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Subcommittee on Near Eastern and Central Asian Affairs

“Iran’s Support for Terrorism in the Middle East”

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Chairman Casey, Ranking Member Risch, and distinguished members of the Committee, I thank you for the opportunity to appear before you today to discuss Iran’s support for terrorism in the Middle East. In fact, Tehran’s support of terrorism includes both the sponsorship of Middle Eastern (and other) terrorist groups and act of terrorism carried out by its own IRGC Qods Force.

Iran on Offense

World attention on Iran centers on the threats to international security posed by the country’s nuclear program. As Iran presses on in its efforts to become a nuclear power, the regime in Tehran also employs an aggressive foreign policy that relies heavily on the deployment of clandestine assets abroad to collect intelligence and support foreign operations. The world’s most active state sponsor of terrorism, Tehran relies on terrorism to further Iranian foreign policy interests.

Today, Iran feels itself under increasing pressure, from the international community by both diplomatic and economic sanctions. From the Stuxnet virus to the assassination of Iranian scientists and the defection of Iranian agents, Iran feels increasingly targeted by Western intelligence services in general and Israel and the United States in particular. Hezbollah and Iran each have their own reasons for executing terrorist attacks targeting Israeli or other Western targets—Iran seeks to avenge attacks on its scientists and sanctions targeting its nuclear program, and Hezbollah seeks to avenge Mughniyeh's death. This convergence of interests strengthens their long-standing and intimate relationship, making their combined operational capabilities that much more dangerous

Over the past seven months a spate of terrorist plots targeting U.S. and Israeli foreign interests illustrates Iran’s propensity for sponsoring attacks abroad. Some were thwarted, including plots in Thailand, Bulgaria, Singapore, Kenya, Cyprus, and Azerbaijan. Others were not, including bombings in India and Georgia. Some of these operations were carried out by Iranian agents; others by Iran’s primary proxy, Hezbollah. A few were joint operations executed by Hezbollah operatives working with Iranian intelligence or members of the Qods Force, an elite branch of Iran's Revolutionary Guard Corps. Consider a plot in Turkey involving four members of the Qods Force targeting diplomatic missions in Istanbul was reportedly foiled by Turkish security authorities this March. Some, like one of the plots in Azerbaijan, leveraged relationships with

local criminal networks to execute an attack. The most brazen, and bizarre, was the October 2011 plot to assassinate the Saudi Ambassador to Washington. This Qods Force plot against the Saudi diplomat, Director General of MI5 Jonathan Evans told a crowd in June 2012, “leads straight back to the Iranian leadership...a return to State-sponsored terrorism by Iran or its associates, such as Hezbollah, cannot be ruled out as pressure on the Iranian leadership increases.” Of the more recent attacks in India, Azerbaijan and elsewhere, he noted, “we also face uncertainty over developments in Iran. In parallel with rising concern about Iran’s nuclear intentions, we have seen in recent months a series of attempted terrorist plots against Israeli interests.”¹

Most recently, Israeli officials have linked Hezbollah and Tehran to the suicide bombing that left six Israelis and one Bulgarian dead in Burgas, Bulgaria last week. Israeli Prime Minister Benjamin Netanyahu told reporters, “We have unquestionable, fully substantiated intelligence that this was done by Hezbollah backed by Iran.” He highlighted the similarities between the Bulgarian bombing and a plot foiled in Cyprus earlier in this month in which Cypriot authorities arrested a Hezbollah operative conducting preoperational surveillance on Israeli flights and tour buses.²

This should not surprise as Iranian agents have traditionally supported the efforts of trusted proxy groups in attacks spanning the global, especially when Tehran was under serious international or domestic pressure. Consider that Iran’s record of supporting terrorist attacks, include the 1983 and 1984 bombings targeting U.S. and French forces in Beirut, the 1996 bombing against U.S. forces in Saudi Arabia, the 1992 and 1994 attacks against Israeli interests in Argentina and a host of other attacks targeting American, French, German, British, Kuwaiti, Bahraini and other interests in plots from Europe to Southeast Asia to the Middle East.

Tehran’s Fingerprints

In the past, major acts of Iranian state sponsorship of terrorism have ultimately been linked back to the most senior elements of the Iranian leadership. When such cases have led to major law enforcement investigations and prosecutions, such links have been made public. Consider, for example, the June 1996 bombing of the Khobar Towers housing complex that was home to American, Saudi, French, and British service members in Saudi Arabia’s Eastern Province – the last time Iranian agents carried out an attack targeting both U.S. and Saudi interests. In that case, Iranian agents teamed up with Saudi and Lebanese Hezbollah operatives to carry out the attack. According to the testimony of a former CIA official, arrangements for the Khobar Towers attack began around 1994, including planning meetings likely held in Tehran and operational meetings held at the Iranian embassy in Damascus, Syria. It was in 1994, according to this account, that the Supreme Leader of Iran, Ayatollah Khamenei, gave the order for the attack on the Khobar Towers complex.³ While planning the attack on Khobar Towers, Shia extremists continued to

¹ Jonathan Evans, Director General of the Security Service, UK, (speech, Lord Mayor's Annual Defence and Security Lecture, London, June 25, 2012).

² “Netanyahu: Intelligence Points to Hezbollah in Bulgarian Bombing,” *Los Angeles Times*, July 22, 2012.

³ Testimony of Bruce D. Tefft, *Paul A Blais v. Islamic Republic of Iran et al*, Civil Action No. 02-285, United States District Court for the District of Columbia, May 26, 2006

carry out other plots, including the hijacking of a Saudi Airbus flight, also in 1994.⁴ According to former FBI Deputy Director for Counterterrorism Dale Watson, evidence the FBI collected to determine Saudi Hezbollah carried out the attack at Iran's behest included not only forensics and the statements of detained conspirators but also "a lot of other types of information that I'm not at liberty to discuss."⁵ According to Watson, whose tenure at the FBI spanned twenty-four years and included a stint as the Unit Chief for the Iran-Hezbollah unit at FBI Headquarters, Hezbollah does not carry out terrorist attacks internationally on its own. "It must be sanctioned, it must be ordered, and it must be approved and somebody has to fund it," Watson noted in explaining Iran's role in the attack.⁶ According to former CIA officer Bruce Tefft, the Khobar Towers attack was planned and overseen by Iran's Islamic Revolutionary Guard Corp (IRGC) and Ministry of Intelligence and Security (MOIS) "acting on the orders of the Supreme Leader of Iran."⁷

Authorities came to similar conclusions in the case of the investigation into the 1994 bombing of the AMIA Jewish community center in Buenos Aires. Based on the testimony of Iranian intelligence defector Abolghasem Mesbahi, among others, prosecutors would ultimately conclude that Iran's Supreme National Security Council held a meeting in Mashhad on Saturday, August 14, 1993, where senior Iranian leaders approved the bombing plot and selected the AMIA building as the target. The meeting, chaired by then-President Ali Akbar Hashemi Rafsanjani, began promptly at 4:30pm and ran for two hours.⁸ According to the FBI, around the time of this August meeting, intelligence reports indicated Hezbollah was "planning some sort of spectacular act against Western interests, probably Israeli but perhaps against the United States."⁹

Terror as a Tool of Foreign Policy

In April 2008, General Petraeus testified before the Senate Armed Services Committee about the flow of sophisticated Iranian arms to Shia militants in Iraq. The military's understanding of Iran's support for such groups crystallized, Petraeus explained, with the capture of a number of prominent Shia militants and several members of the Qods Force operating in Iraq as well.¹⁰

⁴ Memorandum for the Secretary of Defense, Report of the Assessment of the Khobar Towers Bombing, Downing Assessment Task Force, August 30, www.fas.org/irp/threat/downing/report.pdf

⁵ Testimony of Dale Watson, Heiser et al v The Islamic Republic of Iran, Civil Action Nos. 00-2329, 01-2104, United States District Court for the District of Columbia, December 18, 2003

⁶ Testimony of Dale Watson, Heiser et al v The Islamic Republic of Iran, Civil Action Nos. 00-2329, 01-2104, United States District Court for the District of Columbia, December 18, 2003

⁷ Testimony of Bruce Tefft, Blais et al v The Islamic Republic of Iran, Civil Case No 2003-285, United States District Court for the District of Columbia, May 26, 2003

⁸ Report by the Investigations Unit of the Office of the Attorney General, "AMIA Case" signed by District Attorney Marcelo Martinez Burgos, Attorney General Alberto Nisman, and Secretary of the Office of the Attorney General Hernan Longo, October 25 2006, p.92; Larry Rohter, "Defector Ties Iran to 1994 Bombing of Argentine Jewish Center," *New York Times*, November 7, 2003

⁹ "International radical Fundamentalism: An Analytical Overview of Groups and Trends," Terrorist Research and Analytical Center, Federal Bureau of Investigation, Department of Justice, November 1994, declassified on November 20, 2008, <http://www.investigativeproject.org/documents/misc/469.pdf>

¹⁰ General David H. Petraeus, U.S. Army, Commanding General, Multinational Force Iraq, "The Situation In Iraq And Progress By The Government Of Iraq In Meeting Benchmarks And Achieving Reconciliation," Testimony Before the Senate Armed Services Committee , April 8, 2008

In case it was not already clear to General Petraeus that Qods Force chief General Qassem Suleimani was calling the shots for Iran in Iraq, the head of the Qods Force reportedly sent the commander of coalition forces a message in early 2008 to make the point. Conveyed by a senior Iraqi leader, the message came just as Iraqi and coalition forces initiated Operation Charge of the Knights, a concerted effort to target Iraqi Shia militias in Baghdad and Basra. The text message read:

General Petraeus, you should know that I, Qassem Suleimani, control the policy for Iran with respect to Iraq, Lebanon, Gaza, and Afghanistan. And indeed, the ambassador in Baghdad is a Qods Force member. The individual who's going to replace him is a Qods Force member.¹¹

Perhaps the message should not have come as such a surprise, coming from a man known for being aggressive in the belief that “offense is the best defense.”¹² The crux of the message, however, was no surprise at all. Several months earlier, in October 2007, Petraeus confirmed to the press that he had “absolute assurance” that several Iranians detained by coalition forces were Revolutionary Guardsmen. “The Qods Force controls the policy for Iraq; there should be no confusion about that either,” he noted, adding that “The ambassador is a Qods Force member.”¹³

One might assume Iran would behave more cautiously today, at a time when it has come under increasing international pressure over its rumored pursuit of nuclear weapons, its suppression of human rights at home, and its support of terrorism abroad. Indeed, the U.S. government designated the Qods Force as a terrorist group in 2007 for providing material support to the Taliban, Iraqi Shiite militants, and other terrorist organizations. Most counterterrorism experts, myself included, expected that future acts of Iranian terrorism would occur in places like Europe, where Iranian agents have long targeted dissidents, and not in the United States, where carrying out an attack would risk a severe countermeasures, including the possibility of a U.S. military reprisal had the attack been successfully executed and linked back to Iran.

Iran's use of terrorism as a tool of foreign policy, however, goes back as far as the 1979 Islamic Revolution. Writing in 1986, the CIA assessed in a now declassified report titled “Iranian Support for International Terrorism” that while Iran's support for terrorism was meant to further its national interest, it also stemmed from the clerical regime's perception “that it has a religious duty to export its Islamic revolution and to wage, by whatever means, a constant struggle against the perceived oppressor states.”¹⁴

A 1989 CIA report highlights several factors that made Iran more likely to take increased risks in support of terrorism -- factors that faded somewhat after the mid-1990s but that are now coming back with a vengeance. The first was the dominance of radical elements within the clerical leadership, which translated into significant Iranian hostility toward the West. Then as now, there

¹¹ “Interview and Moderated Q&A with General David Petraeus,” Institute for the Study of War, Washington, DC, January 22, 2010, p. 40-41, <http://www.understandingwar.org/sites/default/files/P4%20TRANSCRIPT.pdf>

¹² Ali Alfoneh, “Iran’s Most Dangerous General,” Middle Eastern Outlook, No. 4, American Enterprise Institute, July 13, 2011, <http://www.aei.org/article/foreign-and-defense-policy/regional/middle-east-and-north-africa/irans-most-dangerous-general/>

¹³ Paul Von Zielbauer, “U.S. Calls Iranian Official Part of Elite Force,” *New York Times*, October 8, 2007, <http://www.nytimes.com/2007/10/08/world/middleeast/08iraq.html>

¹⁴ “Iranian Support for International Terrorism,” Directorate of Intelligence, Central Intelligence Agency, November 22, 1986, Approved for Release June 1999, <http://www.foia.cia.gov/>

was little chance more pragmatic leaders would come to the fore. Furthermore, igniting tensions abroad could shift popular attention away from domestic problems, while asymmetrical warfare provided Tehran with a potent weapon at a time when its military and economy were weak.

Underlying Iranian grievances with the West exacerbated these tensions in the late 1980s in much the same way that they have today. In the late 1980s, Iranian anger was fed by the accidental 1988 downing of an Iranian airliner by the USS Vincennes, as well as anger over the publication of Salman Rushdie's *The Satanic Verses*, deemed by Iran to be offensive to Islam. Now, the Iranian authorities' anger is fed by increasing U.S. and European sanctions plus Tehran's conviction that the West is pursuing a "soft overthrow" of the Islamic Republic by use of modern communications to whip up protests. Tehran thinks that the West caused the 2009 protests in Iran and is behind the protests shaking Syria now.

According to CIA reporting in the late 1980s, "Iranian leaders view terrorism as an important instrument of foreign policy that they use both to advance national goals and to export the regime's Islamic revolutionary ideals." The CIA noted that Iran had already "supported and sometimes directed terrorist operations by Hezbollah" described as "a thriving Shia fundamentalist movement in Lebanon." Iran had also "smuggled explosives into Saudi Arabia and conducted terrorist operations against Kuwait targets." Iran, the CIA concluded, would "keep the United States as a primary terrorist target" for itself and its surrogates for a variety of reasons, including the U.S. military presence in the Gulf, the recent reflagging of Kuwaiti oil tankers, the seizure of an Iranian ship laying mines in the Gulf, and an attack on an Iranian oil platform used to support Iranian military operations.¹⁵

Sponsorship of Middle East Terrorist Groups

Tehran's capability to carry out global terror attacks rests on Iran's ability to call upon a group of Middle East-based terror groups willing to act on Iran's behest, a network that would almost certainly be called upon to execute the kind of asymmetric terror attacks that can be carried out with reasonable deniability and therefore make a targeted response more difficult. Muhammad Hejazi, the deputy head of Iran's armed forces, hinted that Tehran could order proxy militant groups in Gaza and Lebanon to fire rockets into Israel. He even implied such a strike could be used preemptively, before an attack on Iran. "We are no longer willing to wait for enemy action to be launched against us," he told Iran's Fars news agency. "Our strategy now is that we will make use of all means to protect our national interests."¹⁶ Hizballah leaders have also stated they would stand by Iran and any other person that has stood up to the "Zionist regime."¹⁷

Iran has backed not only militant groups in its Persian Gulf neighborhood, but also radicals and armed groups in Lebanon, the Palestinian territories, Iraq, Afghanistan and elsewhere, by proving funds, weapons, training, and safe haven. Among the many groups that Tehran sponsors are the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), the

¹⁶ Adrian Blomfield, "Iran Threatens to Use 'All Means' in Pre-emptive Strike on Israel," *Independent*, February 22, 2012.

¹⁷ "U.S. Bloc behind Syria Unrest: Deputy Hizballah Chief," *Tehran Times*, November 29, 2011.

Palestinian Islamic Jihad (PIJ), Hamas, and Iraqi Shia militias. Other relationships are less well known. Consider, for example, Iran's ties to Somalia's Shabab.

Last month, two Iranian nationals, Ahmad Mohammed and Sayed Mousavi, were arrested in Nairobi after one of the suspects led officials to 15kg of chemicals hidden at a golf course in the port city of Mombasa.¹⁸ Kenyan authorities believe the men, suspected IRGC-Quds Force members, shipped over 100 kilograms of powerful explosives into the country, most of which remains unrecovered.¹⁹ Last year, Kenya launched military operations into neighboring Somalia, targeting al-Shabaab after a wave of kidnappings damaged Kenya's tourism industry. According to one senior anti-terrorism officer, the two "were planning to help al-Shabaab carry out revenge attacks in Kenya because of the Kenya Defence Forces' incursion inside Somalia."²⁰

Al-Shabaab's connection to Iran goes back at least as far as 2006, when a report from the UN Monitoring Group on Somalia indicated that the Islamic Courts Union (ICU), the precursor to al-Shabaab, sent fighters to Lebanon to aid Hezbollah against the Israelis in return for Iranian and Hezbollah funding, arms, and training. According to the report:

During mid-July 2006 ICU sent an approximately 720-person strong military force to Lebanon to fight alongside Hizbollah against the Israeli military... A number of the fighters also remained in Lebanon for advanced military training by Hizbollah. Furthermore, between 8 and 10 September 2006, about 25 Somalis returned to Somalia accompanied by five members of Hizbollah... In exchange for the contribution of the Somali military force, Hizbollah arranged for additional support to be given to ICU by the Governments of the Islamic Republic of Iran and the Syrian Arab Republic, which was subsequently provided."²¹

Hezbollah: First among Equals

Of all the terrorist groups that Tehran has sponsored over the past 28 years, none is more important to Iran than Hezbollah.²² Iran helped create Hezbollah in the early 1980s, funding, training, and indoctrinating new members of the fledgling movement. This support created a completely loyal proxy group ready to engage in terrorist activities at Iran's behest. As one senior Hezbollah official noted in the early 1980s, "Our relation with the Islamic revolution is one of a junior to a senior. . . of a soldier to his commander."²³

¹⁸ Reuters, "Trial date for Iranian suspects in Kenya set for July 23," *Euronews*, July 16, 2012.

<http://www.euronews.com/newswires/1587094-trial-date-for-iranian-suspects-in-kenya-set-for-july-23/>.

¹⁹ Associated Press, "Kenya Police: Iranians Shipped 100kg of Explosive," *FoxNews.com*, July 10, 2012

<http://www.foxnews.com/world/2012/07/10/kenya-police-iranians-shipped-100kg-explosives/>.

²⁰ Flood, "Kenyan police arrest Iranians suspected of terror plot," *The Telegraph*, June 22, 2012.

<http://www.telegraph.co.uk/news/worldnews/africaandindianocean/kenya/9350172/Kenyan-police-arrest-Iranians-suspected-of-terror-plot.html>

²¹"Letter dated 21 November 2006 from the Chairman of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia addressed to the President of the Security Council," S/2006/913, United Nations Security Council, November 22, 2006. <http://www.fas.org/asmp/resources/govern/109th/S2006913.pdf>

²² The U.S. first listed Iran as a terrorist sponsor in 1984.

²³As quoted by Martin Kramer, "The Moral Logic of Hizballah," in Walter Reich, ed., *Origins of Terrorism: Psychologies, Ideologies, Theologies, States of Mind* (Cambridge: Cambridge University Press), p. 138.

Today, Hezbollah operatives maintain close ties to Iranian intelligence officials and IRGC members. The IRGC—deeply involved in the country’s ballistic missile and nuclear and weapons proliferation activities—have been a major focus of both U.S. and U.N. sanctions. They also maintain a special branch, the Qods Force, which provides funds, weapons and training to terrorist groups. Iranian forces operate training camps in Lebanon for Hezbollah fighters and provide financial support to the group, according to the Congressional Research Service. Since the early 1990s, Hezbollah has operated with a guaranteed annual contribution of at least \$100 million a year from Tehran. Early last decade, Iran doubled that investment to more than \$200 million a year, and its financial support for Hezbollah reached its pinnacle in 2008-9, when Iran was flush with revenues from oil prices that had risen as high as \$145 per barrel in late July 2008. By 2009, Israeli intelligence estimated that, since the summer of 2006, Iran had provided Hezbollah more than \$1 billion in direct aid. In exchange, Iran has been able to leverage Hezbollah cells and operatives stationed around the world to conduct terrorist attacks well beyond its borders.

Consider a few telling examples.

Unit 1800: Hezbollah Support for Palestinian Terrorist Groups

In the early to mid-1990s, with the Oslo peace accords signed and Palestinian autonomy slowly growing in the West Bank and Gaza Strip, opponents of peace funded, supported, and executed terrorist attacks to undermine the prospects for peace. Iran was especially active in promoting terrorism targeting Israel at this time. According to the Canadian Secret Intelligence Service, “in February 1999, it was reported that Palestinian police had discovered documents that attest to the transfer of \$35 million to Hamas from Iran’s Ministry of Intelligence and Security (MOIS), money reportedly meant to finance terrorist activities against Israeli targets.”²⁴ Iran’s primary proxy group, however, has always been Hezbollah. It should therefore not be surprising that Hezbollah increased its support for Palestinian groups in the 1990s, invested in its own terrorist infrastructure in the West Bank, and went to great lengths to infiltrate operatives into Israel to collect intelligence and execute terror attacks.

For its part, Iran sought to intensify and coordinate the terrorist operations of the various Palestinian groups it supported and its primary proxy, Hezbollah. A Palestinian intelligence report describes a May 19, 2000, meeting at the Iranian embassy in Damascus between the Iranian ambassador to Syria and representatives from Hamas, Palestinian Islamic Jihad (PIJ), and Hezbollah. 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.”²⁵ According to another Palestinian intelligence document dated October 31, 2001, officials from Hamas, PIJ, and Hezbollah met 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

²⁴ “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.

²⁵ “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. <http://www.intelligence.org.il/eng/iran.htm>

the Hamas and Islamic Jihad leaderships, according to which they must not allow a calming down [of the situation on the ground] at this period.” The Iranian funds, the report added, were to be transferred to these groups through Hezbollah.²⁶

Indeed, from Iran’s perspective, only Hezbollah’s direct involvement would guarantee a truly successful terror campaign targeting Israel. According to U.S. officials, shortly after Palestinian violence erupted in September 2000, Iran assigned Imad Mughniyeh, Hezbollah’s international operations commander, to bolster the operational capacity of Palestinian militant groups, specifically Hamas and PIJ. In fact, to carry out the March 27, 2002, “Passover massacre” suicide bombing, Hamas reportedly relied on the guidance of a Hezbollah expert to build an extra-potent bomb.²⁷ Following the death of Palestinian leader Yasser Arafat in November 2004, Hezbollah was said to have received an additional \$22 million from Iranian intelligence to support Palestinian terrorist groups and foment instability.²⁸

Carrying out attacks along the border with Lebanon in Israel’s far north was one thing, but to effectively undermine the peace process Hezbollah leaders decided they needed to target key Israeli decision makers, symbolic sites, or ordinary Israeli civilians in downtown shopping districts. With the onset of the second Palestinian intifada in September 2000, Mughniyeh complemented infiltration operations into Israel with others aimed at kidnapping Israelis abroad and recruiting Palestinians and Israeli Arabs to carry out attacks at Hezbollah’s behest. In particular, Mughniyeh used the increased funding he received from Iran to form Unit 1800, which was dedicated solely to supporting Palestinian groups and terror attacks targeting the Israeli heartland.

The case of one Unit 1800 recruit, Fawzi Mohammed Mustafa Ayub, trained in Hezbollah camps and primed to infiltrate Israel, stands out for two reasons. First, he is one of the few Hezbollah infiltrators to successfully evade Israeli security and make his way into Israel undetected. Second, he was able to operate on the ground in Israel and the West Bank for about a year and a half before being detained.

In the mid-1980s, Ayub was convicted by a Romanian court for his role in a Hezbollah plot to hijack an Iraqi airliner set to depart from Bucharest. Following his release from a Romanian prison in 1988, Ayub immigrated to Canada, sponsored by an uncle under a program reserved for refugees displaced by the Lebanese civil war. He became a Canadian citizen in 1992. Asked by an Israeli judge if he had told Canadian authorities about his conviction in Romania on charges of attempting to carry out an act of terrorism, Ayub replied, “They never asked.”²⁹

²⁶ “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. <http://www.intelligence.org.il/eng>

²⁷ Molly Moore and John Ward Anderson, “Suicide Bombers Change Mideast’s Military Balance,” *Washington Post*, August 17, 2002.

²⁸ “Iran Expands its Palestinian Control; Offers al-Khadoumi Five Million Dollars,” *al-Watan* (Kuwait), December 13, 2004.

²⁹ Stewart Bell, *Cold Terror: How Canada Nurtures and Exports Terrorism to the World* (Wiley, 2004), p .81

Ayub seemed to be leading a normal life in the Toronto area. He married a woman from the United States and at some point the couple lived near Dearborn, Michigan, according to U.S. prosecutors.³⁰ He studied in the evenings and worked at a grocery store during the day. But all the while, Ayub remained an active Hezbollah agent, according to Israeli officials. While in Canada, Israeli officials note, Ayub “maintained contact with senior Hezbollah officials and carried out operations.”³¹

In 2000, Ayub returned to Lebanon armed with his Canadian passport, and trained to carry out sensitive missions abroad, Ayub was an ideal candidate for Hezbollah’s Unit 1800. Under Mughniyeh’s personal supervision, Ayub trained in the handling and preparation of explosives at secret Hezbollah facilities in Beirut apartments. He was also taught how to hide any trace of his Lebanese identity and given strict guidelines on how to behave once in Israel, including suppressing his Arab identity and speaking only English at all times. The purpose of his mission, according to the FBI, was to conduct a bombing on behalf of Hezbollah.³²

After several months of training, Ayub traveled to an unknown European country on his Canadian passport. There he ditched his Canadian passport, acquired a high-quality American passport, traveled to Greece, and boarded a boat to Israel. After a few days in Jerusalem, Ayub traveled to Hebron in the southern West Bank, where he contacted a local terrorist operative. Together, the two scouted possible sites for the prepositioning and concealment of weapons for future operations.³³ According to Israeli intelligence, Ayub did, in fact, prepare and hide explosives in caches in Israel for later use.³⁴

Ayub’s mission was interrupted, however, by his arrest in Israel. In custody, Ayub reportedly admitted that part of his mission was to free the three key Hezbollah operatives—Mustafa Dirani, Abdel Karim Obeid, and Jihad Shuman—perhaps by kidnapping Israelis and bargaining for their release in exchange for the detained Hezbollah operatives.³⁵ He was eventually released as part of a prisoner exchange. He flew to Beirut, where Hezbollah leader Hassan Nasrallah waited on the tarmac to greet and embrace him.³⁶

³⁰ USA v Faouzi Ayoub, Indictment, case 2:09-cr-20367, filed under seal August 5, 2009, unsealed July 2011; see also Robert Snell, “Dearborn Man Accused of Bomb Mission on FBI’s Most Wanted List,” *The Detroit News*, July 6, 2011.

³¹ “Intensive Intelligence Operation by the ISA Arrested in June 2002 Senior Hizballah Militant,” Press Release Communicated by the Prime Minister’s Advisor, October 30, 2002. <http://www.pmo.gov.il/PMOEng/Archive/Press+Releases/2002/10/Spokesman6728.htm>

³² USA v Faouzi Ayoub, Indictment, case 2:09-cr-20367, filed under seal August 5, 2009, unsealed July 2011; see also FBI Most Wanted Terrorists: Faouzi Mohamad Ayoub. http://www.fbi.gov/wanted/wanted_terrorists/faouzi-mohamad-ayoub

³³ “ISA Arrests Senior Hizballah Terrorist,” Communicated by Prime Minister’s Advisor, October 30, 2002, accessed via www.imra.org.il; see also “Iranian Activities in Support of the Palestinian Intifada,” Communicated by Israeli Security Sources, Israel Ministry of Foreign Affairs, January 30, 2003. <http://www.mfa.gov.il/mfa/go.asp?MFAH0n6j0>

³⁴ “Hizballah’s International Terrorism and the Penetration of Hizballah Activists into Israel,” Undated Israeli intelligence report received by the author, August 5, 2003.

³⁵ Adrain Humphryes, “Canadian Seen as Planner of Hebron Attack,” *National Post* (Canada), November 18, 2002.

³⁶ Stewart Bell, *Cold Terror: How Canada Nurtures and Exports Terrorism to the World* (Wiley, 2004), p. 116.

More recently, members of Hezbollah's Unit 1800 were caught in Egypt where they were funneling weapons to Hamas in the Gaza Strip. At the time Egyptian authorities maintained the group was also targeting Egyptian targets. Hezbollah denied those accusations, but proudly took credit for efforts to arm Hamas. Hezbollah Secretary-General Hassan Nasrallah confirmed the charges himself days after they were aired. In a televised address, Nasrallah insisted Hezbollah was not plotting attacks on Egyptian soil, but proudly acknowledged Mansour Shihab, one of the men arrested, was a Hezbollah member who was in Egypt for "a logistical job to help the Palestinians get (military) equipment."³⁷

Africa: Recruiting Grounds for Iran and Hezbollah

In Africa, where Hezbollah's support networks are well entrenched, the group need not rely on Iranian operational support as much as it does elsewhere. That said, the sponsor and its proxy do cooperate closely on two key agenda items in Africa: proselytizing and recruitment, and arms smuggling. Committed to its constitutional directive to export the Islamic revolution, the Revolutionary Guard proactively recruits Shia in Africa by working off of the efforts of Iranian and Lebanese missionaries proselytizing across the continent. As early as 1985, the CIA was aware that Iran had long been known to "promote subversive activity" among far-flung countries with Shia populations, including Nigeria.³⁸ Three years later, a CIA report acknowledged the phenomenon was far more widespread than just Nigeria. Moreover, the agency highlighted Hezbollah's participation in efforts to spread Iran's Islamic revolutionary vision in Africa.

Often, Iran recruits directly from the pool of Lebanese Shia communities across Africa. The Africa Division of the Revolutionary Guard's Qods Force "have built many cells in Africa," according to a 2011 research report, "most of which rely on Shiite emigrants from Lebanon who live in Africa." Once spotted and recruited, they are sent to Iran for training. According to a retired Israeli military officer, "Lebanese recruited for the Iranian intelligence efforts were invited to visit Iran, where they underwent training in the field of intelligence. Upon their return, they serve as a nucleus for recruiting others and provide a base for Iranian intelligence activity in their countries."³⁹

Such efforts are not limited to Lebanese Shia only. Indeed, according to a study commissioned by the U.S. military, Iran uses scholarships for African students as "a major recruitment tool." Iranian scholarships are offered to students across Africa as part of Tehran's "greater diplomatic effort to simultaneously promote the broader Hezbollah agenda in Africa and undermine Western influence and credibility across the continent." "Wherever Iran has embassies in Africa," the report added, "it also sets up cultural centers that 'award' scholarships and 'study tours' to

³⁷ "Hezbollah Confirms Egypt Arrest," *BBC News*, April 10, 2009. <http://news.bbc.co.uk/2/hi/7994304.stm>

³⁸ "Overview of State-Supported Terrorism in 1985," *Terrorism Review*, Directorate of Intelligence, Central Intelligence Agency, January 13, 1986, Approved for Release June 1999. http://www.foia.cia.gov/docs/DOC_0000258586/DOC_0000258586.pdf

³⁹ Jacque Neriah, "Iran Steps Up Arming Hizbullah Against Israel," *Jerusalem Issue Briefs*, Vo. 10, No. 21, Jerusalem Center for Public Affairs, January 10, 2011.

http://www.jcpa.org/JCPA/Templates/ShowPage.asp?DRIT=1&DBID=1&LNGID=1&TMID=111&FID=442&PID=0&IID=5660&TTL=Iran_Steps_Up_Arming_Hizbullah_Against_Israel

Iran.”⁴⁰ One such effort, focused on the recruitment of Ugandan Shia for religious study—and military and intelligence training—in Iran was exposed in 2002.

According to an Israeli intelligence report, "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. In late 2002, Ugandan officials arrested several young Shia men, including Shafi Ibrahim, who were recruited by Iran and trained alongside young Hezbollah members at facilities in Tehran. Ibrahim's partner, Sharif Wadoulo, another Ugandan Shi'a, escaped arrest and fled to an unnamed Gulf country. Under questioning, Ibrahim acknowledged that he and Wadoulo "were chosen because they were ideologically and physically competent to be trained in intelligence and sabotage"⁴¹

The first group of Ugandan recruits, whose leaders included Ibrahim and Wadoulo, traveled to Iran in 1996, but many more from Uganda and elsewhere in Africa followed. The young men, a small select group selected for that first running of this particular Iranian recruitment program, were ostensibly sent to Iran to study theology, but once in Iran, they were told explicitly that the primary purpose of their stay was "to set up a terrorist infrastructure in the countries they were sent to." Their studies, accommodation and living expenses, and a stipend were financed entirely by Iran. Meanwhile, the report added, their families also benefited from unspecified "Iranian hospitality."⁴²

Ibrahim, Wadoulo, and the rest of the group studied at the Razavi University of Islamic Sciences in Mashhad, which is located in northwest Iran near the Afghan border. As many as 20 million pilgrims reportedly visit the city annually, making Mashhad a logical destination for foreign Shia students recruited abroad by Iran's Revolutionary Guards to study Shia theology and the promise of Iran's Islamic revolution.⁴³

In early 2001, the group was secretly relocated to Tehran for studies of a different nature. The Ugandan recruits, along with young Lebanese Hezbollah members, underwent a one month basic training course "specially tailored by Iranian intelligence." Different from the basic training course for a military recruit, the training combined ideological and operational components. The course was designed "to intensify the recruit's sympathy for Iran and the Islamic Revolution, while motivating them to hit at what the Iranians consider the enemies of Islam." Together, the mixed group of Ugandan Shia and Lebanese Hezbollah recruits were taught to use a variety of small arms, produce improvised explosive devices, collect pre-operational intelligence "on installations and people for terrorist attacks," plan escape routes, and withstand interrogation techniques. The students were given fictitious covers, money, and means of communication and

⁴⁰ "Directed Study of Lebanese Hezbollah" (Nashville: Universal Strategy Group: Research and Analysis Division, 2011), p. 41.

⁴¹ "Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴² "Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴³ See entry for "Mashhad" at Places of Peace and Power website.
http://sacredsites.com/middle_east/iran/mashhad.html

then "instructed to collect intelligence on Americans and Westerners present in Uganda and other countries." Their Iranian handlers saw these new recruits as force multipliers, telling both Ibrahim and Wadoulo to be attuned to the need to expand Iran's network in the region and "to recruit other Ugandan civilians for similar assignments."⁴⁴

According to the Israeli report, once they returned home in September 2001, the group was assigned a local IRGC handler on the ground in Uganda, who reportedly was there to "sustain their motivation, to convey operational instructions and to obtain reports on their activities." The cell was busted before it could carry out any operations, and the exposure of this Iranian network led to increased scrutiny of Iranian institutions in Uganda—including the Iranian embassy—that had for years provided local Shia education to young children and sent older students to study in Iran. There, the report added, "they are recruited by Iranian intelligence for intelligence activity and terrorism."⁴⁵

IRGC Ramazan Corp and Hezbollah's Unit 3800—Support to Iraqi Shia Militias

Iraqi Shia extremists feature prominently in Iran's arsenal of regional proxies. On their own, and in cooperation with the Qods Forces, local Hezbollah affiliates and groups like the Iraqi Dawa Party have engaged in terrorism and political violence in support of their own and Iranian interests. In time, evidence of Hezbollah's presence in Iraq would be plentiful. Indeed, Hezbollah would create an outfit, Unit 3800, dedicated to aiding the Shia insurgency in Iraq. Iraq became a core issue for Hezbollah, however, not because it had anything to do with Lebanon but because gaining influence over Iraq and hegemony in the region is of primary concern to its Iranian sponsors.

Operation Iraqi Freedom removed Iran's greatest enemy and longtime nemesis. The 2003 invasion therefore provided Iran with an opportunity to reshape its influence within Iraq and, in the process, increase its influence in the region. Working through its long-time proxies, Iran set out to achieve several goals in Iraq, the most important and overarching of which was to see the creation, in the words of then-Defense Intelligence Agency (DIA) Director Lowell Jacoby, of a "weakened, decentralized and Shia-dominated Iraq that is incapable of posing a threat to Iran."⁴⁶ Of course, Iran has long sought to push the United States out of the Gulf region, "Iranian-sponsored terrorism is the greatest threat to U.S. personnel and facilities in the Middle East." So read the opening statement of CIA memo written in mid-February 1985 on terrorism in the Middle East. It continued:

Islamic radicals in Iran view Washington's presence and influence in the Middle East as major impediments to successful export of their revolution and regard terrorism as a legitimate and effective method of attacking the U.S. Iranian-sponsored terrorism will

⁴⁴ "Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴⁵ "Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴⁶ Vice Admiral Lowell E. Jacoby, USN, Director, Defense Intelligence Agency, "Current and Projected National Security Threats to the United States," Testimony before the Senate Select Committee on Intelligence, February 16, 2005, <http://intelligence.senate.gov/threats.pdf>

continue and possibly increase so long as the clerics in Tehran do not perceive any significant costs in launching such operations.⁴⁷

That desire now extended not only to the U.S. presence in the Gulf in general terms, but to the large U.S. and international military presence in Afghanistan to Iran's east and in Iraq to its west. In the period after the 2003 invasion, Tehran sought to bloody coalition forces in Iraq. Careful not to provoke a direct confrontation with U.S. and coalition forces, Iran proactively armed, trained and funded a variety of Shia militias and insurgent groups in an effort to bog down coalition forces in an asymmetric war of attrition. If the United States were humiliated in Iraq and to be forced out of the region in disgrace it would be deterred from pursuing similar military interventions in the region in the future, or so the thinking went.

In 2009, then-Director of National Intelligence Dennis Blaire noted that "Iranian efforts to secure influence in Iraq encompass a wide range of activities," from propaganda and humanitarian assistance to providing "lethal support" to Shia militants.⁴⁸ The breadth and lethality of Iranian arms smuggled to Iraqi Shia militias was exposed in a press briefing in February 2007 in Baghdad's Green Zone. Laid out on the table were mortar shells, rocket-propelled grenades, EFP launchers and their shaped metal charges, and the false identification cards found on two of the Qods Force officials captured in a raid a month earlier. According to U.S. officials, serial numbers on some of the grenades indicated they were manufactured in Iran in 2006.⁴⁹ "We have been able to determine that this material, especially on the EFP level, is coming from the IRGC – Qods Force," the intelligence briefer stated.⁵⁰ A month earlier, U.S. troops had raided an Iranian diplomatic office and arrested six more Iranians in northern Iraq. One individual was quickly released, but the other five were determined to be IRGC members, not diplomats.

The capture of senior Qods Force officials, and the public airing of evidence demonstrating Iranian agents were arming and training Iraqi Shia extremists, embarrassed Tehran and appears to have accelerated Iran's efforts – already underway – to put an Arab face on this mission. To that end, Hezbollah sent a master trainer – Ali Musa Daqduq – to Iran to coordinate the training program and make periodic visits to Iraq. In 2005, Daqduq was told he would be going to Iran to work with the Qods Force to train Iraqi extremists. Though it would only become clear over time, the answer to the question U.S. intelligence analysts kept asking themselves – why would Iran need to deploy Hezbollah operatives in Iraq – was fairly simple: Iraqi Shia resented and distrusted their Iranian sponsors and trainers.

So it was that Hezbollah, at Iran's behest, helped developed a sophisticated training program for Shia militants from Iraq. Some training occurred in Iraq, reportedly at the Deir and Kutaiban

⁴⁷ "Middle East Terrorism: The Threat and Possible US Responses," Directorate of Intelligence, Central Intelligence Agency, February 15, 1985, Approved for Release June 1999, http://www.foia.cia.gov/docs/DOC_0000256571/DOC_0000256571.pdf

⁴⁸ Dennis C. Blaire, Director of National Intelligence, "Annual Threat Assessment of the Intelligence Community for the Senate Select Committee for Intelligence," February 12, 2009, http://www.dni.gov/testimonies/20090212_testimony.pdf

⁴⁹ James Glanz, "U.S. Says Arms Link Iranians to Iraqi Shittes," *New York Times*, February 12, 2007, <http://www.nytimes.com/2007/02/12/world/middleeast/12weapons.html?pagewanted=all>

⁵⁰ Tim Susman and Borzou Daragahi, "The Conflict in Iraq: Accusations of Interference; U.S. Makes Case that Iran Arms Flow into Iraq," *Los Angeles Times*, February 12, 2007, <http://articles.latimes.com/2007/feb/12/world/fg-iraqiran12>

Camps east of Basra near the Iranian border. In Iran, Hezbollah and Qods Force instructors ran a well-organized training program in which Daquq was directly involved, “help[ing] Qods Force in training Iraqis inside Iran.”⁵¹ Over time, Hezbollah operatives trained enough Iraqi Shia militants – in Iraq, Iran and Lebanon – to significantly improve the Special Groups’ paramilitary capabilities. Hezbollah provided the Iraqi insurgents “with the training, tactics and technology to conduct kidnappings, small unit tactical operations, and employ sophisticated improvised explosive devices, incorporating lessons learned from operations in Southern Lebanon,” according to an April 2010 Pentagon report.⁵² Indeed, it would not take long before Hezbollah operatives would begin directing Iraqi militants in the execution of exactly such operations, including the January 20, 2007, attack on the Provisional Joint Coordination Center in Karbala in which four U.S. soldiers were killed.⁵³

What can be Done?

Pointing to the 1983 and 1984 Beirut bombings, the CIA reported in 1987 that “many Iranian leaders use this precedent as proof that terrorism can break U.S. resolve” and view “sabotage and terrorism as an important option in its confrontation with the United States in the Persian Gulf.”⁵⁴ Five years later the CIA assessed that “for now, Iran will sponsor easily deniable attacks on US targets and allow Hizballah to retaliate for [Hezbollah leader Abbas] Musawi’s assassination.”⁵⁵ These assessments from the 1980s and 1990s still hold true today. Hezbollah has sought to exact revenge for the February 2008 assassination of the group’s master terrorist, Imad Mughniyeh. But this year’s string of terrorist plots, some executed by Iranian agents, some by Hezbollah operatives, is primarily driven by Iran’s desire to avenge attacks on its scientists and efforts to thwart its nuclear program the assassinations of could just as likely be an Iranian-driven plot in retaliation for the sabotage of Iran’s nuclear program.

1. Deny Iran and Hezbollah any Reasonable Deniability

Operating in the shadows, through proxies and trusted operatives, is Iran’s trademark *modus operandi*. Iran cannot win a conventional war against the West, but it can exact a high price through asymmetric warfare. Key to that doctrine, however, is the need to maintain “reasonable deniability” for its acts of state sponsorship of terrorism. Exposing Iran’s involvement in international terrorism is now more important than ever, both to deny the group its coveted “reasonable deniability” and to build an international consensus for action against Iran’s support for terrorism.

⁵¹ Press briefing with Brig. Gen. Kevin Bergner, spokesman, Multi-National Force - Iraq, Baghdad, July 2, 2007, http://www.usf-iraq.com/?option=com_content&task=view&id=12641&Itemid=131

⁵² “Unclassified Report on Military Power of Iran,” Congressionally Directed Action (CDA) re Military Power of Iran, April 2010, p. 3, <http://www.offnews.info/downloads/militaryPowerIran.pdf>

⁵³ “Update to Initial Findings from Karbala; Militant Attack Used Deception, U.S. Army Type Uniforms,” Multi-National Corps – Iraq Public Affairs Office, Release No. 20070126-21a, January 26, 2007, http://www.usf-iraq.com/?option=com_content&task=view&id=9542&Itemid=21; Steven R. Hurst, “4 U.S. Soldiers Abducted and Fatally Shot During Attack in Southern Iraq,” *Associated Press*, January 27, 2007

⁵⁴ “Terrorism Review,” 22 October 1987, Directorate of Intelligence, Central Intelligence Agency, Approved for Release June 1999, <http://www.foia.cia.gov/>

⁵⁵ “Lebanon’s Hizballah: Testing Political Waters, Keeping Militant Agenda [redacted],” Central Intelligence Agency, July 1992, http://www.foia.cia.gov/docs/DOC_0000676447/DOC_0000676447.pdf

2. Raise the cost for Iranian State Sponsorship

One reason Iran using terrorism as an extension of its foreign policy is that it remains a cost effective and relatively risk-free endeavor for Tehran. Iran must be led to believe that the cost of sponsoring or carrying out an act of terrorism will now be high. That will be a difficult message to convey in light of Iran's history of carrying out massive attacks without any significant reaction from America, even in the case of attacks against U.S. interests (Beirut, Khobar Towers, Iraq).

3. Diplomatic Pressure

In light of Iran's longstanding use of diplomatic equities to support international terrorism, Washington should press its allies to restrict the size of Iranian missions to the minimum needed to conduct official business, to restrict visits by Iranian officials to official business only (no meetings with sympathizers, no speeches, etc.), and to exercise diligence about the possibility that non-diplomatic Iranian travelers connected to the Iranian government may be engaged in illegal activities. Iranian diplomats should only be allowed to travel outside the city to which they are assigned on official business.

Consider that Iran's intelligence penetration of South America has expanded significantly since the AMIA bombing. Testifying before Congress in the weeks following that 1994 attack, the State Department's coordinator for counterterrorism expressed concern that Iranian embassies in the region were stacked with larger than necessary numbers of diplomats, some of whom were believed to be intelligence agents and terrorist operatives: "We are sharing information in our possession with other States about Iranian diplomats, Iranian terrorist leaders who are posing as diplomats, so that nations will refuse to give them accreditation, or if they are already accredited, to expel them. We have had some success in that respect, but we have not always succeeded."⁵⁶ Another witness recounted meeting with senior government officials in Chile, Uruguay, and Argentina regarding overrepresentation at Iranian embassies in the region in March 1995 – eight months after the AMIA bombing. Officials in Chile and Uruguay, the countries of most concern regarding Iranian overrepresentation at the time, indicated that "the activities of those at the [Iranian] embassy were being monitored and that this was very clearly a concern."⁵⁷ Five years later, the commander of U.S. Southern Command, which has responsibility for the U.S. military over the southern half of the Western Hemisphere, indicated the Iranian presence in the region had grown still larger by expanding the number of embassies in the region from just a handful a few years earlier to 12 missions by 2010. That, plus Iran's traditional support for terrorism, had General Douglas Fraser concerned. "Transnational terrorists – Hezbollah, Hamas – have

⁵⁶ Testimony of Ambassador Philip Wilcox, Testimony at Hearing on "Terrorism in Latin America/AMIA Bombing in Argentina" before the Committee on International Relations, House of Representatives, September 28, 1995

⁵⁷ Testimony of Mr. Tommy Baer, president of B'NAI BRITH, Testimony at Hearing on "Terrorism in Latin America/AMIA Bombing in Argentina" before the Committee on International Relations, House of Representatives, September 28, 1995, page 34 of oral testimony

organizations resident in the region,” Fraser noted.⁵⁸ According to press reports, the Qods Force plot may have also included plans to target Saudi or possibly Israeli diplomats in Argentina.⁵⁹

I thank you for your attention and look forward to answering any questions you may have.

⁵⁸ Benjamin Birnbaum, “General IN Latin America Trains Eye on Middle East,” *The Washington Times*, July 29, 2010

⁵⁹ Kevi G. Hall, “U.S. Says Iran Plot to Kill Saudi Ambassador Hatched in Mexico,” *The Miami Herald* (McClatchy Newspapers), October 11, 2001