

Global Gangsters:
Hezbollah's Latin American Drug Trafficking Operations

U.S. Senate Caucus on International Narcotics Control

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Testimony of Ambassador Nathan Sales

Chairman Cornyn, Co-Chair Whitehouse, and distinguished Members of the Caucus, thank you for the opportunity to testify today.

My name is Nathan Sales. I am a partner at the law firm Holland & Knight, as well as a distinguished fellow at the Atlantic Council. From 2017 to 2021, I served at the U.S. Department of State as the Ambassador-at-Large and Coordinator for Counterterrorism. Concurrently, I was the acting Under Secretary of State for Civilian Security, Democracy, and Human Rights, as well as the Special Presidential Envoy to the Global Coalition to Defeat ISIS. I am here as a private citizen, but my testimony is informed by my experiences working on national security and counterterrorism for the U.S. government over the course of two decades.

I will begin by describing the global threat posed by Hezbollah, then discuss the terrorist group's role in narcotics trafficking in the western hemisphere and other mechanisms it uses to finance its terrorist operations. I will conclude with steps the United States and our Latin American partners can take to more effectively combat Hezbollah and dry up its sources of funding.

Today's hearing is especially timely. Hezbollah has long been the tip of the spear in the Iranian regime's "ring of fire" strategy of encircling our ally Israel with terror groups. Over the years, the Islamic Republic has provided Hezbollah with approximately 70 percent of its annual budget, some \$700 million each year.¹ But today, Hezbollah may not be able to count on the same level of support from Tehran. In the aftermath of the October 7 Hamas terror attacks, Israel has decimated Hezbollah; the Assad regime has collapsed in Syria, depriving Iran of the land bridge it used to resupply its Lebanese terror proxy; and the Islamic Republic is facing renewed sanctions pressure from the United States and our allies after suffering devastating military strikes on its nuclear weapons program. In this dramatically changed strategic environment, Hezbollah may find itself relying more than ever on alternative sources of funding – including the drug trafficking in Latin America that is the subject of today's hearing.

¹ U.S. Dep't of State, *Country Reports on Terrorism 2020*, at 267 (2021) [hereinafter *2020 Country Reports*], <https://www.state.gov/reports/country-reports-on-terrorism-2020/>; *US Accuses Hezbollah of Storing Explosive Chemical in Europe*, AP (Sept. 17, 2020), <https://apnews.com/article/italy-militant-groups-greece-terrorism-europe-8e559f3e5a2696ba8cda679c5cccb0c0>.

I.

Hezbollah is, of course, a Lebanese terrorist group, but it is not *just* a Lebanese terrorist group. The self-appointed “Party of God” is an international terrorist organization and the Iranian regime’s most capable terror proxy. It is infamously responsible for the 1983 attacks on the U.S. embassy and Marine Corps barracks in Beirut, Lebanon. Yet Hezbollah has a truly global reach. The group has planned attacks and stockpiled explosives across Western Europe, Latin America, the Gulf, Southeast Asia, and elsewhere.²

Hezbollah is also active in the United States. Between 1997 and 2020, 128 suspected Hezbollah members were arrested right here at home.³ In recent years the FBI arrested several suspected Hezbollah operatives who were conducting surveillance on the Panama Canal and casing potential targets in New York City, including the Statue of Liberty, the Empire State Building, Times Square, and Rockefeller Center. One of the defendants was convicted and sentenced to 40 years in prison; another received a 12-year sentence.⁴

Latin America has been a particular priority for Hezbollah. In Argentina, in March 1992, Hezbollah bombed the Israeli embassy, killing 29; two years later, in July 1994, it bombed the AMIA Jewish community center in Buenos Aires, killing 85. In 2023, Brazilian authorities arrested two individuals linked to Hezbollah who were suspected of planning terror attacks against Jewish targets and the Israeli embassy.⁵ Hezbollah has been accused of plotting terror attacks from Bolivia, supplying weapons to brutal Brazilian prison gangs, cooperation with the Medellin cartel in Colombia, and the scouting of U.S. and Israeli targets in Panama.⁶

Under the Maduro dictatorship, Venezuela has emerged as a key enabler of Hezbollah’s malign activity in the western hemisphere. The Maduro regime provides Hezbollah operatives with

² 2020 Country Reports, *supra* note 1, at 266.

³ Anyssia S. Kokinos et al., *Hezbollah’s Operations and Networks in the United States*, 4 (June 2022), https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/Hezbollah's_Operations_and_Networks_in_the_United_States_June30_2022.pdf; see also Colin P. Clarke, *Hezbollah Has Been Active in America for Decades*, *The National Interest* (Aug. 27, 2017), <https://nationalinterest.org/feature/hezbollah-has-been-active-america-decades-22051>.

⁴ U.S. Dep’t of Justice, *New Jersey Man Sentenced To 12 Years in Prison for Receiving Military-Type Training From Hezbollah, Marriage Fraud and Making False Statements* (May 23, 2023), <https://www.justice.gov/opa/pr/new-jersey-man-sentenced-12-years-prison-receiving-military-type-training-hezbollah-marriage>; U.S. Dep’t of Justice, *Hizballah Operative Sentenced to 40 Years in Prison for Covert Terrorist Activities on Behalf of Hizballah’s Islamic Jihad Organization* (Dec. 3, 2019), <https://www.justice.gov/opa/pr/hizballah-operative-sentenced-40-years-prison-covert-terrorist-activities-behalf-hizballah-s>; U.S. Dep’t of Justice, *Two Men Arrested for Terrorist Activities on Behalf of Hizballah’s Islamic Jihad Organization* (June 8, 2017), <https://www.justice.gov/opa/pr/two-men-arrested-terrorist-activities-behalf-hizballahs-islamic-jihad-organization>.

⁵ Thomas Mackintosh & Robert Plummer, *Suspects Held Over Alleged Hezbollah Plot in Brazil*, *BBC* (Nov. 9, 2023), <https://www.bbc.com/news/world-latin-america-67367483>; Celina B. Realuyo, *Rising Concerns About Hezbollah in Latin America Amid Middle East Conflict*, *Wilson Center* (Dec. 1, 2023), <https://www.wilsoncenter.org/blog-post/rising-concerns-about-hezbollah-latin-america-amid-middle-east-conflict>.

⁶ Marzia Giambertoni, *Hezbollah’s Networks in Latin America*, RAND, 7 (Mar. 2025) [hereinafter RAND], https://www.rand.org/content/dam/rand/pubs/perspectives/PEA3500/PEA3585-1/RAND_PEA3585-1.pdf.

official documentation, allowing them to move freely throughout Latin America. Hezbollah uses Caracas as a base for its criminal activities in the region, which is largely driven by narcotics trafficking, and Maduro enables Hezbollah-linked agents to launder money.⁷ In Venezuela, Hezbollah-linked individuals have established operations to traffic drugs, weapons, bulk cash, and other contraband, as well as to undertake money laundering operations.⁸

Both in its Lebanese homeland and its global operations, Hezbollah must be understood not just as a standalone terrorist threat but also as part of an increasingly coherent alliance among America's adversaries. Hezbollah has made common cause with revisionist powers seeking to displace the United States as the world's leading power. In Syria, Hezbollah for years worked alongside Iran and Russia to prop up the brutal Bashar al-Assad dictatorship. Russia has been only too happy to repay the favor, providing the terror group with weapons for use in attacking Israel, including long-range tactical missiles, laser guided rockets, and anti-tank weapons.⁹ Hezbollah likewise has aligned itself with the Chinese Communist Party. Beijing is a key provider of military technology and weapons to the group, including anti-ship missiles, rockets, and MANPADS.¹⁰ Meanwhile the Islamic Republic of Iran uses a "shadow fleet" of tankers to deliver billions of dollars' worth of Iranian oil to China, then funnels the proceeds to terror proxies like Hezbollah.¹¹

II.

While Hezbollah historically has received the lion's share of its funding from its patrons in Tehran, the terror group has cultivated a sprawling global network of criminal enterprises and front companies that it uses to finance its operations. With Israel's recent dismantling of the group's ranks and with sanctions increasingly constraining Tehran's largesse, Hezbollah may turn more and more to these illicit sources of revenue.

In Latin America, Hezbollah raises significant funds through drug trafficking, human trafficking, contraband smuggling, passport falsification, money laundering, and a variety of fraudulent

⁷ *Id.* at 10, 11.

⁸ Mahmut Cengiz, *Hezbollah's Global Networks and Latin American Cocaine Trade*, Small Wars J. (Apr. 26, 2023), <https://smallwarsjournal.com/2023/04/26/hezbollahs-global-networks-and-latin-american-cocaine-trade/>.

⁹ Anat Peled et al., *Israel Finds Large Troves of Russian Arms in Hezbollah's Hands*, Wall St. J. (Nov. 19, 2024), https://www.wsj.com/world/middle-east/israel-finds-large-troves-of-russian-arms-in-hezbollahs-hands-eeed9445?gaa_at=eafs&gaa_n=AWetsqf9ySzhYWjIVd2DtEAWfIN5ksd1mH2RcbXpuoIrEYPE9Qgw6QRglrA&gaa_ts=68f51a1f&gaa_sig=bHc56baOVB-ja90YG4Ba87ka5J3lT_krquQfRuoXyKmXHPkCBQgBngvizUopwnfgvNghBus8ENzoX92lmMhQ%3D%3D; Jesse Rosenfeld, *Russia Is Arming Hezbollah, Say Two of the Group's Field Commanders*, Daily Beast (Jan. 11, 2016), <https://www.thedailybeast.com/russia-is-arming-hezbollah-say-two-of-the-groups-field-commanders/>.

¹⁰ Elias Sköld & Nico Mastrangelo, *Made in China, Fired in Lebanon: Western Investment in these Firms Indirectly Funds Hezbollah*, Prague Security Studies Institute (Mar. 7, 2025), <https://www.pssi.cz/publications/144-pssi-perspective-37-made-in-china-fired-in-lebanon-western-investment-in-these-firms-indirectly-funds-hezbollah>.

¹¹ Lawrence Norman & James T. Areddy, *How China Secretly Pays Iran for Oil and Avoids U.S. Sanctions*, Wall St. J. (Oct. 5, 2025), <https://www.wsj.com/world/middle-east/how-china-secretly-pays-iran-for-oil-and-avoids-u-s-sanctions-b6f1b71e>.

schemes.¹² No region in Latin America is more critical to Hezbollah than the Tri-Border Area, where Argentina, Brazil, and Paraguay meet. In this lightly regulated free trade zone, Hezbollah launders drug proceeds through trade-based arrangements, real estate ventures, and currency exchanges.¹³ Other mechanisms include drug trafficking, arms trafficking, illegal mining, and identity theft.¹⁴ Not only do these illicit activities provide the terrorist group with critical operational funds, they also enable Hezbollah figures to corruptly line their own pockets and enrich themselves with a share of the group's ill-gotten gains.

Let me briefly elaborate on several of these schemes.

Hezbollah is not just a terrorist organization. At its core, it is also a drug trafficking organization, especially in Latin America. In the early 1980s, a Hezbollah cleric issued a fatwa approving the sale of drugs to non-Muslim customers in the West, and the group has taken full advantage of this decree in the following decades.¹⁵ Extensive Hezbollah-linked cocaine trafficking and money laundering has been uncovered in Colombia.¹⁶ In 2008, a Lebanese man with the fitting alias of "Taliban" was arrested in Colombia during Operation Titan, a joint operation by American and Colombian law enforcement. Officials uncovered evidence of extensive collaboration between Hezbollah and Colombian drug cartels, including cocaine smuggling, money laundering, and other activities spanning the Americas, Africa, and the Middle East.¹⁷

Operation Titan resulted in a treasure trove of evidence of Hezbollah's money laundering activities in Latin America. As a result, authorities arrested more than 130 suspects and seized roughly \$23 million. This close cooperation with Colombian law enforcement led to 370 wiretaps and the monitoring of roughly 700,000 conversations as cartels worked hand-in-hand with Hezbollah.

¹² RAND, *supra* note 6, at 3.

¹³ U.S. Dep't of the Treasury, *FinCEN Alert to Financial Institutions to Counter Financing of Hizballah and its Terrorist Activities*, FIN-2024-Alert003, 5-6 (Oct. 23, 2024), <https://www.fincen.gov/system/files/shared/FinCEN-Alert-Hizballah-Alert-508C.pdf>.

¹⁴ RAND, *supra* note 6, at 3.

¹⁵ Michael A. Braun, *Terrorist Financing and Related Illicit Finance in Latin America and the Increased Activities of Hezbollah in the Area and the Response of Local Officials to These Challenges*, Joint Hearing Before the Task Force to Investigate Terrorism Financing at 8-9 (June 8, 2016), <https://financialservices.house.gov/uploadedfiles/hhrg-114-ba00-wstate-mbraun-20160608.pdf>; Christopher S. Stewart et al., *The Travels of Mrs. Murray's Toyota Unveil Terror-Finance Network*, Wall St. J. (Dec. 19, 2016), https://www.wsj.com/articles/the-travels-of-mrs-murrays-toyota-unveils-terror-finance-network-1482163526?gaa_at=eafs&gaa_n=AWetsqfBh_mfUfmCPRWkvsjOX170jTHxVTpBKu-xswwhN0H61OWtxyVaMC-O&gaa_ts=68f56f0d&gaa_sig=GpeJHWQfTWkBW0QpSf3AgB_kT-uOPFsULkb4yGFPQNftpaSohsWwqigU_Y9tmkFwa6cbHk9GPasmzkKlvxCiZQ%3D%3D.

¹⁶ Chris Kraul & Sebastian Torella, *Drug Probe Finds Hezbollah Link*, Los Angeles Times (Oct. 22, 2008) <https://www.latimes.com/archives/la-xpm-2008-oct-22-fg-cocainering22-story.html>.

¹⁷ *The Nexus Between Transnational Organized Crime and Terrorism in Latin America*, United Nations Interregional Crime and Justice Research Institute, 32 (June 2024), <https://unicri.org/sites/default/files/2024-06/The%20Nexus%20between%20Transnational%20Organized%20Crime%20and%20Terrorism%20in%20Latin%20America.pdf>.

They key figure – Chekri Harb, or “Taliban” – was allowed to launder money and import drugs freely into Lebanon so long as he paid Hezbollah a 12% tax on his proceeds.¹⁸ Operation Titan is just the tip of the iceberg. There are countless more examples of Hezbollah running drugs to finance terror.

Hezbollah’s crimes are not limited to trafficking narcotics. Horrifically, the group also traffics in women and children. Take for example Ali Hussein Zeaiter, whom the Treasury Department designated as a terrorist for using his China- and Lebanon-based companies to obtain unmanned aerial vehicle components for Hezbollah operations supporting the Assad regime in Syria. During a 2016 investigation, authorities discovered that Zeaiter also ran a large prostitution ring that exploited Syrian women. Another Treasury Department-designated terrorist, Mohammad Ibrahim Bazzi, is a Hezbollah financier and donor and is connected with sex trafficking in Gambia, which involves the trafficking of women, girls, and boys in the markets for forced labor, domestic servitude, and sexual slavery.¹⁹ So much for the “Party of God.”

III.

The question then becomes, what more can the United States and our partners do to cut off the flow of drug money to Hezbollah and more broadly starve it of the resources it uses to promote its bloody agenda around the world? This is not an exhaustive list, but there are at least five areas where further progress is needed.

First, sanctions. The United States and some Latin American countries have taken important steps, including designating Hezbollah as a terrorist organization. We have also sanctioned the group’s moneymen, enablers, and other key nodes in its financial networks. But more work remains to be done.

We need more of our hemispheric partners to designate Hezbollah in its entirety as a terrorist organization. Half-measures that only sanction its “military wing” and leave untouched a purported “political wing” not only ignore the reality that Hezbollah is a unitary group, but also provide legal loopholes that Hezbollah exploits to continue its operations. During the first Trump administration, we saw great progress on this front with a number of countries in the western hemisphere imposing terrorism sanctions on Hezbollah – Argentina, Colombia, Guatemala, Honduras, and Paraguay all did so between 2017 and 2021. Brazil in particular would be a welcome addition to the list, rounding out the three countries of the Tri-Border Area. So would Mexico, with which we share a sometimes porous 2,000-mile border.

It must be emphasized that sanctioning Hezbollah would not be a favor to the United States. It is in our partners’ own interest to do so. According to a recent RAND study, the five Latin American

¹⁸ *Id.*

¹⁹ Matthew Levitt, *Hezbollah’s Corruption Crisis Runs Deep*, The Washington Institute (July 20, 2018), <https://www.washingtoninstitute.org/policy-analysis/hezbollahs-corruption-crisis-runs-deep>.

countries that have sanctioned Hezbollah in the past several years have seen lower levels of activity by the terror group and its enablers. By contrast, since 2021, Hezbollah-linked operations in the western hemisphere have tended to occur in countries that have not designated the group as a terrorist organization.²⁰

Second, sanctions are only meaningful if they're implemented effectively. Latin American countries that have designated or plan to designate Hezbollah will need to enact and enforce comprehensive laws and regulations on countering the financing of terrorism (CFT) in order to drive the group out of their financial systems. Candidly, this will take major commitments of time and resources. Countries will need to invest in financial intelligence units that can identify suspicious people and patterns; banking regulators who can hold their financial sectors to the highest possible standards; law enforcement professionals who can investigate and prevent a wide spectrum of narcotics- and terrorism-related crimes; prosecutors who can hold accountable the bad actors who seek to funnel money to terrorists; and so on.

The United States can help. The State Department, Treasury Department, and other agencies have decades of experience running programs of proven effectiveness to boost partner nations' civilian counterterrorism capabilities. Back-to-the-basics capacity building efforts such as these are broadly popular and seem politically sustainable at a time of cuts to other foreign assistance programs.

Third, we should reinvigorate the 3+1 framework, a cooperation mechanism comprising the three countries of the Tri-Border Area along with the United States. The Tri-Border Area of Argentina, Brazil, and Paraguay is a key hub of Hezbollah activity in the western hemisphere; not only does the group use the loosely regulated region to raise substantial sums of money, the U.S. government assess that some planning for terrorist attacks has taken place there.²¹ Restoring the 3+1 mechanism would be an important symbolic gesture, a declaration of resolve to degrade Hezbollah's financial networks in our hemisphere. More importantly, it would provide a number of practical benefits to the participants – joint law enforcement investigations of criminal enterprises that cross national borders, coordinated operations to combat narcotics trafficking and money laundering, information sharing, and so on.

Fourth, beyond the Tri-Border Area, we should intensify information sharing and law enforcement cooperation more generally. Hezbollah exploits gaps between national borders, and the response to the threat it poses likewise must transcend national boundaries. Among other types of information exchange, the United States and our partners should expand the sharing of investigative leads, to enable prosecution of Hezbollah figures; data about international travelers, to harden our borders against Hezbollah operatives and facilitators; suspicious transaction reports,

²⁰ RAND, *supra* note 6, at 6-8.

²¹ U.S. Dep't of State, *Commemoration of the 25th Anniversary of the Terrorist Bombings of the AMIA in Buenos Aires* (July 18, 2019), <https://2017-2021.state.gov/commemoration-of-the-25th-anniversary-of-the-terrorist-bombing-of-the-amia-in-buenos-aires/>.

to crack down on Hezbollah fundraising schemes; and so on. America's law enforcement capacity building programs are not charity but investments that can produce solid returns. The more capable our partners are at investigating narcotics and terrorism crimes, the more information they can share with us to enable our own interventions against these threats.

Fifth, we must improve border security and traveler screening. Hezbollah figures exploit fraudulent documents and corrupt officials to move around our hemisphere undetected. The group's operatives have long sought access to the United States – recall the 128 arrests since 1997²² – and other Iran-backed terrorists have tried to exploit vulnerabilities in our border to carry out terrorist attacks on American soil, including a 2011 assassination plot against the Saudi ambassador to the U.S. and more recent plots against former senior Trump administration officials. Biometric systems, watchlist sharing, and other border security measures can help close these vulnerabilities.

Mr. Chairman, Mr. Co-Chair, thank you again for the opportunity to be here today. Hezbollah's criminal networks in Latin America represent a significant threat to the United States and bold American leadership is needed to counter that threat. The October 7 attacks remind us that the Iranian regime and its terror proxies will exploit any vulnerability to shed innocent blood. We cannot allow Hezbollah financial safe havens in our own backyard that could fund the next atrocity.

Thank you, and I look forward to your questions.

²² See *supra* note 3 and accompanying text.