

SENATE WITNESS STATEMENT

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Thank you, Chairman Cornyn, Co-Chairman Whitehouse, and honorable members of the Senate Caucus on International Narcotics Control. It is indeed a privilege to be here this afternoon.

Improvise. Adapt. Overcome. Those of us who have served in the military know exactly what these words mean. These words have become second nature to us.

In preparation to appear before you today, I reflected upon my three decades of pursuing Hezbollah. I recall staring at the ruins of the bombed-out Israeli Embassy and Argentine-Israeli Mutual Association Building in Buenos Aires. I remember the humid streets of Ciudad del Este, Paraguay and recognizing Hezbollah operatives, standing outside the doors of their money laundering front companies. I studied Hezbollah terrorists deeply embedding themselves into mainstream North Carolina society. I watched them send millions of dollars in illicit funds back to Hezbollah in Lebanon. Ominously, I knew they were awaiting any order from Beirut to conduct an attack. Later, as a diplomat, I met with the highest levels of Lebanon's Internal Security Force, and was advised they could not discuss Hezbollah whatsoever. They explained that Hezbollah was a legitimate political party, with several members serving in Lebanon's Parliament.

Hezbollah—in Arabic, the Party of God—is always looking at us, much as we are watching them. Iran, and specifically Hezbollah, *improvises, adapts, and overcomes*. If this requires laundering illicit money for deadly drug cartels, aligning itself with violent transnational gangs, establishing false charities and non-governmental organizations, or even becoming narcotics traffickers, Hezbollah is prepared to do so.

Many years ago, I was the Supervisor of the Hezbollah Unit at FBI headquarters. I observed how the group scanned the globe in search of opportunities. Like an experienced international corporation, Hezbollah was always searching for a new moneymaking deal or a location where it could establish a foothold. Hezbollah's then-Secretary General Hassan Nasrallah and his staff looked at the United States. They saw that New York, Los Angeles, Houston, and Boston all had active FBI counterterrorism squads working against Hezbollah and exerting enormous pressure on the group. So, operatives were directed to embed themselves in towns and cities where law enforcement would never suspect there to be a foreign terrorist presence, places like Portland, Oregon, Louisville, Kentucky, and Charlotte, North Carolina. They essentially became terrorist sleeper cells.

Hezbollah is a sophisticated terrorist and criminal organization. Its operatives come into the United States and countries around the world by exploiting existing criminal networks and infrastructure. In Charlotte, Hezbollah operatives gained a lawful US presence through fraudulent marriages, bribery of an embassy employee, and false asylum claims. In fact, the leader of the Charlotte Hezbollah cell was granted asylum because he claimed he fled Lebanon due to being pursued and threatened by Hezbollah.¹

I mention Charlotte because from 1997 until 2000, I developed and led an undercover operation against the very well-trained Hezbollah cell that was operating there. In an unprecedented manner, the FBI was able to observe Hezbollah's international network of communications, planning, recruiting, and operations. Of critical importance was being able to penetrate Hezbollah's extensive fundraising infrastructure for North America.

¹ United States v Mohamad Youssef Hammoud, et al, 3:00CR 147

In the Charlotte Hezbollah cell, millions of dollars were raised through a sophisticated scheme of cigarette smuggling, tobacco tax evasion, insurance fraud, credit card fraud, and money laundering. These funds were used to support Hezbollah's worldwide terrorist operations. The group's leadership came to rely upon these funds for everything from the purchase of dual-use civilian-military equipment to annuity payments for wounded Hezbollah fighters in Lebanon and their families.

After four years of investigation and intelligence collection, the FBI and its law enforcement partners dismantled the Charlotte Hezbollah cell in a simultaneous, nation-wide coordinated operation. Hezbollah infrastructure and fundraising in North America was dealt a serious blow. This case, codenamed Operation Smokescreen, was the first case in which a terrorist organization—Hezbollah—was named as the “Association in Fact” for a Racketeer Influenced Corrupt Organization (RICO) prosecution. Most importantly, this case set the legal precedent for the Material Support to Terrorism statute—a powerful tool that is used in virtually every terrorism prosecution in federal court today.²

I have provided this background on Hezbollah, this detailed context, because it is the reason why we are here today: *Hezbollah needs money, and it needs it now.*

I recently met with US and foreign experts on Hezbollah to exchange information on the current state of the group, discuss past and ongoing investigations and prosecutions, and share best practices to counter the group throughout the world. The consensus was that Hezbollah, though by no means defeated, has been severely weakened.

Iran is Hezbollah's primary benefactor, providing it with hundreds of millions of dollars a year. However, Iran appears to be in dire economic straits. The combination of sanctions, falling oil prices, and military strikes has significantly diminished Iran's ability to financially support Hezbollah at its previous level.³ Meanwhile, Israeli military actions have killed or severely wounded a significant number of Hezbollah's fighters, including many of its senior leadership.⁴ It is estimated that over 2,000 Hezbollah members and associates have defected from the organization.⁵

The killing of Hassan Nasrallah, the group's longtime, charismatic secretary general, was devastating to Hezbollah's confidence and morale. His successor, Naim Qassem, does not seem to command the same influence, which has contributed to a loss of recruits and diminished financial support for the group.⁶ In addition, the Lebanese army is beginning to show signs of strength over Hezbollah and is actively attempting to rein in and disarm its fighters.⁷

² Ibid

³ “Iran Update, September 29, 2025,” Institute for the Study of War, September 29, 2025, <https://understandingwar.org/research/middle-east/iran-update-september-29-2025/>

⁴ “Costs of Israel-Hezbollah conflict on Lebanon, Israel,” Reuters, November 27, 2024, <https://www.reuters.com/world/middle-east/costs-israel-hezbollah-conflict-lebanon-israel-2024-11-26/>

⁵ Nurit Yohanan, “Saudi report estimates 4,000 Hezbollah fighters killed in war with Israel, another 2,000 deserted after Nasrallah's death,” The Times of Israel, July 3, 2025, https://www.timesofisrael.com/liveblog_entry/saudi-report-estimates-4000-hezbollah-fighters-killed-in-war-with-israel-another-2000-deserted-after-nasrallahs-death/

⁶ Clayton Thomas and Jim Zanotti, “Lebanese Hezbollah,” Congressional Research Service, December 4, 2024, <https://www.congress.gov/crs-product/IF10703>

⁷ Fin de Pencier, “Inside Lebanon's Audacious Disarmament Plan,” Foreign Policy Magazine, October 1, 2025, <https://foreignpolicy.com/2025/10/01/lebanon-disarmament-hezbollah-beirut/>

In the effort to win back popular support in Lebanon, Hezbollah has distributed millions of dollars to the families of killed or wounded Hezbollah members. This has helped the group regain some of its lost influence and credibility.⁸

Facing the significant reduction of Iranian financial support and a growing need for an infusion of cash, Hezbollah is increasingly turning to international drug trafficking.⁹ This is not something new. Hezbollah has always been involved in criminal activity. During Operation Smokescreen, we would often say that the Hezbollah members in Charlotte were “full-time criminals, and part-time terrorists.”

I recall hearing about Hezbollah’s involvement in drug trafficking as early as 1996 during my first trip to the infamous “tri-border area” (TBA), where Argentina, Brazil, and Paraguay converge. Hezbollah had already made inroads into the Lebanese diaspora community there and established powerful smuggling networks and money laundering operations. The lucrative and relatively easy drug trafficking business was part of this. Hezbollah had infiltrated the criminal, business, and government sectors, and had significant power and influence in the TBA.¹⁰

As an example, upon landing at the airport in Ciudad del Este, Paraguay, I walked down the aircraft stairs, across the tarmac, and into the airport with two agents from the New York FBI Office who were investigating Hezbollah members in New York City. Later that evening, the FBI Office in New York advised us that it had intercepted a photo sent to known Hezbollah members in New York. The photo was of the three of us walking off the plane in Ciudad del Este earlier that day.

Within the past year, I have traveled abroad to meet with law enforcement and intelligence executives, prosecutors, judicial officials, and experts in Hezbollah. In almost every meeting, the expanding involvement of Hezbollah in drug trafficking was a common and high priority issue.

Hezbollah, through members, associates, or long-established Lebanese interlocutors in Latin America, ships cocaine to countries in West Africa with large Lebanese diaspora populations. Examples include Nigeria, Sierra Leone, Ivory Coast, and Guinea. These Lebanese diaspora communities are deeply entrenched, and often operate their own schools, stores, community organizations, and hospitals. Like many Lebanese communities around the world, these diaspora communities are extremely successful, and account for a significant portion of their adopted country’s economy.¹¹

Hezbollah has inserted itself into these diaspora communities, often using religious, cultural, political, and familial ties to exert influence. Because of this, members of these communities can be pressured by Hezbollah to facilitate its drug trafficking shipments. The governments in these countries, meanwhile, can be reluctant to move against Hezbollah, due to fear of upsetting the significant economic and social contributions of their Lebanese communities. From these West African countries, Hezbollah will traffic cocaine into northern Africa and then deep into Europe.¹²

⁸ “Hezbollah Halts University Stipends for Children of Killed Fighters,” This is Beirut, July 27, 2025, <https://thisisbeirut.com.lb/articles/1321681/hezbollah-halts-university-stipends-for-children-of-killed-fighters>

⁹ Christian Vianna de Azevedo, “The Nexus Between Transnational Organized Crime and Terrorism in Latin America,” United Nations Integrated Crime and Justice Research Institute, June 2024, <https://unicri.org/nexus-between-transnational-organized-crime-and-terrorism-latin-america-june-2024>

¹⁰ Ibid

¹¹ “The Lebanese in Sub-Saharan Africa,” CIA Directorate of Operations 6/1999, https://www.cia.gov/readingroom/docs/DOC_0000258637.pdf

¹² Emanuele Ottolenghi, “How Hezbollah Fundraises Through Crime,” Foundation for the Defense of Democracies, July 2, 2024, <https://www.fdd.org/analysis/2024/07/02/how-hezbollah-fundraises-through-crime/>

Of increasing concern among Latin American officials is the issue of Bolivia. Bolivia's outgoing *Movement for Socialism* government has been hostile to the United States and many of our partners. It established a close economic and political relationship with Iran and other countries in the Iranian-sponsored "Axis of Resistance." Given Bolivia's history as a major source of cocaine, it is possible that Iran's proxy, Hezbollah, has incorporated Bolivia into its global terrorism, smuggling, and drug trafficking networks. Several South American law enforcement and intelligence officials are already referring to the common borders of Bolivia, Paraguay, and Brazil as the "second Tri-Border Area."

Hezbollah is weakened, and perhaps at no time in its bloody and violent history has it faced such challenges to survive. But there should be no doubt—Hezbollah is continuously evolving to not only survive, but to emerge stronger, especially in our own hemisphere. One thing is certain: Hezbollah will *improvise, adapt, and overcome*.

Policies and actions to counter Hezbollah's involvement in criminal activity, to include drug trafficking, will degrade its terrorism capabilities. Possible recommendations for consideration to further weaken Hezbollah include:

- **Encourage nations around the world to designate Hezbollah as a terrorist organization.** This will strip away the group's veneer as a legitimate political entity and further erode its standing. Most importantly, under many countries' legal systems, the designation of an entity as a terrorist organization will unlock multiple investigative and prosecutorial tools. In addition, such a designation allows for greater coordination with the United States in combatting terrorism. Currently, the only countries in Latin America that have designated Hezbollah as a terrorist organization are Argentina, Colombia, Guatemala, Honduras, and Paraguay.
- **Support the expansion of international training opportunities and information/intelligence exchanges** to educate foreign law enforcement on Hezbollah's exploitation of existing criminal networks. The crime-terror nexus of Hezbollah is unknown or underappreciated in many parts of the world, but especially in Latin America. International drug trafficking fits squarely into this.
- **Support the establishment of multinational and regional information fusion centers.** Another timeless military maxim is "*Intelligence drives operations*." With such a complex and dynamic transnational threat as Hezbollah, it is paramount to bring together international and regional partners. By this coalition of the willing, critical information can be processed for tactical and strategic objectives. Multiple sources of information and resources can be combined and coordinated as a force multiplier, leaving little avenue for Hezbollah to expand its drug trafficking, criminal, and terrorist activities.

I believe at this moment we have a unique opportunity to further erode Hezbollah's proven terrorist capabilities and global reach. A focused, well-resourced, and coordinated international campaign to penetrate and dismantle Hezbollah infrastructure will deal a heavy blow to a very capable, but weakened, Hezbollah.

Thank you for the honor and privilege to appear before you today. I look forward to responding to any questions you may have.