

**Iranian State Sponsorship of Terror:  
Threatening U.S. Security, Global Stability, and Regional Peace**

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## INTRODUCTION

CIA officials regularly describe Iran as “the foremost state sponsor of terror.”<sup>1</sup> President Bush reaffirmed this assessment in his recent State of the Union address, saying, “Today, Iran remains the world's primary state sponsor of terror.”<sup>2</sup> And earlier this month, British Prime Minister Tony Blair echoed the U.S. government’s perception of Iran, saying Iran “certainly does sponsor terrorism. There is no doubt about that at all.”<sup>3</sup>

To be sure, Iran’s support for Lebanese Hezbollah alone justifies these conclusions. Hezbollah, a U.S.-designated terrorist organization, was responsible for more American deaths than any other terrorist organization until September 11. Highlights of Hezbollah’s record of terror attacks include suicide truck bombings targeting U.S. and French forces in Beirut (in 1983 and 1984) and U.S. forces again in Saudi Arabia (in 1996), its record of suicide bombing attacks targeting Jewish and Israeli interests such as those in Argentina (1992 and 1994) and in Thailand (attempted in 1994), and a host of other plots targeting American, French, German, British, Kuwaiti, Bahraini and other interests in plots from Europe to Southeast Asia to the Middle East.<sup>4</sup>

According to U.S. authorities, concern over the threat posed by Hezbollah is well placed. FBI officials testified before the Senate Select Committee on Intelligence in February 2002 that “FBI investigations to date continue to indicate that many Hezbollah subjects based in the United States have the capability to attempt terrorist attacks here should this be a desired objective of the group.”<sup>5</sup> Similarly, CIA Director George Tenet testified before the Senate Armed Services Committee in February 2003 that “Hezbollah, as an organization with capability and worldwide presence, is [al-Qaeda's] equal, if not a far more capable organization.”<sup>6</sup> That capability is a direct result of Hezbollah’s intimate ties to -- and training at the hands of -- Iranian security and intelligence services.

Iran’s terrorist activities can be split into several primary categories. First, Iran actively seeks to undermine prospects for Israeli-Arab peace. Second, Iran sponsors terrorist groups of global reach, including funding, training, arming and providing safe haven to their members. Third, Iranian intelligence operatives are themselves engaged in terrorist activity on their own and in cooperation with terrorist groups, including surveillance of U.S. interests at home and abroad. This includes efforts to destabilize regimes not to Tehran’s liking, particularly in the Middle East, as evidenced most recently by Iranian activity in Iraq.

Each of these categories of terrorist activity deserves attention, and I will touch on each of them today. For two reasons, however, my focus today will be on Iranian-sponsored terrorism targeting Israel and the peace process.

First, the death of Yasser Arafat and election of Mahmoud Abbas as the new president of the Palestinian Authority mark a positive turning point in Palestinian politics. Meanwhile, Hamas and Islamic Jihad suicide bombers now find it much harder to bomb Israeli buses and cafes now that a security barrier – built roughly along the Green Line separating Israel and the West Bank – prevents their easy entry into Israeli cities. Add to

this the forthcoming Israeli redeployment from the entirety of the Gaza Strip and the northern West Bank, and even the pessimist sees the opening of a window of opportunity. That window will quickly slam shut, however, in the face of continued terrorist attacks against Israel. Coming off four and a half years of incessant attacks, Israeli tolerance for negotiating peace in the face of ongoing terror is nil. The entire project, therefore, is premised on the assumption that the ceasefire announced at last week's Sharm al-Sheikh summit will hold. Iran and Hezbollah are doing everything in their power to see that it fails.

Second, focusing on Iranian terror targeting Israel and the peace process, on which there is far more open-source information available compared to Iran's other terrorist activities, allows me to highlight the depth of Iran's involvement in terrorism.

## 1. TARGETING ISRAEL AND THE PEACE PROCESS

**FUNDING.** Iran has long been believed to fund Hezbollah to the tune of at least \$100 million per year. Recently, Western diplomats and analysts in Lebanon estimated Hezbollah receives closer to \$200 million a year from Iran.<sup>7</sup> The increase is likely due to Iran's keen interest in undermining prospects for Israeli-Palestinian peace (and, in general, further destabilizing the Israeli-Palestinian conflict), and Hezbollah's growing role as Iran's proxy to achieve this goal. Hezbollah's success in funding and training Palestinian groups may well explain the increase in funding since Iran is known to employ a results-oriented approach to determining the level of funding it is willing to provide terrorist groups. As a U.S. court noted in *Weinstein v. Iran*, the period of 1995-1996 "was a peak period for Iranian economic support of Hamas because Iran typically paid for results, and Hamas was providing results by committing numerous bus bombings."<sup>8</sup> Iranian funding to terrorist groups like Hamas and Islamic Jihad (most often funneled via Hezbollah) increases when they carry out successful attacks and decreases when they fail, are thwarted or are postponed due to ceasefires or other political considerations. Unlike most terrorist groups, which need to focus much time and attention on raising, laundering and transferring funds, Iran's largesse provides Hezbollah with a sizable and constant flow of reliable funding. By all accounts, Hezbollah operates under no revenue constraints; indeed, it often serves as a middleman funneling funds from Iran to other terrorist groups such as the Palestinian Islamic Jihad (PIJ), Fatah Tanzim, and others.

Iran actively supports Hezbollah's involvement in the Palestinian-Israeli conflict and its support of Palestinian militants. U.S. officials contend that, shortly after Palestinian violence erupted in September 2000, Iran assigned Imad Mughniyeh, Hezbollah's international operations commander, to help Palestinian militant groups, specifically Hamas and PIJ.<sup>9</sup> Mughniyeh features prominently on the FBI list of most wanted terrorists, and is the subject of a sealed U.S. indictment for his role in the 1985 TWA hijacking. According to a former Clinton administration official, "Mughniyeh got orders from Tehran to work with Hamas."<sup>10</sup> In fact, in the March 27, 2002, "Passover massacre" suicide bombing, Hamas relied on the guidance of a Hezbollah expert to build an extra-potent bomb.<sup>11</sup>

Iran also provides terrorist groups with direct financial and operational support for military activities. According to a December 2000 Palestinian intelligence report confiscated by Israeli authorities, Iran transferred \$400,000 directly to Hamas's Qassam Brigades to specifically support "the Hamas military arm in Israel and encouraging suicide operations," and another \$700,000 to Islamic organizations opposed to the PA.<sup>12</sup> A confiscated Palestinian document describes a May 19, 2000, meeting between the Iranian ambassador to Syria and representatives from Hamas, Islamic Jihad, and Hezbollah at the Iranian Embassy in Damascus. According to the report, "during the meeting the Iranian ambassador demanded that the above-mentioned persons carry out military operations in Palestine without taking responsibility for these operations."<sup>13</sup> According to another Palestinian intelligence document dated October 31, 2001, officials from Hamas, Islamic Jihad and Hezbollah had been meeting in Damascus "in an attempt to increase the joint activity inside [i.e. in Israel, the West Bank and Gaza] with financial aid from Iran." The meeting was held "after an Iranian message had been transferred to the Hamas and Islamic Jihad leaderships, according to which they must not allow a calming down [of the situation] at this period." The Iranian funds, the report added, were to be transferred by Hezbollah.<sup>14</sup>

While estimates of Iran's financial assistance to Hamas vary, there is consensus that the sum is significant. According to Israeli estimates, Iran contributes around \$3 million a year in direct aid to Hamas.<sup>15</sup> Canadian intelligence cites Canadian Secret Intelligence Service (CSIS) assessments that Iran transfers somewhere between \$3 million to \$18 million a year to Hamas. According to the CSIS report, "in February 1999, it was reported that Palestinian police had discovered documents that attest to the transfer of \$35 million to Hamas from the Iranian Intelligence Service (MOIS), money reportedly meant to finance terrorist activities against Israeli targets."<sup>16</sup> Palestinian sources estimate Iranian assistance to Hamas "at tens of millions of dollars."<sup>17</sup> According to experts testifying in the case of *Diana Campuzano et al v. The Islamic Republic of Iran*, Iranian financial support to Hamas in 1995 totaled \$30 million and ranged from \$20 million to \$50 million annually between 1990 and 2000.<sup>18</sup> According to expert testimony in another case involving a Hamas attack and Iranian support for Hamas, *Susan Weinstein et al v. The Islamic Republic of Iran et al*, "the Islamic Republic of Iran gave the organization at least \$25-50 million in 1995 and 1996, and also provided other groups with tens of millions of dollars to engage in terrorist activities. In total, Iran gave terrorist organizations, such as Hamas, between \$100 and \$200 million per year during this period."<sup>19</sup>

Iran's policy of increasing funding to terrorist groups when they carry out successful attacks is especially clear from its interactions with PIJ. Until Palestinian officials released Islamic Jihad bomb makers and terrorist recruiters from their jails in 2000 and 2001 (following the collapse of Israeli-Palestinian peace talks), Islamic Jihad had failed to carry out a successful, quality attack in a long time. Almost every plot failed, either due to incompetence or successful counterterrorism operations. Once their key operatives were released from jail, however, Islamic Jihad terrorist activity soon picked up sharply. In early June 2002, Iran's Ayatollah Ali Khamenei met with Islamic Jihad

leader Ramadan Shallah on the sidelines of a Tehran conference convened in support of the Palestinian intifada. Khamenei pledged to separate Iran's funding for Islamic Jihad from that of Hezbollah and to increase its funding by 70 percent "to cover the expense of recruiting young Palestinians for suicide operations."<sup>20</sup> U.S. officials, having affirmed that Islamic Jihad is "financed and directed by Iran," also noted that, in the period following the onset of violence in September 2000, Tehran instituted an incentive system in which millions of dollars in cash bonuses are conferred to the organization for successful attacks.<sup>21</sup>

Other circumstances can also affect the level of funding Iran provides terrorist groups. As noted above, Iranian funding of Palestinian terrorist groups increased at the outset of the Palestinian Intifada in late 2000. In the wake of the death of Palestinian leader Yasser Arafat, Hezbollah reportedly received an additional \$22 million from Iranian intelligence to support Palestinian terrorist groups and foment instability.<sup>22</sup> Similarly, in the wake of 2004 Saudi crackdown on al-Qaeda terror financing emanating from within the Kingdom, funding for Hamas from within Saudi Arabia all but dried up since many of the radical jihadist financiers funding al-Qaeda supported Hamas as well. Following the loss of these funds, Hamas is believed to have accepted an emergency budgetary supplement from Iran to tide the organization over until alternative means could be found to transfer funds from the Kingdom to Hamas. This financial support was likely forthcoming due to Hamas's successful militarization of the Intifada that followed the failure of Israeli-Palestinian peace talks in 2000.

TRAINING. On top of funding terrorist groups targeting Israel and the peace process, Iranian training camps run by Hezbollah and the Popular Front for the Liberation of Palestine – General Command (PFLP-GC) dot the Syrian and Lebanese landscapes, where Hezbollah and Iranian trainers have schooled a motley crew of Palestinian, Kurdish, Armenian, and other recruits in a variety of terrorist and intelligence tactics. For example, several of the terrorists who carried out the 1996 Khobar Towers bombing were recruited in Syria and trained in Hezbollah camps in Lebanon and Iran.<sup>23</sup>

Palestinian legislator and scholar Ziad Abu-Amr notes that Iran provides "logistical support to Hamas and military training to its members."<sup>24</sup> According to a Canadian intelligence report, "Hamas has training camps in Iran, Lebanon, and Sudan. Hamas camps in Lebanon are said to be under Iranian supervision."<sup>25</sup>

Perhaps the best known case of Iranian agents training Palestinian terrorists is the case of Hassan Salamah, the Hamas commander who was the mastermind behind the string of suicide bus bombing carried out by Hamas in February and March 1996. Both in his statements to Israeli police and an interview on CBS's "60 Minutes," Salamah noted that after undergoing ideological indoctrination training in Sudan he was sent to Syria and from there transported to Iran on an Iranian aircraft to a base near Tehran. Osama Hamdan, Hamas's representative to Iran at the time, met Salamah in Tehran, after which Salamah underwent three months of military training at the hands of Iranian trainers. With the help of a translator (Salamah did not speak Farsi and his trainers did not speak Arabic well), Salamah trained to use explosives, automatic weapons, hand grenades,

shoulder-fired missiles, ambush techniques, how to deactivate land mines and extract their explosive material, and how to build trigger mechanisms for bombs. By his own statement, Salamah received all his military training in Iran.<sup>26</sup>

Iran also runs terrorist training camps of its own in Lebanon, aside from the Iranian-funded camps Hezbollah operates there. In August 2002, Tehran was reported to have financed camps under General Ali Reza Tamzar, commander of Iranian Revolutionary Guard Corps (IRGC) activity in Lebanon's Bekaa Valley. These camps were designed to train Hezbollah, Hamas, Palestinian Islamic Jihad, and PFLP-GC terrorists in the use of the short-range Fajr-5 missile and the SA-7 anti-aircraft rocket.<sup>27</sup> The IRGC training program, which reportedly costs Iran \$50 million annually, also trains Lebanese and Palestinian terrorists to carry out "underwater suicide operations."<sup>28</sup> While training terrorists in the Bekaa Valley, the IRGC and MOIS simultaneously run several terrorist camps in Iran.<sup>29</sup> As of August 2002, more than seventy foreign recruits—mostly Arabs—were reportedly undergoing vigorous training under the command of the IRGC's Qods Force in two camps.<sup>30</sup> At least fifty were being trained at the Imam Ali Garrison in Tehran while another twenty-two were being trained at the Bahonar Garrison, a Qods Force base located north of Tehran. Trainees were instructed to hide their connection to Iran and were warned by a Qods commander that "subsequent to September 11, our activities have become more sensitive."<sup>31</sup>

Iran actively recruits Palestinians for terrorist training in its camps as well. Israeli authorities had arrested two Palestinians, Shadi Jaber and Jihad Ibrahim Albasha, upon their return from Iran. According to the information they provided, the Iranian Committee for Aiding Wounded Victims of the Intifada had been working with Palestinians to find potential terrorist recruits among those wounded in what was then already 17 months of violence. Iran arranged for free travel, medical treatment and terrorist training for Palestinians who then returned to the Palestinian territories to establish terrorist cells. Among those involved in the recruitment drive, according to Albasha, were Iranian Ambassador to Jordan Nosratollah Tajik, PA Minister of Detainees and Freed Detainees Affairs Hisham Abdel al Razek, and senior Hezbollah operative Najafi Abu Mahadi. Additionally, Israeli authorities informed foreign diplomats in Israel in February 2002 that Iran had been transferring money to terrorists in the West Bank and Gaza for the purchase of weapons, and that terrorists affiliated with PA Chairman Yasser Arafat's own Fatah Tanzim militia had traveled to Iran for training. Meanwhile, Iran continued to play on the frustration and anger of Israeli Arabs via its Hezbollah and Palestinian proxies to collect intelligence on Israel and courier weapons and funds to terrorist cells.<sup>32</sup>

Hezbollah has also engaged in a proactive effort to recruit Israeli-Arabs to provide intelligence on Israel and logistical support for terrorist operations. Israeli authorities have broken several cells of Israeli-Arabs associated with Hezbollah and other "Lebanese groups," including a four-person cell suspected of passing "computer programs, maps, various objects and documents which may constitute intelligence" through the village of Ghajjar (which straddles the Blue Line separating Israel and Lebanon) to groups in Lebanon in exchange for drugs and weapons.<sup>33</sup> Similarly, a Hezbollah operative recruited

a terrorist cell of Israeli Arabs from the Galilee village of Abu Snan, which was uncovered by Israeli authorities as the group was planning kidnapping operations that would have targeted Israeli soldiers.<sup>34</sup>

According to statements by captured operatives and other information made public by Israeli intelligence, Hezbollah and Lebanon-based operatives from Iran's IRGC have recruited a network of rogue Fatah cells to serve as Hezbollah's West Bank cadres.<sup>35</sup> Hezbollah is particularly well known for its skill at manufacturing and placing sophisticated roadside bombs, a skill the group has now transferred to the West Bank and Gaza. Aside from Hezbollah's role in the aforementioned 2002 tank bombing, Israeli authorities discovered a type of mine that had previously been used only by Hezbollah in Lebanon in Hebron in mid-2002. Israeli authorities conducting a search in Hebron during that same month arrested Fawzi Ayub, a Hezbollah operative who had entered the territories by sea using a Canadian passport.<sup>36</sup>

Hezbollah operatives working with Force 17 colonel Masoud Ayad in Gaza reportedly directed small arms and mortar attacks against Israeli civilians in Gaza.<sup>37</sup> In June 2002, Israeli authorities conducting a search in Hebron arrested a Hezbollah operative who had entered the country on a Canadian passport.<sup>38</sup> The arrest of this individual coincided with the discovery in Hebron of mines previously only used by Hezbollah in Lebanon.<sup>39</sup> Hezbollah and the IRGC are more active in Lebanon than ever, including recruiting, training, and dispatching a cell of Palestinians which killed 7 Israelis in a cross-border raid on the northern Israeli community of Metsuba in March 2002.<sup>40</sup>

**SMUGGLING WEAPONS.** Iran also ships and smuggles weapons to a variety of terrorist groups. Iranian cargo planes deliver sophisticated weaponry, from rockets to small arms, to Hezbollah in regular flights to Damascus from Tehran. These weapons are offloaded in Syria and trucked to Hezbollah camps in Lebanon's Beka'a Valley. In January 2004, Iran reportedly took advantage of the international humanitarian aid effort to assist earthquake victims in Iran to supply weapons to Hezbollah. Cargo planes reportedly flew to Iran from Syria filled with aid supplies, and returned full of weapons for Hezbollah.<sup>41</sup>

Iranian involvement in the *Karine-A* weapons smuggling ship – intercepted by the Israeli Navy in the Red Sea in January 2002 – is well documented. The White House described evidence of Iran's role in the *Karine-A* incident as “compelling,” a conclusion echoed in the statements of Director of Central Intelligence Tenet, senior State Department officials, and even European officials. Speaking before the European Parliament in Strasbourg in February 2002, European Union head of foreign affairs Javier Solana described the *Karine-A* as “the link between Iran and the PA,” adding that “such a connection had not existed for many years.”<sup>42</sup> Hezbollah's role in the affair is also well known. Not only did Iran arrange for Hezbollah external operations commander Imad Mughniyeh to purchase the *Karine-A*, but Mughniyeh's deputy, Haj Basseem, personally commanded the ship that met the *Karine-A* at the island of Kish (south of Iran) and oversaw the ship-to-ship transfer of the Iranian weapons.<sup>43</sup> But the link extends to Hamas as well.

According to U.S. officials, Iran offered the PA a substantial discount on the arms in return for being allowed to run a hospital in Gaza and other social-welfare organizations in the Palestinian territories. By these means, Iran hoped to gain a foothold of its own in the Palestinian territories, through which it could build grassroots support, propagate its anti-Israel message, collect intelligence on the activities of U.S. officials, and provide direct support to Hamas and PIJ—an established Iranian modus operandi.<sup>44</sup> Outreach to the Palestinians in this fashion would follow efforts by Iran elsewhere to use humanitarian and diplomatic footholds as a cover for IRGC or MOIS operatives collecting intelligence and supporting local terrorist groups. In 1997, a Defense Intelligence Agency report detailed a similar Iranian initiative in Tajikistan; MOIS had been collecting information on the U.S. presence there and possibly engaging in “terrorist targeting.”<sup>45</sup> In 1998, another such plan came to light in Kazakhstan, where three Iranians were arrested for espionage, possibly in support of a terrorist attack against U.S. interests.<sup>46</sup>

The *Karine-A* episode stood out not only due to the magnitude and audacity of the quantity of arms Iran attempted to smuggle (more than fifty tons of weapons valued at over \$2 million were destined for Palestinian militants in this one plot), but due to the quality of these weapons as well. The weapons seized aboard the *Karine-A* were described as “force multiplier weapons systems” that would have drastically shifted the balance of power between Israeli forces and Palestinian militant groups. The weapons included 107 and 122 mm rockets and launchers with ranges of up to twenty kilometers, antitank launchers and 120 mm mortars and mortar bombs, antipersonnel mines, small arms and ammunition, and more. Some of these arms still bore serial number markings revealing they were produced in Iran in 2001, including PG-7 Tandem and PG-7 Nader antitank rockets, and YM3 antitank and YM1 antipersonnel mines. While carried out by Hezbollah, the entire operation was financed by Iran.<sup>47</sup>

While by far the biggest smuggling plot Iran funded, the *Karine-A* is by no means the only one. Hezbollah and the PFLP-GC were both involved in other maritime smuggling efforts involving the Santorini and the Calipso-2, which between them made three successful smuggling runs to Gaza and the Egyptian Sinai -- once in November 2000 and twice in April 2001— before a fourth attempt was thwarted by the Israeli Navy in May 2001.<sup>48</sup> On May 21, 2003, the Israeli Navy intercepted the *Abu Hassan*, a fishing vessel bound for Gaza on which Hezbollah was attempting to smuggle CD’s featuring bomb making instructions and explosives, weapons, detonators for rockets and a radio-activation system for remote- control bombs to Palestinian militants.<sup>49</sup>

GENERAL SUPPORT. Tehran has also hosted terror conferences in Iran to garner international support for Palestinian terrorism. During the first of these conferences (October 14-22, 1991), a *fatwa* was issued that decreed any discontinuation of jihad for the liberation of Palestine was forbidden and unlawful<sup>50</sup>.

Usually around 40 Muslim countries are in attendance, but more importantly, so are representatives from every Palestinian terrorist group. During the April 2001 conference,



leading terrorist attendees designated by the United States included Ahmad Jibril of the PFLP, Ramadan Shalah of PIJ, Khaled Meshaal of Hamas, and Hassan Nasrallah of Hezbollah.<sup>51</sup> At the April 2001 conference, Ayatollah Ali Khamenei announced, “There is evidence which shows that Zionists had close relations with German Nazis and exaggerated statistics on Jewish killings.<sup>52</sup>” Ali Akbar Mohtashami, a member of the “reformist” faction of the Iranian parliament and a founder of Hezbollah who is suspected of engaging in a number of terrorist attacks, rationalized terrorism by describing Israel as the “knife in the heart of the Islamic world,” and saying, “It is time for the people to resist the aggressions of the great powers and especially their illegitimate representative in the region, which must be eliminated.”<sup>53</sup>

Today, Iran and its proxies are intent on undermining the best chance for progress toward peace in over four years. The death of Yasser Arafat and election of Mahmoud Abbas as the new president of the Palestinian Authority mark a turning point in Palestinian politics. Meanwhile, Hamas and Islamic Jihad suicide bombers suddenly find it much harder to bomb Israeli buses and cafes now that a security barrier – built roughly along the Green Line separating Israel and the West Bank – prevents their easy entry into Israeli cities. Add to this the forthcoming Israeli redeployment from the entirety of the Gaza Strip and the northern West Bank, and even the pessimist sees the opening of a window of opportunity. But Hezbollah, Hamas, Islamic Jihad, and the al-Aqsa Martyrs Brigades – all at Iran’s behest – are currently attempting to torpedo the nascent peace process. In late January, Hassan Nasrallah and Khaled Mish’al, the leaders of Hezbollah and Hamas respectively, met in Beirut where they declared that resistance against Israel was the only option until all of Palestine was liberated.<sup>54</sup> And Palestinian officials are worried. “We know that Hezbollah has been trying to recruit suicide bombers in the name of al-Aqsa Martyrs’ Brigades to carry out attacks which would sabotage the truce,” said one Palestinian official. Another Palestinian official cited intercepted e-mail communications and bank transactions indicating Hezbollah increased its payments to terrorists. “Now they are willing to pay \$100,000 for a whole operation whereas in the past they paid \$20,000, then raised it to \$50,000.”<sup>55</sup> Just hours after the announced ceasefire, members of the al-Aqsa Martyrs Brigades fired on a car near a West Bank Jewish settlement and then attacked the army unit sent to investigate the shooting.<sup>56</sup>

Indeed, Palestinian officials have gone so far as to warn that Iran and Hezbollah may try to assassinate Palestinian President Mahmoud Abbas. A Palestinian security official said, “Hezbollah and Iran are not happy with Abbas’s efforts to achieve a cease-fire with Israel and resume negotiations with Israel. That’s why we don’t rule out the possibility that they might try to kill him if he continues with his policy.”<sup>57</sup>

## 2. IRANIAN TERRORIST ACTIVITY

Iranian agents have long been directly involved in acts of terrorism themselves and in concert with Hezbollah networks, beyond the terrorist activities carried out independently by the proxy groups sponsored by Tehran. One of the earliest cases on which information is publicly available is the German indictment of Iran’s then-intelligence minister in 1997 in the infamous “Mykonos case.” Two Iranian intelligence officers and

two Hezbollah operatives carried out the assassination of four leaders of the Democratic Party of Iranian Kurdistan (DPIK), an Iranian dissident group.<sup>58</sup> To be sure, one of the most significant *modus operandi* that runs through all of Hezbollah's global activities -- financial, logistical and operational -- is that at some level all Hezbollah networks are overseen by, and are in contact with, senior Hezbollah leaders in Lebanon and/or Iranian officials.

Moreover, as one U.S. government official once put it to me, "Hezbollah cells are always a bit operational." For example, Hezbollah operatives in Charlotte, North Carolina, responded directly to Sheikh Abbas Haraki, a senior Hezbollah military commander in South Beirut. At the same time, Hezbollah procurement agents in Canada who coordinated with the Charlotte cell worked directly with Haj Hasan Hilu Laqis, Hezbollah's chief procurement officer who operates closely with Iranian intelligence.<sup>59</sup>

While the Hezbollah members in Charlotte ran an interstate cigarette smuggling ring, Mohammed Hassan Dbouk and his brother-in-law, Ali Adham Amhaz, ran the Canadian portion of this network. Their activities were funded in part with money that Laqis sent from Lebanon, in addition to their own criminal activities in Canada (e.g., credit card and banking scams).<sup>60</sup> Among the items that they purchased in Canada and the US and smuggled into Lebanon -- at some of which very likely ended up in the hands of Iranian agents -- were night-vision goggles, global positioning systems, stun guns, naval equipment, nitrogen cutters and laser range finders. The Canadian Hezbollah network also sought to take out life insurance policies for Hezbollah operatives committing acts of terrorism in the Middle East.<sup>61</sup> According to a wiretapped conversation with another member of his cell that was summarized by Canadian intelligence, "Dbouk referred to a person down there [in Southern Lebanon] ... who might in a short period of time go for a 'walk' ... and never come back, and wondering if Said [the other cell member] could fix some papers and details ... for him (person) and put himself (Said) as the reference."<sup>62</sup>

Mohammad Dbouk, the one-time head of the Canadian procurement cell, underwent terrorist training in camps in Iran at the hands of the IRGC before serving Hezbollah in Canada. Upon his return to Lebanon from Canada, Dbouk provided pre-operational surveillance for Hezbollah attack squads working under the cover of Hezbollah's satellite al-Manar television station. The pre-operational footage he took was used to plan Hezbollah attacks on Israeli positions prior to the Israeli withdrawal from Lebanon, and the live footage of the actual attack was then used to produce propaganda videos of the type seized in the homes of the Charlotte cell members.

Iran is known for using humanitarian and diplomatic footholds as a cover for IRGC or MOIS operatives. These operatives are tasked with collecting intelligence and supporting local terrorist groups under the cover of humanitarian activities. For example, in 1998 Time magazine reported about an Iranian initiative in Khazakstan. In 1997, a Defense Intelligence Agency (DIA) report quoted in the *Washington Times* detailed Iranian plots targeting U.S. interests in Tajikistan involving kidnappings, threats and the casing of U.S. diplomats by Iranian intelligence operatives.<sup>63</sup> According to the November 1997 DIA

report, "The Iranian Ministry of Intelligence and Security has been collecting information on the U.S. presence in Tajikistan."<sup>64</sup>

In Southeast Asia, members of the Hezbollah network behind a failed truck-bombing targeting the Israeli embassy in Bangkok in 1994, as well as a series of other terrorist plots in the region throughout the 1990s, were intimately tied to Iranian intelligence agents. Comprised almost entirely of local Sunni Muslims but supervised by a Lebanese Shi'a Hezbollah operative named Abu Foul, the network was led by Pandu Yudhawitna who was himself recruited by Iranian intelligence officers stationed in Malaysia in the early 1980s.<sup>65</sup>

Another example is the involvement of senior Hezbollah operatives and Iranian agents in the 1996 Khobar Towers bombing in Saudi Arabia. Ahmad Ibrahim al-Mughassil, who is wanted by the FBI for his role in the Khobar Towers bombing, is believed to enjoy safe haven in Iran. Several of the Hezbollah operatives received terrorist training in Iran, and the Iranian embassy in Damascus, Syria, served as "an important source of logistics and support for Saudi Hezbollah members traveling to and from Lebanon."<sup>66</sup> According to the indictment of the terrorists behind the attack, "the attack would serve Iran by driving the Americans from the Gulf region."<sup>67</sup> Former FBI director Louis Freeh has said that FBI agents interviewed six of the Hezbollah members who carried out the attack, and "all of them directly implicated the IRGC, MOIS and senior Iranian government officials in the planning and execution of the attack."<sup>68</sup> Throughout these and many other cases, a key common thread is the direct contact each cell maintains to senior Hezbollah and/or Iranian intelligence operatives.

Perhaps the best documented example of the operational relationship Iran maintains with Hezbollah is Tehran's role in the bombing of the Buenos Aires Jewish community center (Asociacion Mutual Israelita Argentina, or AMIA). According to Abdolghassem Mesbahi, a high-level Iranian defector, the decision to bomb the AMIA building was made at a meeting of senior Iranian decision makers on August 14, 1993.<sup>69</sup> The meeting reportedly included the Supreme Leader Ali Hoseini Khamenei, former President Ali Akbar Hashemi, Rafsanjani, former Foreign Minister Ali Akbar Velayati, the Head of Intelligence and Security in Khamenei's Bureau, Mohammed HJazi, former Intelligence Minister Ali Fallahian, and Iranian secret service agent Mohsen Rabbani.<sup>70</sup> According to Argentinean court documents, the Argentinean intelligence service (SIDE) believes that Khamenei issued a *fatwa* concerning AMIA. This *fatwa* was then handed down from Fallahian to Imad Mughniyeh, the "special operations" chief of Hezbollah. Mughniyeh worked in conjunction with Rabbani, who was able to help orchestrate the plan for the bombing clandestinely under the guise of heading the Iranian Cultural Bureau at the Iranian Embassy in Buenos Aires.<sup>71</sup> Rabbani attempted to buy a *Renault-Trafic* model van, the same model that was used in the bombing, and is suspected of being involved with several commercial activities through fictitious or undercover enterprises on behalf of Iranian intelligence.<sup>72</sup> Investigators also uncovered records of phone calls between the Iranian embassy in Buenos Aires and suspected Hezbollah operatives in the tri-border area who operated out of a mosque and a travel agency there.<sup>73</sup>

According to expert opinions included in the Argentinean court document, it is well known that Hezbollah operatives often receive training in Iran.<sup>74</sup> In addition, Hezbollah prefers outside operatives to local contacts when running its major operations in other countries. These operatives generally are more trustworthy and better trained.<sup>75</sup> The terrorists that conducted the AMIA bombing would have had greater difficulty operating without the operational support of Iran, which reportedly included the bribing of then Argentinean President Carlos Menem with a payment of \$10 million dollars to keep Iran's involvement quiet.<sup>76</sup>

Jordan's King Abdullah II highlighted another Iranian operation when he visited President Bush on February 1, 2002. The King reportedly presented the president with evidence that Iran had sponsored no fewer than seventeen attempts to launch rockets and mortars at Israeli targets from Jordanian soil.<sup>77</sup> This was, according to the King, an Iranian plot aimed at undermining the Jordanian regime and opening a new front against Israel. Detained Hezbollah, Hamas, and PIJ terrorists had apparently admitted to having been trained, armed, and funded by Iranian instructors at Hezbollah camps in Lebanon's Beka'a Valley.

Like its recruitment of Palestinians to train in Iran, Tehran recruited trainees among African Shia as well. According to Israeli intelligence, "in recent years, many foreign students, including [students] from Uganda and other African countries, are sent to study theology in Iranian universities" as a means of recruiting and training them as Hezbollah operatives or Iranian intelligence agents.<sup>78</sup>

For example, in late 2002, Ugandan officials arrested Shafi Ibrahim, a leader of a cell of Ugandan Shi'as working for Iran and possibly Hezbollah. Ibrahim's partner was Sharif Wadoulo, another Ugandan Shi'a wanted by authorities in his homeland but believed to have fled to an unnamed Gulf country. Under questioning, Ibrahim confirmed that he and a group of African students first traveled to Iran in 1996 on scholarships to study theology at Razavi University in Mashhad. Ibrahim and Wadoulo then underwent intelligence and sabotage training in 2001 at two facilities in the Amaniye area of north Tehran. Together with new Lebanese Hezbollah trainees, they were taught to use small arms, produce explosive devices, collect pre-operational intelligence, plan escape routes, and withstand interrogation techniques. The students were given fictitious covers, money, and means of communication, then "instructed to collect intelligence on Americans and Westerners present in Uganda and other countries." In common with Hezbollah networks in Southeast Asia, which have similarly strong ties to Iranian intelligence, Ibrahim and Wadoulo were also told "to recruit other Ugandan civilians for similar assignments."<sup>79</sup>

Iranian operatives are also well-known for conducting surveillance for future potential attacks. In the fall of 2003 law enforcement officials in Britain questioned a carload of Iranians claiming to be tourists after they were spotted filming buildings tied to the Jewish-community in London. According to *Newsweek*, a year earlier, "Swiss authorities traced a similar apparent attempt to surveil a Jewish target in Geneva to an Iranian diplomatic mission."<sup>80</sup>

Such activity on the part of Iranian agents is not at all uncommon. In October 2003 Israeli intelligence thwarted an Iranian plot to kidnap Israeli businessmen and political leaders in Africa. A Mossad warning specified increased Iranian intelligence activity targeting Israelis in Eritrea, Ethiopia, Kenya, Somalia and Tanzania.<sup>81</sup> A few months later, in February 2004, an Iranian diplomat was taken into custody by Nigerian police for spying on the Israeli embassy, the Nigerian Petroleum Corp towers, the British Council, and the Defense Ministry and Army headquarters in the capital of Abuja. An Israeli official confirmed that “a digital camera was found in his possession, with surveillance pictures of the embassy and several other international and local official buildings in the capital.”<sup>82</sup>

In a similar case, in September 2004, an Iranian agent was spotted surveilling the Hyatt Regency Hotel that houses the Israeli and Japanese embassies in Baku, Azerbaijan, and was arrested by local authorities. Israeli security personnel detected the Iranian videotaping the building, who claimed to be recording the building “for its beauty” but had filmed not windows or vistas but exits, entrances, access routes and a local police station. According to Israeli authorities, “it is believed the detention of the Iranian in Baku has foiled a larger operation to collect intelligence on Israeli targets.”<sup>83</sup>

Iranian intelligence operatives have also engaged in activity in support of potential terrorist operations in the United States. In June of last year, two security guards working at Iran’s mission to the United Nations were kicked out of the country for conducting surveillance of New York City landmarks in a manner “incompatible with their stated duties.” A U.S. counterintelligence official said at the time, “We cannot think of any reason for this activity other than this was reconnaissance for some kind of potential targeting for terrorists.”<sup>84</sup> This fits known Iranian *modus operandi*, as highlighted by former FBI director Louis Freeh. In the late 1990’s, Freeh would later write, the FBI wanted to photograph and fingerprint official Iranian delegations visiting the U.S. because “the MOIS was using these groups to infiltrate its agents into the U.S.”<sup>85</sup>

### 3. IRANIAN TIES TO AL QAEDA

While the 9/11 Commission found no evidence that Iran or Hezbollah had advance knowledge of the September 11 plot, the commission’s report does note that Iran and Hezbollah provided assistance to al-Qaeda on several occasions. For example, al-Qaeda operatives were allowed to travel through Iran with great ease. Entry stamps were not put in Saudi operatives’ passports at the border, though at least eight of the September 11 hijackers transited the country between October 2000 and February 2001. The report also noted a “persistence of contacts between Iranian security officials and senior al-Qaeda figures” and drew attention to an informal agreement by which Iran would support al-Qaeda training with the understanding that such training would be used “for actions carried out primarily against Israel and the United States.” Indeed, al-Qaeda operatives were trained in explosives, security, and intelligence on at least two occasions, with one group trained in Iran around 1992, and a second trained by Hezbollah in Lebanon’s Beka’a Valley in the fall of 1993.<sup>86</sup>

Hezbollah depends on a wide variety of criminal enterprises, ranging from smuggling to fraud to drug trade to diamond trade in regions across the world, including North America, South America, and the Middle East, to raise money to support Hezbollah activities. Published reports suggest that al-Qaeda and Hezbollah have formed tactical, ad-hoc alliances with a variety of terrorist organizations to cooperate on money laundering and other unlawful activities.<sup>87</sup>

Hezbollah is also believed to raise significant funds by dealing in so-called 'conflict diamonds' in Sierra Leone, Liberia, and Congo, a practice that al-Qaeda has reportedly copied (in this case not as a means of raising funds but to protect them from asset forfeiture and securely transfer them worldwide) using the model and contacts established by Hezbollah.<sup>88</sup>

On February 15, 2002, Turkish police arrested two Palestinians and a Jordanian who entered Turkey illegally from Iran on their way to conduct bombing attacks in Israel. The three were members of the al-Qaeda linked group Beyyyiat el-Imam, fought for the Taliban, received terrorist training in Afghanistan, and were dispatched on their mission by Abu Musab al-Zarqawi. Zarqawi fled Afghanistan after the U.S.-led military campaign began, and was living in Tehran under the protection of Iran long after news of his link to the three terrorists arrested in Turkey. Prior to the war in Iraq, Zarqawi had reportedly returned to the Ansar al-Islam camp in northern Iraq run by his Jund al-Shams lieutenants. There, he enjoyed safe haven and free passage into and out of Ansar-held areas.<sup>89</sup> Zarqawi was said to be back in Iran as of October 2003, where he continued to operate with the full knowledge of the regime in Tehran until moving his base of operations and tactical focus to Iraq.<sup>90</sup>

In September 2003, when the Treasury Department designated Zarqawi and several of his associates as "Specially Designated Global Terrorist" entities, the department released information revealing that Zarqawi not only has "ties" to Hezbollah, but that plans were in place for his deputies to meet with Asbat al-Ansar, Hezbollah "and any other group that would enable them to smuggle mujaheddin into Palestine" in an effort "to smuggle operatives into Israel to conduct operations."<sup>91</sup> Zarqawi received "more than \$35,000" in mid 2001 "for work in Palestine," which included "finding a mechanism that would enable more suicide martyrs to enter Israel" as well as "to provide training on explosives, poisons, and remote controlled devices."<sup>92</sup>

According to the Treasury Department, Zarqawi also met an associate named Mohamed Abu Dhess in Iran in early September 2001 "and instructed him to commit terrorist attacks against Jewish or Israeli facilities in Germany with 'his [Zarqawi's] people'."<sup>93</sup> In fact, Iran is apparently a common and convenient meeting place for radical Sunnis affiliated with global jihadist groups and other terrorist organizations, including Hamas and Hezbollah. In Pakistan, the leader of a *jihadi* organization there openly admitted to having "person-to-person contacts" with other groups, adding, "sometimes fighters from Hamas and Hezbollah help us." Asked where contacts with groups like Hamas and Hezbollah are held, the Pakistani answered, "a good place to meet is in Iran." Offering

insight into the importance of interpersonal relationships between members of disparate terrorist groups, he added, “We don’t involve other organizations. Just individuals.”<sup>94</sup>

Several terrorist threats have been thwarted because of information found in safe houses which are known to have been in direct contact with al-Qaeda personnel in Iran. Saif al-Adel, Saad Bin Laden and others were in Iran and therefore tied, in some way or another, to the bombings in Riyadh. There were apparently al-Qaeda plots to assassinate members of the Saudi royal family, at least two plots targeting Saudi ministries, and now it has been discovered – in the safe houses in Saudi Arabia – that they were using the country as a base to plot many more attacks. Indeed, already in 2002 reports emerged that Iran was providing safe haven to senior al-Qaeda fugitives who head the group's military committee, as well as to dozens of other al-Qaeda personnel.<sup>95</sup> An Arab intelligence officer was quoted as saying that some al-Qaeda operatives were instructed to leave Iran, but were told that “they may be called on at some point to assist Iran.”<sup>96</sup>

None of this is new. In the period leading up to the 1998 East Africa embassy bombings, ten percent of Osama Bin Laden’s satellite phone calls were made to Iran. From the testimony of Ali Mohammed and other captured al-Qaeda operatives, meetings were known to be periodically set up by Iran and al-Qaeda.

Former National Security Council terrorism czar Richard Clarke testified that “al Qaeda is a small part of the overall challenge we face from radical terrorist groups associated with Islam. Autonomous cells, regional affiliate groups, radical Palestinian organizations, and groups sponsored by Iran’s Revolutionary Guards are engaged in mutual support arrangements, including funding.”<sup>97</sup> Indeed, in a January 25, 2001, memo recently declassified and now made available to the public by the National Archives, Clarke noted that “Al-Qida has recently [January 2001] increased its contacts with the Palestinian rejectionist groups, including Hizbollah, Hamas and Palestinian Islamic Jihad.”<sup>98</sup> Significantly, each of these is sponsored by Iran.

#### 4. RADICALIZATION

Beyond training and arming Hezbollah, Iran bankrolls the group’s well-oiled propaganda machine as well. Al-Manar is the official television mouthpiece of Hezbollah, and is used by Hezbollah and Iran to radicalize Muslim youth and glorify violence, especially in the contexts of Israel and Iraq. Called the “station of resistance” – it serves as Hezbollah’s tool to reach the entire Arab Muslim world to disseminate propaganda and promote terrorist activity. Al-Manar glorifies suicide bombings, calls for attacks targeting Israel, coalition forces in Iraq, and the United States, and seeks to create a radicalized constituency that is as likely to seek out terrorist groups themselves to join their ranks as they are to be sought after and recruited by these groups.

At the time of al-Manar’s founding in 1991, the station reportedly received seed money from Iran and had a running budget of \$1 million.<sup>99</sup> By 2002 its annual budget had grown to approximately \$15 million.<sup>100</sup> Middle East analysts and journalists maintain that most of this funding comes from Iran.<sup>101</sup> Avi Jorisch, author of *Beacon of Hatred*:

*Inside Hezbollah's al-Manar Television*, writes that "Iran provides an estimated \$100-200 million per year to Hezbollah, which in turn transfers money to al-Manar, making Iranian funding of the station indirect."<sup>102</sup> This was confirmed by former al-Manar program director Sheikh Nasir al-Akhdar who asserted that al-Manar receives a large portion of its budget through subsidies offered by Hezbollah.<sup>103</sup>

According to one official in al-Manar's Art Graphic Department, al-Manar's music videos are meant to "help people on the way to committing what you call in the West a suicide mission. [They are] meant to be the first step in the process of a freedom fighter operation."

The United States has been a primary target of al-Manar programming and is depicted as a global oppressor. In a speech broadcast on al-Manar, Hezbollah Secretary-general Hassan Nasrallah stated, "Our enmity to the Great Satan is complete and unlimited. . . . Our echoing slogan will remain: Death to America!" One video features an altered image of the Statue of Liberty. The statue's head has been transformed into a skull with hollow eyes, her gown dripping in blood. Instead of a torch, she holds a sharp knife. After asserting that the United States "has pried into the affairs of most countries in the world," the video ends with the slogan, "America owes blood to all of humanity."

Al-Manar often juxtaposes sacred Islamic text with images of "martyrdom" to incite its viewers to support and even carry out acts of terror. In one video, Qur'anic verses are sung in somber, quiet tones and scrolled across the screen while footage in the background shows U.S. and Israeli flags being burned, demonstrators waving a "Down with U.S.A." sign, a suicide bomber recording his valediction, victims and rescue personnel scrambling in the aftermath of a suicide bombing, and similar images.

Indeed, al-Manar takes its case for suicide operations straight to the people. Viewers are told that "the path to becoming a priest in Islam is through jihad." Potential bombers are implored to focus their attention on the afterlife and on judgment day "instead of getting preoccupied with our lives here on earth." Mothers are encouraged to give up their sons for God, country, and the blessings of the afterlife, to prepare them "for battle knowing that their blood will mix with the soil." In the eyes of Hezbollah, "this belief in judgment day is the most powerful weapon in the face of technology and advanced weaponry." Such belief "drives fear into the heart of the Israeli soldier as he sits in his tank, while God guides [Hezbollah's] bullets and rockets to their targets."

Al-Manar also encourages Iraqi insurgents to attack U.S. troops as well. One video lambastes U.S. troops in Iraq with the following lyrics: "Down with the mother of terrorism! America threatens in vain, an occupying army of invaders. Nothing remains but rifles and suicide bombers." The video ends with an image of a suicide bomber's belt detonating.

Echoing an Iranian message, Hezbollah secretary-general Hassan Nasrallah made the following remarks in a speech given one week before coalition forces launched Operation Iraqi Freedom (as broadcast on al-Manar, the organization's Beirut-based satellite



television station): "In the past, when the Marines were in Beirut, we screamed, 'Death to America!' Today, when the region is being filled with hundreds of thousands of American soldiers, 'Death to America!' was, is, and will stay our slogan."

Another vehicle Iran uses to radicalize society and breed future terrorists is the nefarious propaganda machine Hamas runs through its social-welfare institutions. According to the State Department, "Hamas has used its charities to strengthen its own standing among Palestinians at the expense of the Palestinian Authority."<sup>104</sup> Indeed, a report submitted to then-PA Chairman Yasser Arafat in June 2000 described a meeting in Damascus at which Iranian officials and Hamas leaders agreed "to use the *dawa* in the battle for public opinion."<sup>105</sup> Palestinian analysts readily concur that Hamas has a "project to impose itself as an alternative to the Palestinian Authority although it kept that approach hidden and undeclared."<sup>106</sup>

Iranian funding of Hamas not only serves to radicalize Palestinian society, it also provides Hamas with a much needed logistical support structure. An Israeli analysis concluded that one of the ways Hamas *dawa* institutions serve as the group's terrorist support apparatus is "by creating jobs and employment opportunities for them (and sometimes also for their family members) in many 'charitable societies' and other institutions which comprise its civilian infrastructure." In so doing, the group provides the operatives an apparently "legal cover."<sup>107</sup> In its ruling finding Iran responsible for a 1996 Hamas suicide bus bombing that killed American citizen Ira Weinstein, the United States District Court for the District of Columbia found that the money Iran gave Hamas "among other things, supported Hamas terrorist activities by, for example, bringing Hamas into contact with potential terrorist recruits and by providing legitimate front activities behind which Hamas could hide its terrorist activities."<sup>108</sup>

## 5. IRANIAN AND HEZBOLLAH ACTIVITIES IN IRAQ

Iran has been proactively involved in undermining U.S. and Coalition interests in Iraq for months. Iranian clerics, agents from the IRGC, and Hezbollah operatives have all been involved in undermining U.S. efforts in the region by radicalizing the population, gathering intelligence, and taking steps to garner support for their cause.

Since May 2003, more than 2,000 Iranian-sponsored clerics have reportedly crossed the border from Iran into Iraq. These clerics bring with them incitement materials such as books, CDs and tapes to distribute to the Iraqi people in an effort to promote militant Islam. Furthermore, Iranian dissident sources maintain that the IRGC's Qods Force established armed underground cells in southern Iraq, a Shi'i dominated area.<sup>109</sup>

However, Iranian clerics and the IRGC's Qods Forces were not the only ones infiltrating Iraq. Iranian dissident sources maintain, and U.S. intelligence confirms, that Iran ordered

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\* Some of the most detailed information on Iranian activity in Iraq comes from Iranian dissident sources tied to the Mujahedin-e-Khalq (MEK), some of which I include below. While the MEK is itself a designated terrorist organization, its intelligence has proven accurate in the past (especially regarding Iran's nuclear weapons program) and should therefore be reviewed and considered useful lead information.

Hezbollah to send agents and clerics across a major portion of southern Iraq. These Hezbollah operatives entered Iraq both from Syria and Iran. Originally, these operatives were thought to have numbered approximately 100.<sup>110</sup> In October 2003, Australian media reported that “Australian Security Intelligence Organization had received specific information of a threat from Hezbollah to attack Australian forces in Iraq.”<sup>111</sup> More recently, on February 9, 2005, the continuing threat posed by Hezbollah operatives in Iraq was confirmed with the announcement by Iraq’s Interior Minister Falah al-Naquib that eighteen members of Hezbollah were detained in Iraq on charges of terrorism.<sup>112</sup>

In a recent interview, Hazim Shalan, the Iraqi Defense Minister, declared “[t]he country that penetrates the borders the most and encroaches the most on Iraq is Iran,” and that Iran remains “the first enemy of Iraq.”<sup>113</sup> He charged in an interview that Iran has established military positions on the Iraqi-Iranian border, sent spies and saboteurs into the country, and even infiltrated the new government.<sup>114</sup> For example, in April, a Sudanese man was caught trying to contaminate drinking water in Diwaniyah, 100 miles south of Baghdad. It was proven later that the man had Iranian intelligence contacts.<sup>115</sup> Shalan went on to say, “They are coming from Iran, from Syria, Jordan and Saudi Arabia. We don’t accuse the governments, but we think they are not doing enough at the borders to prevent infiltration,” adding he “wouldn’t be surprised if there is an intelligence component here. A lot of countries are sending spies.”<sup>116</sup>

IRGC and Hezbollah agents have also been involved in intelligence-gathering efforts in Iraq. Iranian dissident sources contend that Hezbollah operatives have been involved in surveying coalition assembly centers and tracking the movement of coalition vehicles. Hezbollah agents are reported to have taken videotape of various locations throughout Iraq.<sup>117</sup> Additionally, according to a September 2003 *Washington Times* report, Iran deployed IRGC agents to Najaf in order to gather intelligence on American forces.<sup>118</sup>

Hezbollah has established charitable organizations in Iraq to aid its recruitment efforts, a tactic that the organization used before in southern Lebanon. Iranian dissident sources also contend that the IRGC’s Qods Force has established medical centers and local charities in cities as widespread as Najaf, Baghdad, Hillah, Basra, and al-Amarah in order to gain support from the local population.<sup>119</sup>

A disconnect exists between Iranian statements and actions concerning attacks on Americans. While Iranian ministers have asserted that Tehran has not encouraged the Iraqi insurgency nor permitted suicide bombers to cross the border from Iran to Iraq, certain actions indicate otherwise. As recently as December 2004, a group calling themselves “The Committee of the Commemoration of Martyrs of the Global Islamic Campaign,” which is affiliated with the IRGC, has registered more than 25,000 “martyrdom seeking” volunteers to partake in the insurgency facing U.S.-led forces in Iraq.<sup>120</sup> The head of public relations for the group, Mohammad Ali Samadi, stated that their actions were in accordance with a message from Supreme Leader Ayatollah Ali Khamenei. Furthermore, on December 2, 2004, the group used the commemoration of a monument to the 1983 Hezbollah attack that killed 241 U.S. servicemen as a recruiting drive for suicide bombers.<sup>121</sup>

Even King Abdullah II of Jordan has accused Iran of meddling in Iraqi affairs. According to the King, more than 1 million Iranians crossed the Iraq-Iran border to vote in the recent Iraqi election. He added, some of these people were trained by Iran's Revolutionary Guards and are members of militias that could conduct post-election attacks.<sup>122</sup> The expressed concern that an Iraqi Islamic republic could further destabilize the Gulf region saying, "If pro-Iran parties or politicians dominate the new Iraqi government a new "crescent" of dominant Shiite movements or governments stretching from Iran into Iraq, Syria and Lebanon could emerge, alter the traditional balance of power between the two main Islamic sects and pose new challenges to U.S. interests and allies."<sup>123</sup> This would functionally "propel the possibility of a Shiite-Sunni conflict even more, as you're taking it out of the borders of Iraq," he said.<sup>124</sup>

## CONCLUSION

Iran is indeed the world's foremost state sponsor of terrorism. The sheer scope of Iranian terrorist activity is remarkable, including both the terrorism carried out by Iranian-supported terrorist groups and by Iranian agents themselves. But the Iranian terrorist threat is especially dangerous since it threatens key United States security interests and American citizens alike.

First, Iran and its proxies present a direct threat to the United States both at home and abroad, including U.S. and coalition forces overseas. Consider the Iranian security personnel caught surveilling targets in New York. Second, Iran, along with its primary proxy, Hezbollah, is the single most dangerous threat to the prospects of securing Arab-Israeli peace. Consider Palestinian fears that Iran and Hezbollah are actively trying to torpedo the nascent ceasefire and possibly assassinate Palestinian president Mahmoud Abbas. Third, Iran is fully engaged in undermining coalition efforts in Iraq. Note the infiltration of Iranian agents and the recent announcement that eighteen Hezbollah members have been arrested there.

It is critical that the international effort to rein in Iran's nuclear weapons program include an equally concerted effort to forestall its state sponsorship of terrorism. Failure to do so guarantees Iran and its proxies will continue to undermine Israeli-Arab peace negotiations, conduct surveillance of U.S., Israeli and other targets for possible terrorist attack, and destabilize Iraq.

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<sup>1</sup> See, for example, George Tenet, "External Threats to U.S. National Security," Testimony before the Senate Select Committee on Intelligence, February 6, 2002

<sup>2</sup> State of the Union Address, Chamber of the U.S. House of Representatives, The United States Capitol, Washington, D.C., February 2, 2005, available online at <http://www.whitehouse.gov/news/releases/2005/02/20050202-11.html>

<sup>3</sup> "Blair Says Iran Must Not Hinder Peace in Middle East," AP, February 8, 2005

<sup>4</sup> See Matthew Levitt, "Hizbullah's African Activities Remain Undisrupted," *RUSI/Jane's Homeland Security and Resilience Monitor*, March 1, 2004 (posted online February 4, 2004); Matthew Levitt, "Smear in Blood, Hezbollah Fingerprints All Over Globe," *The Australian*, June 9, 2003; Ely Karmon,

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*Fight on All Fronts: Hezbollah, The War on Terror, and the War in Iraq*, Policy Focus No. 46, The Washington Institute for Near East Policy, December 2003

<sup>5</sup> “Current and Projected National Security Threats to the United States,” Hearing Before the Select Committee on Intelligence of the United States Senate, February 6, 2002 (see response number 3 to “Questions for the Record” on page 339 of GPO print edition)

<sup>6</sup> “Threats to National Security,” Hearing before the Senate Armed Services Committee of the United States Senate, February 12, 2003

<sup>7</sup> Scott Wilson, “Lebanese Wary of a Rising Hezbollah,” *The Washington Post*, December 20, 2004, A17

<sup>8</sup> *Susan Weinstein et al v. The Islamic Republic of Iran et al*, United States District Court for the District of Columbia, Civil Action No. 00-2601 (RCL), February 6, 2002

<sup>9</sup> Douglas Frantz and James Risen, “A Secret Iran-Arafat Connection is Seen Fueling the Mideast Fire,” *The New York Times*, March 24, 2002.

<sup>10</sup> Douglas Frantz and James Risen, “A Secret Iran-Arafat Connection is Seen Fueling the Mideast Fire,” *The New York Times*, March 24, 2002.

<sup>11</sup> Molly Moore and John Ward Anderson, “Suicide Bombers Change Mideast's Military Balance,” *Washington Post*, August 17, 2002.

<sup>12</sup> “Iran as a State Sponsoring and Operating Terror,” Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, April 2003, available online at <http://www.intelligence.org.il/eng/iran.htm>

<sup>13</sup> “Iran as a State Sponsoring and Operating Terror,” Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, April 2003, available online at <http://www.intelligence.org.il/eng/iran.htm>

<sup>14</sup> “Iran and Syria as Strategic Support for Palestinian Terrorism,” (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>

<sup>15</sup> “The Financial Sources of the Hamas Terror Organization,” Israel Foreign Ministry, July 30, 2003 <http://www.israel-mfa.gov.il/mfa/go.asp?MFAH0nmu0>

<sup>16</sup> “Terrorist Group Profiler,” Canadian Secret Intelligence Service (CSIS), June 2002, Author’s personal files; See also Stewart Bell, “ Hamas May Have Chemical Weapons: CSIS Report Says Terror Group May be Experimenting,” *National Post* (Canada), December 10, 2003

<sup>17</sup> Ziad Abu-Amr, *Islamic Fundamentalism in the West Bank and Gaza: Muslim Brotherhood and Islamic Jihad* (Bloomington, IN: Indiana University Press, 1994), p. 88

<sup>18</sup> *Diana Campuzano et al v. The Islamic Republic of Iran*, United States District Court for the District of Columbia, Civil Action No.: 00-2328 (RMU), January 2003

<sup>19</sup> See Testimony of Patrick Clawson and Reuven Paz in *Susan Weinstein et al v. The Islamic Republic of Iran et al*, United States District Court for the District of Columbia, Civil Action No. 00-2601 (RCL), February 6, 2002. Some estimates are much higher. According to court documents in the case of *Leonard Eisenfeld, et al v. The Islamic Republic of Iran, et al*, “ Hamas acknowledges support from Iran in the amount of \$15,000,000 per month, funds which support both terrorism and a broad range of welfare activities as part of its program. See *Leonard Eisenfeld, et al v. The Islamic Republic of Iran, et al*, Civ. United States District Court for the District of Columbia, No. 98-1945 (RCL), 2000

<sup>20</sup> Ali Nouri Zadeh, “Islamic Jihad, Hamas, and the Palestinian Authority Meet in Iran,” *al-Sharq al-Awsat* (London), June 8, 2002

<sup>21</sup> Douglas Frantz and James Risen, “A Secret Iran-Arafat Connection Is Seen Fueling the Mideast Fire,” *New York Times*, March 24, 2002

<sup>22</sup> “Iran Expands its Palestinian Control; Offers al-Khadoumi Five Million Dollars,” *al-Watan* (Kuwait), December 13, 2004

<sup>23</sup> “Senior Fatah Militant in Lebanon Directed and Financed Serious Terror Attacks in Territories and Israel,” Press Release Communicated by Israeli Prime Minister's Media Advisor, May 26, 2002, at <http://www.imra.org.il>

<sup>24</sup> Ziad Abu-Amr, *Islamic Fundamentalism in the West Bank and Gaza: Muslim Brotherhood and Islamic Jihad* (Bloomington, IN: Indiana University Press, 1994), p. 88

<sup>25</sup> “Terrorist Group Profiler,” Canadian Secret Intelligence Service (CSIS), June 2002, Author’s personal files; See also Stewart Bell, “ Hamas May Have Chemical Weapons: CSIS Report Says Terror Group May be Experimenting,” *National Post* (Canada), December 10, 2003

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- <sup>28</sup> Nicholas Blanford, “Report Claims Iran Running Beka’a Training Camp,” *Daily Star* (Beirut), August 13, 2002. This article also appeared in Arabic in the Beirut daily *An Nahar*
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- <sup>44</sup> Author interviews
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- <sup>47</sup> “Iran and Syria as Strategic Support for Palestinian Terrorism,” (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>
- <sup>48</sup> “Iran and Syria as Strategic Support for Palestinian Terrorism,” (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>
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