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"Iran's Influence and Activity in Latin America"

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Thank you Chairman Menedez, Ranking Member Rubio and members of the Subcommittee for the opportunity to testify today on an issue that I feel is of profound importance to the security of the Homeland as well as the survival of democracy in Latin America.

The Regional Context

In order to understand Iran's role in the region it is important to understand the overall context in which its diplomatic, military, intelligence and economic expansion is taking place. Latin America is undergoing significant changes as numerous extra-regional state actors with little history in the region engage there in trade, military sales, resource extraction, and intelligence collection on an unprecedented scale.

These include China, Russia and Iran. While the interest of Russia and China will often diverge from those of the United States in the region, the interests of Iran -- a state sponsor of terrorism and sponsor of a terrorist group operating in the region -- are directly and openly antagonistic. Iran's interests lie in strengthening ties to highly criminalized states in the "Bolivarian" axis[1], whose leaders, while espousing 21st Century Socialism, are deeply involved in transnational organized crime (TOC) enterprises, particularly the cocaine trade.

The Bolivarian bloc of nations -- led by Hugo Chávez of Venezuela, includes Rafael Correa of Ecuador, Evo Morales of Bolivia and Daniel Ortega of Nicaragua -- seeks to break the traditional ties of the region to the United States.

To this end, the Bolivarian alliance has formed numerous organizations and military alliances -- including a military academy in Bolivia to erase the vestiges of U.S. military training from the militaries-- which explicitly exclude the United States.[2] What the academy, partly financed by Iran, is teaching in its place, as I will discuss later, is a military doctrine explicitly based on a concept of asymmetrical warfare modeled on Hezbollah, the terrorist group in Lebanon that receives extensive financing and support from Iran.

Iran and the Bolivarian states bring a significant and dangerous new set of threats to the region as they work together with TOCs and terrorist groups. This threat

[1] The self-proclaimed "Bolivarian" states (Venezuela, Ecuador, Bolivia and Nicaragua) take their name for Simón Bolivar, the revered 19th Century leader of South American independence from Spain. They espouse 21st Century Socialism, a vague notion that is deeply hostile to free market reforms, to the United States as an "imperial power", and toward traditional liberal democratic concepts, as will be described in detail.

[2] These include recently founded Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños*-CELAC), and the Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América*-ALBA). The military school in Warnes, in the department of Santa Cruz, is called the *Escuela de Defensa de la Alianza Bolivariana para los Pueblos de Nuestra América* (Defense School for the Bolivarian Alliance for the Peoples of Our America.

includes not only traditional TOC activities such as drug trafficking and human trafficking, but also the potential for WMD-related trafficking. These activities are carried out with the participation of regional and extra regional state actors whose leaders are deeply enmeshed in criminal activities. These same leaders have a publicly articulated doctrine of asymmetrical warfare against the United States and its allies that explicitly endorses as legitimate the use of weapons of mass destruction in that struggle.

This is, at this point a statement of intentions and not one of capacity. But, given Iran's past terrorist activities, including the 1994 AMIA bombing in Argentina, the intent of the statement should be taken seriously. Given the publicly stated intent of the Bolivarian nations to not comply with the United Nations trade sanctions on Iran, expressed at a joint meeting of foreign ministers in Tehran on July 14, 2010, it is safe to assume, I believe, that the economic ties with Iran will deepen.

In a joint statement, the foreign ministers of Venezuela, Bolivia, Ecuador, Nicaragua and other members of the Chávez-led ALBA alliance vowed to "continue and expand their economic ties with Iran." "We are confident that Iran can give a crushing response to the threats and sanctions imposed by the West and imperialism," Venezuelan foreign minister David Velásquez said at a joint press conference in Tehran.[3]

Each of the Bolivarian states has lifted visa requirements for Iranian citizens, thereby erasing any public record of the Iranian citizens that transit these countries. Given the extremely small number of tourists that ply the routes from Iran to Latin America, and the relatively small number of businessmen who are not tied to the Iranian state, one can assume most of the travel is related to Iranian officials.

According to data I have collected, many hundreds of Iranian citizens, if not thousands, travel to Latin America on undisclosed business. More than 400 Iranians traveled just to Panama in 2011, and an even higher number travel regularly to Ecuador, Bolivia and Venezuela.

Panama is a significant new player in helping Iran avoid sanctions, often through Venezuelan front companies operating in the Colon Free Trade Zone. Iranians traveling in the region often use identity cards issued by Boliviarian states, including Ecuador and Venezuela, to move freely across the region.

The intentions of Iran in the region have long been a subject of debate; but today there is a much clearer indication available, to both the intelligence community and investigators on the ground, that the goal of Iran's presence in the region is two-fold: to develop the capacity and capability to wreak havoc in Latin America -- and possibly the U.S. homeland -- if the Iranian leadership views this as necessary to the

[3] "Venezuela/Iran ALBA Resolved to Continue Economic Ties with Iran," Financial Times Information Service, July 15, 2010.

survival of its nuclear program; and, to develop and expand the ability to avoid international sanctions that are increasingly crippling the regime's economic life.

As James Clapper, the Director of National Intelligence recently stated, "some Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived US actions that threaten the regime. We are also concerned about Iranian plotting against US or allied interests overseas."[4]

A recent Univision documentary ***La Amenaza Iraní*** (The Iranian Threat) showed Iranian diplomats in Mexico, working with their Venezuelan and Cuban counterparts, to try to develop the capacity to carry out a sophisticated cyber attack against U.S. military, nuclear and economic targets. The documentary shows military training provided by Hezbollah to Venezuelan militias directly under the control of Chávez, with weapons and ammunition provided by the Venezuelan military. It also identifies by name the leaders of Hezbollah in Venezuela.[5]

Some of what is happening in Latin America in terms of TOC is deeply rooted and goes back several decades. Significant TOC organizations, principally drug trafficking groups, have posed serious challenges for U.S. security since the rise of the Medellín cartel in the early 1980s, the growth of the Mexican drug trafficking organizations in the 1990s, and continuing to the situation we see in Mexico and Central America today.

This emerging combination of threats comprises a hybrid of criminal-terrorist, and state- and non-state franchises, combining multiple nations acting in concert, and traditional TOCs and terrorist groups acting as proxies for the nation-states that sponsor them. These hybrid franchises should now be viewed as a tier-one security threat for the United States.

These franchises operate in, and control, specific geographic territories which enable them to function in a relatively safe environment. The franchises comprise pipelines, or recombinant chains of networks, which are highly adaptive and able to move a multiplicity of illicit products (cocaine, weapons, humans, bulk cash) which ultimately cross U.S. borders undetected thousands of times each day. The actors along the pipeline form and dissolve alliances quickly, occupy both physical and cyber space, and use both highly developed and modern institutions, including the global financial system, as well as ancient smuggling routes and methods.

The threat increases dramatically with the nesting of criminal/terrorist groups within governments that are closely aligned ideologically, such as Iran and the

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[4] James R. Clapper, Director of National Intelligence, "Unclassified Statement for the Record: Worldwide Threat Assessment of the US Intelligence Community for the Senate Select Committee on Intelligence, January 31, 2012, p. 6.

[5] Univisión, *La Amenaza Iraní*, aired December 8, 2011.

Bolivarian states in Latin America; and, when TOC becomes an instrument of state power. The primary non-state actors in this case are the *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia – FARC) and Hezbollah; both are U.S. designated terrorist organizations with significant involvement in TOC activities.

These corrosive activities, taken together, are accelerating the weakening of states, hollowing-out of many of the first-generation democracies and their constitutional and civil society processes, and setting a predicate for a reassertion of authoritarian rule and ruin in these states and their neighbors. These states' survival and growth are critical to long-term regional and U.S. security.

Concurrently, we see the further empowerment, training and technological support of the oppressive internal security apparatuses in the increasingly undemocratic Bolivarian states provided by the Iran-Hezbollah-ICRG/Qods forces combine. Other outside powers, notably China and Russia further compound these efforts. However Iran, Hezbollah, and the ICRG/Qods forces are the sharpest edge of this sword at present, and the one most openly aimed at the U.S., and least tractable to diplomacy.

All of this comes at the expense of U.S. influence, security and trade -- including energy security, and hence economic and infrastructure security (Venezuela is the 4th largest supplier of U.S. petroleum imports, just behind Mexico; indeed Latin America is our 2nd largest source of petroleum imports overall, only slightly behind the Middle East). While this hearing focuses on Hezbollah, the non-state, armed branch of radical Shi'ite Islamists, one cannot ignore the direct relationship of this organization to state sponsors. As the DIA noted in 2010:

> *The Qods Force stations operatives in foreign embassies, charities, and religious/cultural institutions to foster relationships with people, often building on existing socio-economic ties with the well established Shia diaspora. At the same time, it engages in paramilitary operations to support extremists and destabilize unfriendly regimes. The IRGC and Qods Force are behind some of the deadliest terrorist attacks of the past three decades, including the 1983 and 1984 bombings of the U.S. Embassy and annex in Beirut, the 1983 bombing of the Marine barracks in Beirut, the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, the 1996 Khobar Towers bombing in Saudi Arabia, and many of the insurgent attacks on Coalition and Iraqi Security Forces in Iraq since 2003. Generally, it directs and supports groups actually executing the attacks, thereby maintaining plausible deniability within the international community.*
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> *Support for these extremists takes the form of providing arms, funding, and paramilitary training. In this, Qods Force is not constrained by ideology; many of the groups it supports do not share, and sometimes openly oppose, Iranian revolutionary principles, but Iran supports them because of common interests or enemies.*

> *The Qods Force maintains operational capabilities around the world. It is well established in the Middle East and North Africa,* ***and recent years have witnessed an increased presence in Latin America, particularly in Venezuela*** [author emphasis]. *As U.S. involvement in global conflicts deepens, contact with the Qods Force, directly or through extremist groups it supports, will be more frequent and consequential.*[6]

As the DIA notes, many groups, including the Qods Force, are no longer constrained by ideology or theology, but work with whomever they have a common, though perhaps temporary, common interest. This growing TOC threat in multiple theaters was recognized in President Obama's recent *Strategy to Combat Transnational Organized Crime*, released in July 2011. It was the first such strategy released since the end of the Clinton administration, an indication of how other priorities have eclipsed TOC in recent times.[7] The strategy states that TOC networks "are proliferating, striking new and powerful alliances, and engaging in a range of illicit activities as never before. The result is a convergence of threats that have evolved to become more complex, volatile and destabilizing."[8]

The Strategy also noted that

> *Terrorists and insurgents increasingly are turning to crime and criminal networks for funding and logistics. In FY 2010, 29 of the 63 top drug trafficking organizations identified by the Department of Justice had links to terrorist organizations. While many terrorist links to TOC are opportunistic, this nexus is dangerous, especially if it leads a TOC network to facilitate the transfer of weapons of mass destruction material to terrorists.*[9]

The profits of global TOC activities, even before factoring in the growing efficiencies derived from state sponsorship and protection, are enormous. The sheer scale of the enterprise, and the impact it has on legal economies, argues for sustained national and international attention and resources as a tier-one security threat. These new factors further increase the threat.

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[6] Lt. Gen. Ronald L. Burgess, Jr., Director, Defense Intelligence Agency, "Iran's Military Power," Statement before the United States Senate Committee on Armed Services, April 14, 2010.

[7] National Security Council, "Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security," Office of the President, July 2011. The Strategy grew out of a National Intelligence Estimate initiated by the Bush administration and completed in Dec 2008, and is a comprehensive government review of transnational organized crime, the first since 1995.

[8] "Fact Sheet: Strategy to Combat Transnational Organized Crime," Office of the Press Secretary, the White House, July 25, 2011.

[9] "Fact Sheet: Strategy to Combat Transnational Organized Crime," Office of the Press Secretary, the White House, July 25, 2011.

The most recent comprehensive studies of global criminal proceeds demonstrate the magnitude of the challenge. The White House estimates in its 2011 *Transnational Organized Crime Strategy* that money laundering accounts for $1.3 trillion to $3.3 trillion -- or between 2 percent and 5 percent of the world GDP. Bribery from TOCs adds close to $1 trillion to that amount, while drug trafficking generates an estimated $750 billion to $1 trillion, counterfeited and pirated goods add another $500 billion, and illicit firearms sales generate from $170 billion to $320 billion. This totals to potentially $6.2 trillion – fully 10% of world GDP -- placing it behind only the U.S. and E.U., but well ahead of China, in terms of global GDP ranking.[10] Other estimates of global criminal proceeds range from a low of about 4 percent to a high of 15 percent of global GDP.[11]

Understanding and mitigating the threat requires a whole-of-government approach, including collection, analysis, law enforcement, policy and programming. No longer is the state/non-state dichotomy viable in tackling these problems, just as the TOC/terrorism divide is increasingly disappearing.

The Bolivarian and Iranian Revolutions: Ties That Bind

Iran, identified by successive U.S. administrations as a state sponsor of terrorism, has expanded its political alliances, diplomatic presence, trade initiatives, and military and intelligence programs in the Bolivarian axis.

This press for expanded ties comes despite the almost complete lack of cultural or religious ties to the region, linguistic affinity, or traditional economic logic and rationale in the relationships. The relationship, in fact, is built on a common perception of history and grievances against the United States that lead directly to the doctrine of asymmetrical warfare and the embrace of the concept of justified use of WMD against its enemies.

The most common assumption among those who view the Iran-Bolivarian alliance as troublesome (and many do not view it as a significant threat at all), is that sole points of convergence of the radical and reactionary theocratic Iranian government and the self-proclaimed socialist and progressive Bolivarian revolution are: 1) an overt and often stated hatred for the United States and a shared belief in how to

[10] "Fact Sheet: Strategy to Combat Transnational Organized Crime," op. cit.

[11] On the lower end, the United Nations Office of Drugs and Crime estimate TOC earnings for 2009 at $2.1 trillion, or 3.6 percent of global GDP. Of that, typical TOC activities such as drug trafficking, counterfeiting, human trafficking, weapons trafficking and oil smuggling, account for about $1 trillion or 1.5 percent of global GDP. For details see: "Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes," United Nations Office of Drugs and Crime, September 2011. On the higher end, in a speech to Interpol in Singapore, 2009, U.S. Deputy Attorney General Ogden cited 15% of world GDP as total annual turnover of transnational organized crime. See: Josh Meyer, "U.S. attorney general calls for global effort to fight organized crime," Los Angeles Times, October 13, 2009, accessed at: http://articles.latimes.com/print/2009/oct/13/nation/na-crime13

destroy a common enemy; and 2) a shared acceptance of authoritarian state structures that tolerate little dissent and encroach on all aspects of a citizen's life.[12]

These assumptions are true but do not recognize the broader underpinnings of the relationship. While Iran's revolutionary rulers view the 1979 revolution in theological terms as a miracle of divine intervention in which the United States, the Great Satan, was defeated, the Bolivarians view it from a secular point of view as a roadmap to defeat the United State as the Evil Empire. To both it has strong political connotations and serves a model for how asymmetrical leverage, when applied by Allah or humans, can bring the equivalent of David defeating Goliath on the world stage.

Ortega has declared the Iranian and Nicaraguan revolutions "twin revolutions, with the same objectives of justice, liberty, sovereignty and peace...despite the aggressions of the imperialist policies." Ahmadinejad couched the alliances as part of "a large anti-imperialist movement that has emerged in the region."

Among the first to articulate the possible merging of radical Shite Islamic thought with Marxist aspirations of destroying capitalism and U.S. hegemony was Illich Sánchez Ramirez, better known as the terrorist leader 'Carlos the Jackal', a Venezuelan citizen who was, until his arrest in 1994, one of the world's most wanted terrorists.

In his writings Sánchez Ramirez espouses Marxism tied to revolutionary, violent Palestinian uprisings, and, in the early 2000s after becoming a Muslim, militant Islamism. Yet he did not abandon his Marxist roots, believing that Islamism and Marxism combined would form a global "anti-imperialist" front that would definitively destroy the United States, globalization and imperialism.

In his seminal 2003 book Revolutionary Islam, written from prison where he is serving a life sentence for killing two French policemen, Sánchez Ramirez praises Osama bin Laden and the 9-11 attacks on the United States as a "lofty feat of arms" and part of a justified "armed struggle" of Islam against the West. "From now on terrorism is going to be more or less a daily part of the landscape of your rotting democracies," he writes.[13]

In this context, the repeated, public praise of Chávez for Sánchez Ramirez can be seen as a crucial element of the Bolivarian ideology and an acceptance of his underlying premise as important to Chávez's ideological framework. Chávez ordered his ambassador to France to seek the release of Sánchez Ramirez and on multiple occasions referred to the convicted terrorist as a "friend" and "true

[12] For a more detailed look at this debate see: Iran in Latin America: Threat or Axis of Annoyance?, op cit., in which the author has a chapter arguing for the view that Iran is a significant threat.
[13] "'Jackal' book praises bin Laden," BBC News, June 26, 2003.

revolutionary."[14] In a 1999 letter to Sánchez Ramirez, Chávez greeted the terrorist as a "Distinguished Compatriot" and wrote that

> *Swimming in the depths of your letter of solidarity I could hear the pulse of our shared insight that everything has its due time: time to pile up stones or hurl them, to ignite revolution or to ignore it; to pursue dialectically a unity between our warring classes or to stir the conflict between them—a time when you can fight outright for principles and a time when you must choose the proper fight, lying in wait with a keen sense for the moment of truth, in the same way that Ariadne, invested with these same principles, lays the thread that leads her out of the labyrinth. …*
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> *I feel that my spirit's own strength will always rise to the magnitude of the dangers that threaten it. My doctor has told me that my spirit must nourish itself on danger to preserve my sanity, in the manner that God intended, with this stormy revolution to guide me in my great destiny.*
>
> *With profound faith in our cause and our mission, now and forever!* [15]

In fact, the Bolivarian fascination with militant Islamist thought and Marxism did not end with the friendship between Chávez and the jailed terrorist. Acolytes of Sánchez Ramirez continued to develop his ideology of Marxism and radical Islamism rooted in the Iranian revolution.

The emerging military doctrine of the "Bolivarian Revolution," officially adopted in Venezuela and rapidly spreading to Bolivia, Nicaragua and Ecuador, explicitly embraces the radical Islamist model of asymmetrical or "fourth generation warfare," and its heavy reliance on suicide bombings and different types of terrorism, including the use of nuclear weapons and other WMD. This is occurring at a time when Hezballah's presence in Latin America is growing and becoming more identifiable.[16]

Chávez has adopted as his military doctrine the concepts and strategies articulated in Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare (*Guerra Periférica y el Islam Revolucionario: Orígenes, Reglas y Ética de la Guerra Asimétrica*), by the Spanish politician and ideologue Jorge

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[14] See, for example: Associated Press, "Chavez: 'Carlos the Jackal' a 'Good Friend'" June 3, 2006.

[15] Paul Reyes (translator) and Hugo Chávez, "My Struggle," from a March 23, 1999 letter to Illich Ramirez Sánchez, the Venezuelan terrorist known as 'Carlos the Jackal', from Venezuelan president Hugo Chavez, in response to a previous letter from Ramirez, who is serving a life sentence in France for murder. Harper's, October 1999, http://harpers.org/archive/1999/10/0060674

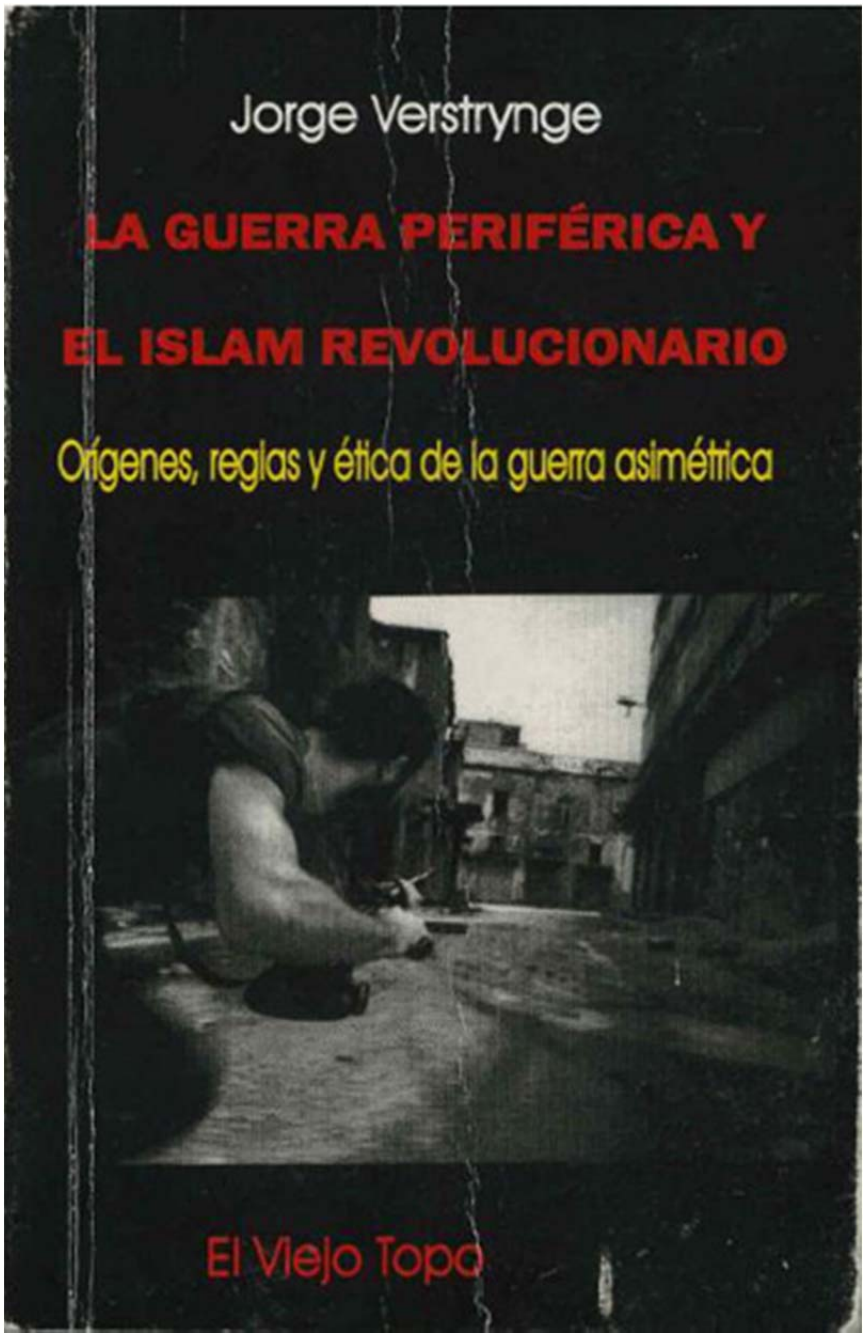
[16] In addition to Operation Titan there have been numerous incidents in the past 18 months of operatives being directly linked to Hezbollah have been identified or arrested in Venezuela, Colombia, Guatemala, Aruba and elsewhere in Latin America.

Verstrynge.[17] The tract is a continuation of and exploration of Sánchez Ramirez's thoughts, incorporating an explicit endorsement of the use of weapons of mass destruction to destroy the United States. Verstrynge argues for the destruction of United States through series of asymmetrical attacks like those of 9-11, in the belief that the United States will simply crumble when its vast military strength cannot be used to combat its enemies.

Although he is not a Muslim, and the book was not written directly in relation to the Venezuelan experience, Verstrynge moves beyond Sánchez Ramirez to embrace all strands of radical Islam for helping to expand the parameters of what irregular warfare should encompass, including the use of biological and nuclear weapons, along with the correlated civilian casualties among the enemy.

Central to Verstrynge's idealized view of terrorists is the belief in the sacredness of the willingness of the fighters to sacrifice their lives in pursuit of their goals. Before writing extensively on how to make chemical weapons and listing helpful places to find information on the manufacture of rudimentary nuclear bombs that "someone with a high school education could make," Verstrynge writes:

[17] Verstrynge, born in Morocco to Belgian and Spanish parents, began his political career on the far right of the Spanish political spectrum as a disciple of Manuel Fraga, and served as a national and several senior party posts with the Alianza Popular. By his own admission he then migrated to the Socialist Party, but never rose through the ranks. He is widely associated with radical anti-globalization views and anti-U.S. rhetoric, repeatedly stating that the United States is creating a new global empire and must be defeated. Although he has no military training or experience, he has written extensively on asymmetrical warfare.



We already know it is incorrect to limit asymmetrical warfare to guerrilla warfare, although it is important. However, it is not a mistake to also use things that are classified as terrorism and use them in asymmetrical warfare. And we have super terrorism, divided into chemical terrorism, bioterrorism (which uses

biological and bacteriological methods), and nuclear terrorism, which means "the type of terrorism uses the threat of nuclear attack to achieve its goals."[18]

In a December 12, 2008 interview with Venezuelan state television, Verstrynge lauded Osama bin Laden and al Qaeda for creating a new type of warfare that is "de-territorialized, de-stateized and de-nationalized," a war where suicide bombers act as "atomic bombs for the poor."[19] In his interview with Univisión, Verstrynge said his model was specifically modeled on Hezbollah.

Chávez liked the Verstrynge book so well that he had a special pocket-sized edition printed and distributed to the officer corps with express orders that it be read cover to cover. It has since been adopted as official Venezuelan military doctrine. Even more worrisome, copies of the book have been found over the past year, for the first time, in FARC camps in Colombia, indicating the doctrine is being passed on to Venezuela's non-state proxy.

According to Colombian military sources the new FARC leadership is more open to a tactical alliance with radical Islamist groups.[20] Given the FARC's long-standing desire and capacity to build alliances, and exchange technologies and lessons learned with other terrorist and criminal groups (ETA of Spain, Irish Republican Army, the Sinaloa cartel of Mexico),[21] one can assume the group is open to an alliance with Hezbollah and other radical Islamist organizations.

To further ingrain this teaching, and explicitly to eradicate any vestiges of U.S. military doctrine in the region, Chávez and other Bolivarian leaders, in conjunction with Iran, have recently opened a new military academy to teach Bolivarian military doctrine, operating in Santa Cruz, Bolivia. The ALBA Defense School is going to teach the "beautiful projects and experiences that unite our military," said Nicolás Maduro, Venezuela's foreign minister. This includes, he said, the doctrines of José Martí, the hero of Cuban independence; Simón Bolivar, the hero of South American independence; Eloy Alfaro, an Ecuadoran revolutionary; Augusto César Sandino, a Nicaraguan revolutionary.[22]

Bolivian President Morales at the inauguration of the facility said the School would prepare the peoples of the region to defend against "imperialist threats, which seek to divide us." He said that the "Peoples of the ALBA are being besieged, sanctioned and punished by the imperial arrogance just because we are exerting the right of

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[18] Verstrynge, op cit., pp. 56-57.

[19] Bartolomé, op cit. See also: John Sweeny, "Jorge Verstrynge: The Guru of Bolivarian Asymmetric Warfare," www.vcrisis.com, Sept. 9, 2005; and "Troops Get Provocative Book," Miami Herald, Nov. 11, 2005.

[20] Farah interviews with senior Colombian officials and recent FARC deserters.

[21] Douglas Farah, "The FARC's International Relations: A Network of Deception," NEFA Foundation, Sept. 22, 2008.

[22] Juan Pauliler, "Que busca la academia military del ALBA?" BBC Spanish Service, June 15, 2011.

being decent and sovereign." He added that, "We must not allow that the history of colonization repeats and that our resources are the loot of the empire." An official Bolivarian website report on the inauguration stated that

> *Facing this aggressive power* (the United States) *the countries and peoples of the region have no choice but to seek ways to defend themselves. The just struggles of the Latin American peoples for independence, freedom and social progress deserve the support of everyone.*[23]

Figure 1: ALBA School, Warnes, Santa Cruz, Bolivia

Iran's interest in the project was made clear when Iranian defense minister Ahmad Vahidi arrived in Bolivia for the school's inauguration, despite having an Interpol Red Notice issued for his arrest for his alleged participation in the 1994 AMIA bombing in Buenos Aires. His public appearance at a military ceremony the day before the school's inauguration set off an international scandal and sharp protests from Argentina, which had asked Interpol to emit the Red Notice. Vahidi quietly slipped out of the Bolivia.[24]

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[23] "ALBA School of Defense and Sovereignty Opens," Anti-Imperialist News Service, June 14, 2011. Accessed at: http://www.anti-imperialist.org/alba-school-of-defense-opens_6

[24] Robin Yapp, "Iran defense minister forced to leave Bolivia over 1994 Argentina bombing," The Telegraph (London), June 1, 2011.

Figure 2: Bolivian President Evo Morales and Iranian defense minister Ahmad Vahidi at a military ceremony in Santa Cruz, Bolivia

This ideological framework of Marxism and radical Islamic methodology for successfully attacking the United States is an important, though little examined, underpinning for the greatly enhanced relationships among the Bolivarian states and Iran. These relationships are being expanded and absorb significant resources despite the fact that there is little economic rationale to the ties and little in terms of legitimate commerce.

For Iran, however, the benefits are numerous, particularly in building alliances with nations to break its international isolation. It also affords Iran the opportunity to mine strategic minerals for its missile and nuclear programs, position Quds Force and Revolutionary Guard operatives under diplomatic cover, greatly expand and

enhance its intelligence gathering, and operate state-to-state enterprises that allow for the movement of just about any type of goods and material.

One glimpse at the type of shipments such a relationship can be used for came to light in 2009, when Turkish authorities randomly inspected some crates being shipped from Iran to Venezuela at the port of Mersin. The 22 crates were labeled "tractor parts" but in fact carried equipment for manufacturing explosives.[25]

One need only look at how rapidly Iran has greatly increased its diplomatic, economic and intelligence presence in Latin America to see the priority it places on this emerging axis -- given that it is an area where it has virtually no trade, no historic or cultural ties and no obvious strategic interests. The gains, in financial institutions, bilateral trade agreements and state visits (nine state visits between Chávez and Ahmadinejad alone since 2006), are almost entirely within the Bolivarian orbit and, as noted, the Bolivarian states have jointly declared their intention to help Iran break international sanctions.

Iran is also spending scarce resources on expanding its cultural influence. Part of the effort through a strong Spanish-language, Latin American based Internet presence, with websites in most countries. The sites generally laud Hezbollah, offer the teachings of Iran's revolutionary leaders, extol the peaceful nature of its nuclear program, as well as offer Spanish-language literature on Shi'a Islam.[26] What is of particular concern is that many of the bilateral and multilateral agreements signed between Iran and Bolivarian nations, such as the creation of a dedicated shipping line between Iran and Ecuador, or the deposit of $120 million by an internationally sanctioned Iranian bank into the Central Bank of Ecuador, obey no economic rationale.[27]

The most recent salvo by Iran is the launching of a Spanish language satellite TV station, Hispan TV, aimed at Latin America. Bolivia and Venezuela are collaborating in producing documentaries for the station. Mohammed Sarafraz, deputy director of international affairs, said Iran was "launching a channel to act as a bridge between Iran and the countries of Latin America was a need to help familiarize Spanish-speaking citizens with the Iranian nation."

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[25] "Turkey holds suspicious Iran-Venezuela shipment," Associated Press, June 1, 2009. http://www.ynetnews.com/articles/0,7340,L-3651706,00.html

[26] For a fuller examination of the use of websites, see: Douglas Farah, "Islamist Cyber Networks in Spanish-Speaking Latin America," Western Hemisphere Security Analysis Center, Florida International University, September 2011.

[27] For a more complete look at Iran's presence in Latin America, see: Douglas Farah, "Iran in Latin America: An Overview," Woodrow Wilson International Center for Scholars, Summer 2009 (to be published as a chapter in: Iran in Latin America: Threat or Axis of Annoyance?, edited by Cynthia J. Arnson et al. 2010. For a look at the anomalies in the economic relations, see also Farah and Simpson, op. cit.

He said that Hispan TV was launched with the aim of reinforcing cultural ties with the Spanish-speaking nations and helping to introduce the traditions, customs and beliefs of the Iranian people. Attempting to show the similarities between Islam and Christianity the first program broadcast was "Saint Mary," depicting "the life of Saint Mary and the birth of Jesus Christ from an Islamic point of view."[28]

There is growing evidence of the merging of the Bolivarian Revolution's criminal-terrorist pipeline activities and those of the criminal-terrorist pipeline of radical Islamist groups (Hezbollah in particular) supported by the Iranian regime. The possibility opens a series of new security challenges for the United States and its allies in Latin America. The 1994 Hezbollah and Iranian bombing of the AMIA building in Buenos Aires, Argentina, is a useful reminder that these groups can and do operate in Latin America.

As noted above, Operation Titan provides clear evidence of the merging relationship among drug trafficking organizations with strong ties to the FARC and purchasers and money launderers with close ties to Hezbollah.

A clear example of the breadth of the emerging alliances among criminal and terrorist groups was Operation Titan, begun by Colombian and U.S. officials in 2006 and still ongoing. Colombian and U.S. officials, after a 2-year investigation, dismantled a drug trafficking organization that stretched from Colombia to Panama, Mexico, West Africa, the United States, Europe and the Middle East.

Colombian and U.S. officials say that one of the key money launderers in the structure, Chekry Harb, AKA "Taliban" acted as the central go-between among Latin American DTOs and Middle Eastern radical groups, primarily Hezbollah. Among the groups participating together in Harb's operation in Colombia were members of the Northern Valley Cartel, right-wing paramilitary groups and the FARC.

This mixture of enemies and competitors working through a shared facilitator, or in loose alliance for mutual benefit, is a pattern that is becoming more common, and one that significantly complicates the ability of law enforcement and intelligence operatives to combat these groups.[29]

A more recent example was the alleged October 2011 plot by elements of the Qods Force, the elite arm of the Iranian Revolutionary Guard Corps, to hire a hit man from

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[28] Tehran Times, "Hispan TV begins with 'Saint Mary,'" December 23, 2011, accessed at: http://www.tehrantimes.com/arts-and-culture/93793-hispan-tv-begins-with-saint-mary.

[29] While much of Operation remains classified, there has been significant open source reporting, in part because the Colombian government announced the most important arrests. For the most complete look at the case see: Jo Becker, "Investigation into bank reveals links to major South American cartels," International Herald Tribune, December 15, 2011. See also: Chris Kraul and Sebastian Rotella, "Colombian Cocaine Ring Linked to Hezbollah," Los Angeles Times, Oct. 22, 2008; and "Por Lavar Activos de Narcos y Paramilitares, Capturados Integrantes de Organización Internatcional," Fiscalía General de la Republica (Colombia), Oct. 21, 2008.

a Mexican cartel to assassinate the Saudi ambassador in the United States. The plot could be the first time members of an official Iranian institution, albeit a secretive one long known to support terrorist activities, dealt directly with a Mexican cartel to carry out an attack in the United States.[30]

While there has been little public acknowledgement of the Hezbollah ties to Latin American TOC groups, recent indictments based on DEA cases point to the growing overlap of the groups. In December 2011, U.S. officials charged Ayman Joumaa, an accused Lebanese drug kingpin and Hezbollah financier, of smuggling tons of U.S.-bound cocaine and laundering hundreds of millions of dollars with the Zetas cartel of Mexico, while operating in Panama, Colombia, the DRC and elsewhere.

"Ayman Joumaa is one of top guys in the world at what he does: international drug trafficking and money laundering," a U.S. anti-drug official said. "He has interaction with Hezbollah. There's no indication that it's ideological. It's business."[31]

Other cases include:

- In 2008, OFAC designated senior Venezuelan diplomats for facilitating the funding of Hezbollah.

  One of those designated, Ghazi Nasr al Din, served as the *charge d'affaires* of the Venezuelan embassy in Damascus, and then served in the Venezuelan embassy in London. According to the OFAC statement in late January 2008, al Din facilitated the travel of two Hezbollah representatives of the Lebanese parliament to solicit donations and announce the opening of a Hezbollah-sponsored community center and office in Venezuela. The second individual, Fawzi Kan'an, is described as a Venezuela-based Hezbollah supporter and a "significant provider of financial support to Hezbollah." He met with senior Hezbollah officials in Lebanon to discuss operational issues, including possible kidnappings and terrorist attacks.[32]

- In April 2009, police in the island country of Curacao arrested 17 people for alleged involvement in cocaine trafficking with some of the proceeds being funneled through Middle Eastern banks to Hezbollah.[33]

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[30] Evan Perez, "U.S. Accuses Iran in Plot: Two Charged in Alleged Conspiracy to Enlist Drug Cartel to Kill Saudi Ambassador," Wall Street Journal, October 12, 2011,

[31] Sebastian Rotella, "Government says Hezbollah Profits From U.S. Cocaine Market via Link to Mexican Cartel," ProPublica, December 11, 2011.

[32] "Treasury Targets Hizbullah in Venezuela," United States Department of Treasury Press Center, June 18, 2008, http://www.treasury.gov/press-center/press-releases/Pages/hp1036.aspx

[33] Orlando Cuales, "17 arrested in Curacao on suspicion of drug trafficking links with Hezbollah," Associated Press, April 29, 2009

- A July 6, 2009 indictment of Jamal Yousef in the U.S. Southern District of New York alleges that the defendant, a former Syrian military officer arrested in Honduras, sought to sell weapons to the FARC -- weapons he claimed came from Hezbollah and were to be provided by a relative in Mexico.[34]

Such a relationship between non-state and state actors provides numerous benefits to both. In Latin America, for example, the FARC gains access to Venezuelan territory without fear of reprisals; it gains access to Venezuelan identification documents; and, perhaps most importantly, access to routes for exporting cocaine to Europe and the United States -- while using the same routes to import quantities of sophisticated weapons and communications equipment. In return, the Chávez government offers state protection, and reaps rewards in the form of financial benefits for individuals as well as institutions, derived from the cocaine trade.

Iran, whose banks, including its central bank, are largely barred from the Western financial systems, benefits from access to the international financial market through Venezuelan, Ecuadoran and Bolivian financial institutions, which act as proxies by moving Iranian money as if it originated in their own, unsanctioned financial systems.[35] Venezuela also agreed to provide Iran with 20,000 barrels of gasoline per day, leading to U.S. sanctions against the state petroleum company.[36]

In addition, Chávez maintains his revolutionary credentials in the radical axis comprised of leftist populists and Islamic fundamentalists, primarily Iran. As a head of state, he is able to introduce external (non-regional) actors into the region for a variety of purposes, some of which directly benefit non-state actors.

Iran is not the only extra-territorial actor that Chávez has courted and whose interests diverge notably from U.S. interests. Of primary concern are Russia and China, with Russia acting in a dual capacity as weapons facilitator and the provider of choice for nuclear development in conjunction with Iran. China has served as both a market for goods from all of Latin America, as well as provider of billions of dollars in investments, loans, military sales and advanced satellite services.

In late September 2008, Prime Minister Vladimir Putin of Russia and Chávez announced joint plans to build nuclear plants in Venezuela. Atomstroyexport -- the same company building the Bushehr nuclear power plant in Iran -- will be the project operator.[37] In September 2009, Chávez announced that Venezuela and Iran

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[34] United States District Court, Southern District of New York, The United States of America v Jamal Yousef, Indictment, July 6, 2009.

[35] For a look at how the Ecuadoran and Venezuelan banks function as proxies for Iran, particularly the Economic Development Bank of Iran, sanctioned for its illegal support of Iran's nuclear program, and the Banco Internacional de Desarrollo, see: Farah and Simpson, op cit.

[36] Office of the Spokesman, "Seven Companies Sanctioned Under Amended Iran Sanctions Act," U.S. Department of State, May 24, 2011, http://www.state.gov/r/pa/prs/ps/2011/05/164132.htm

[37] Russia Izvestia Information, Sept. 30, 2008, and Agence France Presse, "Venezuela Wants to Work With Russia on Nuclear Energy: Chavez," Sept. 29, 2008.

would jointly build a "nuclear village" in Venezuela and pursue nuclear technology together.[38] Ecuador and Russia also inked an agreement on civilian nuclear power cooperation and uranium exploration,[39] and Russia has offered similar assistance to Bolivia. In 2009, Ecuador and Iran signed a Memorandum of Understanding to carry out joint mining activities and geological mapping.[40]

None of these agreements violate international sanctions, but the constellation of actors and the fervor with which the agreements have been embraced raise many questions. Given the opaque nature of the agreements, and the history of some of the principals involved in supporting the use of WMD to annihilate states viewed as the enemy (Israel and the United States), and flaunting international regulatory regimes, it is both reasonable and prudent to approach these developments warily.

Major Findings

The assumptions and framework presented above were arrived at through IASC research in the region. The following summary was first prepared for the Department of Defense's Defense Threat Reduction Agency 's (DTRA) Advanced Concepts office, which released this UNCLASSIFIED summary.[41]

The level of concern for WMD proliferation issues in this context has risen over time, in part because it has become increasingly clear that many of the Iranian instruments used in the region are closely linked to its ongoing and systematic efforts to acquire banned nuclear material and have already been identified and sanctioned as part of Iran's proliferation efforts.

1) Iran and its Bolivarian allies (Venezuela, Bolivia, Nicaragua and Ecuador) in Latin America are systematically engaged in a pattern of financial behavior, recruitment exercises and business activities that are not economically rational and could be used for the movement and/or production of WMD and the furthering of Iran's stated aim of avoiding international sanctions on its nuclear program. As shown below, those Iranian financial institutions engaged in the region have been designated by the United States and/or the United Nations for their participation in Iran's proliferation efforts or to support Hezbollah and other designated terrorist entities. These actions include:

[38] Simon Romero, "Venezuela Says Iran is Helping it Look for Uranium," New York Times, Sept. 25, 2009.
[39] Nikolai Spassky, "Russia, Ecuador strike deal on nuclear power cooperation," RIA Novosti, August 21, 2009.
[40] José R. Cárdenas, "Iran's Man in Ecuador," Foreign Policy, February 15, 2011, http://shadow.foreignpolicy.com/posts/2011/02/15/irans_man_in_ecuador
[41] Douglas Farah, "Iran and Latin America: Strategic Security Issues," Defense Threat Reduction Agency Advanced Concepts Office, May 2011.

i. Significant investments in financial institutions in the region that can easily be used to move money from Iran into the world financial sector through the use of banks and joint investment corporations. The financial institutions being used enjoy special protection from the states in which they operate and have no oversight from banking commissions, the congressional branch or the public.

ii. Among the most important are: the Banco Internacional de Desarrollo (BID) in Venezuela, a wholly owned Iranian bank operating in Venezuela which, after several years of operation, was formally sanctioned by the US Treasury Department but continues to operate; The Economic Development Bank of Iran (EDBI), under US sanction for working its role in helping Iran evade nuclear sanctions and one of the main Iranian owners of BID. EDBI signed agreements with the Central Bank of Ecuador (2008) and the Central Bank of Bolivia (2009) to finance the purchase of Iranian goods (including helicopters and military materiel in the case of Bolivia).

iii. According to internal documents obtained in Venezuela, the BID's profits have plummeted 96 percent in early 2010, perhaps an indication that U.S. sanctions are having an impact. It maintains only one office in Venezuela (8th Floor, Edificio Dozsa, Avenida Francisco de Miranda, El Rosal, Caracas, telephone +58 212 952 65 62). It still offers a wide variety of banking services, including international transfers, investment advising, automobile loans and others. The board of directors is composed of seven Iranian nationals, while the legal representative is a Venezuelan (identities available from author). It remains exempt from taxes and is, at least on paper, one of the smallest banks in the country, with one office, 14 employees and 313 depositors. Most of its loans are given to Iranian citizens living in Venezuela. However, it does not appear that BID has been completely shut out of the international banking system.

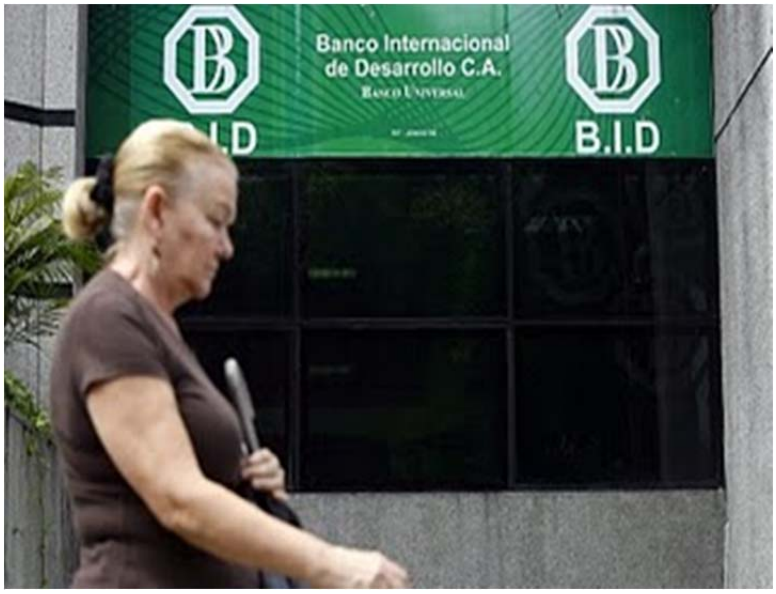

Figure 3: The BID in Caracas.

According to local banking industry sources, BID operates correspondent accounts through another government bank, BANDES, which is unsanctioned. This allows BID to move money as if it were of Venezuelan rather than Iranian in origin or from BID.

iv. Perhaps replacing BID as a major financial vehicle for Iran is the Fondo Binacional Venezuela-Iran (FBVI), established in May 2008 with an initial capital of $1.2 billion. Each country provided half of the initial capital. This institution is directly managed by Ricardo Menéndez, the minister of Science, Technology and Industry, which is responsible for Venezuela's nascent nuclear program. It is an especially opaque institution, and none of its expenditures pass through the National Assembly or any other outside body for approval or auditing.

v. The FBVI is only one of a host of para-state institutions the Chávez government has set up that are accountable only to the executive. Others include FONDEN, FONDESPA, El Fondo Chino (Chinese Fund), the Belarus Fund and others. Among these, FONDEN (*Fondo de Desarrollo Nacional* or National Development Fund) is by far the most important because it receives direct funding injects from the state petroleum company. So far in 2010 government figures show FONDEN received $15 billion in money that does not officially form part of the state coffers. Since 2005 and estimated $63 billion has been put into the fund, and then virtually disappeared from all public accounting.

vi. Playing a crucial role in Iran's economic activity in the region is the Economic Development Bank of Iran (EDBI), an Iranian financial institution designated by the U.S. Treasury Department's Office of Foreign Assets Control as part of Iran's illegal nuclear proliferation network. The designation states that:

> *EDBI provides financial services to multiple MODAFL-subordinate entities that permit these entities to advance Iran's WMD programs. Furthermore, the EDBI has facilitated the ongoing procurement activities of various front companies associated with MODAFL-subordinate entities. Since the United States and United Nations designated Bank Sepah in early 2007, the EDBI has served as one of the leading intermediaries handling Bank Sepah's financing, including WMD-related payments. In addition to handling business for Bank Sepah, the EDBI has facilitated financing for other proliferation-related entities sanctioned under U.S. and UN authorities.*[42]

The BID is reportedly a Venezuelan bank, which the EDBI would have no influence over. In fact, BID, sanctioned by OFAC at the same time as the EDBI, and is wholly owned by Bank Saderat, an Iranian bank under U.S. and UN sanction. The BID was sanctioned because it was deemed by the Treasury Department to be acting on behalf of EDBI. According to an OFAC statement:

> *Bank Saderat has been a significant facilitator of Hizballah's financial activities and has served as a conduit between the Government of Iran and Hizballah, Hamas, the Popular Front for the Liberation of Palestine General Command, and the Palestinian Islamic Jihad.*
>
> Another primary banking relationship is between the Export Development Bank of Iran (EDBI) and the Central Bank of Ecuador, according to an agreement signed in November 2008 but not made public until almost a year later.[43]

The heart of the deal is for EDBI to deposit some $120 million in Ecuador's state bank, to be used to foment export and import activity between the two countries.[44] This sum seems unusually high for legitimate commercial activity since total trade between the two nations has never exceeded $2.3 million, a sum reached in 2003. In 2006 and 2007 Ecuador registered zero exports to Iran and imports of $27,000 and $16,000 in those years.[45]

There is a significant part of the agreement that demonstrates how interlinked these banking institutions (EDBI and BID) are, despite Venezuela's public denial of any linkages. Point 6 of the "Protocol of Cooperation" between the Central Bank of Ecuador and EDBI,

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[42] United States Department of Treasury, "Export Development Bank of Iran Designated as a Proliferator," Press office of the Office of Foreign Assets Control, October 22, 2008.

[43] Copies of the agreement described here were presented to ASCO in the October update briefing.

[44] "Banco Iraní Que Despierta Dudas se Asocia con el Central," Hoy (Ecuador), Sept. 7, 2009.

[45] Montúfar, op cit.

EDBI manifests its readiness to establish a branch of Banco Internacional de Desarrollo (BID) in the Republic of Ecuador.[46]

The BID is reportedly a Venezuelan bank, which the EDBI would have no influence over, including where it opened branches. In fact, EDBI can open branches of BID as part of EDBI.

Despite later assurances by the Ecuadoran government to the U.S. Embassy in Quito that the deal was not consummated, and that a branch of BID was not opened, at least not publicly, Ecuadoran banking sources say that Iran is in fact using the Ecuadoran Central Bank to hold Iranian government funds.

2) Iran has sought to establish independent bi-national agreements in Ecuador and Venezuela to establish joint shipping lines to these countries. The primary company that is used is Sadra Iran Marine Industrial Company, which is majority owned by the Iranian Revolutionary Guard Corps' Khatam al-Anbia force.[47] It is part of the IRGC's shipping conglomerate, the Islamic Republic of Iran Shipping Lines (IRISL), a entity, along with all its constantly shifting components, that have been designated by OFAC for aiding Iran's missile and nuclear programs.

   As Stuart Levey, the Treasury Department's Undersecretary for Terrorism and Financial Intelligence said: "Iran has consistently used its national maritime carrier, the Islamic Republic of Iran Shipping Lines (IRISL), to advance its missile programs and to carry other military cargoes. Some shipments have been stopped, and were clear violations of Security Council resolutions – including arms shipments believed to have been destined for Syria, for transfer to Hezbollah." Levey stated that the sanctioning of IRISL was to "sharpen the focus on another sector that is a critical lifeline for Iran's proliferation and evasion: shipping. Some of Iran's most dangerous cargo continues to come and go from Iran's ports, so we must redouble our vigilance over both their domestic shipping lines, and attempts to use third-country shippers and freight forwarders for illicit cargo."[48]

The importance of the shipping lines may have grown since the weekly flights between Caracas and Tehran appear to have been cancelled. The reasons for the cancellation were not clear, but it removes another state-protected method for moving significant amounts of resources between the two countries.

Despite this work by Treasury there is very little reporting on Iran's shipping activities in Latin America, despite the fact that Iran makes little effort to hide its actions (see picture below, taken at a public Iran-Venezuela trade exposition in

[46] Document in possession of the author.

[47] Ardalan Sayami, "1388: Year of Militarization of Iran's Economy," Rooz Online, March 23, 2010, accessed at: http://www.payvand.com/news/10/mar/1213.html

[48] Stuart Levey, "Iran's New Deceptions at Sea Must be Punished," Financial Times, August 16, 2010.

Caracas). This area is of particular concern because of the increased reports of Iran's increased interest in mining strategic minerals in the Boliviarian states, particularly minerals that can be used in missile programs and nuclear fusion facilities.

Given the state-to-state nature of the shipping lanes, the cargo on the ships moving to and from Iran can be used to move virtually anything either state wants to move, as there will be no Customs checks and no need to declare the contents of the shipping containers. Unlike illicit or contraband activity outside of state control, where the state may actually be interested in hindering the process, movements under state control can easily be used to further the movement of sensitive, undeclared goods.

Iran's efforts to establish dedicated shipping lines with individual countries, such as Ecuador,[49] where there is virtually no commerce and certainly not enough to sustain a shipping line, raises serious questions in light of Levey's statements. Given Iran's already demonstrated capacity and capability to move materiel banned by international sanctions, this LOE by Iran should be of significant concern.

[49] On December 7, 2008, Ecuador's minister of foreign affairs and commerce, María Isabel Salvador, and her Iranian counterpart, Masoud Mir Kazem, signed a "Memorandum of Understanding For the Study of a Maritime Shipping Line" between the two countries. A copy of the MOU is attached.

Figure 4: SADRA poster at a booth in the Iran-Venezuela Industrial Fair, August 2010

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3) Iran appears to be engaged extensively in increasing mining activities in Latin America of minerals that have WMD and/or weapons uses. These include tantalum (Bolivia) and thorianite (Guyana-Brazil-Suriname). Thorianite, a radioactive rare earth mineral with nuclear applications as part of the thorium group, is being mined in an area where gold is traditionally mined, but the increasing number of Iranians in the region and a sharp increase in requests for gold mining permits has brought some notice to the new mining. Tantalum is used in highly heat resistant alloys and high-powered electronic resistors. These are minerals that are found elsewhere, but seem to be being acquired in Latin America, perhaps in order to avoid scrutiny

4) The Bolivarian states appear to be laying the groundwork for public (internal and international) acceptance of the acquisition of nuclear power, always carefully couched as for peaceful uses. This seems to be aimed at developing a political acceptance for the unusual activities, if they become too big to remain clandestine, as part of a normal development of bilateral and multilateral relations.

   Bolivian president Evo Morales visited Tehran shortly after Venezuelan President Chávez visited Iran and several other staunchly anti-U.S. countries, including Syria. Both publicly declared their intentions to acquire, in the shortest time possible, nuclear capabilities. This bodes ill for the region, particularly given Iran's ability to keep international inspectors at bay for many years. While much of the current talk may be bluster, it also signals the clear intention of these groups to work with rogue nations to acquire nuclear capacity.

Conclusion

Iran and its proxy force Hezbollah are engaging in a widespread and multi-faceted effort to expand their influence along with their intelligence capabilities, military capacities and sanction-evasion methods. In this effort they are allied with the Boliviarian states of Latin America led by Hugo Chávez of Venezuela, and his proxy force, the FARC. Both Hezbollah and the FARC, as designated terrorist entities that engage in extensive TOC activities, are instruments of statecraft.

This alliance of state and non-state actors, engaged in terrorism and TOC, has an expressed doctrine of asymmetric warfare that endorses the use of WMD against the United States, viewed by both blocs as the primary enemy. Iran has taken concrete steps to enhance its ability evade international financial sanctions through numerous financial institutions acting on its behalf in the Bolivarian states. It also engages in extensive purchases of dual use equipment and other purchases through the Bolivarian states and Panama. All of Iran's activities in the region, and the activities of the Bolivarian nations to help, are designed to be as opaque as possible and all oversight and accountability. Such basic data as the number of accredited

diplomats Iran has in the Bolivarian countries are not obtainable by the Congresses of those nations.

Given the nature of the actors, the deliberate opaqueness of the activities and public articulation of a military doctrine to strike the United States, one can only conclude that Iran's aims and intentions are hostile and that the Bolivarian states are aiding and abetting Iran in these efforts despite clear violations of international sanctions regimes and clear ties to TOC activities.

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