

Iran's Influence and Activity in Latin America

Testimony before the
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Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics
Affairs

Ilan Berman
Vice President, American Foreign Policy Council
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Chairman Menendez, Senator Rubio, distinguished members of the Subcommittee:

It is a privilege to appear before you today to discuss an issue of growing importance to the national security of the United States: that of Iran's activities and influence in the Americas.

Although Iran's inroads into the Western Hemisphere have recently garnered considerable attention among experts and the press, the motivations behind them remain poorly understood. Yet in tracing Iran's pattern of behavior in the region over the past several years, it is possible to discern four distinct strategic objectives.

I. DIPLOMACY AND COALITION-BUILDING

Outreach to Latin America is seen by Iran first and foremost as a means to lessen its deepening international isolation. Since 2003, when its previously-clandestine nuclear program became public knowledge, the Islamic Republic has faced mounting global pressure over its nuclear ambitions. The Iranian regime has sought to mitigate the resulting political and economic restrictions levied against it by the United States and its allies through intensified diplomatic outreach abroad.

Due to its favorable geopolitical climate—typified by vast ungoverned areas and widespread anti-Americanism—Latin America has become an important focal point of this effort. Over the past decade, Iran has nearly doubled the number of its embassies in Latin America (from six in 2005 to ten in 2010).¹ It also has devoted considerable energy to forging economic bonds with sympathetic regional governments.

Far and away the most prominent in this regard has been Venezuela. Since Hugo Chavez became its president in 1999, alignment with Iran has emerged as a cardinal tenet of Venezuela's foreign policy. The subsequent election of Mahmoud Ahmadinejad to the Iranian presidency in 2005 kicked cooperation into high gear, with dramatic results. Today, Venezuela and Iran enjoy an extensive and vibrant strategic partnership. Venezuela has emerged as an important source of material assistance for Iran's sprawling nuclear

program, as well as a vocal diplomatic backer of Iran's will to atomic power. The Chavez regime also has become a safe haven and source of financial support for Hezbollah, Iran's most powerful terrorist proxy.² In turn, Iran's feared Revolutionary Guards have become involved in training Venezuela's secret services and police.³ Economic ties between Caracas and Tehran likewise have exploded—expanding from virtually nil in 2007 to an estimated \$40 billion today.⁴

Just as significantly, Venezuela has served as Iran's "gateway" for further economic and diplomatic expansion into the region. Aided by its partnership with Caracas and bolstered by a shared anti-American outlook, Iran has succeeded in forging significant strategic, economic and political links with the regime of Evo Morales in Bolivia and Rafael Correa in Ecuador. Even Iran's relations with Argentina, where Iranian-supported terrorists carried out major bombings in 1992 and 1994, have improved in recent times, as the government of President Cristina Fernandez de Kirchner has hewed a more conciliatory line toward Tehran.⁵

It would be a mistake, however, to view these contacts as simply pragmatic—or strictly defensive. Iran's sustained systematic outreach to regional states suggests that it sees the Western Hemisphere as a crucial strategic theater wherein to expand its own strategic influence and dilute that of the United States. Indeed, a 2009 dossier prepared by Israel's Ministry of Foreign Affairs noted that "since Ahmadinejad's rise to power, Tehran has been promoting an aggressive policy aimed at bolstering its ties with Latin American countries with the declared goal of 'bringing America to its knees.'"⁶ This view is increasingly shared by the U.S. military; In its 2010 report on Iranian military power, the Office of the Secretary of Defense noted that "Iran seeks to increase its stature by countering U.S. influence and expanding ties with regional actors" in Latin America.⁷

To this end, Iran is ramping up its strategic messaging to the region. Late last month, on the heels of Iranian president Mahmoud Ahmadinejad's very public four-country tour of South America, the Iranian regime formally launched HispanTV, a Spanish-language analogue to its English-language PressTV channel. The Bolivian-headquartered television outlet has been depicted by Ahmadinejad as part of his government's efforts to "limit the ground for supremacy of dominance seekers"—a thinly-veiled reference to U.S. influence in the Western Hemisphere.⁸

As Ahmadinejad's statement indicates, Iran is pursuing an "anti-access" strategy in Latin America—one that promotes its own ideology and influence at the expense of the United States. In this endeavor, Iran has been greatly aided by Venezuelan strongman Hugo Chavez, who himself has worked diligently to diminish America's political and economic presence in the region under the banner of a new "Bolivarian" revolution.

II. A QUEST FOR STRATEGIC RESOURCES

Since the start of the international crisis over Iran's nuclear ambitions nearly nine years ago, the popular perception has emerged that Iran's atomic program are now largely self-sufficient—and that its progress is therefore largely inexorable. This, however, is far from

the case; in fact, the Iranian regime currently runs a considerable, and growing, deficit of uranium ore, the critical raw material needed to fuel its atomic effort.

According to nonproliferation experts, Iran's indigenous uranium ore reserves are known to be both "limited and mostly of poor quality..."⁹ Thus, when Iran's Shah mapped out an ambitious national plan for nuclear power in the 1970s, his government was forced to procure significant quantities of the mineral from South Africa. Nearly four decades later, however, this aging stockpile reportedly has been mostly depleted.¹⁰ As a result, Iran in recent years has embarked on a widening quest to acquire supplies of uranium ore from abroad. In 2009, for example, it is known to have attempted to purchase more than 1,000 tons of uranium ore from the Central Asian republic of Kazakhstan at a cost of nearly half-a-billion dollars.¹¹ In that particular case, deft diplomacy on the part of the United States and its European allies helped stymie Iranian efforts—at least for the time being.

However, Iran's search has not abated. In February of 2011, a new intelligence summary from a member state of the International Atomic Energy Agency reaffirmed to the international community that the Islamic Republic continues to search extensively for new and stable sources of uranium to fuel its nuclear program.¹² Today, this effort is focused in two principal geographic areas. The first is Africa, where in recent years Iran has made concerted efforts to engage a number of uranium producers (such as Zimbabwe, Senegal, Nigeria and the Democratic People's Republic of Congo).¹³ The second is Latin America, where Tehran now is exploring and developing a series of significant resource partnerships.

The most well-known of these is with Venezuela. Cooperation on strategic resources has emerged as a defining feature of the alliance between the Islamic Republic and the Chavez regime. Iran is currently known to be mining in the Roraima Basin, adjacent to Venezuela's border with Guyana. Significantly, that geological area is believed to be analogous to Canada's Athabasca Basin, the world's largest deposit of uranium.¹⁴

Bolivia, too, is fast becoming a key source of strategic resources for the Iranian regime. With the sanction of the Morales government, Iran is now believed to be extracting uranium from as many as eleven different sites in Bolivia's east, proximate to the country's industrial capital of Santa Cruz.¹⁵ (Not coincidentally, it is rumored that the now-infamous Tehran-Caracas air route operated jointly by Conviasa, Venezuela's national airline, and Iran Air will be extended in the near future to Santa Cruz.¹⁶) Additionally, a series of cooperation agreements concluded in 2010 between La Paz and Tehran have made Iran a "partner" in the mining and exploitation of Bolivia's lithium, a key strategic mineral with applications for nuclear weapons development.¹⁷

Iran even appears to be eyeing Ecuador's uranium deposits. A \$30 million joint mining deal concluded between Tehran and Quito back in 2009¹⁸ has positioned the Correa regime to eventually become a supplier for the Islamic Republic.

Regional experts note that Iran's mining and extraction efforts in Latin America are still comparatively modest in nature, constrained by competition from larger countries such as Canada and China and by Iran's own available resources and know-how.¹⁹ However, the

region is unquestionably viewed as a target of opportunity in Iran's widening quest for strategic resources—both because of its favorable political operating environment and because states there (especially Bolivia) represent unknown quantities in terms of resource wealth. This raises the possibility that Latin America could emerge in the near future as a significant provider of strategic resources for the Iranian regime, and a key source of sustenance for Iran's expanding nuclear program.

III. AN ASYMMETRIC PRESENCE

Iran's formal political and economic contacts with regional states are reinforced by a broad web of asymmetric activities throughout the Americas.

Illicit financial transactions figure prominently in this regard. Over the past several years, Iran's economic ties to Venezuela have helped it skirt the sanctions being levied by the international community, as well as to continue to operate in an increasingly inhospitable global financial system. It has done so through the establishment of joint companies and financial entities, as well as the formation of wholly Iranian-owned financial entities in Venezuela and the entrenchment of Iranian commercial banks there.²⁰ Experts note that this financial activity exploits an "existing loophole" in the current sanctions regime against Iran—one that leverages the freedom of action of Venezuelan banks to provide the Islamic Republic with "an ancillary avenue through which it can access the international financial system despite Western pressure."²¹

Iran is also known to be active in the region's ubiquitous gray and black markets, as well as its free trade areas—operating both directly and via terrorist proxy Hezbollah.²² Most notoriously, these include the so-called "Triple Frontier" at the crossroads of Argentina, Paraguay and Brazil, as well as Venezuela's Margarita Island.

Iran also boasts an increasingly robust paramilitary presence in the region. The Pentagon, in its 2010 report to Congress on Iran's military power, noted that the Qods Force, the elite paramilitary unit of Iran's Revolutionary Guards, is now deeply involved in the Americas, stationing "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," and even carrying out "paramilitary operations to support extremists and destabilize unfriendly regimes."²³

This presence is most pronounced in Bolivia. Iran has been intimately involved in the activities of the Bolivarian Alliance for the Americas (ALBA) since the formation of that Cuban- and Venezuelan-led geopolitical bloc—which also encompasses Ecuador, Bolivia, Nicaragua and a number of other nations—in the early 2000s. As part of that relationship, Iran reportedly provided at least some of the seed money for the establishment of the bloc's "regional defense school" outside Santa Cruz, Bolivia. Iranian Defense Minister Ahmad Vahidi reportedly presided over the school's inauguration in May 2011, and Iran—itsself an ALBA observer nation—is now said to be playing a role in training and indoctrination at the facility.²⁴ Regional officials currently estimate between 50 and 300

Iranian "trainers" to be present in Bolivia.²⁵ Notably, however, a personal visit to the facility found it to be largely unattended, at least at the present time.

IV. A LATENT OPERATIONAL CAPABILITY

Conventional wisdom in Washington has long held that Iran's activism in the Americas is opportunistic—rather than operational. Yet the growing asymmetric capabilities being erected by Iran throughout the region have the potential to be directed against the U.S. homeland.

This was hammered home in October 2011, when U.S. law enforcement agencies succeeded in foiling a plot by Iran's Revolutionary Guards to assassinate Adel al-Jubeir, Saudi Arabia's envoy to the United States, on American soil. That attack, if it had been successful, would potentially have killed scores of U.S. citizens in the nation's capital. The incident marks a significant development; as Director of National Intelligence James Clapper observed in his recent testimony before the Senate, in response to mounting international pressure and asymmetric activity against their nuclear program, it appears that "Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now willing to conduct an attack in the United States."²⁶

Latin America figures prominently in this calculus. The foiled October 2011 plot is known to have been both orchestrated and facilitated via South America, suggesting that Iran increasingly finds the region to be an advantageous operational theater. Moreover, as Iran's influence and activities there intensify, the Islamic Republic will be able to field a progressively more robust operational presence in the Americas. Clapper concluded his Senate testimony with an ominous warning. "The Iranian regime has formed alliances with Chavez, Ortega, Castro, and Correa that many believe can destabilize the Hemisphere," he noted. "These alliances can pose an immediate threat by giving Iran—directly through the IRGC, the Qods force, or its proxies like Hezbollah—a platform in the region to carry out attacks against the United States, our interests, and allies."²⁷

OPPORTUNITY WITHIN ADVERSITY

Understanding these motivations is essential to assessing the significance of Latin America in Iran's strategic calculus, and to determining whether or not its efforts there are in fact succeeding.

For the moment, Iran's regional inroads still represent a work in progress. The Iranian regime has demonstrated a clear interest in Latin America over the past decade, and is now striving to expand its influence there. As of yet, however, it has not succeeded in solidifying this presence—or in fully operationalizing its regional relationships and institutionalizing its influence. As experts have noted, although Iran's promises of economic engagement with regional states have been abundant, precious little of this aid has actually materialized, save for in the case of Venezuela.²⁸ Moreover, despite increasingly robust

cooperation with regional states on mining and extraction, there is as yet no indication that Latin America in and of itself can serve as the answer for Iran's strategic resource needs.

Furthermore, an expansion of Iran's footprint in the region is not necessarily inevitable. Over the past year, the health of Iran's most stalwart ally in the region, Hugo Chavez, has become increasingly critical, and the Venezuelan strongman is now believed to be in the terminal stages of cancer. Significant ambiguity abounds over Venezuela's future direction—and, as a result, about the durability of the partnership forged between Caracas and Tehran under Chavez.

Iran's expanding regional activism therefore can be understood at least in part to be contingency planning of sorts; an effort to broaden contacts and ensure the survivability of its influence in the Americas in a post-Chavez environment. In this context, the regimes of Evo Morales in Bolivia and Rafael Correa in Ecuador figure prominently, with Correa in particular increasingly looked at as a potential successor to Chavez as a standard bearer of the new "Bolivarianism"—and as an inheritor of cooperation with Iran.²⁹ Iran's future progress in solidifying and expanding those partnerships will serve as an important barometer of the long-term survivability of its bonds to the region as a whole.

Since October 2011, policymakers in Washington have begun to pay serious attention to Iran's activities in the Western Hemisphere. But they have done little concrete to respond to it, at least so far. Despite heartening early steps (such as the "Countering Iran in the Western Hemisphere Act of 2012" recently introduced in the House by Rep. Jeff Duncan), a comprehensive strategy to contest and dilute Iranian influence in the Americas remains absent. Unless and until such a strategy does emerge, Iran's efforts—and the threats posed by them to American interests and the U.S. homeland—will only continue to expand.

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- ¹⁷ "Iran 'Partner' In The Industrialization Of Bolivia's Lithium Reserves," *MercoPress*, October 30, 2010, <http://en.mercoPress.com/2010/10/30/iran-partner-in-the-industrialization-of-bolivia-s-lithium-reserves>.
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