

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 that ended over a year of near daily Hezbollah rocket attacks on Israeli communities and the Israeli reprisal strikes that severely degraded Hezbollah. The group 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 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).

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, Mohammad Qasim al-Bazzal, and others.³ Qasir was particularly close to and trusted by Qods Force General Qassem

¹ Matthew Levitt, "Tehran's Homeland Option: Terror Pathways for Iran to Strike in the United States," *CTC Sentinel*, August 2025, <https://ctc.westpoint.edu/tehrans-homeland-option-terror-pathways-for-iran-to-strike-in-the-united-states/>

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>

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 Syrian-Lebanese 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 Lebanese-Israeli 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 Israeli bunker-busting munitions used to target Hezbollah’s operations center and kill Hassan Nasrallah reportedly also destroyed Hezbollah cash and gold reserves.⁹

Israel also targeted several branches of Hezbollah’s de facto bank, the U.S.-designated al-Qard al-Hassan (AQAH). AQAH 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

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://today.lorientlejour.com/article/1430267/israeli-bunker-busters-allegedly-destroyed-hezbollah-cash.html](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%20Hezbollah's%20financial%20arm;Israeli Bunker-Busters Allegedly Destroyed Hezbollah Cash,” <i>L’Orient Le Jour</i>, October 7, 2024, <a href=)

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>

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 ground breaking 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 12 day war, the snap back 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 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

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>

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/>

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 regime 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 group 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-Bina, when approaching international development organizations for development funding.²⁴

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, The Washington Institute, 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>

By 2009, declining oil prices and sanctions combined to force Tehran to slash its annual budget for 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 (its terrorist wing, also known as Islamic Jihad), which it said was founded by the late Hezbollah terrorist mastermind Imad Mughniyeh himself.²⁷ DEA reported that the BAC is run by two key Mughniyeh deputies: Abdallah Safieddine and Adham Tabaja. Safieddine served as the group’s representative to Tehran, and is a cousin of Hezbollah leader 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 senior Hizballah organizational elements, including the terrorist group’s operational component, Islamic Jihad.”²⁹ The reason Hezbollah was so deeply involved in the drug trafficking and money laundering schemes utilized by the BAC, then-DEA Acting Deputy Administrator Jack Riley explained, 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,

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/j10069>

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.>

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 Mohammad Nouredine 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 Hezbollah. 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 Hizballah for its 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 that 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 for additional funding, if it has placed demands on its cells for additional funding and we had cells connected to it in our in our country or right next to it, that meant that our financial integrity was, 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 Hizballah donors who are affiliated with transnational organized criminal groups and drug trafficking organizations may donate some of their illicit proceeds to Hizballah.”³⁴ FinCEN further reported:

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>

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, The 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>

Hizbollah's External Security Organization Business Affairs (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 Hizbollah 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 cases 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 where he served as a “professional Hezbollah operative,” traveled back to Lebanon and Iran for meetings with Hezbollah operatives, and functioned as the liaison between the Iranian embassy and the “Hezbollah community” in the tri-border area. 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 Hizbollah community in the TBA,” procured false Brazilian and Paraguayan documentation for people, served 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

³⁵ “FinCEN Alert to Financial Institutions to Counter Financing of Hizbollah 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-Hizbollah-Alert-508C.pdf>

³⁶ “Treasury Targets Hizbollah 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 Hizbollah 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 Hizbollah 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 Hizbollah 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-hizbollah-drug-and-money#:~:text=Members%20of%20the%20Hizbollah%20BAC,criminal%20activities%20in%20that%20region.>

operative who served as the “on-the-ground coordinator” for the July 1994 AMIA bombing and who for years since then has “direct[ed] and support[ed] Hizballah 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 which highlighted a particularly disturbing example of Hezbollah’s narco-terrorism overlap.⁴¹ The study zeroed in on Amer Mohammed 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, *Breaking Hezbollah’s Golden Rule*, to discuss Hezbollah’s use of front companies in still greater detail in September 2023.⁴² That same month, the Treasury Department designated Amer Mohammed Akil Rada as a Specially Designated Global Terrorist in an action coordinated with the Drug Enforcement Administration (DEA). Amer Rada, Treasury revealed, is a senior Hezbollah operative—a member of Hezbollah’s foreign terrorist operations branch known as Eso, IJO, or Unit 910—who participated in the 1994 bombing of the AMIA Jewish community center in Buenos Aires, Argentina, and is also believed to have played a role in the 1992 bombing of the Israeli embassy, also in Buenos Aires.⁴³ “Amer worked in close coordination with U.S.-designated Salman Raouf Salman to case targets around South America on behalf of Hizballah,” while using as much as 80 percent of the proceeds of his commercial enterprises to support Hezbollah.⁴⁴

Amer’s ties to Salman are worrisome, given that Salman “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 still more surveillance in Panama in 2012; and was identified as the handler for a Hezbollah operative arrested in Peru in 2014.⁴⁶

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, 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”

⁴³ “Treasury Designates Hizballah Operatives and Financial Facilitators in South America and Lebanon,” U.S. Treasury Department, 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. Treasury Department, 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>

Amer's brother, Samer Akil Rada, also designated by the U.S. 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 ties to 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 S.A.R.L. around 2014. Although it's 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, 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 smuggle explosives, such as a plot foiled in 2012 to smuggle explosives into Israel from Lebanon.⁵²

Hezbollah's Proclivity for Operating in Free Trade Zones

When authorities in El Salvador intercepted the vehicle carrying hundreds of kilos of Cocaine tied to Samer 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

⁴⁷ "Treasury Designates Hizballah Operatives and Financial Facilitators in South America and Lebanon," The 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 "Breaking Hezbollah's Golden Rule, Episode 1: Risky Business in South America," The Washington Institute for Near East Policy, September 27, 2023, <https://www.washingtoninstitute.org/media/6791>

⁵⁰ Aurora Ortega, *Hezbollah in Colombia: Past and Present Modus Operandi and the Need for Greater Scrutiny*, The Washington Institute for Near East Policy, Mar 28, 2022, https://www.washingtoninstitute.org/sites/default/files/pdf/PolicyNote119Ortegav2_3.pdf

⁵¹ "Breaking Hezbollah's Golden Rule, Episode 1: Risky Business in South America," The Washington Institute for Near East Policy, September 27, 2023, <https://www.washingtoninstitute.org/media/6791>

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), available at <https://www.washingtoninstitute.org/policy-analysis/hezbollahs-criminal-networks-useful-idiots-henchmen-and-organized-criminal>

Mexico.⁵³ In fact, Hezbollah has long had a preference for operating in and through FTZs in Latin America and around the world.

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From my perspective and what I have seen so far, those free trade zones are actually zones in which there is a lot of black holes, so to speak. For instance, a lot of informal trade, informal economy thrive. And within the formal economy, it 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 tri-border area is the bustling city of Ciudad del Este, described by a local vender there as “the United Nations of crime.”⁵⁶ Hezbollah operatives have long preferred operating in Free Trade Zones in South America—places like the tri-border area, but also: Margarita Island in Venezuela; Iquique in Chile; Colon in Panama; and Maicao in Colombia, among others. The tri-border area 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 Tri-Border, “just about everything that is not biodegradable is fake.”⁵⁷ This is an issue well beyond the tri-border area, however.

Take Maicao, Colombia, 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

⁵³ Aurora Ortega, *Hezbollah in Colombia: Past and Present Modus Operandi and the Need for Greater Scrutiny*, The Washington Institute for Near East Policy, Mar 28, 2022, https://www.washingtoninstitute.org/sites/default/files/pdf/PolicyNote119Ortegav2_3.pdf

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, The 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>

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>

which raised funds for Hezbollah. Part of Saleh's 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 Hizballah in Lebanon," Treasury reported.⁵⁸

It should not surprise that seven months before his designation as a Specially Designated Global Terrorist, Ali Mohamad Saleh had been designated under Treasury's Kingpin Act for his role as a money launderer for the Cheaitelly/El Khansa criminal organization, which was tied to the Ayman Joumaa 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 Ahmad 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, the Islamic Jihad Organization. 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, and the day after the 9/11 attacks police raid 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 tri-border area, Barakat's business took him to other regional free trade zones like Iquique, Chile, where authorities observed Barakat 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 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

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, The 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)

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, Paraguay.⁶³

Hezbollah's penchant for operating in Free Trade Zones continues. FTZs can promote economic growth, but they also present acute money launder and terrorist financing vulnerabilities since they are typically not subject to traditional AML-CFT regulation and supervision, they are not subject to the same Customs inspections, and 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 and money laundering 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 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 FTZ. The Argentinean Financial Intelligence Unit accused the network of being involved in a wide

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/Methodsandrends/Moneylaunderingvulnerabilitiesoffreetradezones.html>

⁶⁵ "The Dark Side of Illicit Economies and TBML: Free Trade Zones, Ports, and Financial Safe Havens," The 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>

range of criminal enterprises, including drug trafficking, and laundering the tens of millions of dollars through a casino in Puerto Iguazu.⁶⁸

Taking a hard look at Hezbollah narco-terrorism is critical not only as a means of combating terrorist financing, but also of mapping 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.

⁶⁸ "Terrorist Financing," Unidad de Informacion Financiera Argentina, July 13, 2018, <https://www.argentina.gob.ar/noticias/terrorist-financing>