For example, earlier this year, federal investigators froze the accounts of a Hamas affiliated charity known as KindHearts, which was located in Toledo, Ohio. In a statement following this action, Stuart Levey, Undersecretary for Terrorism and Financial Intelligence, Department of the Treasury, stated: "KindHearts is the progeny of Holy Land Foundation and Global Relief Foundation, which attempted to mask their support for terrorism behind the facade of charitable giving." The Treasury Department statement further noted that one of the founders of KindHearts, Khaled Smali, had **"founded KindHearts with the intent to succeed fund-raising efforts of both HLF and GRF, aiming for the new NGO to fill a void caused by the closures. KindHearts leaders and fund raisers once held leadership or other positions with HLF and GRF."**

A second example involves the case of Emadeddin Z. Muntasser in Boston who was indicted in 2005 on charges of Income Tax Fraud. According to his Indictment, in the 1990's Muntasser was involved in operating the Boston branch office of the Al-Kifah Refugee Center ("Al-Qaeda Kifah"). As you are aware, a number of the plotters in the 1993 World Trade Center bombing and later plots had been affiliated with Al-Kifah. Following the closure of al-Kifah, Muntasser founded Massachusetts Care International, Inc. ("Care"), a purported charitable organization whose purpose was the same as that of al-Kifah. The indictment against Muntasser alleges that despite Muntasser's representations on Care's Articles of Incorporation that this non-profit charity was exclusively involved in "charitable, religious, educational, and scientific purposes," **Care was engaged in the solicitation and expenditure of funds to support the mujahideen and promote jihad. The indictment also notes that Care was located at Al-Kifah Boston's office and assumed publication of Al-Kifah's pro-jihad newsletter, Al-Hussam.**

With regard to those charity organizations in the U.S. that are providing material support to Islamic terror organizations, we must further assume that they are also capable of being used as a potential base for violent terror activities within the U.S. should their leadership decide that a terror response is in their interest. It is therefore imperative that the FBI continue to aggressively identify and investigate charities, criminal organizations, and commercial enterprises in the U.S. that are affiliated with terror organizations.

Summary

In conclusion, I would like to emphasize that Hezbollah is an organization that is disciplined, competently managed, and global in its aspirations. For the most part, these aspirations, particularly in the Middle East, run contrary to those of the U.S. We must also be aware that, like other front for terrorist organizations, Hezbollah is skilled in public relations and in conveying a public image which is moderate and tolerant. In resolving our differences with Hezbollah, however, we must not forget the lessons of the past, the most important being that low intensity conflicts cannot be solved through the use of military force alone. Indeed, as a low

intensity conflict, it will only be through the most skillful use of our political, diplomatic, intelligence, and law enforcement resources that a resolution will be achieved.

Set forth below are my responses to the questions posed prior to this hearing:

1. What types of activity has Hezbollah engaged in within the United States?

As noted above, Hezbollah operatives are involved in criminal activities, ostensibly legitimate fund raising, commercial activities, and possible intelligence gathering for future terrorist activities against the U.S. As such, U.S. counter terrorism establishment must assume that trained Hezbollah operatives (and Hamas and PIJ operatives as well), may also be in the U.S. to conduct traditional intelligence operations, such as to penetrate the U.S. government, collect classified information, and to collect target information for further attacks.

2. How have Hezbollah operatives entered and operated in the U.S.?

While this question is best answered by the FBI, it can be noted here that there have been a number of criminal investigations in the past five years demonstrating Hezbollah's activities in the U.S., the most well known being the case of the cigarette smuggling cell in Charlotte, North Carolina. We must assume that this is not the only Hezbollah affiliated entity in the U.S.

3. To what extent have the overseas activities of Hezbollah guided its activities within the United States?

Hezbollah's overseas activities, particularly with respect to its relationship with Iran and Syria, have played a significant role in its U.S. strategy. As I have described above, it is important to measure Hezbollah's activities in terms of its strategic objectives in the Middle East, and these include the spread of Islam, political dominance of the Middle East region, the demise of Israel, the eradication of U.S. influence in the Middle East; and the diminution of U.S. influence globally.

4. Given Hezbollah's historical activities in the United States, how likely is it that it could execute a terrorist attack in the United States?

For reasons given above, I believe their intentions are presently low to moderate while their capabilities are moderate to high. I assess the overall threat from Hezbollah to be moderate.

5. How confident are you that the FBI is aware of the full scope of Hezbollah's past and current activities in the United States?

I am very confident that the FBI is aware of the full scope of Hezbollah's past and current activities in the United States. I base this assessment on my experience in the FBI rather than since my retirement on December 31, 2005.

6. As a terrorist organization, what makes Hezbollah unique?

First, Hizballah is a well funded, well trained, disciplined, and experienced terror organization. It acquired this capability through a close relationship with Iran. Most other terror organizations prefer to remain independent in order to be able to formulate their own strategies without guidance from high authority, such as a terrorist state sponsor. In so doing, other terror organizations, such as Hamas and PIJ, trade some independence for the support they receive from a patron state. Second, Hezbollah has a very effective military wing whose abilities were demonstrated in the recent conflict with Israel. Third, Hezbollah has a global capability which they have demonstrated in the past, most notably in Latin America, Europe, and the Gulf Region. No other terror organization has these capabilities to the extent Hezbollah has them.

7. How does the Hezbollah terrorist organization of today compare with the organization of the 1980s?

Hezbollah today has is a better trained and more experienced organization than it was in the 1980s. In particular, its long history with the Israeli occupation of Southern Lebanon, during which it gained valuable battlefield and terror experience, has enabled Hezbollah to become a uniquely effective non-state political actor in the Middle East.

8. What is the extent of its global reach?

As we now know, Hezbollah has chapters in virtually every continent which perform the functions of fund raising, recruitment, public diplomacy, and clandestine activities such as intelligence gathering and terror planning.