

Submission to the Parliamentary Joint Committee on Intelligence and Security review of the re-listing of Hezbollah's External Security Organization

By Emanuele Ottolenghi, Senior Fellow, Foundation for Defense of Democracies
(FDD)

Recommendations

Recommendation 1: I recommend that the PJCIS keep the External Security Organization of Hezbollah (ESO) designated as a terrorist organization, according to Criminal Code Regulations 2021 (the legislative instrument).

Recommendation 2: I also recommend that the PJCIS urge the Executive Branch to cease viewing the ESO as a distinct and independent entity from Hezbollah: I urge the Government of Australia to extend the designation of the ESO as a terrorist organization to Hezbollah as a whole.

I am grateful to the Committee for the opportunity to submit my recommendations as part of the Committee's review of the re-listing of Hezbollah's External Security Organization.

I am a senior fellow at the Foundation for Defense of Democracies (FDD), a Washington, DC-based nonpartisan 501(c)(3) research institute focusing on national security and foreign policy.

FDD conducts in-depth research, produces accurate and timely analyses, identifies illicit activities, and provides policy options – all with the aim of strengthening U.S. national security and that of our allies around the world, and reducing or eliminating threats posed by adversaries and enemies of the United States and other free nations.

Founded shortly after the attacks of September 11, 2001, FDD conducts actionable research, prepared by experts and scholars from a variety of backgrounds – including government, intelligence, military, private sector, academia, and journalism. It brings proficiency in foreign languages, law, finance, technology, and other skills to its work.

FDD regularly provides open-source research and analyses to policymakers and the media. Since its founding, FDD has shared its expertise with the Bush, Obama, Trump, and Biden administrations and Congressional offices on a bipartisan basis.

As a senior fellow at FDD, I have spent more than a decade researching, mapping, tracking, and documenting Iran illicit threat networks involved in sanctions evasion, illicit nuclear and missile

technology procurement, money laundering and terror finance activities. As part of my ongoing research, since May 2015, I have led a research project that focuses on Iran's and Hezbollah's illicit threat networks in Latin America. The principal focus of this project has been the toxic convergence between organized crime and terror finance, and Hezbollah's key role in it.

I have testified before the United States Congress multiple times since 2015 on Hezbollah's illicit threat networks and the convergence of their terror finance activities with organized crime.

I offer my recommendations based on my knowledge and research of the subject matter.

Hezbollah's ESO continues to meet the definition of a terrorist organization

The definition of a terrorist organization in Australia's Criminal Code is: "an organisation that is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act."

Without doubt, Hezbollah's External Security Organization (ESO) continues to meet this definition and should remain on Australia's list of terror entities.

Recommendation 1: I recommend that the PJCIS not disallow Criminal Code (Terrorist Organization—Hizballah's External Security Organization) Regulations 2021 (the legislative instrument).

In the last decade, authorities around the world uncovered multiple plots by Hezbollah ESO agents to carry out terror attacks. In one case, in Burgas, Bulgaria, in July 2012, Hezbollah successfully carried out its plot, murdering six and wounding dozens. These examples show that Hezbollah's ESO continues to meet the definition of a terrorist organization.

The United States and Panama

In June 2017, U.S. law enforcement agencies captured two Hezbollah operatives. They stood accused of casing targets for possible future terror attacks. Samer El Debek and Ali Mohammad Kourani were both indicted in the Southern District of New York, in May of 2017.¹ Ali Kourani was eventually sentenced to 40 years in prison for his terrorist activities.² El Debek is cooperating with the U.S. Department of Justice while awaiting sentence.

Both naturalized U.S. citizens, El Debek and Kourani were members of Hezbollah's ESO. Trained in the use of firearms, assault weapons and explosives, they fulfilled multiple tasks on Hezbollah's behalf while in the United States. For example, in 2009, Kourani travelled to Guangzhou, China to procure ammonium nitrate based First Aid ice packs, made by the same

¹ Indictment, *United States v. Samer El Debek*, No. S(1) Cr. 04154 (MAG), (S.D.N.Y 2017). (Accessed via Pacer); Indictment, *United States v. Ali Mohamad Kourani*, No. S(7) Cr. 417 (AKH), (S.D.N.Y 2017). (Accessed via Pacer)

² U.S. Department of Justice, Press Release, "Hizballah Operative Sentenced to 40 Years in Prison for Covert Terrorist Activities on Behalf of Hizballah's Islamic Jihad Organization," December 3, 2019.

(<https://www.justice.gov/opa/pr/hizballah-operative-sentenced-40-years-prison-covert-terrorist-activities-behalf-hizballah-s>)

manufacturer of those later seized in connection with thwarted Hezbollah terror attacks in Thailand and Cyprus, discussed below. El Debek's handlers dispatched him to Thailand that same year to dispose of ammonium nitrate – likely the load Kourani procured in Guangzhou – that was left behind in a safe house in Bangkok, which they believed was now compromised.

While they lived in the United States, both operatives travelled back to Lebanon to undergo extensive military training. El Debek was later dispatched to Panama to learn Spanish and conduct surveillance and information gathering on possible attack targets, which included the U.S. and Israeli embassies in Panama, and the Panama Canal. He entered and exited Panama through Colombia, where he stayed for four days – possibly to get instructions from local Hezbollah agents. El Debek also surveyed potential targets in the United States, including New York's John F. Kennedy and La Guardia airports and the U.S. Armed Forces Career Center in Queens, New York. Kourani was instructed to and sought to procure night-vision equipment and drone technology.³

In March 2019, U.S. authorities also arrested Ali Hassan a.k.a. Alexei Saab, a Lebanese-U.S. dual national. According to court documents of his ongoing case, Saab was an ESO operative who, between 1996 and 2005, gathered intelligence on multiple public infrastructure targets on behalf of Hezbollah and passed the information to his handlers during meetings outside the United States. Like El Debek and Kourani, during his time in the United States, Saab travelled to Lebanon to receive military training from Hezbollah.

The United Kingdom

In June 2019, the British newspaper, *The Daily Telegraph*, revealed that MI5 raided a warehouse in West London in October 2015.⁴ The warehouse contained three metric tons of ammonium nitrate which, according to news reports, Hezbollah proxies had accumulated there on behalf of Hezbollah's ESO, in preparation of a mass casualty attack in the United Kingdom.

Peru

Tipped off by foreign intelligence, reportedly the Israeli Mossad,⁵ in October 2014, Peruvian authorities arrested a suspected Hezbollah member, Muhammad Ghaleb Hamdar, a.k.a. Muhammad Amadar.⁶ Hamdar entered Peru via Brazil the previous year, using a fraudulent passport from Sierra Leone. Within weeks, he married a dual Peruvian-U.S. national. He may have spent considerable time in Brazil, an important hub of Hezbollah activity in the region,

³ In a more recent, February 2018 indictment, two additional Hezbollah procurement agents based in South Africa were arrested and indicted for procuring drone technology on Hezbollah's behalf.; First Superseding Indictment, *United States v. Usama Darwish Hamade and Samir Ahmed Berro*, No. S(7) Cr. 237 (MJD – BRT) (D. Minn 2015). (Accessed via Pacer)

⁴ Ben Riley-Smith, "Iran-linked terrorists caught stockpiling explosives in north-west London," *The Daily Telegraph* (UK), June 9, 2019. (<https://www.telegraph.co.uk/news/2019/06/09/iran-linked-terrorists-caught-stockpiling-explosives-north-west/>)

⁵ Ariel Ben Soloman, "Latest report on Mossad's 'Hezbollah spy' says he gave up details of Burgas bombing," *The Jerusalem Post* (Israel), December 22, 2014. (<https://www.jpost.com/Middle-East/Latest-report-on-Mossads-Hezbollah-spy-says-he-gave-up-details-of-Burgas-bombing-385366>)

⁶ "Presunto miembro de Hezbollah fue detenido en Surquillo (Alleged member of Hezbollah was detained in Surquillo)," *RPP Noticias* (Peru), October 29, 2014. (<http://rpp.pe/lima/actualidad/presunto-miembro-de-hezbollah-fue-detenido-en-surquillo-noticia-737561>)

during his time in Latin America. When he was arrested, Peruvian authorities found explosives in his garbage bin – a possible indication he had been tipped off at the last minute.

Despite the presence of explosives at his residence and hundreds of photos of high value civilian targets on his phone, his trial did not lead to a conviction for terrorism. In April 2017, he was sentenced to six years for falsifying his immigration papers.⁷ Nevertheless, the U.S. Department of the Treasury identified him as a Hezbollah ESO operative and sanctioned him in 2016.⁸ According to Matthew Levitt of the Washington Institute for Near East Policy, Hamdar's handler for operational planning was Salman al-Reda a.k.a. Salman Raouf Salman, the Lebanese-Colombian dual national and Hezbollah member who was the on-the-ground coordinator for the 1994 terror attack on the AMIA Jewish community center in Buenos Aires.⁹ Hamdar met al-Reda numerous times to plan the attack in Peru eventually foiled by his arrest.

Cyprus

Cypriot authorities thwarted two separate Hezbollah ESO terror plots in 2012 and 2015. In July 2012, they arrested Hossam Taleb Ya'acoub, a Lebanese-Swedish dual national, after he conducted surveillance of Israeli tourists near the island's international airport, in Larnaca. He was sentenced to four years in prison in March 2013.¹⁰ In 2015, Cypriot authorities arrested Hussein Bassam Abdallah, a Lebanese-Canadian dual national and ESO agent, after they raided an apartment he had rented on the island and found more than eight metric tons of ammonium nitrate stored inside his home. Abdallah was sentenced to six years in prison.¹¹

Thailand

In January 2012, Thai authorities detained Lebanese-Swedish dual national Hussein Atris. Atris subsequently led authorities to a safe house where he had stored 10,000 pounds of urea fertilizer and ten gallons of ammonium nitrate, both commercially obtainable chemicals that have been used by Hezbollah to manufacture explosive devices. Atris was sentenced to two years and eight months.¹²

⁷ "Absuelven a Libanes acusado de terrorismo detenido en Surquillo (Lebanese accused of terrorism detained in Surquillo is acquitted)," *El Comercio* (Peru), April 21, 2017. (<https://elcomercio.pe/peru/absuelven-libanes-acusado-terrorismo-detenido-surquillo-415800>)

⁸ U.S. Department of the Treasury, Press Release, "Treasury Sanctions Hizballah Financiers and Operatives," October 20, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/jl0587.aspx>). According to Treasury, "Hamdar, another member of Hezbollah's ESO, was arrested in Lima, Peru in October 2014 on suspicion of planning terrorist attacks in the country for Hezbollah. Upon investigation, Peruvian authorities discovered photographs of popular tourist restaurants and houses as well as traces of military grade explosives in Hamdar's apartment. Peruvian authorities also found TNT, gunpowder, and detonators in the outdoor trashcan assigned to his unit upon investigation. Hamdar admitted to being a member of Hezbollah ESO and that he undertook all of his activities in Peru at ESO's direction."

⁹ Matthew Levitt, "Hezbollah's Growing Threat Against U.S. National Security Interests in the Middle East," *Testimony before House Foreign Affairs Committee*, March 22, 2016. (<https://www.govinfo.gov/content/pkg/CHRG-114hhrg99555/html/CHRG-114hhrg99555.htm>)

¹⁰ Nicholas Kulish, "Hezbollah courier found guilty in plot to attack Israeli tourists in Cyprus," *The New York Times*, March 21, 2013. (<https://www.nytimes.com/2013/03/22/world/middleeast/hezbollah-courier-guilty-of-role-in-cyprus-terror-plot.html>)

¹¹ Menelaos Hadjicostis, "Hezbollah member pleads guilty to 8 charges in Cyprus," *Associated Press*, June 29, 2015. (<https://apnews.com/article/israel-cyprus-archive-9b2fba18477b4f9098dd3da95fb0ff2b>)

¹² "Swedish-Lebanese Man Jailed in Thailand for Hiding Bomb Material," *VOA News*, September 18, 2013. (<https://www.voanews.com/east-asia/swedish-lebanese-man-jailed-thailand-hiding-bomb-material>)

Bulgaria

In July 2012, dual Lebanese-French national Mouhamad Hassan Mouhamad El Hussein, another ESO Hezbollah agent, detonated explosives on an Israeli bus just outside the Burgas, Bulgaria, airport, killing six and wounding dozens.

The above examples provide ample evidence that Hezbollah's ESO remains actively involved in plotting mass civilian casualties' attacks and meets the definition of a terrorist organization.

Hezbollah meets the definition of a terrorist organization

Hezbollah's ESO remains engaged in terrorist activities and deserves to remain on the terror entities list of Australia. But limiting Australia's terrorist designation to the ESO alone does not address the full involvement of the entire organization in activities that fall under Australia's definition of terrorism. The ESO is a subordinate unit of the Jihad Council, which is, in turn, an integral component of Hezbollah and a subordinate component of its organizational hierarchy. Hezbollah as a whole therefore meets, like its part the ESO, the definition of a terrorist organization and should accordingly be listed.

There is a growing international consensus that Hezbollah, and not just its ESO, is a terrorist organization. The U.S. Department of State designated Hezbollah as a Foreign Terrorist Organization in 1997.¹³ Since 1997, other countries have designated Hezbollah or parts thereof as a terrorist entity, including the United States, again, in 2001, as a Specially Designated Global Terrorist organization,¹⁴ the Arab League and the Gulf Cooperation Council, and their members Saudi Arabia, Bahrain, United Arab Emirates, as well as Argentina, Canada, Colombia, Estonia, Germany, Honduras, Israel, Kosovo, Lithuania, Malaysia, Paraguay, Serbia, Slovenia, the United Kingdom, and Guatemala. The European Union has designated Hezbollah's "military wing" in 2013. While the EU's definition falls short of including the entirety of Hezbollah under its terrorism designation, it includes the Jihad Council (of which the ESO is a part) and all other subordinate units, not just the ESO.¹⁵

From its inception in the early 1980's, Hezbollah has been a clerical-led revolutionary Islamic movement established and controlled by Iran, whose representatives sit on its governing body, the Shura Council, along Lebanese clergy. Hezbollah's leadership subscribe to the religious

¹³ U.S. Department of State, "Foreign Terrorist Organizations," October 10, 1997. (<https://www.state.gov/foreign-terrorist-organizations/>)

¹⁴ U.S. Executive Order 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism," September 23, 2001. (<https://www.state.gov/executive-order-13224/>)

¹⁵ Notice 2013/C 212/05 to Council Implementing Regulation (EU) No 714/2013 of 25 July 2013 implementing Article 2(3) of Regulation (EC) No 2580/2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism, and repealing Implementing Regulation (EU) No 1169/2012, *Official Journal of the European Union*, July 26, 2013. (<https://bit.ly/3wZCEi0>). The notice reads: "Notice for the attention of the 'Hizballah Military Wing' (a.k.a. 'Hezbollah Military Wing', a.k.a. 'Hizbullah Military Wing', a.k.a. 'Hizbollah Military Wing', a.k.a. 'Hezbollah Military Wing', a.k.a. 'Hisbollah Military Wing', a.k.a. 'Hizbu'llah Military Wing' a.k.a. 'Hizb Allah Military Wing', a.k.a. 'Jihad Council' (and all units reporting to it, including the External Security Organisation)), included on the list provided for in Article 2(3) of Council Regulation (EC) No 2580/2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism (see Annex I to Council Implementing Regulation (EU) No 714/2013)."

doctrine of Islamic governance of the Islamic Republic of Iran and pledge allegiance to Iran's Supreme Leader. At the top of Hezbollah, then, sits Iran's Supreme Leader Ayatollah Ali Khamenei, and the Secretary General, currently Sheikh Hassan Nasrallah, is his lieutenant, who leads the Shura Council. Hezbollah is a revolutionary movement, and its entire endeavor is therefore devoted to the goals of the Islamic Revolution. Divisions of competence and responsibility are functional, as is the compartmentalization of the day-to-day management process within departments, to the optimization of results. Hezbollah's top leadership ultimately makes decisions about military operations and terror attacks, even as the job of planning and carrying them out is delegated to area units within the Jihad Council.

According to the U.S. Congressional Research Service, "Hezbollah has a unified leadership structure that oversees the organization's complementary, partially compartmentalized elements." As the Deputy Secretary General of Hezbollah, Naim Qassem, put it succinctly in 2000: "If the military wing were separated from the political wing, this would have repercussions, and it would reflect on the political scene. Hezbollah's secretary-general is the head of the Shura Council and the head of the Jihad Council, and this means that we have one leadership, with one administration."¹⁶

The organization's governing body oversees five departments, or councils, each in charge of a different sphere of affairs for the movement. The five councils are: the Executive Council, which includes a financial unit, educational and youth activities, like the Al Mahdi Scouts, the Judicial Council, the Political Council, the Parliamentary Council, and the Jihad Council, the sub-branch of Hezbollah's Shura Council in charge of military affairs, including Hezbollah's ESO, or Unit 910.

Originally established as a revolutionary Shi'a militia led by clergy loyal to Iran, Hezbollah later developed social, cultural, religious, charitable, educational, and political branches of the movement to hold sway over Lebanon's Shi'a community, mobilize for its cause, and increasingly establish itself as a key powerbroker in the domestic arena. This structure must be understood within the context of Hezbollah revolutionary ideology. Much like other revolutionary movements, the Party takes a "cradle-to-grave" approach to building support among its constituency. It oversees and seeks to impact all spheres of public and private existence within society, mobilizing every aspect of it to a single cause – the triumph of the Islamic Revolution, the defeat of its enemies, and the establishment of Islamic governance in Lebanon and beyond.

The military component of Hezbollah's organizational structure is integral to the rest of the organization and feeds from it. Educational activities, including youth movements, are designed to indoctrinate the new generations and recruit fighters to the cause. Fighters rise through the ranks of the party thanks to a process of indoctrination that begins in Hezbollah's educational system and youth movements, such as the Al-Mahdi Scouts. Some will later switch from their military involvement to other endeavors – such as engagement in overseas procurement and illicit financial activities. Party members will also switch activities and shift from one field to

¹⁶ Naim Qassem, quoted by Matthew Levitt, "On a Military Wing and a Prayer," *Foreign Policy*, February 12, 2013. (<https://foreignpolicy.com/2013/02/12/on-a-military-wing-and-a-prayer/>)

another. Different branches of Hezbollah fulfill different tasks which serve the overarching goals of the party and therefore coordinate and cooperate when needed.

A good example of this is Operation Cedar, a 2016 seven-country joint operation centered in France and with the active support of the U.S. Drug Enforcement Administration, which targeted a drug trafficking, money laundering network run by Hezbollah operatives. According to a former U.S. official familiar with the case, the targeted ring involved shipments of cocaine to Europe, which were paid for in Euros, and were then transferred to the Middle East by couriers. Hezbollah made more than €20 million a month selling its own cocaine in Europe. It also laundered tens of millions of Euros of cocaine proceeds on behalf of the cartels via the Black Market Peso Exchange, retaining a fee. During the arrests, authorities seized €500,000 in cash, luxury watches worth \$9 million that Hezbollah couriers intended to transport to the Middle East for sales at inflated prices, and property worth millions.¹⁷

The operation's proceeds went to finance Hezbollah's weapons' procurement for its war effort in Syria and offers clear proof of how different departments of the Jihad Council – the ESO and the BAC in this case – cooperated to fund Hezbollah's militias in Syria.

More evidence of crossover between different departments and units of Hezbollah includes the aforementioned, suspected ESO agent, Ali Hassan Saab, arrested in the United States in March 2019. According to court documents, Saab initially trained with Hezbollah in Lebanon and was later switched over to the ESO.

Former Hezbollah Member of Parliament Ali Fayyad offers another example of crossover between Hezbollah units and departments. He is a founding member of Hezbollah; he served in Hezbollah's Education Unit, which is under Hezbollah's Executive Council, in the 1980's; he headed Hezbollah's Media Unit (also under the Executive Council) in the 1990's before switching to Hezbollah's planning committee and then heading Hezbollah's think tank, the Consultative Center for Documentation and Studies. In 2009, he became an MP, joining the Parliamentary Council.¹⁸ His brother, Sobhi Fayad, is under U.S. sanctions as a Specially Designated Global Terrorist¹⁹ for his role in orchestrating Hezbollah funding in the Tri-Border Area of Argentina, Brazil, and Paraguay – an indication that he is part of the ESO's Business Affairs Component.

In 2009 and 2010, the United States sanctioned three members of the Tajideen family, brothers Ali, Hussein and Kassim, for the role they and their companies played in financing Hezbollah. Eventually, Kassim Tajideen, was apprehended in Morocco, extradited to the United States, tried and sentenced on terror finance charges. According to the U.S. Department of the Treasury, one

¹⁷ Information obtained from a former U.S. official familiar with the investigation. See also: David Asher, "Attacking Hezbollah's Financial Network: Policy Options," *Testimony before House Foreign Affairs Committee*, June 8, 2017. (<http://docs.house.gov/meetings/FA/FA00/20170608/106094/HHRG-115-FA00-Wstate-AsherD-20170608.PDF>)

¹⁸ "Ali Fayyad," *Eye on Hezbollah*. Accessed June 4, 2021. (<https://hezbollah.org/people/ali-fayyad>)

¹⁹ U.S. Department of the Treasury, Press Release, "Treasury Targets Hezbollah Fundraising Network in the Triple Frontier of Argentina, Brazil and Paraguay," December 6, 2006. (<https://www.treasury.gov/press-center/press-releases/Pagés/hp190.aspx>)

of three sanctioned brothers, Ali Tajideen, was not just a Hezbollah financier but also formerly a Hezbollah commander,²⁰ another case of crossover between departments.

In September 2020, the U.S. Department of the Treasury sanctioned Sultan Khalifah Sa'ad, an Executive Council official, who served as deputy to the Executive Council Chairman Hisham Safieddine.²¹ Sa'ad was involved in the management of two Hezbollah front companies that Hezbollah used as a conduit for funding its activities. The companies were officially private but in fact controlled by Hezbollah's Executive Council. Treasury's action exposed the crossover between political and economic activities at Hezbollah's leadership level. It is worth also noting that Hisham Safieddine's brother, Abdallah Safieddine, is Hezbollah's representative to Iran and, alongside Adham Tabaja, the man in charge of the ESO's Business Affairs Component.²²

On May 11, 2021, the U.S. Department of the Treasury sanctioned Ibrahim Ali Daher, the Chief of Hezbollah's Central Finance Unit, which is part of the Executive Council.²³ As Treasury notes in its explanation for the designation, the Central Financial Unit "oversees Hizballah's overall budget and spending, including the group's funding of its terrorist operations and killing of the group's opponents."

Such examples can be found also at the more tactical level, below the senior leadership.

Samer Ibrahim Atoui, a Hezbollah commander slain in 2017 while deployed in Syria, was likely involved in overseas fundraising for Hezbollah in the 1990's.²⁴ Hassan Termos, a Hezbollah fighter who died in the 2006 war against Israel and was later eulogized in a Brazilian Shi'ite Mosque affiliated with Hezbollah, was a leader in the Al Mahdi scouts, Hezbollah's scouts movement, which is part of Hezbollah's Education Unit, under the Executive Council. And Assad Ahmad Barakat, one of the Hezbollah financiers (and therefore affiliated with the Business Affairs Component of the ESO) in the Tri-Border Area of Argentina, Paraguay and Brazil whom the U.S. Department of Treasury sanctioned in 2004²⁵ and 2006,²⁶ is the brother of Sheikh Akram Barakat, a cleric who sits on Hezbollah's Executive Council.

²⁰ U.S. Department of Treasury, Press Release, "Treasury Targets Hizballah Financial Network," December 9, 2010. (<https://www.treasury.gov/press-center/press-releases/Pages/tg997.aspx>)

²¹ U.S. Department of the Treasury, Press Release, "Treasury Targets Hizballah Executive Council Companies and Official," September 17, 2020. (<https://home.treasury.gov/news/press-releases/sm1126>)

²² U.S. Drug Enforcement Administration, Press Release, "DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme," February 1, 2016. (<https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money>)

²³ U.S. Department of the Treasury, Press Release, "Treasury Targets Hizballah Finance Official and Shadow Bankers in Lebanon," May 11, 2021. (<https://home.treasury.gov/news/press-releases/jy0170>)

²⁴ Emanuele Ottolenghi, "The Mystery Martyr," *The Weekly Standard*, February 23, 2018. (<https://www.washingtonexaminer.com/weekly-standard/the-mystery-martyr>)

²⁵ U.S. Department of the Treasury, Press Release, "Treasury Designated Islamic Extremist, Two Companies Supporting Hizballah in Tri-Border Area," June 10, 2004. (<https://www.treasury.gov/press-center/press-releases/Pages/js1720.aspx>)

²⁶ U.S. Department of the Treasury, Press Release, "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil and Paraguay," December 6, 2006. (<https://www.treasury.gov/press-center/press-releases/Pages/hp190.aspx>)

Compartmentalization is thus functional to the overarching mission of the movement, but it does not translate into impenetrable walls erected to insulate decisions or allow different parts of the party to operate independently. Senior leaders from different departments of Hezbollah's organizational structure share decisions and sit together to run different aspects of the party's activities. For example, a 2009 Beirut U.S. Embassy cable later leaked by Wikileaks²⁷ revealed a list of shareholders for Al-Manar, Hezbollah's main media outlet. The list included Hezbollah's MP Mohammad Ra'ad from the Parliamentary Council and Adham Tabaja, the man in charge of the BAC,²⁸ which is under the Jihad Council.

As the example above show, Hezbollah officials also move across units, changing tasks as they progress in their career. The backbone of all Hezbollah's activities, its funding, comes from different sources under both the Jihad Council (through the BAC's overseas illicit activities) and the Executive Council. These resources go to fund all of Hezbollah through a centralized streaming process, which indicates a command structure that is aware of, and therefore in no small measure responsible for, operational costs on the military side as well as in other fields of activity.

Additional proof that the distinction between the ESO and the rest of the party is artificial comes directly from statements made by Hezbollah leaders, who do not view the ESO as an independent organization disjointed by the movement and separate from its leadership and its goals.

In a 2009 interview to the media, Hezbollah deputy Secretary General, Naim Qassem, said:

“The party is by nature unified. Hezbollah has a single leadership as represented in the Shura (the organization's council) and at its head, the secretary general [Hassan Nasrallah]. All political, social, and jihadi work is tied to the decisions of this leadership. The same leadership that directs the parliamentary and government work also leads jihadi actions in the struggle against Israel. There is one decision that has a mechanism and structure for implementation.”²⁹

Hezbollah leaders have underscored this point numerous times. Ismail Sukaryya, a former Member of Parliament for Hezbollah, responded to the European Union's designation of Hezbollah's military wing by saying that “The military issue is basic to Hizbullah. [Hizbullah] has an ideological objective that is politically belligerent, and therefore on the basis [of this fact] it is impossible to separate the political [arm] from the military one.”³⁰

²⁷ “List of Al-Manar shareholders: potential names for designation?” *Wikileaks Embassy Cables*, January 29, 2009. (https://wikileaks.org/plusd/cables/07BEIRUT150_a.html)

²⁸ U.S. Drug Enforcement Administration, Press Release, “DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme,” February 1, 2016. (<https://www.dea.gov/press-releases/2016/02/01/dea-and-european-authorities-uncover-massive-hizballah-drug-and-money>)

²⁹ Naim Qassem, *Asharq al-Awsat* (UK), April 15, 2009; quoted by *Middle East Media Research Institute (MEMRI)*, July 24, 2013. (https://www.memri.org/reports/senior-hizbullah-officials-and-associates-there-no-distinction-between-hizbullahs-political#_edn4)

³⁰ Ismail Sukaryya, *Elaph*, July 23, 2013. Quoted by *Middle East Media Research Institute (MEMRI)*, July 24, 2013. (https://www.memri.org/reports/senior-hizbullah-officials-and-associates-there-no-distinction-between-hizbullahs-political#_edn5)

Naim Qassem reaffirmed this point on May 24, 2013, when he stated:

“In our resistance, we do not distinguish between one position and another position, because we never divided our movement in such a way that we would have different projects. Therefore, all our martyrs in every position are martyrs [who perished] by force of the obligation [to wage] jihad... We do not maintain one status for a resistance fighter and another [for someone] who is not a resistance fighter. We do not have a military arm and another [arm] that is political. These Europeans are making themselves ridiculous by imitating Britain, which drew the distinction [Hizbullah's] military arm and political arm; [they are drawing this distinction] because they need relations with us, and they are manipulating their own peoples [by saying] that they are conducting a dialogue with [Hizbullah's] politicians rather than with members of [its] military [arm]. They have forgotten that for us, every child is both a military man and politician.”³¹

There is, to conclude, abundant evidence that the ESO is an integral part of Hezbollah, that it acts as a subordinate component of the Hezbollah leadership, and that Hezbollah leaders supervise it.

Given the above, I urge the Australian Government to proscribe the entire organization as a terrorist entity and urge the Committee to endorse this recommendation with the Executive Branch's relevant ministers.

³¹ Naim Qassem, statement made at a political rally on May 24, 2013. Quoted by *Middle East Media Research Institute (MEMRI)*, July 24, 2013. (https://www.memri.org/reports/senior-hizbullah-officials-and-associates-there-no-distinction-between-hizbullahs-political#_edn2)