

WRITTEN TESTIMONY OF  
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IRAN'S STRATEGIC PENETRATION OF LATIN AMERICA

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON FOREIGN AFFAIRS  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE (WHEM)  
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HEARING ON

**“IRAN AND HEZBOLLAH IN THE WESTERN  
HEMISPHERE”**

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Chairman Duncan, Chairwoman Ros-Lehtinen, Ranking Members Sires and Deutch, and distinguished members of both subcommittees. Good morning, and thank you for your leadership on this issue and inviting me to appear before you today.

Almost two years ago, I testified before another committee that Iran's influence in the Western Hemisphere has grown tremendously over the last thirty (30) years since the dawn of the Iranian revolution. At the time, there was sufficient evidence to make this statement; however, there was also evidence to suggest that Iran was reassessing its priorities, presence, and activities in Latin America, due to the considerable political and economic changes in the region and in Tehran.

A year and a half later, it is clear that the Islamic Republic maintains Latin America as a strategic priority for its global positioning, which becomes increasingly important as Iran enters its most critical stage in the ongoing nuclear negotiations with the P5+1. Under Hassan Rouhani, Tehran seeks to build on its momentum in Latin America over the last decade and expand its operations to move beyond its typical associations with the Bolivarian Alliance of the Americas (ALBA).

I cover this in chapter 10 of the book *Iran's Strategic Penetration of Latin America* (Lexington Books, 2014) co-edited with my colleague Ilan Berman. For the title, we purposely use the term "strategic penetration" because "strategic" implies that Iran has a plan for the region, and "penetration" means they are executing this plan through covert methods. I apply a conceptual model to these methods, which I've termed the "pattern of penetration," and will expand on this concept throughout this testimony.

I will also address where I believe the U.S. government has its greatest vulnerabilities to this threat, and provide a strategic recommendation for how the U.S. and Latin America can reintegrate in order to isolate Iran and neutralize Hezbollah's reach in the region.

## 1. Pattern of Penetration

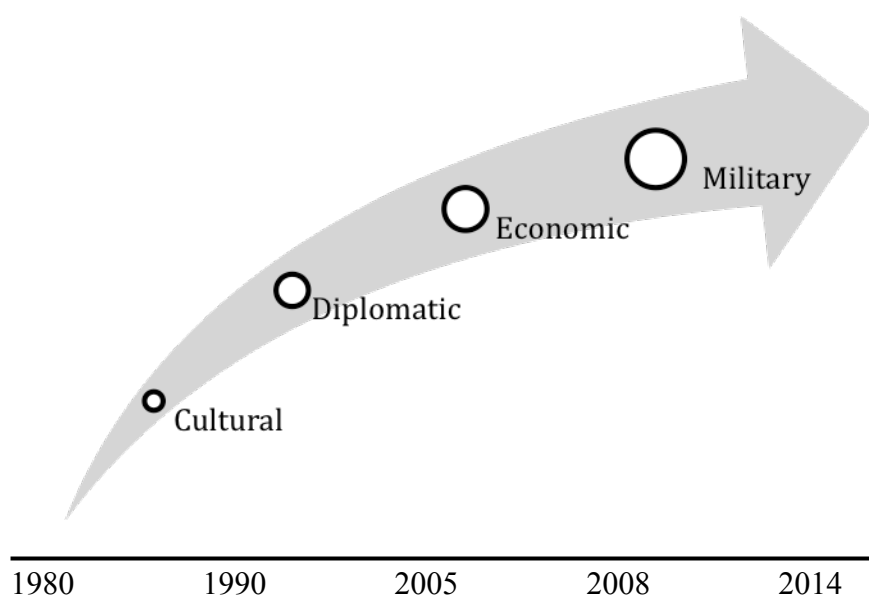
Iran's prolonged presence in Latin America and the Caribbean has provided analysts with substantial empirical evidence regarding its strategic influence in the region. This evidence can be analyzed to understand the process or method by which Iran's influence in Latin America has grown over time.

In our book, I refer to this process as the "pattern of penetration." This pattern has four essential layers that are incremental and begin at an informal level through cultural exchange, which transitions to more formal diplomatic relations that allows for greater economic cooperation. On the surface, throughout these first three layers there is much political posturing and plenty of accords and agreements signed, most of which **do not** come to fruition. Beneath the surface, however, this bilateral and multilateral cooperation with Tehran allows the Ayatollahs to create the political and economic cover necessary to insert more operatives, create front companies, establish backdoor channels with the host government, and ultimately carve out spaces for their military

and paramilitary officers to enter the region in support of the Islamic Republic's strategic interests.

Figure 1 provides an illustration of how Iran's strategic penetration of Latin America has grown and evolved over time.

**Figure 1 Iran's pattern of penetration in Latin America**



At the tactical level, Iran uses its cultural penetration to gain access to prominent individuals within the Islamic and indigenous communities throughout the region. The objective is to exploit their wealth and/or political connections, preferably both. Once such contact is established, Iran bolsters its diplomatic presence, as is the case in Venezuela and Cuba, or establishes a new embassy, such as occurred in Bolivia, Ecuador and Nicaragua. In Bolivia, it has been reported that there are no fewer than 145 accredited Iranian diplomats living in the Andean nation. A number that far outweighs their overt commercial or diplomatic interests with the Plurinational state.

The sophistication by which Iran has manipulated these first three layers, has allowed them to gain tremendous influence in the region. It is this form of strategic maneuvering that enabled Tehran to grow exponentially from six embassies prior to 2004, to close to double that (11 total) as of 2009. Once these embassies are established a series of mosques and Islamic cultural centers begin to proliferate the targeted and surrounding countries to expand their "eyes and ears" in Latin America.

Under the guise of commercial and cultural exchange, these embassies serve as conduits for procurement and acquisition activities, many of which are illegal and violate international sanctions. But they also serve as bases for Iranian intelligence operatives who immerse themselves in local societies. It is important to note that Iran's formal commercial and diplomatic presence establishes the plausible deniability necessary to

build its capacity for the final layer of its penetration, which is a military and paramilitary presence, unprecedented in the region.

In several cases and countries in Latin America and the Caribbean, Iran has infiltrated their intelligence and security services. In other cases Tehran has co-opted these services to work for their benefit. The high levels of corruption and weak institutions prevalent throughout the region have facilitated Iran's ability to successfully move through these various layers of strategic penetration.

At present, Iran has successfully moved through every layer in the majority of ALBA nations as well as small countries across the Caribbean, with special attention to Guyana and Suriname. In other countries, the Islamic Republic has had varying levels of success. Nevertheless, the Iranian regime has initiated this process in practically every country in Central and South America as well as the Caribbean.

## 2. Cultural Penetration

The original 674-page, 2006 indictment presented by the late Dr. Alberto Nisman and Marcelo Martinez Burgos, against seven high-ranking Iranian officials implicated in the AMIA attack in Buenos Aires—provides us with a better understanding of how Iran uses its “cultural” activity for infiltrating, proselytizing and radicalizing Islamic communities in Latin America in favor of the Iranian revolution.

In the case of Argentina, Iran sent its first major intelligence operative to Buenos Aires on August 27, 1983, almost eleven years prior to the AMIA attack. For over a decade, this intelligence operative, Mohsen Rabbani, not only laid the blueprint for carrying out an Islamic terrorist attack in Latin America, but more importantly—how to cover it up. According to Dr. Nisman, Rabbani spent several years as the Imam of the *At-Tahuid* Mosque in Buenos Aires, where he recruited, proselytized and created an intelligence system that would report to the Iranian Embassy in Buenos Aires and then up to Tehran.

*It should be added that this system was not only used and supported by the Iranian regime for its own ends, but was also devised with these ends in mind, such that each element served a dual purpose. On the one hand, it carried out formal tasks, while on the other, it realized covert activities ... The mosques were used by elements of the regime as a place from which to recruit persons whose ideology was consistent with the principles of the Islamic revolution, and as conduits for the transmission of sensitive information.*

*(Pg. 294, Nisman, Burgos, AMIA Case 2006)*

This dual purpose or dual-use is characteristic of Iran's operations globally. Considering that the Islamic Republic is a theocracy and the Ayatollahs control the country, embassy-mandated cultural programs in a targeted country are often intertwined with non-state actors, in which religious services are used to spread the principles of the Islamic revolution. With the growth of Iranian embassies in Latin America, this type of “cultural” activity has expanded exponentially in countries like Venezuela, Nicaragua,

Bolivia, Brazil, Mexico and El Salvador. Iranian film festivals, book fairs, youth festivals, and other “cultural” activity is frequently used to spread propaganda, but also to spot and assess potential recruits to join the Islamic revolution.

This tactical playbook developed by Rabbani was used by one of his closest cohorts to sway the Caribbean into Iran’s geopolitical orbit. Michael Seaforth, better known by his Muslim name—Abdul Kadir—was a Guyanese politician arrested in 2007 in Trinidad and Tobago in connection with a plot to blow up jet-fuel supply tanks and pipeline at the JFK International Airport in New York City. As a South American agent of Iran, Kadir developed an intelligence structure in Guyana and the Caribbean that mirrored Rabbani’s system in Argentina. Through the Islamic Information Center of Guyana, which Kadir founded and directed, he gained tremendous influence over the Islamic communities in Guyana and neighboring countries, through the Caribbean and into diaspora groups in the U.S. It was Kadir’s long arm to the diaspora of the Afro-Guyanese in Queens, New York City who worked at the JFK International Airport that helped gain access to the target of this thwarted terrorist attack.

Although Abdul Kadir is behind bars, Guyana remains under Iran’s influence. More than twenty years of recruitment and proselytization activities by Kadir, has left a slew of converts, disciples and family that continue to work on behalf of the Islamic Republic. Guyana (7.2 percent) along with Suriname (15.9 percent) and Trinidad (5.8 percent) are the countries with the largest percentage of Muslims in Latin America, providing fertile territory for Iran and Hezbollah to engage in covert operations. Iran has a resident ambassador to Guyana and Suriname, living and operating out of the Iranian embassy in Caracas. Both countries are also members of the Organization of Islamic Conference (OIC) as well as the Union of South American Nations (UNASUR).

There are at least two important lessons to be learned from the Kadir case:

- Kadir was a native Latin American disciple operating as an agent of influence for the Islamic Republic of Iran. The use of native Latin Americans has become Iran’s *modus operandi* in the region, recruiting several thousand in Latin America and the Caribbean training in Qom, but also in Havana, La Paz, Quito, Managua, Curitiba, São Paulo and throughout Venezuela. These agents of influence use the cover of cultural and religious promotion to provide operational and logistical support for terrorism.
- The fact that Kadir was a highly respected *Shi’a* Muslim, but coordinated with radical *Sunni* Muslims associated with the Trinidad-based Jamaat al Muslimeen (JAM) Islamic terrorist group—illustrates the *Shi’a*-*Sunni* cooperation among radical Islamic networks. In Latin America, the historical division between *Sunni* and *Shi’a* Muslims is not as marked as they are in the Middle East, and in many cases there is more cooperation than conflict between the two communities. This is important since the majority of the Muslim population in Latin America is *Sunni*, providing Iran and Hezbollah increased avenues of approach to the region.

Since Kadir's arrest, Iran's primary agent of influence in Latin America is an Argentine disciple of Rabbani named Edgardo Rubén Assad, or Suhail Assad. Educated in Chile, Lebanon and Iran, fluent in several languages including Farsi and Arabic, Assad is a highly educated and very skilled agent of influence for Iran. He is also the most visible Iranian "informal" ambassador in Latin America working to target at least three particular communities: (1) youth; (2) women; and (3) indigenous groups. Based out of the *Center for Iranian-Latin American Cultural Exchange* in Caracas, Venezuela, Assad is a pivot point for Iran to gain access to several of these targeted communities in the region as well as their national governments.

Since Hassan Rouhani has become Iran's president in 2013, there has been a noticeable strategic shift to move beyond the typical ALBA countries and target more U.S. friendly countries. Accordingly, Suhail Assad and by extension Iran, has targeted countries like Peru, Mexico and El Salvador in recent years.

In Peru, Assad began working with indigenous groups within the resource rich region of Apurímac in 2011. This is particularly important because a Hezbollah explosives expert was recently arrested in Lima this past October 2014 for having bomb-making residue on his person. While the connection between Assad's activity and this Hezbollah operative in Peru, if any, is unknown, there is proof that several hundred Peruvians have traveled to both Lebanon and Iran in recent years, due to the seeds planted by Assad four years prior.

In Mexico, Assad made his first known visit in 2007, lecturing in Mexico City at an event sponsored by several Mexican cultural foundations. The Shi'a community in Mexico seems to reside around the Soraya Mosque in Torreón, Coahuila. Interestingly enough, it was the Soraya Mosque that petitioned to grant residency status to Assad so that he could serve as "cultural and educational attaché" to the mosque. This never happened, however, as Assad was denied re-entry into Mexico in 2009 because Mexican intelligence "watch-listed" him for his ties to terrorists involved with the AMIA bombing in Buenos Aires. The Iranian Ambassador at the time, Mohammad Hassan Ghadiri, lobbied the Mexican government to allow Assad entry—but to no avail.

Because Assad could not gain re-entry into Mexico, he travelled several times to El Salvador. Assad's first known trip to El Salvador was in 2013, when he was invited by the country's first *Islamic Cultural Center* in San Salvador to lecture at local universities on the "political situation of Iran." It was during this visit that Assad is believed to have made contact with the *Farabundo Marti National Liberation Front* (FMLN), a former Marxist guerrilla movement turned political party whose past commander, Salvador Sánchez Ceren, is now president of El Salvador. Sánchez Ceren's growing alliance with Venezuela and ALBA countries, coupled with Iran's soft power strategy in El Salvador, presents an opportunity for the Islamic Republic to expand its influence in Central America.

While subtle and often under the radar, Iran's "cultural" outreach has been significant over the last decade and is only growing in both size and scope.

One of the most visible outcomes of this outreach is their 24-hour, Spanish language news broadcast—HispanTV—operated by the larger, state-owned Islamic Republic of Iran Broadcaster (IRIB). Launched in 2012, this Iranian network has grown to broadcast in at least 16 countries throughout Latin America, often in conjunction with what is known as counter-hegemonic news media in the region, namely the Venezuela-based TeleSUR. This media network provides Iran with a large megaphone to enhance its influence and information operations in the region. Suhail Assad is known to host at least one talk-show on this network.

This soft-power strategy by Iran is used to legitimize more nefarious, covert activities discussed later in this testimony. But it is important to understand that there is a degree of separation between Iran's soft power networks and their more nefarious proxies such as Lebanese Hezbollah, managed by the Qod's Force of the Iranian Revolutionary Guard Corps (IRGC-QF). This is not to say there is no overlap, as there certainly is cross-communication, but the profile of individuals like Suhail Assad, and the several agitator-propagators under his wing, are protected and kept clean from Hezbollah's illicit activity or the operational presence of the IRGC-QF.

This compartmentalization allows Iran to maintain plausible deniability and increase its legitimacy in the region, while using drugs, thugs and terrorism as leverage points to advance its interests. Mohsen Rabbani was the master at these sort of influence and information operations aimed at achieving legitimacy, and has passed his knowledge down to several dozen disciples in Latin America who have exponentially grown this network.

As evidence of this, in March 2012, Gen. Douglas Fraser, the former commander of U.S. Southern Command (SOUTHCOM), indicated that there were at least 36 Shi'a Islamic cultural centers propagated by Iran in Latin America during his posture statement before the House Armed Services Committee. Three years later, in March 2015, the current SOUTHCOM commander, Gen. John Kelly, testified before the same committee that: "Iran has established more than 80 'cultural centers' in a region with an extremely small Muslim population." That is a 55 percent increase in just three years, mostly under President Rouhani's watch.

### **3. Diplomatic Penetration**

The under the radar, informal "cultural" outreach creates the conditions necessary for Iran to begin its illicit and illegal activity in Latin America, under the guise of diplomatic, economic and military cooperation. To appreciate Iran's ability to coerce or co-opt Latin American governments to do their bidding, it is important to understand the high level of corruption rampant throughout the region. The non-profit watchdog Transparency International consistently ranks the region as one of world's worst in terms of perception of corruption.

This past week, the Brazilian weekly *Veja* ran a story demonstrating this high-level corruption, and how Iran benefits. Through interviews with Venezuelan defectors close

to the regime, *Veja* uncovered that in 2007 Iran secured cash donations for then presidential candidate Cristina Fernández de Kirchner of Argentina via Venezuela. In turn, Tehran asked for access to Argentina's nuclear intelligence, while whitewashing their accused from the AMIA attack. Several years later we know at least half of this came true through the highly controversial Iran-Argentina Memorandum of Understanding (MOU) signed in January 2013. For many, this MOU blindsided Argentina but as Dr. Nisman and now *Veja* revealed, it was the complicity of the regime in the *Casa Rosada* that allowed Iran to gain lost ground in Argentina.

Iran understands Latin America's corrupt infrastructure and weak institutions play in its favor and is moving aggressively to co-opt various regional politicians. Some of whom are unwittingly coerced but many others are complicit in selling out their countries to make a quick, sometimes deadly buck.

Iran's very competent intelligence service, commanded by the Ministry of Intelligence or MOIS in Tehran, has infiltrated the security services of several Latin American countries. In a select few, particularly within the ALBA nations, Iranian intelligence services are embedded into the security services of the host country. Advising, managing and collecting through the Bolivarian intelligence network, Iran's security service also forms part of the presidential security details of the leaders of many ALBA nations.

This is most evident in Venezuela, where a Middle Eastern mafia is embedded within various levels of the Bolivarian Republic. Several individuals of Lebanese and Syrian origin hold high level posts throughout the Venezuelan government, many with close ties to Iran and/or Lebanese Hezbollah.

In January, the Federal Bureau of Investigation (FBI) added Venezuelan diplomat Ghazi Nasr al Din to its "seeking information" terrorist watch list. In 2008, Ghazi already had his assets frozen by the U.S. Treasury Department for providing material support to Hezbollah. As a high-level Venezuelan diplomat, Ghazi has used his position and placement in the Venezuelan embassy in Damascus, Syria to raise money and establish connections for Lebanese Hezbollah. He is just one of several family members involved in this illicit scheme, that not only raises money for Hezbollah operatives, but provides them with immigration documentation to facilitate their travel to the Western Hemisphere.

This state-sponsored immigration scheme is reinforced through Ghazi's connection to a very important *Chavista* governor—Tareck El Aissami. The former Venezuelan Minister of Interior and Justice from 2007 through 2012, El Aissami is Iran's man in Mérida who has helped Hezbollah funnel funds to the Middle East and fly foreign fighters to Latin America, operating clandestinely through the region.

Research at the Center for a Secure Free Society (SFS), revealed that during El Aissami's tenure as the Interior Minister a large number of Islamist militants from Iran, Iraq, Syria, Lebanon and Jordan received immigration benefits from the government of Venezuela. Regional intelligence officials have data on at least 173 individuals who



received such benefits, most believed to be affiliated with Lebanese Hezbollah. In some cases, a visa was expeditiously awarded so that Hezbollah affiliates can open bank accounts in Latin America. In other cases a passport was more convenient to establish front companies and travel freely throughout the region. In the most extreme cases, birth certificates were doctored, completely changing the identity of an Islamist militant who becomes a ghost, almost impossible to track.

Over the years, El Aissami developed a sophisticated, multi-layered financial network that functions as a criminal-terrorist pipeline bringing militant Islamists into Venezuela and surrounding countries, and sending illicit funds and drugs from Latin America to the Middle East. His financial network consists of close to forty (40) front companies that own over twenty (20) properties with cash, vehicles, real estate and other assets sitting in thirty-six (36) bank accounts spread throughout Venezuela, Panama, Curacao, St. Lucia, Southern Florida and Lebanon. This network became integrated with the larger Ayman Joumaa money-laundering network that used the Lebanese Canadian Bank to launder hundreds of million of dollars and move multi-ton shipments of cocaine on behalf of Colombian and Mexican drug cartels as well as Hezbollah.

This immigration scheme is also suspected to operate in Ecuador, Nicaragua, Panama and Bolivia, as well as some Caribbean countries.

- In July 2008, Dominica, a small Caribbean island that forms part of the ALBA alliance, signed an agreement with Iran that enabled its citizens to hold dual-citizenship with several countries throughout the Middle East, including the Islamic Republic. A Dominica-issued passport allows Iranians and other Islamists to gain access to the Caribbean Community (CARICOM). Another member of this community, Belize, has also been implicated in immigrations schemes to help Hezbollah travel through Mexico into the United States.
- On September 2012, Rafic Labboun—a U.S. citizen and resident of the Bay Area in California, was arrested by Mexican authorities for smuggling Hezbollah operatives from Belize into Mexico. At the time of his arrest, Labboun was captured in the southern city of Mérida, Yucatán, with a fake Belizean driver's license, birth certificate, and passport, all acquired in less than 72 hours. Labboun was no ordinary Hezbollah fundraiser, he was believed to be the highest ranking Hezbollah leader in the San Francisco Bay Area and spiritual leader for the Shi'a Association Bay Area (SABA) Mosque. He was previously convicted of credit card fraud in 2009 for illicit financial schemes to raise money for Hezbollah.

While only gaining moderate attention in the U.S., the Labboun case created quite a controversy in Belize. A concerted effort was taken in this small Caribbean country to bolster the Immigration and Nationality Department against fraud and corruption. Nevertheless, the larger question was whether Labboun was an aberrant case of public corruption - or - part of a larger immigration scheme similar to what transpires in Venezuela. According to Central American intelligence officials, it is the latter.

Through its multi-billion dollar subsidized oil program, *PetroCaribe*, Venezuela owns a large portion of Belize's debt. A debt that can be leveraged, as it was in Argentina, for political favors, such as working more closely with Hezbollah. Venezuela's petro-diplomacy is characterized by their business sweeteners and ties to social programs, such as the Miracle Mission (*Mision Milagro*) in which hundreds of Belizean patients are flown to Venezuela to receive "free" eye surgery.

Through these cases what is evident is that specific Latin American governments are using state-power to create spaces for Lebanese Hezbollah to operate. Whether through immigration schemes, or political corruption, these governments use formal diplomatic and economic channels to move illicit Iranian funds and foreign Hezbollah fighters throughout the region. This is not new, as Abdul Kadir's infamous five-year plans conceived the infiltration of police, security forces, intelligence and diplomatic/military posts as a strategic move for Iran. He also suggested the Islamic Republic urge Guyana to allow Iranians to obtain dual citizenship and forge documents to devise ways and means towards achieving strategic ends.

While Abdul Kadir may have devised this plan, the ALBA nations have enabled the Islamic Republic to implement it. Today, Iran looks more aggressively outside of the ALBA bloc and watches for opportunities to co-opt strategic governments with influence in the United States. One such opportunity could open up with the election of the former Foreign Minister of Uruguay, Luis Almagro, who recently became the general secretary of the Organization of American States (OAS). Almagro started his tour within the Uruguayan diplomatic corps as ambassador to Tehran from 1991 to 1996, through the AMIA and Israeli attack in Buenos Aires. More recently, as foreign minister, Almagro was known to frequent the residence of the Iranian ambassador in Montevideo.

#### **4. Military Penetration**

In February 2014, student-led demonstrations erupted throughout Venezuela protesting the high levels of crime and violence, inflation and shortages, and the overall repression of freedom in the country. The Bolivarian government response was to quell these protests with brutal and harsh tactics including sodomizing students, beating and killing protestors, and jailing or exiling political dissidents. Human Rights Watch called these "systematic" human rights violations for which seven Venezuelan government officials have already been sanctioned.

To most, the Venezuelan government's ability to brutally stifle student protests, is a capacity developed by the Cuban regime whose intelligence and military direct many aspects of Venezuela's national security apparatus. While mostly true, this excludes another vital player that has enhanced Venezuela's foreign internal defense, the Iranian paramilitary force known as the *Basij*.

In April 2009, the current Iranian commander of the Basij paramilitary force, Brig. Gen. Mohammad Reza Naqdi, accompanied former Iranian Defense Minister Gen. Mostafa Mohammad-Najjar on a high-level visit to Caracas at the invitation of the late

Venezuelan President Hugo Chávez and his then-foreign minister (now President) Nicolas Maduro. Gen. Naqdi's role in these high-level meetings was to serve as an advisor to Venezuela's Ministries of Defense and Interior to aid in training their civilian militias, known as the infamous *colectivos*'. Years later, the results of this advisory support are evident on the streets of Venezuela as the *colectivos*' tactics are a step-up from its previous capacity, to include new clandestine communication techniques and improved counterintelligence capability.

Gen. Naqdi, who previously served as the Iranian Police Force's counterintelligence chief, has a long list of human rights violations dating back to the 1999 student protests in Iran. Aside from Venezuela, he is rumored to have visited Bolivia during his travels to the region.

Unfortunately, Iran's paramilitary presence is not the only concern regarding their unprecedented deployment of military officers to Latin America. Over the last few years, Iran has capitalized on its increased legitimacy in the region to establish a military industrial footprint, most prominently in Venezuela and Bolivia. Through several joint military-to-military agreements with these three nations, Iran has established an illicit procurement and acquisition program to obtain dual-use material for its strategic military initiatives, particularly its ballistic missile and nuclear program.

For instance, Iran's bilateral military venture to help Venezuela develop drone technology resulted in twelve (12) outdated unmanned aerial vehicles (UAV) called the Arpia class. This technology is based on the Mohajer-2 reconnaissance drone developed by the Islamic Republic. While on the surface, this seems to be a legitimate function of bilateral military cooperation between both nations, beneath the surface, there are several irregularities making many analysts suggest that this joint UAV program was a cover for something else. First, a fourth of these new drones crashed during initial flight tests. Second, the hefty \$28 million the Bolivarian government paid is outside the market value for these type of reconnaissance drones. Lastly, a mysterious explosion in January 2011 at the site where the drones were being built only served to further fan speculation about the dual-use capacity of the drone factories now operational in Maracay, Venezuela.

Maracay is the home of Venezuela's military industry known as *Compañía Anónima Venezolana de Industrias Militares*, or CAVIM. This state-owned Venezuelan weapons company was sanctioned by the U.S. under the Iran, North Korea, and Syria Nonproliferation Act, known as INKSNA. CAVIM was the hub of at least six major joint military projects with Iran, at least three of which violated U.S. and UN international sanctions. To shield their financial activity with Iran, CAVIM would use Venezuela's state owned energy company, *Petróleos de Venezuela, S.A.* (PDVSA) and the Islamic Republic of Iran Shipping Lines (IRISL) to make these military transfers. In a highly irregular dual billet, Gen. Aref Richany Jiménez, the commander of CAVIM from 2008 to 2011, also directed PDVSA's external relations department during that same time frame. Son of Lebanese immigrants, Gen. Richany Jiménez was also recently listed as one of

the Venezuelan government officials sanctioned by the U.S. for human rights violations in that country.

According to Stuart Levy, the former U.S. Under Secretary of Terrorism & Financial Intelligence for the Department of Treasury: “Iran attempts to shield its procurement activities behind a maze of entities, essentially hoodwinking those still doing business with Iran into facilitating illicit transactions for the transport of dual use, missile-related items.” Special attention needs to be paid to the state-owned energy companies of the ALBA nations, namely Ecuador and Venezuela, as they have created the “maze of entities” that Levy describes, through their energy conglomerates and its subsidiaries.

Moreover, many countries in South America have an abundance of strategic minerals and metals that have dual-use applications to Iran’s military programs. Thorium, for instance, often used in electronics is also predicted be able to replace uranium as nuclear fuel in nuclear reactors. Other more commercial minerals such as Lithium and Tantalum (or the core element Coltan) also have military-grade applications due to their high degree of heat and corrosion resistance. Iran has been involved in the strategic and at times illicit acquisition of these minerals through gray and black markets in Latin America for the last several years.

Lastly, and most controversial, is Uranium. Several countries, including Bolivia, Brazil, Ecuador, Venezuela, Guyana, Paraguay, Peru, Chile, Guatemala, Mexico, and Uruguay have uranium deposits, although largely unexploited. Latin America hasn’t historically produced much uranium, which means investors haven’t paid much attention to the market. Except Iran. The Islamic Republic has been involved in various geological studies and surveys exploring these uranium deposits, even if the evidence is not clear that Iran has successfully exploited this strategic mineral. Iranian front companies have established themselves in and around these deposits in Ecuador, Bolivia and Venezuela. In the latter, the Roraima basin in the southeastern region of Venezuela, along the Guyana border, there are significant uranium deposits and by extension a large Iranian presence who reportedly are mining “gold” which sits atop much of this uranium.

Iran’s aggressive posture in obtaining items, materials and technology from Latin America that benefit both it’s nuclear program and ballistic missile program are at the heart of what led to the death of Dr. Nisman.

In his final term as president, the late Hugo Chávez became a prominent player in Argentina’s foreign policy. Buying out approximately \$10 billion of Argentine debt, Chávez gained an inordinate amount of influence over that country, particularly over President Cristina Fernández de Kirchner. Since 2007, Venezuela began nuclear cooperation with Argentina for the development of its own nuclear reactor. At the same time, Venezuela began its military transfers to Tehran. Parallel to this nuclear cooperation were several joint financial agreements between Argentina and Venezuela centered around agricultural and social projects. Many of these projects did not

materialize, however, millions of dollars tied to these projects still moved between both countries.

Argentina's nuclear program, which dates back to the 1950s, has been dormant since the 1980s. President Fernández de Kirchner gave the program new life in 2011. The *Veja* article released this month, mentions Argentina's nuclear technology and capability as Iran's primary objective for their rapprochement with that country.

The question remains to what degree is Argentina's new nuclear ambition tied to Iran's intent to attain this technology? And has Venezuela's own defunct nuclear program and triangulated trade with Argentina served the purpose of helping the Islamic Republic? Perhaps Dr. Nisman knew more than he reported. Unfortunately he is no longer with us.

## **5. U.S. Government Vulnerabilities**

Many elements of the U.S. government, particularly within law enforcement and the intelligence community, as well as the U.S. Congress, have paid significant attention to Iran's intrusion in the hemisphere. Nevertheless, there is not a concerted, whole-of-government approach to the problem-set. And there are differing opinions within the government as to the extent of the threat that has lead to three distinct vulnerabilities: (a) borders; (b) budgets, and (c) bureaucracy.

The U.S. State Department in particular missed a valuable opportunity to remedy this by working with Congress and its defense/intelligence counterparts on this issue. In June 2013, they issued an assessment of Iran's influence in the region that sparked controversy within the USG as many individuals and entities holding a vast amount of knowledge about this threat were not consulted. The State Department's conclusion that Iran's advancements in Latin America are "waning" was premature, even by their own measure. This is evidenced by a State Department letter on August 1, 2013 to Senator Mark Kirk (R-IL) stating that they will reexamine their own assessment. Quite frankly, the original State Department report lacked the depth and seriousness required to develop a comprehensive, whole-of-government strategy against this threat. Almost two years later, there has not been a public reassessment of their original report.

Meanwhile, many dedicated professionals, both at the state and federal level, continue to unravel the Iran/Hezbollah network in the region. Unfortunately, their efforts are constrained because several elements of our national security monitoring the southern hemisphere—are receiving drastic budget cuts.

U.S. Southern Command (SOUTHCOM), the regional combatant command responsible for Latin America and the Caribbean, is already absorbing a 26 percent cut across a range of programs. Because of these asset shortfalls, SOUTHCOM is unable to pursue 74 percent of suspected maritime drug trafficking vessels, according to commander Gen. John Kelly. Vessels that could very possibly contain material to aid or abet Iran's illegal nuclear and ballistic missile program. Moreover, these cuts affect the Defense Department's ability for military-to-military engagement that is critical to offset Iran's

influence in these particular sectors. Capacity-building activities, multinational exercises, and bilateral defense support in Latin America have all been reduced in the last few years creating a vacuum that Iran and Hezbollah have exploited.

In particular, Intelligence, Surveillance, and Reconnaissance (ISR) shortfalls are very detrimental creating blindspots where terrorists, transnational criminal organizations and WMD proliferators can operate without our knowledge or awareness. This is especially true along our “third border” the Caribbean. Border security as a whole needs to be reexamined because the emphases placed on our physical border, while important, loses sight of the fact that threats usually emanate beyond the border. In this context our ISR cuts are compounded because the USG loses its ability to monitor many porous borders from South through Central America that regional governments lack the capacity to control.

We are at a critical inflection point of Iran and Hezbollah’s presence in Latin America. There is still time to reengage and use U.S. influence to fill the vacuum quickly being filled by Iran, as well as Russia and China. Examining these three extra-regional actors (China, Russia and Iran) as separate in the region is detrimental to understanding how the balance of power is shifting in Latin America and the Caribbean, away from the United States.

## 6. Policy Recommendation: Strengthen North America

There are several tactical policy recommendations I could provide, some of which are listed in the final chapter (11) of our book *Iran’s Strategic Penetration of Latin America* (Lexington, 2014). But I’d like to focus on a strategic policy recommendation that has a distinct vision and encompasses a grand strategy. If implemented this would allow the U.S. and our allies in Latin America to unite under the banner of a greater North America and by consequence neutralize Iran and Hezbollah’s reach in the region.

For most of our history, the grand strategy of the United States has been to *ensure stability in this hemisphere so that we can be free to balance our interests in Europe, Asia and elsewhere*. This helps us understand why President Ronald Reagan unwaveringly declared that he would “draw the line” against Cuban/Soviet aggression in Central America. And he did. Now we are facing a reinvigorated Russia, an economically empowered China, and a bold Iran intruding on our interests in Latin America and the Caribbean. Yet, these extra-regional forces do face constraints and challenges.

The recent plunge in oil prices that shocked the OPEC regimes of Venezuela, Ecuador, Russia and Iran, as well as the Chinese slowdown in commodity consumption is sending shockwaves throughout the region. If strategically calculated can serve to **reinvigorate and expand a greater North American grand strategy**.

In the energy domain, the increased production of U.S. shale oil, reserves of which have been estimated to be able to supply North America for 100 years, with another 100

years capability from Canada's tar sands—has opened up opportunities to become less dependent on Venezuelan crude. On the flip side, Venezuela's rapidly declining oil production places it in a vulnerable position as its regional influence spurred by its *petro-diplomacy* has diminished.

Following this logic, there is no better time and no greater friend to the U.S. than Canada. Sharing the world's largest border, and the world's largest trade relationship. Our relationship with our northern neighbor is not just vital for our economic success, it's vital for our national security. Reinvigorating a greater North America is essential to any anti-access strategy against Iran and Hezbollah's advancement in the Western Hemisphere. And close cooperation with our Canadian counterparts should be the centerpiece of such a strategy.