

By Scott Stewart

When we discuss threats along the U.S./Mexico border with sources and customers, or when we write an analysis on topics such as [violence and improvised explosive devices along the border](#), a certain topic inevitably pops up: Hezbollah.

We frequently hear concerns from U.S. and Mexican government sources about the Iranian and Hezbollah network in Latin America. They fear that Iran would use Hezbollah to strike targets in the Western Hemisphere and even inside the United States if the United States or Israel were to conduct a military strike against Tehran's nuclear program. Such concerns are expressed not only by our sources and are relayed not only to us. Nearly every time tensions increase between the United States and Iran, the media report that the Hezbollah threat to the United States is growing. Iran also has a vested interest in [playing up the danger posed by Hezbollah](#) and its other militant proxies as it tries to dissuade the United States and Israel from attacking its nuclear facilities.

A close look at Hezbollah reveals a potent capacity to conduct terrorist attacks. The group is certainly more capable and could be far more dangerous than al Qaeda. An examination also reveals that Hezbollah has a robust presence in Latin America and that it uses its network there to smuggle people into the United States, where it has long maintained a presence. A balanced look at Hezbollah, however, shows that, while the threat it poses is real — and serious — that threat is not new and it is not likely to be exercised. There are a number of factors that have limited Hezbollah's use of its international network for terrorist purposes in recent years. A decision to return to such activity would not be made lightly, or without carefully calculating the cost.

Military Capability

When examining Hezbollah, it is important to recognize that it is not just a terrorist group. Certainly, during the 1980s, Hezbollah did gain international recognition from its spectacular and effective attacks using large suicide truck bombs, high-profile airline hijackings and [snatching scores of Western hostages](#) (who were sometimes held for years) in Lebanon, but today it is far more than a mere terrorist group. Hezbollah is an influential political party with a strong, well-equipped militia that is more powerful than the army in Lebanon. The organization also operates an extensive network of social service providers in Lebanon and an international finance and logistics network that supports the organization through a global array of legitimate and illicit enterprises. Militarily, Hezbollah is a force to be reckoned with in Lebanon, as demonstrated by the [manner in which it acquitted itself](#) during its last confrontation with Israel, in August 2006. While Hezbollah did not defeat Israel, it did manage to make a defensive stand and not be defeated itself. It may have been bloodied

and battered by the Israeli onslaught, but at the end of the fight Hezbollah stood unbowed — which signified a major victory for the organization and won it much acclaim in the Muslim world. The tenacity and training of Hezbollah's soldiers was readily apparent during the 2006 confrontation. These traits, along with some of the guerrilla warfare skills they demonstrated, such as planning and executing complex ambushes and employing improvised explosive devices against armored vehicles, are things that can be directly applied to terrorist attacks. This was demonstrated in the [assassination of former Lebanese Prime Minister Rafik al-Hariri](#) in February 2005. Hezbollah maintains training facilities in places like Nabi Sheet in eastern Lebanon, where its militants are trained by Hezbollah instructors, members of the Syrian army and trainers from [Iran's Islamic Revolutionary Guard Corps and its Quds Force](#) (IRGC-QF) as well as Iran's Ministry of Intelligence and Security (MOIS). In addition, Hezbollah militants are [sent outside Lebanon to Syria and Iran for training on advanced weapons](#) and advanced guerrilla/terrorist tactics. Such advanced training has provided Hezbollah with a large cadre of operatives who are well-schooled in the tradecraft required to operate in a hostile environment and conduct successful terrorist attacks. Their links to Iranian diplomatic facilities guarantee them access to modern weaponry and military-grade explosives that can be brought in via the diplomatic pouch, which is inviolable under international treaty.

Latin American Network

Hezbollah and its Iranian patrons have a presence in Latin America that goes back decades. Iran has sought to establish close relationships with countries such as Cuba, Nicaragua, Bolivia and Venezuela that have opposed the United States and its foreign policy. STRATFOR sources have confirmed allegations by the U.S. government that the [IRGC-QF has a presence in Venezuela](#) and is providing training in irregular warfare to Venezuelan troops as well as militants belonging to the Revolutionary Armed Forces of Colombia.

The Iranians are also known to station IRGC-QF operatives in their embassies under diplomatic cover alongside MOIS intelligence officers. IRGC-QF and MOIS officers also work under non-official cover in businesses, cultural centers and charities and have been known to work closely with Hezbollah operatives. This coordination occurs not only in Lebanon but also in places like Argentina. On March 17, 1992, [Hezbollah operatives supported by the Iranian Embassy in Buenos Aires attacked the Israeli Embassy](#) in that city with a vehicle-borne improvised explosive device, killing 29 people and injuring hundreds more. On July 18, 1994, 85 people were killed and hundreds injured when Hezbollah operatives supported by the Iranian Embassy attacked the Argentine Israelite Mutual Association building in Buenos Aires. Iran also maintains diplomatic relations with Mexico and uses its official diplomatic presence there to engage Mexico on a range of topics, including commercial relations and international energy matters. (Both countries are major energy producers.)

While Hezbollah has received hundreds of millions of dollars in financial support and military

equipment from Iran and Syria, it also has created a global finance and logistics network of its own. The Lebanese people have an entrepreneurial and trading culture that has spread around the world, and Hezbollah has exploited this far-flung Lebanese diaspora (both Christian and Muslim) for fundraising and operational purposes. To assist in this effort, Hezbollah also has partnered with non-Lebanese Arabs and Muslims, both Shia and Sunni, many of whom work with Hezbollah's network for financial gain and not out of ideological affinity with the group.

Hezbollah's global commercial network transports and sells counterfeit consumer goods and electronics and pirated movies, music and software. In West Africa, the network also deals in "blood diamonds" from places like Sierra Leone and the Democratic Republic of the Congo and fences illegally bunkered oil from the Niger Delta. Cells in Asia procure and ship much of the counterfeit material sold elsewhere; nodes in North America deal in smuggled cigarettes, baby formula and counterfeit designer goods, among other things. In the United States, Hezbollah also has been involved in smuggling pseudoephedrine and selling counterfeit Viagra, and it has had a significant role in the production and worldwide propagation of counterfeit currencies. Hezbollah also has a long-standing and well-known presence in the tri-border region of Paraguay, Argentina and Brazil, where it earns tens of millions of dollars annually from legal and illegal commercial activities, according to U.S. government estimates.

The Hezbollah business empire also extends into the drug trade. The Bekaa Valley, Lebanon's central agricultural heartland, is controlled by Hezbollah and serves as a major center for growing poppies and cannabis and for producing heroin from raw materials arriving from places like Afghanistan and the Golden Triangle of Southeast Asia. Indeed, Hezbollah controls a commanding percentage of the estimated \$1 billion drug trade flowing out of the Bekaa. Much of the hashish and heroin emanating from there eventually arrives in Europe, where Hezbollah members also are involved in smuggling, car theft and the distribution of counterfeit goods and currency. Hezbollah operatives in the Western Hemisphere work with Latin American drug cartels to traffic cocaine into the lucrative markets of Europe, and there have been reports of Hezbollah members dealing drugs in the United States.

In recent years, Hezbollah also has become active in Central America and Mexico, the latter being an ideal place for the Iranians and Hezbollah to operate. Mexico has long been a favorite haunt for foreign intelligence officers from countries hostile to the United States, ranging from Nazi Germany to the Soviet Union, due to its close proximity to the United States and its very poor counterintelligence capability. Mexican government sources have told STRATFOR that the ability of the Mexican government to monitor an organization like Hezbollah is very limited. While Mexico has a domestic intelligence capability, it has historically oriented its efforts toward political opponents of the government and not toward foreign intelligence operatives operating on its soil. This is understandable, considering that the foreign intelligence officers are in Mexico because of its proximity to the United States and not necessarily to spy on Mexico. The Mexican government's limited counterintelligence capacity has been further reduced by corruption and by the substantial amount of resources the Mexican government has been forced to dedicate to the [cartel wars currently ravaging the country](#).

It is also convenient for Hezbollah that there is some degree of physical resemblance between

some Lebanese and Mexican people. Mexicans citizens of Lebanese heritage (like Mexico's richest man, Carlos Slim) do not look out of place when they are on the street. STRATFOR sources say that Hezbollah members have married Mexican women in order to stay in Mexico, and some have reportedly even adopted Spanish names. A Hezbollah operative with a Spanish name who learns to speak Spanish well can be difficult for a U.S. Customs and Border Protection agent to spot. American officials often lack the Spanish skills required to differentiate between Spanish speakers with Mexican accents and those with foreign accents.

Most of the Lebanese residing in Mexico are Maronite Christians who fled Lebanon and who are now well assimilated and prosperous in Mexico. Many of the Lebanese Muslims living in Mexico are relatively recent immigrants, and only about half of them are Shia, so the community in Mexico is smaller than it is in other places. Still, Hezbollah will use it to hide operatives. Sources tell STRATFOR that Hezbollah and the Iranians are involved in several small Islamic centers in Mexican cities such as Torreon, Chihuahua City and Monterrey. They also have an active presence in Shiite Islamic centers in border towns on both sides of the border and use these centers to coordinate cross-border smuggling of contraband and operatives.

Arrestors

Hezbollah has a group of operatives capable of undertaking terrorist missions that is larger and better-trained than any group al Qaeda has ever had. Hezbollah (and its Iranian patrons) have also established a solid foothold in the Americas, and they have demonstrated a capability to use their global logistics network to move operatives and conduct attacks should they so choose. This is what U.S. government officials fear, and what the Iranians want them to fear. The threat posed by Hezbollah's militant apparatus has always been a serious one, and Hezbollah has long had a [significant presence inside the United States](#). The threat it poses today is not some new, growing phenomenon, as some reports in the press would suggest.

But despite Hezbollah's transnational terrorism capabilities, it has not chosen to exercise them outside of its home region for many years now. This is due in large part to the way Hezbollah has matured as an organization. It is no longer the new, shadowy organization it was in 1983 but a large global organization with an address. Its assets and personnel can be identified and seized or attacked. Hezbollah understands that a serious terrorist attack or series of attacks on U.S. soil could result in the type of American reaction that followed the 9/11 attack and that the organization would likely end up on the receiving end of the type of campaign that the United States launched against al Qaeda (and Lebanon is far easier to strike than Afghanistan). In the past, Hezbollah (and its Iranian patrons) have worked hard to sow ambiguity and hide responsibility for terrorist attacks, but as Hezbollah matured as an organization, such subterfuge became more difficult.

There is also international public opinion to consider. Hezbollah is a political organization seeking political legitimacy, and it is one thing for it to be seen as a victim of Israeli aggression when standing up to Israeli forces in southern Lebanon and quite another to be seen killing innocent civilians on the other side of the globe.

Hezbollah also sees the United States (and the rest of the Western Hemisphere) as a wonderful place to make money through its array of legal and illegal enterprises. If it angered the United States, its business interests in Western Hemisphere would be severely impacted. Hezbollah could conduct attacks in the United States, but it would pay a terrible price for doing so, and it does not appear that it is willing to pay that price. The Hezbollah leadership may be radical, but it is not irrational. Many of the senior Hezbollah leaders have matured since the group was founded and have become influential politicians and wealthy businessmen. This older cadre tends to be more moderate than some of the younger firebrands in the organization.

So, while Hezbollah has the capability to attack U.S. interests, it does not currently possess the intent to do so. Its terrorist attacks in Lebanon in the 1980s, like the bombing of the U.S. Marine barracks and the two attacks against the U.S. Embassy, were intended to drive U.S. influence out of Lebanon, and the attacks largely succeeded. An attack by Hezbollah inside the United States today would result in the return of U.S. attention to, and perhaps even a presence in, Lebanon, something that is clearly not in Hezbollah's interests.

Then why the recurring rumors of impending Hezbollah terrorist attacks? For several years now, every time there has been talk of a possible attack on Iran there has been a [corresponding threat by Iran](#) that it will use its proxy groups in response to such an attack. Iran has also been busy pushing intelligence reports to anybody who will listen (including STRATFOR) that it will activate its militant proxy groups if attacked and, to back up that threat, will periodically send IRGC-QF, MOIS or Hezbollah operatives out to conduct [not-so-subtle surveillance of potential targets](#). (They clearly want to be seen undertaking such activity.)

In many ways, the Hezbollah threat is being played up in order to provide the type of deterrent that mutually assured destruction did during the Cold War. The threats of unleashing Hezbollah terrorist attacks and [closing the Strait of Hormuz](#) are the most potent deterrents Iran has to being attacked. Since Iran does not yet possess a nuclear arsenal, these threats are the closest thing it has to a "[real nuclear option](#)". As such, they are threats that Iran will make good on only as a last resort.

Read more: [Hezbollah, Radical but Rational | STRATFOR](#) This report is republished with the permission of STRATFOR