

# IRAN: A QUARTER-CENTURY OF STATE-SPONSORED TERROR

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JOINT HEARING  
BEFORE THE  
SUBCOMMITTEE ON THE MIDDLE EAST  
AND CENTRAL ASIA  
AND THE  
SUBCOMMITTEE ON  
INTERNATIONAL TERRORISM AND  
NONPROLIFERATION  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
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# CONTENTS

	Page
WITNESSES	
Mr. Matthew Levitt, Director, Terrorism Studies Program, The Washington Institute for Near East Policy .....	13
William J. Daugherty, Ph.D., Associate Professor of Government, Armstrong Atlantic State University, Savannah, Georgia, former Iranian hostage .....	32
Major Steven Kirtley (USMC, Ret.), former Iranian hostage .....	37
Ms. Lynn Smith Derbyshire, family member of Captain Vince Smith, killed in bombing of Marine barracks in Beirut, 1983 .....	41
Yonah Alexander, Ph.D., Senior Fellow, Potomac Institute for Policy Studies, and Director, International Center for Terrorism Studies .....	44
Richard H. Morefield, former Iranian hostage .....	62
Rocky Sickmann, former Iranian hostage .....	62
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Ileana Ros-Lehtinen, a Representative in Congress from the State of Florida, and Chair, Subcommittee on the Middle East and Central Asia: Prepared statement .....	4
The Honorable Edward R. Royce, a Representative in Congress from the State of California, and Chairman, Subcommittee on International Terrorism and Nonproliferation: Prepared statement .....	8
Mr. Matthew Levitt: Prepared statement .....	16
William J. Daugherty, Ph.D.: Prepared statement .....	35
Major Steven Kirtley (USMC, Ret.): Prepared statement .....	40
Ms. Lynn Smith Derbyshire: Prepared statement .....	43
Yonah Alexander, Ph.D.: Prepared statement .....	47



## **IRAN: A QUARTER-CENTURY OF STATE-SPONSORED TERROR**

**WEDNESDAY, FEBRUARY 16, 2005**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE MIDDLE EAST  
AND CENTRAL ASIA AND  
SUBCOMMITTEE ON INTERNATIONAL TERRORISM  
AND NONPROLIFERATION,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 1:10 p.m. in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (Chair of the Subcommittee on the Middle East and Central Asia) presiding.

Ms. ROS-LEHTINEN. The Subcommittee on the Middle East and Central Asia is called to order. Thank you so much.

September 11, 2001 will be forever ingrained in our collective consciousness as one of the most vicious terrorist attacks against our Nation. However, we have been victimized by the international terrorist network since November 4, 1979, when Iranian militants overran the United States Embassy in Tehran, and innocent Americans were taken hostage, some held for 444 days.

I would like to thank Dr. Daugherty and Major Kirtley for being here today, and we are honored by their presence.

Since that day and the muted United States and international response to this provocation, the Iranian regime has increasingly viewed terrorism as a tool for legitimate means to further its ideological and strategic aims. This includes exporting the revolution, assisting Islamic terrorist organizations and other groups worldwide, especially in the Middle East; attacking Israel, and attempting to sabotage the political process, destabilizing the governments of the more pragmatic and reformist Arab countries.

The creation of a free and democratic Iraq and Afghanistan and the pursuit of peace and stability between Israelis and Palestinians through democratic means are efforts that contradict the Islamic aspirations of the Iranian regime. In response, Iran has opted to prevent the attainment of these policies by supporting terrorist organizations and pursuing policies that act against United States national security interests.

One of the chief instruments for the implementation of these policies has been the terrorist organization, Hezbollah, which, since its inception, has been trained, financed, and supported by the Iranian Revolutionary Guard Corps. Iran provides Hezbollah with

funding, safe haven, training, and weapons that have been estimated by some at more than \$80 million per year.

Iran has supplied Hezbollah with weapons that have dramatically and drastically increased both the quality and the quantity of their arsenal. According to public reports, this includes up to 13,000 artillery rockets, several hundred Iranian missiles and Syrian mortars, and at least one recent account of the use of an unmanned aerial vehicle supplied by Iran over Israeli territory.

In return, Hezbollah has helped advance Iranian interests through continued terrorist attacks against the United States and our allies in the region. Hezbollah has been linked to the 1983 attacks on the U.S. Marine barracks in Lebanon. I would like to welcome Ms. Lynn Smith Derbyshire, who is representing the families of the victims of this deplorable attack.

Hezbollah has also been linked to the bombings of the United States Embassy and the Embassy annex in Beirut in 1984. Three Hezbollah operatives were accused of the 1985 hijacking of TWA Flight 847, and Hezbollah operatives have also been linked to the June 1996 truck bombing of the Khobar Towers U.S. Military Housing Complex in Saudi Arabia.

Iran has used Hezbollah to assert a global reach that has been expanded into the Western Hemisphere. We witnessed the 1992 bombing of the Israeli Embassy in Argentina and the July 1994 bombing of the AMIA Jewish Community Center also in Buenos Aires. Since that fateful day in 1994, there has been a marked increase in Islamic extremist activity in our own back yard.

Today, numerous public reports have stated that Hezbollah has been a critical component of Iran and Syria's efforts to destabilize Iraq, with the goal of establishing a political and armed presence there. According to public reports, thousands of Iranian-sponsored clerics and Iranian intelligence agents have been deployed throughout Iraq to gather intelligence on our United States forces. According to these reports, they have included members of a terrorist faction with a close link to al-Qaeda. However, it is not the first time that Iran has closely cooperated with al-Qaeda and its constituent elements.

In December 2001, Matthew Levitt, one of our witnesses today, detailed the beginning of al-Qaeda's links with Iran. He said:

"According to U.S. intelligence reports, Osama bin Laden's operatives approached Iranian Ministry of Intelligence and Security agents in 1995 and again in 1996 offering to join forces against America."

Mr. Levitt added:

"In fact, phone records obtained by U.S. officials investigating the 1998 Embassy bombings in Kenya and Tanzania revealed that 10 percent of the calls from the compact and satellite phones used by bin Laden and his key lieutenants were to Iran."

According to the *9/11 Report*, terrorist mastermind Al Zarqawi is believed to have obtained safe haven in Iran in the past. Testimony from defendants in the Kenya and Tanzania U.S. Embassy bombings indicate that al-Qaeda and Hezbollah, with Iranian assistance,



have had strategic meetings throughout the years in Sudan and elsewhere. This is just the tip of the iceberg.

Iran's fondness for using terrorism as statecraft against Western nations and our interests has also seen Israel as a primary target. The threat to Israel, our only true democratic ally in the region, has grown with Iran's increasing involvement in the West Bank and Gaza in support of Palestinians' terrorist campaigns. Through Hezbollah, it is reported that Iran has not only enhanced its cooperation with Hamas's organizational infrastructure, but it is also working to build a terrorist infrastructure and operational cells in those areas.

In June 2001, Iran sponsored the support for the Palestinian Intifada. It was a conference which brought together Hamas, Lebanese Hezbollah, Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command. Subsequently, it has been reported that Palestinian Islamic Jihad and Hamas activists have attended terrorist training camps in both Iran and Lebanon under the guidance of Hezbollah and the Iranian Revolutionary Guard.

The January 2002 seizure by Israeli naval commandos of the *Karine-A*, with its cargo of over 50 tons of Iranian weapons and explosives, revealed the network of cooperation between elements of the Palestinian Authority and the terrorist regime in Iran.

Of increasing concern is that the dramatic increase in Iranian support for terrorist organizations has coincided with the expansion of Iran's conventional military capabilities, its biological and chemical weapons capabilities, its ballistic missile development, and its pursuit of nuclear capabilities. The rapid expansion of Iran's unconventional weapons program, in particular, its nuclear program, combined with its support for terrorist organizations worldwide, raises the prospects of a potential transfer of chemical, biological, or nuclear materials or components to terrorist organizations from Iran.

President Bush and Secretary of State Rice have made it clear that international pressure is important and, indeed, necessary to change Iran's policies. This, however, can only be effective if our allies are committed to containing the Iranian threat and holding Iran accountable for its sponsorship of terrorism and its pursuit of deadly, unconventional weapons.

We have seen how delays and inaction by the international community have led to an increased threat and an emboldened enemy. This was the case in 1979 when we sought international support and consensus to punish Iran for the Embassy seizure and actions against our American hostages. This was also the case in July 1992. At the G-7 Summit, the United States proposed a strong condemnation of the Iranian proliferation efforts, its sponsorship of terrorism, and its human rights abuses. Amidst European opposition, this censure never took place.

During the 1990s, repeated appeals by the United States to our allies to follow a dual-containment policy toward Iran and Iraq were rejected by the European countries and Japan. They preferred to continue their policy of constructive dialogue, increasing their economic assistance to Iran and their investments there.

At the G-7 Summit in Ottawa in 1995 and in Lyons in 1996, some measures related to counterterrorism cooperation were adopted but, again, failed to mention any Iranian involvement in the global terrorist network.

Ten years later, I am encouraged by recent actions by companies to divest from Iran's energy sector. However, we cannot, we should not, and we must not stop there. Given Iran's pursuit of a clandestine nuclear program, because of its support of Hezbollah and other terrorist organizations, because of its continued interference in Iraq, we can no longer have the luxury of indecision. There is still time, but we must act quickly to deny Iran the technology, the assistance, and the financial resources it needs to pursue its unacceptable behavior.

I believe that the Iran Freedom Support Act, that my colleagues and I introduced last month, provides the necessary tools to hold the Iranian regime accountable for its actions, to induce compliance, and to weaken the regime while at the same time supporting the human rights dissidents and pro-democracy forces in Iran.

I look forward to moving it quickly through the Congress, and I thank all of our witnesses for being here today and for their efforts on behalf of our U.S. national security concerns. And with that, I would like to yield to the Ranking Member, my Co-Chair, Mr. Ackerman.

[The prepared statement of Ms. Ros-Lehtinen follows:]

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIR, SUBCOMMITTEE ON THE MIDDLE EAST AND CENTRAL ASIA

September 11, 2001 will be forever ingrained in our collective consciousness as one of the most vicious terrorist attacks against our nation. However, we have been victimized by the international terrorist network since November 4, 1979, when Iranian militants overran the U.S. Embassy in Tehran and innocent Americans were taken hostage—some held for 444 days.

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Since that day, and the muted U.S. and international response to this provocation, the Iranian regime has increasingly viewed terrorism as a legitimate means to further its ideological and strategic aims.

This includes: "exporting the Revolution;" assisting Islamic terrorist organizations and other groups worldwide, especially in the Middle East; attacking Israel and attempting to sabotage the political process; and destabilizing the governments of the more pragmatic and reformist Arab countries.

The creation of a free and democratic Iraq and Afghanistan, and the pursuit of peace and stability between Israelis and Palestinians through democratic means, are efforts that contradict the Islamist aspirations of the Iranian regime.

In response, Iran has acted to prevent the attainment of these policies by supporting terrorist organizations and pursuing policies that act against U.S. interests.

One of the chief instruments for the implementation of these policies has been the terrorist organization Hezbollah, which, since its inception, has been trained, financed, and supported by the Iranian Revolutionary Guard Corps.

Iran provides Hezbollah with funding, safe haven, training, and weapons that have been estimated by some at more than \$80 million per year.

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During the 1990s, repeated appeals by the U.S. to its allies to follow a Dual Containment Policy toward Iran and Iraq were rejected by the European countries and Japan. They preferred to continue their policy of "constructive dialogue", increasing their economic assistance to Iran and their investments there.

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I look forward to moving it quickly through the Congress.

I thank all of our witnesses for being here today and for their efforts on behalf of U.S. national security.

Mr. ACKERMAN. Thank you very much, Madam Chair. Thank you for calling today's hearing. This is a topic that you have been exceptionally dedicated to very consistently throughout your career in the Congress, and I appreciate that the first Subcommittee hearing of this new Congress deals with Iran and its sponsorship of terrorism because it seems to me that Iran has long been a problem in search of a policy.

I think everyone in this room could recite the grand litany of crimes committed by Iranian-sponsored terrorists. In fact, we will hear today from some victims and family members who have suffered directly from Iranian-sponsored terrorism. I remember marching with them in 1981 as a much-younger State Senator in New York's ticker-tape parade, and they applauded all of us because they thought we were the hostages.

We could also all probably discuss in great detail our understanding of Iran's nuclear program and why it is a threat to us and our friends in the region. We could decry in loud voices the violations of human rights that the mullahs in Tehran commit against their own people and chastise them for their obstruction of true democratic reform. But we have been doing all of those things as long as I can remember, and it has helped us not one bit because we do not have a policy.

Sure, we have the Iran-Libya Sanctions Act, although under which no one has ever been sanctioned. Instead, we have a grand bargain with our European and Japanese friends: If they will pretend to take our concerns about Iran seriously, we will pretend to enforce our laws. In the meantime, Iran inches ever closer to acquiring a nuclear weapon.

On the terrorism front, Iran's support for Hezbollah has become so clear to the international community, that even the Palestinians

are complaining about Hezbollah's interference in the territories, yet our European friends cling to this bizarre idea that Hezbollah is actually a legitimate political party, and they refuse to list them as a terrorist organization.

So in Iran, we have exactly what we thought we had in Iraq: A State with enormous wealth in natural resources, significant WMD capabilities and the means to deliver them, and the use of terrorist organizations as an instrument for state policy. But what continues to amaze me is the stunning lack of urgency with which the Bush Administration has approached this problem.

I will be the first to admit that our policy options toward Iran are unappetizing, at best. We have limited diplomatic leverage with them since we do not talk with them directly—except in limited circumstances—and an invasion is, I think, beyond what we could handle at the moment, given our current situation in Iraq. Even limited air strikes at nuclear facilities would have only marginal effect on Iran's nuclear program since we do not know where all of it is hidden, and we would not be able to assess how much damage we have actually done to the program. Besides, such attacks would bring with them international opprobrium as well as Iranian retaliation against our troops in Iraq and probably against our ally, Israel.

So that leaves us with multilateral diplomacy, a game the Bush Administration has been loathe to play and at which they have shown very little proficiency. If a nuclear-armed Iran is "very destabilizing," as the President has said it is, then we need to make that clear to the European Union, Russia, and to China.

In short, Iran needs to become urgent for the Administration before it will become urgent for anyone else. We need to do the hard work of convincing nations who do not share our views on non-proliferation that it is in their interests for Iran not to have a nuclear weapon. If the Administration does not start making the effort necessary to get diplomacy to work, then we should all start thinking about how to contain a nuclear-armed Iran.

I thank you, Madam Chair, and I look forward to hearing from our distinguished witnesses.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Ackerman. I would like to yield for opening remarks to Congressman Ed Royce of California, the Chair on the Subcommittee on International Terrorism and Nonproliferation.

Mr. ROYCE. Thank you, Madam Chair, for conducting this joint hearing of the two Subcommittees, and let me say, you have done a fine job with the Middle East and Central Asia Subcommittee.

This is my first hearing as Chairman of the International Terrorism and Nonproliferation Subcommittee, and I look forward to working with my colleagues on this Subcommittee, including our Ranking Member, Brad Sherman.

The 9–11 Commission and others have warned us against fighting the concept of "terrorism" in the abstract and treating it as some generic evil. This vagueness, the *9/11 Commission Report* tells us, blurs any counterterrorism strategy. The current threat, the Commission noted, is, in fact, Islamist terrorism. Even more clarity is brought about when we focus on state sponsors of terrorism, as we are doing today. The State Department calls Iran the

“most active state sponsor of terrorism.” This recognition allows for a different set of policy tools to be used, which we will be discussing today. When the state sponsor of terrorism is striving for nuclear weapons, then we really have the need for a laser focus.

As we will be highlighting today, the United States has faced terrorism well before 9/11. The Iranian takeover of our Embassy in Tehran and the Iranian-sponsored Hezbollah attacks took a great human toll, as we will hear from our witnesses. But for many reasons, terrorism was a focus for only a few in the White House and Congress. After 9/11, it was a scramble to understand al-Qaeda and a scramble to understand Wahhabism and other previously largely ignored threats. It is now our responsibility to focus on these challenges as never before, while resisting what I would call “easy answers and simplistic solutions.” Just as this problem has been a long time in the making, we are going to be at this, seeking solutions, for a long, long, long time.

I think we have got a pretty good sense of the severity of the Iranian terrorist threat that we face. A few years ago, Deputy Secretary of State Armitage said, “Hezbollah may be the A-team of terrorists, and maybe al-Qaeda is actually the B-team.” Our former Director of Central Intelligence shared this assessment in 2003, calling Hezbollah a notch above al-Qaeda organizationally, in part because of its deadly ties with Iran. This challenge has not lessened since then.

The 9–11 Commission and others have advocated a multifaceted approach to combating terrorism. This applies to state sponsors of terrorism, for sure. The Iranian regime should feel our pressure, militarily and otherwise. But the Iranian people, fortunately, are not our enemies, as much as Iranian militants would like them to hate what they call the “Great Satan.” We need to reach out even more to Iranians, doing a better job with public diplomacy efforts. Radio Farda, for one, is underfunded. The strategy used there is not as robust as that employed by Radio Free Europe and Radio Liberty in creating an engaged listenership back in eastern Europe, and it is frustrating that reform has not come along very far in Iran. It has been actively repressed, but that should not reflect badly on the great majority of frustrated Iranians. For those of us that have listened in to these radio broadcasts and have been a part of public diplomacy efforts, we understand that 95 percent of Iranians on the ground have little interest in backing Hezbollah and other terrorists and have a very different view of what they would like to see for the future of the people of Iran, and, frankly, we need a dialogue about that as well. And I thank you, Madam Chair, again.

[The prepared statement of Mr. Royce follows:]

PREPARED STATEMENT OF THE HONORABLE EDWARD R. ROYCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SUBCOMMITTEE ON INTERNATIONAL TERRORISM AND NONPROLIFERATION

WASHINGTON, D.C.—Today, the House Subcommittees on International Terrorism and Nonproliferation (ITN) and Middle East and Central Asia held a joint hearing to examine Iran’s sponsorship of terrorism for the past 25 years. The following is the opening statement of ITN Subcommittee Chairman Ed Royce:

“The 9/11 Commission and others have warned against fighting ‘terrorism’ in the abstract, treating it as some generic evil. This vagueness, this useful report noted, blurs any counter-terrorism strategy. The current threat, the Commission report

noted, is Islamist terrorism. Even more clarity is brought about when we focus on state sponsors of terrorism. The State Department calls Iran the 'most active state sponsor of terrorism.' This recognition allows for a different set of policy tools to be used. When this state sponsor of terrorism is striving for nuclear weapons, we have the need for a laser focus.

"The U.S. faced terrorism well before 9/11. The Iranian takeover of our embassy in Tehran and Iranian-sponsored Hezbollah's attacks took a great human toll. But for many reasons, terrorism was a focus for only a few in the White House and Congress. After 9/11, it was a scramble to understand al Qaeda, Wahhabism and other previously largely ignored threats. It is now our responsibility to focus on these challenges as never before, while resisting easy answers and solutions. Just as this problem has been a long time in the making, we are going to be at this, seeking solutions, for a long, long time.

"We do have a pretty good sense of the severity of the Iranian terrorist threat we face. A few years ago, Deputy Secretary of State Armitage said, 'Hezbollah may be the A-team of terrorists and maybe al-Qaeda is actually the B-team.' Our former director of central intelligence shared this assessment in 2003, calling Hezbollah a notch above al-Qaeda organizationally, in part because of its deadly ties with Iran. This challenge has not lessened since.

"The 9/11 Commission and others have advocated a multifaceted approach to combating terrorism. This definitely applies to state sponsors of terrorism. The Iranian regime should feel our pressure, military and otherwise. But the Iranian people, fortunately, are not our enemies, as much as Iranian militants would like them to hate what they call the Great Satan. We need to reach out even more to Iranians, doing a better job with public diplomacy efforts. Radio Farda, for one, is under-funded. It is frustrating that reform has not come along very far in Iran, it has been actively repressed, but that should not reflect badly on the great majority of frustrated Iranians, whom I suspect have little interest in backing Hezbollah and other terrorists."

Ms. ROS-LEHTINEN. Thank you so much, Mr. Royce.

I would like to recognize your Ranking Member on the Subcommittee, Mr. Sherman of California.

Mr. SHERMAN. Thank you, Madam and Mr. Chairman, and thank you, Congressman Ackerman, for holding these hearings. I look forward to other joint hearings, as I believe the jurisdictions of the two Subcommittees will overlap throughout the 109th Congress.

I also served as the Ranking Member of the Subcommittee on Terrorism and Nonproliferation, and during the 108th Congress it was a little frustrating, first privately and then publicly and then more publicly. I urged our Subcommittee to have hearings on Iran's nuclear proliferation program. So today is an outstanding day because after 2 years of pushing for such hearings, we had hearings on a closely related subject, first in the morning at the Full Committee and now in the afternoon at this joint Subcommittee hearing. I hope soon we will have similar hearings where the Administration can join us once they have their team in place for the second term.

As I said this morning in this room, there is a lobbying organization that has been accused of stealing a memorandum embodying America's foreign policy toward Iran. I know these charges are false because America has no policy toward Iran. This has been a bipartisan, decade-long phenomenon. Clinton did not have a policy toward Iran. Bush does not have a policy toward Iran. It is perhaps less forgivable that we do not have a policy after 9/11 and then after the revelations that Iran is developing nuclear weapons.

It is often cited that Iran is the number one state sponsor of terrorism, as identified by our State Department. Yes, but they are number one by a mile. No other country comes close. I want to commend the Chair for inviting Matt Levitt of the Washington In-

stitute for Near East Policy and thank him for his testimony, which details Iran's involvement with basically all of the major players in Middle East terrorism.

We can only reflect on how dangerous it will be for Iran to develop nuclear weapons, far more dangerous than North Korea possessing them, because Iran is not only a nondemocratic State; Iran has the tendency to commit grave acts of terrorism, and it has the ambition to influence activities around the world, or, at least, throughout the Middle East. And when I say "Iran," I mean those elements that appear to be in control of that Government's national security policy. Obviously, the people and much of the Government are different.

Now, Iran has been helping all of the Middle East terrorist organizations, from Hamas to Hezbollah and al-Qaeda. Iran is the common link between many of these organizations. Iran will fund, harbor, train, equip, and otherwise assist, it seems, almost any terrorist, Sunni or Shiite, as long as that terrorist is striking at enemies in a way which they believe furthers their national interests.

If you believe that Iran and Sunni Islamists will never get along, you are wrong. If you believe Iran and al-Qaeda will never get along in projects to kill Americans, you are wrong. They have done so in the recent past, and if they think they can get away with it, they will keep doing it.

We should also reflect that if Iran has nuclear weapons, even if we were to develop a Star Wars system to repel intercontinental ballistic missiles, it is not difficult to smuggle a nuclear weapon into our country inside a bail of marijuana. You do not need to be a rocket scientist to do it. One of the most disturbing approaches that Iran has to terrorism is the use of diplomats, which gives them just one more cover.

So what do we do about this menace? Clearly, we need good law enforcement to try to stop those terrorist plans that are hatched, but more importantly, we need to get Iran out of the terrorism business and out of the business of developing nuclear weapons, and we can do that, and we do not have to invade, and I do not think we will have to bomb. But we need to lead the civilized world. It means we have to tell our friends, from the Japanese to the Malaysians, the French to the Germans, that if they want a relationship with us, they must put containing and altering Iran's policies at the top of their agenda.

Now, we have the Iran-Libya Sanctions Act. I commend the Chairwoman for introducing a bill that would strengthen that act, but the act is useless in the hands of a Clinton or a Bush Administration that seeks in every way to cover their eyes and cover their ears and ignore \$33 billion of identified and more billions dollars of unidentified investments in Iran's oil sector.

We have sent our troops into Iraq, 1,200 of them have died, all to deal with a weapons-of-mass-destruction program that was almost insignificant compared to what we face from Iran. We need to be willing to inconvenience multinational corporations with the same intensity that we were willing to send 1,200 of our best and finest to their greatest sacrifice. That is why I will soon introduce legislation—and this will parallel the Chair's legislation, which I have proudly co-sponsored—to reimpose a total embargo on Iranian



goods coming into the United States. I think the palates of everyone in my district can get by with Russian caviar, and a need to import Iranian caviar has not been demonstrated.

We need to fund radio broadcasting, and one of the best ways to do it is to provide satellite time to the many private sector radio stations that are supporting democracy. We need to explicitly apply our existing sanction laws to subsidiaries of United States businesses incorporated in Bermuda, the Cayman Islands, et cetera. I should note that Halliburton announced 10 days ago that they are winding down operations in Iran. They are not going to sign any new contracts. But what Halliburton said was, "We are not doing it because we are concerned about U.S. law or U.S. policy; we are just not making a profit in Iran."

A couple of quick points. We need to authorize the President to withhold funds from those international institutions that provide loans to the Iranian Government. More than a billion dollars, much of it our money, has been sent in the form of loans to Iran since 2000.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. SHERMAN. Thank you very much.

Ms. ROS-LEHTINEN. Thank you. I thank the gentleman from California.

I would like to yield for our last opening statement to my Florida congressional colleague, Katherine Harris. Thank you, and then we will introduce the witnesses once we come back from a vote. Thank you. Ms. Harris.

Ms. HARRIS. Thank you, Madam Chair, and thank you so very much for extraordinary work in this arena and particularly in exposing the state-sponsored terror.

I wish to move forward and talk about this issue. For about a quarter of a century, Iran's extremist establishment has sowed the seeds of terror and despotism and destruction throughout the Middle East, and in light of its nuclear ambitions, the shameful history serves as a deeply troubling prelude to the Iranian regime's future designs upon the region. Fervently committed to spreading its revolution of terror and oppression, the Iranian regime has not only threatened its neighbors with invasion, but it has also engaged in the alarming practice of targeting foreign dissidents, from political leaders to public opponents.

Moreover, the terrorists have relied upon this regime as a reliable source of safe harbor and support. The Iranian regime must recognize that these policies of murder, disruption, and destabilization will lead to increased economic and political isolation from the world.

Working in concert with our allies, the United States must send this regime an emphatic message that its policies of harboring terrorists and supporting terrorism-related activities must end once and for all. Working in concert with our allies, we should evaluate the utility of the tough new sanctions. We should also send a strong message to Iran's democratic reformers that the United States stands with them, just as it stood with the brave citizens of Iraq and Afghanistan.

Diplomacy still has time to work in this case, yet diplomacy cannot succeed unless the United States and its allies insist upon a

core set of principles, including an end to the regime's undermining of the Middle East peace process through its sponsorship of terrorist organizations such as Hezbollah. Moreover, we must not permit the Iranian Government to interfere with the development of a free, democratic, and prosperous Iraq.

I look forward to today's testimony and give my heartfelt, belated condolences to Ms. Derbyshire, as well as my deep gratitude to Captain Smith, Major Kirtley, and Dr. Daugherty for their service to our Nation. Thank you.

Ms. ROS-LEHTINEN. Thank you so much, Ms. Harris.

We have a vote on the Floor, and when we come back, I will be introducing Dr. Daugherty, Major Kirtley, Ms. Derbyshire, Professor Alexander, and Dr. Levitt. So the Subcommittee is momentarily adjourned.

[Whereupon, at 1:40 p.m., a recess was taken.]

Mr. TANCREDO [presiding]. Dr. William Daugherty is presently an Associate Professor of Government at Armstrong Atlantic State University in Savannah, Georgia. Dr. Daugherty joined the faculty of AASU in September 1996, after having served for more than 17 years in the Central Intelligence Agency as an operations officer. During his career with the CIA, Dr. Daugherty served in operational assignments in the Middle East, the Caribbean, and Europe, specializing in counterterrorism. He was one of 53 American diplomats held hostage by Iranian militants while serving in the United States Embassy in Tehran, 1979 to 1981. Dr. Daugherty completed his active duty in the Marine Corps in 1974 and completed his reserve obligation in 1986, with the rank of Major.

Major Steve Kirtley joined the Marines in June 1977, and in August 1979, with just 3 months as a watch stander at the United States Embassy in Tehran, then-Corporal Kirtley and his fellow Americans were taken hostage and held as prisoners of war for 444 days. After attending Marine Officer Candidates School in August 1990, he was sent on an advance party to Saudi Arabia for Operation Desert Shield and Desert Storm. After a long and distinguished career, Steve Kirtley retired from the Marine Corps in July 2002.

Ms. Lynn Smith Derbyshire is the sixth of nine children of retired U.S. Marine Corps Lieutenant General Keith Smith and Mrs. Shirley Smith. She was raised in a military family and spent her childhood moving around the United States. Lynn currently works part time as a writer for the Smithsonian National Air and Space Museum. She resides in Oak Hill, Virginia, with her husband, Charlie, and their two children, Kaia and Chandler. Their son is named Chandler Vincent Smith Derbyshire in honor of her oldest brother, Captain Vincent Smith, who was killed in the terrorist attack on the Marine barracks in Beirut on October 23, 1983.

Professor Yonah Alexander is currently a Senior Fellow at the Potomac Institute for Policy Studies and Director of the International Center for Terrorism Studies, as well as a member of the board of regents. Concurrently, he is Director of the Inter-University Center for Terrorism Studies and Co-Director of the Inter-University Center for Legal Studies. Professor Alexander has appeared on many television and radio programs in over 40 countries. His

numerous articles and interviews were published in both the United States and in the international press.

Matthew Levitt is Director of the Terrorism Studies Program at the Washington Institute for Near East Policy, specializing in terrorism and U.S. policy. Prior to joining the institute, Levitt served as an FBI analyst, providing tactical and strategic analysis in support of counterterrorism operations.

We will start with Mr. Levitt, and thank you all, first of all, for joining us today, and we are anxious to hear your testimony.

**STATEMENT OF MR. MATTHEW LEVITT, DIRECTOR, TERRORISM STUDIES PROGRAM, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY**

Mr. LEVITT. Thank you very much, Madam Chair Ros-Lehtinen, Chairman Royce, Ranking Members Ackerman and Sherman, and distinguished Members of the Middle East and Central Asia and International Terrorism and Nonproliferation Subcommittees. Thank you all for this opportunity to appear before you today and discuss the threat of Iranian state-sponsorship of terrorism.

My oral remarks this afternoon are pulled from a much more detailed written testimony, so if I may, I would like to ask that that written testimony be included in the official record.

Mr. TANCREDO. Without objection.

Mr. LEVITT. United States intelligence officials regularly describe Iran as the “foremost state sponsor of terror.” In fact, that message was reiterated just this morning in congressional testimony before the Senate Select Committee on Intelligence. Indeed, Iran’s support for Lebanese Hezbollah alone justifies these conclusions. Hezbollah, a U.S.-designated terrorist organization, was responsible for more American deaths than any other terrorist organization until September 11th.

According to U.S. authorities, concern over the threat posed by Hezbollah, in particular, is well placed and continues today. According to the FBI, and I quote:

“Many Hezbollah subjects based in the United States have the capability to attempt terrorist attacks here, should this be a desired objective of the group.”

And in the CIA’s assessment, and again I quote:

“Hezbollah, as an organization with capability and worldwide presence, is al-Qaeda’s equal, if not a far more capable organization.”

That capability is a direct result of Hezbollah’s intimate ties to, and training and funding at the hands of, Iranian security and intelligence services.

I would like to focus today on Iranian sponsorship of terrorism intended to undermine prospects for Israeli-Arab peace, on the terrorist activities of Iranian intelligence operatives themselves, and on Iranian activity in Iraq.

Today, Iran and its proxies are intent on undermining the best chance for progress toward peace since peace talks crumbled in 2000. Hezbollah, Hamas, Islamic Jihad, al-Aqsa Martyrs, and others, all at Iran’s behest, are currently attempting to torpedo the

nascent peace process. In late January, Hassan Nasrallah and Khaled Mish'al, leaders of Hezbollah and Hamas, respectively, met in Beirut where they declared that resistance against Israel was the only option until all of Palestine was liberated. This was even as cease-fire talks were in process.

And Palestinian officials are worried. "We know that Hezbollah has been trying to recruit suicide bombers in the name of the al-Aqsa Martyrs Brigades to carry out attacks which would sabotage the truce," said one Palestinian official. Another Palestinian official said it intercepted e-mail communications and bank transactions indicating that Hezbollah has increased its payments to terrorists. "Now they are willing to pay \$100,000 for a whole operation, whereas in the past they paid \$20,000, then raised it to \$50,000." Another Palestinian security official added, "Hezbollah and Iran are not happy with Abbas's efforts to achieve a cease fire," referring to Mahmoud Abbas, the Palestinian President, "and resume negotiations with Israel. That is why we do not rule out the possibility that they might try to kill him if he continues with his policy."

Iranian agents have long been directly involved in acts of terrorism themselves and in concert with Hezbollah networks, beyond the terrorist activities carried out independently by its proxy groups. Indeed, Iranian operatives are well known for conducting surveillance of future potential sites for attacks. For example, in 1998, Iranian agents were spotted conducting surveillance of United States interests in Kazakhstan. In 1997, the Defense Intelligence Agency reported detailed Iranian plots targeting United States interests in Tajikistan.

In Southeast Asia, members of the Hezbollah network were behind a failed truck bombing targeting the Israeli Embassy in Bangkok in 1994, as well as a series of other terrorist plots in the region throughout the 1990s, were intimately tied, and most of them originally recruited by, Iranian intelligence agents there.

Another well-known example is the involvement of senior Hezbollah operatives and Iranian agents in the 1996 Khobar Towers bombing in Saudi Arabia. Ahmad Ibrahim al-Mughassil, who is wanted by the FBI for his role in that attack, is believed to enjoy safe haven in Iran today. Several of the Hezbollah operatives in that attack received training in Iran. According to the indictment, the Iranian Embassy in Damascus, Syria, served as "an important source of logistics and support for Saudi Hezbollah members traveling to and from Lebanon."

In the fall of 2003, law enforcement officials in Britain questioned a carload of Iranians claiming to be tourists after they were spotted filming buildings tied to the Jewish community in London. A year later, Swiss authorities traced a similar apparent attempt to surveil a Jewish target in Geneva to an Iranian diplomatic mission there.

Iranian intelligence operatives have engaged in activity in support of potential terrorist operations here in the United States as well. Last June, two security guards working at Iran's mission to the United Nations in New York were kicked out of the country for conducting surveillance of New York City landmarks in a manner incompatible with their stated duties. A U.S. counterintelligence of-

ficial said at the time, “We cannot think of any reason for this activity other than this was reconnaissance for some kind of potential targeting for terrorists.”

This fits Iranian *modus operandi*, as highlighted by former FBI Director Louis Freeh. In the late 1990s, Freeh would later write, the FBI wanted to photograph and fingerprint official Iranian delegations visiting the United States because “the MOIS, the Ministry of Intelligence and Security, was using these groups to infiltrate its agents into the U.S.”

Iran also maintains ties, as was noted earlier, with al-Qaeda. Several al-Qaeda operatives were allowed to travel through Iran with great ease in the period leading up to September 11th. Entry stamps were not put in the Saudi operatives’ passports at the border, though at least eight of the September 11th hijackers transited the country between October 2000 and February 2001. The 9–11 Commission reported a persistence of contacts between Iranian security officials and senior al-Qaeda figures and drew attention to an informal agreement by which Iran would support al-Qaeda training with the understanding that such training would be used “for actions carried out primarily against Israel and the United States.” There are many other examples of these types of cooperation. I will highlight just one more.

In September 2001, Abu Musab al-Zarqawi, now known for his activities in Iraq, met an associate named Mohamed Abu Dhess in Iran and instructed him to commit terrorist attacks against Jewish or Israeli facilities in Germany. Iran is apparently a common and convenient place for meetings between Sunnis affiliated with global Jihadist groups and other terrorist organizations. A leader of a Jihadi organization in Pakistan is said to have reported that person-to-person contacts with other groups, sometimes with fighters from Hamas and Hezbollah, who are frequently met in Iran.

And, finally, Iranian and Hezbollah elements are very active today in Iraq. While Iranian ministers have asserted that Tehran has not encouraged the Iraqi insurgency nor permitted suicide bombers to cross the border, their actions indicate otherwise. As recently as this past December, a group calling itself the Committee for the Commemoration of Martyrs of the Global Islamic Campaign, which is affiliated with the IRGC, had registered more than 25,000 “martyrdom-seeking volunteers” to partake in the insurgency facing United States-led forces in Iraq. The group used the commemoration of a monument to the 1983 Hezbollah attack that killed 241 U.S. servicemen as a recruiting drive for future suicide bombers.

According to King Abdullah of Jordan, more than 1 million Iranians crossed the Iraq-Iran border to vote in the recent election, some of whom were trained by Iran’s Revolutionary Guards and are members of militias that could conduct post-election attacks. Reporting from Iranian dissident groups suggests that the IRGC’s Qods Force has established an armed underground of cells in southern Iraq. And most recently, just a few days ago, Iraq’s interior minister announced that 18 members of Lebanese Hezbollah were detained in Iraq on charges of terrorism.

In conclusion, Iran is, indeed, the world’s foremost state sponsor of terrorism. The sheer scope of Iranian terrorist activity is re-

markable, including both terrorism carried out by Iranian-sponsored terrorist groups and by Iranian agents themselves. But the Iranian terrorist threat is especially dangerous since it threatens key United States security interests and American citizens alike.

First, Iran and its proxies present a direct threat to the United States, both at home and abroad, including U.S. and coalition forces overseas. Consider the Iranian security personnel caught surveilling targets in New York.

Second, Iran, along with its primary proxy, Hezbollah, is the single most dangerous threat to the prospects of securing Arab-Israeli peace. Consider Palestinian fears that Iran and Hezbollah are actively trying to torpedo the nascent cease-fire and possibly assassinate Palestinian President Mahmoud Abbas.

Third, Iran is fully engaged in undermining coalition efforts in Iraq. Note the infiltration of Hezbollah operatives there.

It is critical, therefore, that the international effort to rein in Iran's nuclear weapons program include an equally concerted effort to forestall its state sponsorship of terrorism. Failure to do so guarantees Iran and its proxies will continue to undermine Israeli-Arab peace negotiations, conduct surveillance of United States, Israeli, and other targets for possible terrorist attacks, and destabilize Iraq. Thank you very much.

[The prepared statement of Mr. Levitt follows:]

PREPARED STATEMENT OF MR. MATTHEW LEVITT, DIRECTOR, TERRORISM STUDIES PROGRAM, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

#### INTRODUCTION

CIA officials regularly describe Iran as "the foremost state sponsor of terror."<sup>1</sup> President Bush reaffirmed this assessment in his recent State of the Union address, saying, "Today, Iran remains the world's primary state sponsor of terror."<sup>2</sup> And earlier this month, British Prime Minister Tony Blair echoed the U.S. government's perception of Iran, saying Iran "certainly does sponsor terrorism. There is no doubt about that at all."<sup>3</sup>

To be sure, Iran's support for Lebanese Hezbollah alone justifies these conclusions. Hezbollah, a U.S.-designated terrorist organization, was responsible for more American deaths than any other terrorist organization until September 11. Highlights of Hezbollah's record of terror attacks include suicide truck bombings targeting U.S. and French forces in Beirut (in 1983 and 1984) and U.S. forces again in Saudi Arabia (in 1996), its record of suicide bombing attacks targeting Jewish and Israeli interests such as those in Argentina (1992 and 1994) and in Thailand (attempted in 1994), and a host of other plots targeting American, French, German, British, Kuwaiti, Bahraini and other interests in plots from Europe to Southeast Asia to the Middle East.<sup>4</sup>

According to U.S. authorities, concern over the threat posed by Hezbollah is well placed. FBI officials testified before the Senate Select Committee on Intelligence in February 2002 that "FBI investigations to date continue to indicate that many Hezbollah subjects based in the United States have the capability to attempt ter-

<sup>1</sup> See, for example, George Tenet, "External Threats to U.S. National Security," Testimony before the Senate Select Committee on Intelligence, February 6, 2002.

<sup>2</sup> State of the Union Address, Chamber of the U.S. House of Representatives, The United States Capitol, Washington, D.C., February 2, 2005, available online at <http://www.whitehouse.gov/news/releases/2005/02/20050202-11.html>

<sup>3</sup> "Blair Says Iran Must Not Hinder Peace in Middle East," AP, February 8, 2005

<sup>4</sup> See Matthew Levitt, "Hizbullah's African Activities Remain Undisrupted," *RUSI/Jane's Homeland Security and Resilience Monitor*, March 1, 2004 (posted online February 4, 2004); Matthew Levitt, "Smearred in Blood, Hezbollah Fingerprints All Over Globe," *The Australian*, June 9, 2003; Ely Karmon, *Fight on All Fronts: Hezbollah, The War on Terror, and the War in Iraq*, Policy Focus No. 46, The Washington Institute for Near East Policy, December 2003

rorist attacks here should this be a desired objective of the group.”<sup>5</sup> Similarly, CIA Director George Tenet testified before the Senate Armed Services Committee in February 2003 that “Hezbollah, as an organization with capability and worldwide presence, is [al-Qaeda’s] equal, if not a far more capable organization.”<sup>6</sup> That capability is a direct result of Hezbollah’s intimate ties to—and training at the hands of—Iranian security and intelligence services.

Iran’s terrorist activities can be split into several primary categories. First, Iran actively seeks to undermine prospects for Israeli-Arab peace. Second, Iran sponsors terrorist groups of global reach, including funding, training, arming and providing safe haven to their members. Third, Iranian intelligence operatives are themselves engaged in terrorist activity on their own and in cooperation with terrorist groups, including surveillance of U.S. interests at home and abroad. This includes efforts to destabilize regimes not to Tehran’s liking, particularly in the Middle East, as evidenced most recently by Iranian activity in Iraq.

Each of these categories of terrorist activity deserves attention, and I will touch on each of them today. For two reasons, however, my focus today will be on Iranian-sponsored terrorism targeting Israel and the peace process.

First, the death of Yasser Arafat and election of Mahmoud Abbas as the new president of the Palestinian Authority mark a positive turning point in Palestinian politics. Meanwhile, Hamas and Islamic Jihad suicide bombers now find it much harder to bomb Israeli buses and cafes now that a security barrier—built roughly along the Green Line separating Israel and the West Bank—prevents their easy entry into Israeli cities. Add to this the forthcoming Israeli redeployment from the entirety of the Gaza Strip and the northern West Bank, and even the pessimist sees the opening of a window of opportunity. That window will quickly slam shut, however, in the face of continued terrorist attacks against Israel. Coming off four and a half years of incessant attacks, Israeli tolerance for negotiating peace in the face of ongoing terror is nil. The entire project, therefore, is premised on the assumption that the ceasefire announced at last week’s Sharm al-Sheikh summit will hold. Iran and Hezbollah are doing everything in their power to see that it fails.

Second, focusing on Iranian terror targeting Israel and the peace process, on which there is far more open-source information available compared to Iran’s other terrorist activities, allows me to highlight the depth of Iran’s involvement in terrorism.

#### 1. TARGETING ISRAEL AND THE PEACE PROCESS

**FUNDING.** Iran has long been believed to fund Hezbollah to the tune of at least \$100 million per year. Recently, Western diplomats and analysts in Lebanon estimated Hezbollah receives closer to \$200 million a year from Iran.<sup>7</sup> The increase is likely due to Iran’s keen interest in undermining prospects for Israeli-Palestinian peace (and, in general, further destabilizing the Israeli-Palestinian conflict), and Hezbollah’s growing role as Iran’s proxy to achieve this goal. Hezbollah’s success in funding and training Palestinian groups may well explain the increase in funding since Iran is known to employ a results-oriented approach to determining the level of funding it is willing to provide terrorist groups. As a U.S. court noted in *Weinstein v. Iran*, the period of 1995–1996 “was a peak period for Iranian economic support of Hamas because Iran typically paid for results, and Hamas was providing results by committing numerous bus bombings.”<sup>8</sup> Iranian funding to terrorist groups like Hamas and Islamic Jihad (most often funneled via Hezbollah) increases when they carry out successful attacks and decreases when they fail, are thwarted or are postponed due to ceasefires or other political considerations. Unlike most terrorist groups, which need to focus much time and attention on raising, laundering and transferring funds, Iran’s largesse provides Hezbollah with a sizable and constant flow of reliable funding. By all accounts, Hezbollah operates under no revenue constraints; indeed, it often serves as a middleman funneling funds from Iran to other terrorist groups such as the Palestinian Islamic Jihad (PIJ), Fatah Tanzim, and others.

<sup>5</sup>“Current and Projected National Security Threats to the United States,” Hearing Before the Select Committee on Intelligence of the United States Senate, February 6, 2002 (see response number 3 to “Questions for the Record” on page 339 of GPO print edition)

<sup>6</sup>“Threats to National Security,” Hearing before the Senate Armed Services Committee of the United States Senate, February 12, 2003

<sup>7</sup>Scott Wilson, “Lebanese Wary of a Rising Hezbollah,” *The Washington Post*, December 20, 2004, A17

<sup>8</sup>*Susan Weinstein et al v. The Islamic Republic of Iran et al*, United States District Court for the District of Columbia, Civil Action No. 00–2601 (RCL), February 6, 2002

Iran actively supports Hezbollah's involvement in the Palestinian-Israeli conflict and its support of Palestinian militants. U.S. officials contend that, shortly after Palestinian violence erupted in September 2000, Iran assigned Imad Mughniyeh, Hezbollah's international operations commander, to help Palestinian militant groups, specifically Hamas and PIJ.<sup>9</sup> Mughniyeh features prominently on the FBI list of most wanted terrorists, and is the subject of a sealed U.S. indictment for his role in the 1985 TWA hijacking. According to a former Clinton administration official, "Mughniyeh got orders from Tehran to work with Hamas."<sup>10</sup> In fact, in the March 27, 2002, "Passover massacre" suicide bombing, Hamas relied on the guidance of a Hezbollah expert to build an extra-potent bomb.<sup>11</sup>

Iran also provides terrorist groups with direct financial and operational support for military activities. According to a December 2000 Palestinian intelligence report confiscated by Israeli authorities, Iran transferred \$400,000 directly to Hamas's Qassam Brigades to specifically support "the Hamas military arm in Israel and encouraging suicide operations," and another \$700,000 to Islamic organizations opposed to the PA.<sup>12</sup> A confiscated Palestinian document describes a May 19, 2000, meeting between the Iranian ambassador to Syria and representatives from Hamas, Islamic Jihad, and Hezbollah at the Iranian Embassy in Damascus. According to the report, "during the meeting the Iranian ambassador demanded that the above-mentioned persons carry out military operations in Palestine without taking responsibility for these operations."<sup>13</sup> According to another Palestinian intelligence document dated October 31, 2001, officials from Hamas, Islamic Jihad and Hezbollah had been meeting in Damascus "in an attempt to increase the joint activity inside [i.e. in Israel, the West Bank and Gaza] with financial aid from Iran." The meeting was held "after an Iranian message had been transferred to the Hamas and Islamic Jihad leaderships, according to which they must not allow a calming down [of the situation] at this period." The Iranian funds, the report added, were to be transferred by Hezbollah.<sup>14</sup>

While estimates of Iran's financial assistance to Hamas vary, there is consensus that the sum is significant. According to Israeli estimates, Iran contributes around \$3 million a year in direct aid to Hamas.<sup>15</sup> Canadian intelligence cites Canadian Secret Intelligence Service (CSIS) assessments that Iran transfers somewhere between \$3 million to \$18 million a year to Hamas. According to the CSIS report, "in February 1999, it was reported that Palestinian police had discovered documents that attest to the transfer of \$35 million to Hamas from the Iranian Intelligence Service (MOIS), money reportedly meant to finance terrorist activities against Israeli targets."<sup>16</sup> Palestinian sources estimate Iranian assistance to Hamas "at tens of millions of dollars."<sup>17</sup> According to experts testifying in the case of *Diana Campuzano et al v. The Islamic Republic of Iran*, Iranian financial support to Hamas in 1995 totaled \$30 million and ranged from \$20 million to \$50 million annually between 1990 and 2000.<sup>18</sup> According to expert testimony in another case involving a Hamas attack and Iranian support for Hamas, *Susan Weinstein et al v. The Islamic Republic of Iran et al*, "the Islamic Republic of Iran gave the organization at least \$25–50 million in 1995 and 1996, and also provided other groups with tens of millions

<sup>9</sup>Douglas Frantz and James Risen, "A Secret Iran-Arafat Connection is Seen Fueling the Mideast Fire," *The New York Times*, March 24, 2002.

<sup>10</sup>Douglas Frantz and James Risen, "A Secret Iran-Arafat Connection is Seen Fueling the Mideast Fire," *The New York Times*, March 24, 2002.

<sup>11</sup>Molly Moore and John Ward Anderson, "Suicide Bombers Change Mideast's Military Balance," *Washington Post*, August 17, 2002.

<sup>12</sup>"Iran as a State Sponsoring and Operating Terror," Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, April 2003, available online at <http://www.intelligence.org.il/eng/iran.htm>

<sup>13</sup>"Iran as a State Sponsoring and Operating Terror," Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, April 2003, available online at <http://www.intelligence.org.il/eng/iran.htm>

<sup>14</sup>"Iran and Syria as Strategic Support for Palestinian Terrorism," (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>

<sup>15</sup>"The Financial Sources of the Hamas Terror Organization," Israel Foreign Ministry, July 30, 2003 <http://www.israel-mfa.gov.il/mfa/go.asp?MFAH0nmu0>

<sup>16</sup>"Terrorist Group Profiler," Canadian Secret Intelligence Service (CSIS), June 2002, Author's personal files; See also Stewart Bell, "Hamas May Have Chemical Weapons: CSIS Report Says Terrorist Group May be Experimenting," *National Post* (Canada), December 10, 2003

<sup>17</sup>Ziad Abu-Amr, *Islamic Fundamentalism in the West Bank and Gaza: Muslim Brotherhood and Islamic Jihad* (Bloomington, IN: Indiana University Press, 1994), p. 88

<sup>18</sup>*Diana Campuzano et al v. The Islamic Republic of Iran*, United States District Court for the District of Columbia, Civil Action No.: 00–2328 (RMU), January 2003



of dollars to engage in terrorist activities. In total, Iran gave terrorist organizations, such as Hamas, between \$100 and \$200 million per year during this period.”<sup>19</sup>

Iran’s policy of increasing funding to terrorist groups when they carry out successful attacks is especially clear from its interactions with PIJ. Until Palestinian officials released Islamic Jihad bomb makers and terrorist recruiters from their jails in 2000 and 2001 (following the collapse of Israeli-Palestinian peace talks), Islamic Jihad had failed to carry out a successful, quality attack in a long time. Almost every plot failed, either due to incompetence or successful counterterrorism operations. Once their key operatives were released from jail, however, Islamic Jihad terrorist activity soon picked up sharply. In early June 2002, Iran’s Ayatollah Ali Khamenei met with Islamic Jihad leader Ramadan Shallah on the sidelines of a Tehran conference convened in support of the Palestinian intifada. Khamenei pledged to separate Iran’s funding for Islamic Jihad from that of Hezbollah and to increase its funding by 70 percent “to cover the expense of recruiting young Palestinians for suicide operations.”<sup>20</sup> U.S. officials, having affirmed that Islamic Jihad is “financed and directed by Iran,” also noted that, in the period following the onset of violence in September 2000, Tehran instituted an incentive system in which millions of dollars in cash bonuses are conferred to the organization for successful attacks.<sup>21</sup>

Other circumstances can also affect the level of funding Iran provides terrorist groups. As noted above, Iranian funding of Palestinian terrorist groups increased at the outset of the Palestinian Intifada in late 2000. In the wake of the death of Palestinian leader Yasser Arafat, Hezbollah reportedly received an additional \$22 million from Iranian intelligence to support Palestinian terrorist groups and foment instability.<sup>22</sup> Similarly, in the wake of 2004 Saudi crackdown on al-Qaeda terror financing emanating from within the Kingdom, funding for Hamas from within Saudi Arabia all but dried up since many of the radical jihadist financiers funding al-Qaeda supported Hamas as well. Following the loss of these funds, Hamas is believed to have accepted an emergency budgetary supplement from Iran to tide the organization over until alternative means could be found to transfer funds from the Kingdom to Hamas. This financial support was likely forthcoming due to Hamas’s successful militarization of the Intifada that followed the failure of Israeli-Palestinian peace talks in 2000.

TRAINING. On top of funding terrorist groups targeting Israel and the peace process, Iranian training camps run by Hezbollah and the Popular Front for the Liberation of Palestine—General Command (PFLP–GC) dot the Syrian and Lebanese landscapes, where Hezbollah and Iranian trainers have schooled a motley crew of Palestinian, Kurdish, Armenian, and other recruits in a variety of terrorist and intelligence tactics. For example, several of the terrorists who carried out the 1996 Khobar Towers bombing were recruited in Syria and trained in Hezbollah camps in Lebanon and Iran.<sup>23</sup>

Palestinian legislator and scholar Ziad Abu-Amr notes that Iran provides “logistical support to Hamas and military training to its members.”<sup>24</sup> According to a Canadian intelligence report, “Hamas has training camps in Iran, Lebanon, and Sudan. Hamas camps in Lebanon are said to be under Iranian supervision.”<sup>25</sup>

Perhaps the best known case of Iranian agents training Palestinian terrorists is the case of Hassan Salamah, the Hamas commander who was the mastermind be-

<sup>19</sup> See Testimony of Patrick Clawson and Reuven Paz in *Susan Weinstein et al v. The Islamic Republic of Iran et al*, United States District Court for the District of Columbia, Civil Action No. 00–2601 (RCL), February 6, 2002. Some estimates are much higher. According to court documents in the case of *Leonard Eisenfeld, et al v. The Islamic Republic of Iran, et al*, “Hamas acknowledges support from Iran in the amount of \$15,000,000 per month, funds which support both terrorism and a broad range of welfare activities as part of its program. See *Leonard Eisenfeld, et al v. The Islamic Republic of Iran, et al*, Civ. United States District Court for the District of Columbia, No. 98–1945 (RCL), 2000

<sup>20</sup> Ali Nouri Zadeh, “Islamic Jihad, Hamas, and the Palestinian Authority Meet in Iran,” *al-Sharq al-Awsat* (London), June 8, 2002

<sup>21</sup> Douglas Frantz and James Risen, “A Secret Iran-Arafat Connection Is Seen Fueling the Mideast Fire,” *New York Times*, March 24, 2002

<sup>22</sup> “Iran Expands its Palestinian Control; Offers al-Khadoumi Five Million Dollars,” *al-Watan* (Kuwait), December 13, 2004

<sup>23</sup> “Senior Fatah Militant in Lebanon Directed and Financed Serious Terror Attacks in Territories and Israel,” Press Release Communicated by Israeli Prime Minister’s Media Advisor, May 26, 2002, at <http://www.imra.org.il>

<sup>24</sup> Ziad Abu-Amr, *Islamic Fundamentalism in the West Bank and Gaza: Muslim Brotherhood and Islamic Jihad* (Bloomington, IN: Indiana University Press, 1994), p. 88

<sup>25</sup> “Terrorist Group Profiler,” Canadian Secret Intelligence Service (CSIS), June 2002, Author’s personal files; See also Stewart Bell, “Hamas May Have Chemical Weapons: CSIS Report Says Terror Group May be Experimenting,” *National Post* (Canada), December 10, 2003

hind the string of suicide bus bombing carried out by Hamas in February and March 1996. Both in his statements to Israeli police and an interview on CBS's "60 Minutes," Salamah noted that after undergoing ideological indoctrination training in Sudan he was sent to Syria and from there transported to Iran on an Iranian aircraft to a base near Tehran. Osama Hamdan, Hamas's representative to Iran at the time, met Salamah in Tehran, after which Salamah underwent three months of military training at the hands of Iranian trainers. With the help of a translator (Salamah did not speak Farsi and his trainers did not speak Arabic well), Salamah trained to use explosives, automatic weapons, hand grenades, shoulder-fired missiles, ambush techniques, how to deactivate land mines and extract their explosive material, and how to build trigger mechanisms for bombs. By his own statement, Salamah received all his military training in Iran.<sup>26</sup>

Iran also runs terrorist training camps of its own in Lebanon, aside from the Iranian-funded camps Hezbollah operates there. In August 2002, Tehran was reported to have financed camps under General Ali Reza Tamzar, commander of Iranian Revolutionary Guard Corps (IRGC) activity in Lebanon's Beka'a Valley. These camps were designed to train Hezbollah, Hamas, Palestinian Islamic Jihad, and PFLP-GC terrorists in the use of the short-range Fajr-5 missile and the SA-7 anti-aircraft rocket.<sup>27</sup> The IRGC training program, which reportedly costs Iran \$50 million annually, also trains Lebanese and Palestinian terrorists to carry out "underwater suicide operations."<sup>28</sup> While training terrorists in the Beka'a Valley, the IRGC and MOIS simultaneously run several terrorist camps in Iran.<sup>29</sup> As of August 2002, more than seventy foreign recruits—mostly Arabs—were reportedly undergoing vigorous training under the command of the IRGC's Qods Force in two camps.<sup>30</sup> At least fifty were being trained at the Imam Ali Garrison in Tehran while another twenty-two were being trained at the Bahonar Garrison, a Qods Force base located north of Tehran. Trainees were instructed to hide their connection to Iran and were warned by a Qods commander that "subsequent to September 11, our activities have become more sensitive."<sup>31</sup>

Iran actively recruits Palestinians for terrorist training in its camps as well. Israeli authorities had arrested two Palestinians, Shadi Jaber and Jihad Ibrahim Albasha, upon their return from Iran. According to the information they provided, the Iranian Committee for Aiding Wounded Victims of the Intifada had been working with Palestinians to find potential terrorist recruits among those wounded in what was then already 17 months of violence. Iran arranged for free travel, medical treatment and terrorist training for Palestinians who then returned to the Palestinian territories to establish terrorist cells. Among those involved in the recruitment drive, according to Albasha, were Iranian Ambassador to Jordan Nosratollah Tajik, PA Minister of Detainees and Freed Detainees Affairs Hisham Abdel al Razek, and senior Hezbollah operative Najafi Abu Mahadi. Additionally, Israeli authorities informed foreign diplomats in Israel in February 2002 that Iran had been transferring money to terrorists in the West Bank and Gaza for the purchase of weapons, and that terrorists affiliated with PA Chairman Yasser Arafat's own Fatah Tanzim militia had traveled to Iran for training. Meanwhile, Iran continued to play on the frustration and anger of Israeli Arabs via its Hezbollah and Palestinian proxies to collect intelligence on Israel and courier weapons and funds to terrorist cells.<sup>32</sup>

Hezbollah has also engaged in a proactive effort to recruit Israeli-Arabs to provide intelligence on Israel and logistical support for terrorist operations. Israeli authorities have broken several cells of Israeli-Arabs associated with Hezbollah and other "Lebanese groups," including a four-person cell suspected of passing "computer programs, maps, various objects and documents which may constitute intelligence"

<sup>26</sup> Transcript of "Suicide Bomber: The Planning of the Bloodiest Suicide Bombing Campaign in Israel's History," *CBS 60 Minutes*, October 5, 1997

<sup>27</sup> "Iran Establishes Rocket Training Centers in Lebanon," Middle East Newline, August 8, 2002

<sup>28</sup> Nicholas Blanford, "Report Claims Iran Running Beka'a Training Camp," *Daily Star* (Beirut), August 13, 2002. This article also appeared in Arabic in the Beirut daily *An Nahar*

<sup>29</sup> The Beka'a Valley terrorist training program was apparently the result of a secret meeting in the Tehran suburb of Darjah on June 1, 2002. The meeting occurred just in advance of the previously mentioned two-day conference convened in Tehran (June 1-2) in support of the Palestinian intifada. See Blanford, "Report Claims Iran Running Beka'a Training Camp."

<sup>30</sup> Sean O'Neill, "Terror Training 'Run by Hardline Mullahs,'" *Daily Telegraph* (London), August 12, 2002

<sup>31</sup> Sean O'Neill, "Terror Training 'Run by Hardline Mullahs,'" *Daily Telegraph* (London), August 12, 2002

<sup>32</sup> "Iranian Activities towards Inflammation of the Palestinian Intifada," Israel Security Agency, December 2002 (author's personal files).

through the village of Ghajjar (which straddles the Blue Line separating Israel and Lebanon) to groups in Lebanon in exchange for drugs and weapons.<sup>33</sup> Similarly, a Hezbollah operative recruited a terrorist cell of Israeli Arabs from the Galilee village of Abu Snan, which was uncovered by Israeli authorities as the group was planning kidnapping operations that would have targeted Israeli soldiers.<sup>34</sup>

According to statements by captured operatives and other information made public by Israeli intelligence, Hezbollah and Lebanon-based operatives from Iran's IRGC have recruited a network of rogue Fatah cells to serve as Hezbollah's West Bank cadres.<sup>35</sup> Hezbollah is particularly well known for its skill at manufacturing and placing sophisticated roadside bombs, a skill the group has now transferred to the West Bank and Gaza. Aside from Hezbollah's role in the aforementioned 2002 tank bombing, Israeli authorities discovered a type of mine that had previously been used only by Hezbollah in Lebanon in Hebron in mid-2002. Israeli authorities conducting a search in Hebron during that same month arrested Fawzi Ayub, a Hezbollah operative who had entered the territories by sea using a Canadian passport.<sup>36</sup>

Hezbollah operatives working with Force 17 colonel Masoud Ayad in Gaza reportedly directed small arms and mortar attacks against Israeli civilians in Gaza.<sup>37</sup> In June 2002, Israeli authorities conducting a search in Hebron arrested a Hezbollah operative who had entered the country on a Canadian passport.<sup>38</sup> The arrest of this individual coincided with the discovery in Hebron of mines previously only used by Hezbollah in Lebanon.<sup>39</sup> Hezbollah and the IRGC are more active in Lebanon than ever, including recruiting, training, and dispatching a cell of Palestinians which killed 7 Israelis in a cross-border raid on the northern Israeli community of Metsuba in March 2002.<sup>40</sup>

**SMUGGLING WEAPONS.** Iran also ships and smuggles weapons to a variety of terrorist groups. Iranian cargo planes deliver sophisticated weaponry, from rockets to small arms, to Hezbollah in regular flights to Damascus from Tehran. These weapons are offloaded in Syria and trucked to Hezbollah camps in Lebanon's Beka'a Valley. In January 2004, Iran reportedly took advantage of the international humanitarian aid effort to assist earthquake victims in Iran to supply weapons to Hezbollah. Cargo planes reportedly flew to Iran from Syria filled with aid supplies, and returned full of weapons for Hezbollah.<sup>41</sup>

Iranian involvement in the *Karine-A* weapons smuggling ship—intercepted by the Israeli Navy in the Red Sea in January 2002—is well documented. The White House described evidence of Iran's role in the *Karine-A* incident as “compelling,” a conclusion echoed in the statements of Director of Central Intelligence Tenet, senior State Department officials, and even European officials. Speaking before the European Parliament in Strasbourg in February 2002, European Union head of foreign affairs Javier Solana described the *Karine-A* as “the link between Iran and the PA,” adding that “such a connection had not existed for many years.”<sup>42</sup> Hezbollah's role in the affair is also well known. Not only did Iran arrange for Hezbollah external operations commander Imad Mughniyeh to purchase the *Karine-A*, but Mughniyeh's deputy, Haj Bassem, personally commanded the ship that met the *Karine-A* at the island of Kish (south of Iran) and oversaw the ship-to-ship transfer of the Iranian weapons.<sup>43</sup> But the link extends to Hamas as well.

<sup>33</sup>NA, “Israel Arrests Arabs Spying for Lebanese Groups,” *The Daily Star* (Beirut), August 6, 2002

<sup>34</sup>Dina Kraft, “Seven Israeli Arabs Charged with Spying for Lebanese Guerillas,” AP Worldstream, November 29, 2000

<sup>35</sup>“Hezbollah (part 1): Profile of the Lebanese Shiite Terrorist Organization of Global Reach Sponsored by Iran and Supported by Syria,” Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, June 2003; and author interview with intelligence sources, July 2003.

<sup>36</sup>Anna Driver, “Israel Says al Qaeda Active in Palestinian Areas,” Reuters, August 5, 2003.

<sup>37</sup>NA, “IDF abducts Force 17 Member in Gaza, Arrests 4 Hamas activists,” *Ha'aretz Daily*, January 2, 2002

<sup>38</sup>Lenny Ben-David, “Iran, Syria and Hezbollah: Threatening Israel's North,” Jerusalem Issue Brief, vol 2, no 3, Jerusalem Center for Public Affairs, July 18, 2002

<sup>39</sup>Lenny Ben-David, “Iran, Syria and Hezbollah: Threatening Israel's North,” Jerusalem Issue Brief, vol 2, no 3, Jerusalem Center for Public Affairs, July 18, 2002

<sup>40</sup>Lenny Ben-David, “Iran, Syria and Hezbollah: Threatening Israel's North,” Jerusalem Issue Brief, vol 2, no 3, Jerusalem Center for Public Affairs, July 18, 2002

<sup>41</sup>Arieh O'Sullivan, “Report: Iran Sent Arms to Hizbullah on Aid Planes,” *The Jerusalem Post*, January 8, 2004

<sup>42</sup>Sharon Sadeh, “EU Says *Karine-A* Affair Changed Mideast Conflict,” *Ha'aretz* (Tel Aviv), February 7, 2002.

<sup>43</sup>A “senior U.S. official” confirmed then-Israeli defense minister Binyamin Ben-Eliezer's contention regarding Mughniyeh's role, see Nora Boustany, “Yugoslavia's Search for Truth,” *Wash-*

According to U.S. officials, Iran offered the PA a substantial discount on the arms in return for being allowed to run a hospital in Gaza and other social-welfare organizations in the Palestinian territories. By these means, Iran hoped to gain a foothold of its own in the Palestinian territories, through which it could build grassroots support, propagate its anti-Israel message, collect intelligence on the activities of U.S. officials, and provide direct support to Hamas and PIJ—an established Iranian *modus operandi*.<sup>44</sup> Outreach to the Palestinians in this fashion would follow efforts by Iran elsewhere to use humanitarian and diplomatic footholds as a cover for IRGC or MOIS operatives collecting intelligence and supporting local terrorist groups. In 1997, a Defense Intelligence Agency report detailed a similar Iranian initiative in Tajikistan; MOIS had been collecting information on the U.S. presence there and possibly engaging in “terrorist targeting.”<sup>45</sup> In 1998, another such plan came to light in Kazakhstan, where three Iranians were arrested for espionage, possibly in support of a terrorist attack against U.S. interests.<sup>46</sup>

The *Karine-A* episode stood out not only due to the magnitude and audacity of the quantity of arms Iran attempted to smuggle (more than fifty tons of weapons valued at over \$2 million were destined for Palestinian militants in this one plot), but due to the quality of these weapons as well. The weapons seized aboard the *Karine-A* were described as “force multiplier weapons systems” that would have drastically shifted the balance of power between Israeli forces and Palestinian militant groups. The weapons included 107 and 122 mm rockets and launchers with ranges of up to twenty kilometers, antitank launchers and 120 mm mortars and mortar bombs, antipersonnel mines, small arms and ammunition, and more. Some of these arms still bore serial number markings revealing they were produced in Iran in 2001, including PG-7 Tandem and PG-7 Nader antitank rockets, and YM3 antitank and YM1 antipersonnel mines. While carried out by Hezbollah, the entire operation was financed by Iran.<sup>47</sup>

While by far the biggest smuggling plot Iran funded, the *Karine-A* is by no means the only one. Hezbollah and the PFLP-GC were both involved in other maritime smuggling efforts involving the Santorini and the Calipso-2, which between them made three successful smuggling runs to Gaza and the Egyptian Sinai—once in November 2000 and twice in April 2001—before a fourth attempt was thwarted by the Israeli Navy in May 2001.<sup>48</sup> On May 21, 2003, the Israeli Navy intercepted the *Abu Hassan*, a fishing vessel bound for Gaza on which Hezbollah was attempting to smuggle CD’s featuring bomb making instructions and explosives, weapons, detonators for rockets and a radio-activation system for remote-control bombs to Palestinian militants.<sup>49</sup>

GENERAL SUPPORT. Tehran has also hosted terror conferences in Iran to garner international support for Palestinian terrorism. During the first of these conferences (October 14–22, 1991), a *fatwa* was issued that decreed any discontinuation of jihad for the liberation of Palestine was forbidden and unlawful.<sup>50</sup>

Usually around 40 Muslim countries are in attendance, but more importantly, so are representatives from every Palestinian terrorist group. During the April 2001 conference, leading terrorist attendees designated by the United States included Ahmad Jibril of the PFLP, Ramadan Shalah of PIJ, Khaled Meshaal of Hamas, and Hassan Nasrallah of Hezbollah.<sup>51</sup> At the April 2001 conference, Ayatollah Ali Khamenei announced, “There is evidence which shows that Zionists had close rela-

*ington Post*, February 13, 2002. See also Matthew Lee, “Top Israeli Security Official Calls Palestinian Arms Ship Probe ‘Absurd,’” *Agence France Presse*, January 10, 2002.

<sup>44</sup> Author interviews

<sup>45</sup> Bill Gertz, “Intelligence Agency Highlights Threat of Anti-American Terror in Tajikistan,” *Washington Times*, December 9, 1997

<sup>46</sup> Paul Quinn-Judge, “Stalking Satan: As Their Leader Offers Friendship, Iran’s Revolutionary Guards Keep a Menacing Watch over Their Backyard,” *Time*, March 30, 1998

<sup>47</sup> “Iran and Syria as Strategic Support for Palestinian Terrorism,” (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>

<sup>48</sup> “Iran and Syria as Strategic Support for Palestinian Terrorism,” (Report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, available online at <http://www.intelligence.org.il/eng>

<sup>49</sup> “Israeli navy intercepts ship with bomb-making materiel” *Agence France Presse*—English, May 22, 2003 and “Israel seizes boat with Hezbollah expert” *United Press International*, May 22, 2003 and “Israel intercepts weapon ship allegedly bound for Gaza” *Xinhua News Agency*, May 22, 2003

<sup>50</sup> Hatina, Meir. “Islam and Salvation in Palestine.” *The Moshe Dayan Center for Middle Eastern And African Studies*. Tel Aviv University. Tel Aviv; 2001.

<sup>51</sup> “Khamenei: ‘Zionists had close relations with Nazis.’” *Jerusalem Post*. April 25, 2001.

tions with German Nazis and exaggerated statistics on Jewish killings.<sup>52</sup> Ali Akbar Mohtashami, a member of the “reformist” faction of the Iranian parliament and a founder of Hezbollah who is suspected of engaging in a number of terrorist attacks, rationalized terrorism by describing Israel as the “knife in the heart of the Islamic world,” and saying, “It is time for the people to resist the aggressions of the great powers and especially their illegitimate representative in the region, which must be eliminated.”<sup>53</sup>

Today, Iran and its proxies are intent on undermining the best chance for progress toward peace in over four year. The death of Yasser Arafat and election of Mahmoud Abbas as the new president of the Palestinian Authority mark a turning point in Palestinian politics. Meanwhile, Hamas and Islamic Jihad suicide bombers suddenly find it much harder to bomb Israeli buses and cafes now that a security barrier—built roughly along the Green Line separating Israel and the West Bank—prevents their easy entry into Israeli cities. Add to this the forthcoming Israeli redeployment from the entirety of the Gaza Strip and the northern West Bank, and even the pessimist sees the opening of a window of opportunity. But Hezbollah, Hamas, Islamic Jihad, and the al-Aqsa Martyrs Brigades—all at Iran’s behest—are currently attempting to torpedo the nascent peace process. In late January, Hassan Nasrallah and Khaled Mish’al, the leaders of Hezbollah and Hamas respectively, met in Beirut where they declared that resistance against Israel was the only option until all of Palestine was liberated.<sup>54</sup> And Palestinian officials are worried. “We know that Hezbollah has been trying to recruit suicide bombers in the name of al-Aqsa Martyrs’ Brigades to carry out attacks which would sabotage the truce,” said one Palestinian official. Another Palestinian official cited intercepted e-mail communications and bank transactions indicating Hezbollah increased its payments to terrorists. “Now they are willing to pay \$100,000 for a whole operation whereas in the past they paid \$20,000, then raised it to \$50,000.”<sup>55</sup> Just hours after the announced ceasefire, members of the al-Aqsa Martyrs Brigades fired on a car near a West Bank Jewish settlement and then attacked the army unit sent to investigate the shooting.<sup>56</sup>

Indeed, Palestinian officials have gone so far as to warn that Iran and Hezbollah may try to assassinate Palestinian President Mahmoud Abbas. A Palestinian security official said, “Hezbollah and Iran are not happy with Abbas’s efforts to achieve a cease-fire with Israel and resume negotiations with Israel. That’s why we don’t rule out the possibility that they might try to kill him if he continues with his policy.”<sup>57</sup>

## 2. IRANIAN TERRORIST ACTIVITY

Iranian agents have long been directly involved in acts of terrorism themselves and in concert with Hezbollah networks, beyond the terrorist activities carried out independently by the proxy groups sponsored by Tehran. One of the earliest cases on which information is publicly available is the German indictment of Iran’s then-intelligence minister in 1997 in the infamous “Mykonos case.” Two Iranian intelligence officers and two Hezbollah operatives carried out the assassination of four leaders of the Democratic Party of Iranian Kurdistan (DPIK), an Iranian dissident group.<sup>58</sup> To be sure, one of the most significant *modus operandi* that runs through all of Hezbollah’s global activities—financial, logistical and operational—is that at some level all Hezbollah networks are overseen by, and are in contact with, senior Hezbollah leaders in Lebanon and/or Iranian officials.

Moreover, as one U.S. government official once put it to me, “Hezbollah cells are always a bit operational.” For example, Hezbollah operatives in Charlotte, North Carolina, responded directly to Sheikh Abbas Haraki, a senior Hezbollah military commander in South Beirut. At the same time, Hezbollah procurement agents in Canada who coordinated with the Charlotte cell worked directly with Haj Hasan

<sup>52</sup> Ibid.

<sup>53</sup> “Iran reformist says state of Israel must be eliminated.” *Agence France Presse*. 22 April 2001.

<sup>54</sup> “Hezbollah, Hamas Leaders Meet, Agree ‘Resistance’ Only Option.” Global News Wire—Asia Africa Intelligence Wire, Copyright 2005 BBC Monitoring/BBC, BBC Monitoring International Reports, January 31, 2005

<sup>55</sup> “PA officials say Hezbollah is trying to disrupt cease-fire,” Reuters and Haaretz Service, February 9, 2005

<sup>56</sup> Mohammed Daraghme, “Israel agrees to remove West Bank roadblocks in first fruit of landmark truce,” AP, February 9, 2005

<sup>57</sup> Khaled Abu Toameh, “PA Fears Hizbullah to Target Abbas,” *The Jerusalem Post*, February 9, 2005

<sup>58</sup> “Iran Ordered Slaying of Kurdish Leaders: German Prosecutor,” AFP, May 27, 1993

Hilu Laqis, Hezbollah's chief procurement officer who operates closely with Iranian intelligence.<sup>59</sup>

While the Hezbollah members in Charlotte ran an interstate cigarette smuggling ring, Mohammed Hassan Dbouk and his brother-in-law, Ali Adham Amhaz, ran the Canadian portion of this network. Their activities were funded in part with money that Laqis sent from Lebanon, in addition to their own criminal activities in Canada (e.g., credit card and banking scams).<sup>60</sup> Among the items that they purchased in Canada and the US and smuggled into Lebanon—at some of which very likely ended up in the hands of Iranian agents—were night-vision goggles, global positioning systems, stun guns, naval equipment, nitrogen cutters and laser range finders. The Canadian Hezbollah network also sought to take out life insurance policies for Hezbollah operatives committing acts of terrorism in the Middle East.<sup>61</sup> According to a wiretapped conversation with another member of his cell that was summarized by Canadian intelligence, “Dbouk referred to a person down there [in Southern Lebanon] . . . who might in a short period of time go for a ‘walk’ . . . and never come back, and wondering if Said [the other cell member] could fix some papers and details . . . for him (person) and put himself (Said) as the reference.”<sup>62</sup>

Mohammad Dbouk, the one-time head of the Canadian procurement cell, underwent terrorist training in camps in Iran at the hands of the IRGC before serving Hezbollah in Canada. Upon his return to Lebanon from Canada, Dbouk provided pre-operational surveillance for Hezbollah attack squads working under the cover of Hezbollah's satellite al-Manar television station. The pre-operational footage he took was used to plan Hezbollah attacks on Israeli positions prior to the Israeli withdrawal from Lebanon, and the live footage of the actual attack was then used to produce propaganda videos of the type seized in the homes of the Charlotte cell members.

Iran is known for using humanitarian and diplomatic footholds as a cover for IRGC or MOIS operatives. These operatives are tasked with collecting intelligence and supporting local terrorist groups under the cover of humanitarian activities. For example, in 1998 *Time* magazine reported about an Iranian initiative in Kazakhstan. In 1997, a Defense Intelligence Agency (DIA) report quoted in the *Washington Times* detailed Iranian plots targeting U.S. interests in Tajikistan involving kidnappings, threats and the casing of U.S. diplomats by Iranian intelligence operatives.<sup>63</sup> According to the November 1997 DIA report, “The Iranian Ministry of Intelligence and Security has been collecting information on the U.S. presence in Tajikistan.”<sup>64</sup>

In Southeast Asia, members of the Hezbollah network behind a failed truck-bombing targeting the Israeli embassy in Bangkok in 1994, as well as a series of other terrorist plots in the region throughout the 1990s, were intimately tied to Iranian intelligence agents. Comprised almost entirely of local Sunni Muslims but supervised by a Lebanese Shi'a Hezbollah operative named Abu Foul, the network was led by Pandu Yudhawitna who was himself recruited by Iranian intelligence officers stationed in Malaysia in the early 1980s.<sup>65</sup>

Another example is the involvement of senior Hezbollah operatives and Iranian agents in the 1996 Khobar Towers bombing in Saudi Arabia. Ahmad Ibrahim al-Mughassil, who is wanted by the FBI for his role in the Khobar Towers bombing, is believed to enjoy safe haven in Iran. Several of the Hezbollah operatives received terrorist training in Iran, and the Iranian embassy in Damascus, Syria, served as “an important source of logistics and support for Saudi Hezbollah members trav-

<sup>59</sup> United States v. Mohamad Youssef Hammoud, et al. United States Court of Appeals for the Fourth District.

<sup>60</sup> United States v. Mohamad Youssef Hammoud, et al. United States Court of Appeals for the Fourth District; Jeffrey Goldberg, ‘In the Party of God, Hizbullah Sets Up Operations in South America and the United States’, *The New Yorker* 28 October 2002.

<sup>61</sup> United States v. Mohamad Youssef Hammoud, et al. United States Court of Appeals for the Fourth District.

<sup>62</sup> Transcript of Canadian Secret Intelligence Service (CSIS) transcript for Wednesday, May 26, 1999, author's personal files.

<sup>63</sup> Thomas W. Lippman, ‘US embassies still vulnerable-State Dept.’, *Chicago Sun-Times*, August 5, 1999; Comments of Patrick Clawson in ‘Washington Institute for Near East Policy, Impact of One-Year-Old Iranian Government.’ Transcript provided by Federal News Service, May 26, 1998.

<sup>64</sup> Bill Gertz ‘Intelligence agency highlights threat of anti-American terror in Tajikistan,’ *The Washington Times* December 9, 1997.

<sup>65</sup> Philippino judicial and intelligence documents, author's personal files, including: *People of the Philippines versus Pandu Yudhawinata*, Criminal case No 99–2013, Republic of the Philippines, Regional Trial Court, National Capital Judicial Region, Branch 117, Pasay City, November 1999.

eling to and from Lebanon.”<sup>66</sup> According to the indictment of the terrorists behind the attack, “the attack would serve Iran by driving the Americans from the Gulf region.”<sup>67</sup> Former FBI director Louis Freeh has said that FBI agents interviewed six of the Hezbollah members who carried out the attack, and “all of them directly implicated the IRGC, MOIS and senior Iranian government officials in the planning and execution of the attack.”<sup>68</sup> Throughout these and many other cases, a key common thread is the direct contact each cell maintains to senior Hezbollah and/or Iranian intelligence operatives.

Perhaps the best documented example of the operational relationship Iran maintains with Hezbollah is Tehran’s role in the bombing of the Buenos Aires Jewish community center (Asociacion Mutual Israelita Argentina, or AMIA). According to Abdolghassem Mesbahi, a high-level Iranian defector, the decision to bomb the AMIA building was made at a meeting of senior Iranian decision makers on August 14, 1993.<sup>69</sup> The meeting reportedly included the Supreme Leader Ali Hoseini Khamenei, former President Ali Akbar Hashemi, Rafsanjani, former Foreign Minister Ali Akbar Velayati, the Head of Intelligence and Security in Khamenei’s Bureau, Mohammed Hjazai, former Intelligence Minister Ali Fallahian, and Iranian secret service agent Mohsen Rabbani.<sup>70</sup> According to Argentinean court documents, the Argentinean intelligence service (SIDE) believes that Khamenei issued a *fatwa* concerning AMIA. This *fatwa* was then handed down from Fallahian to Imad Mughniyeh, the “special operations” chief of Hezbollah. Mughniyeh worked in conjunction with Rabbani, who was able to help orchestrate the plan for the bombing clandestinely under the guise of heading the Iranian Cultural Bureau at the Iranian Embassy in Buenos Aires.<sup>71</sup> Rabbani attempted to buy a *Renault-Trafic* model van, the same model that was used in the bombing, and is suspected of being involved with several commercial activities through fictitious or undercover enterprises on behalf of Iranian intelligence.<sup>72</sup> Investigators also uncovered records of phone calls between the Iranian embassy in Buenos Aires and suspected Hezbollah operatives in the triborder area who operated out of a mosque and a travel agency there.<sup>73</sup>

According to expert opinions included in the Argentinean court document, it is well known that Hezbollah operatives often receive training in Iran.<sup>74</sup> In addition, Hezbollah prefers outside operatives to local contacts when running its major operations in other countries. These operatives generally are more trustworthy and better trained.<sup>75</sup> The terrorists that conducted the AMIA bombing would have had greater difficulty operating without the operational support of Iran, which reportedly included the bribing of then Argentinean President Carlos Menem with a payment of \$10 million dollars to keep Iran’s involvement quiet.<sup>76</sup>

Jordan’s King Abdullah II highlighted another Iranian operation when he visited President Bush on February 1, 2002. The King reportedly presented the president with evidence that Iran had sponsored no fewer than seventeen attempts to launch rockets and mortars at Israeli targets from Jordanian soil.<sup>77</sup> This was, according to the King, an Iranian plot aimed at undermining the Jordanian regime and opening a new front against Israel. Detained Hezbollah, Hamas, and PIJ terrorists had apparently admitted to having been trained, armed, and funded by Iranian instructors at Hezbollah camps in Lebanon’s Bekaa Valley.

<sup>66</sup>USA v. Ahmed Al-Mughassil, et al, United States District Court, Eastern District of Virginia, Alexandria Division, May 2003

<sup>67</sup>FBI Press Release, June 21, 2001, available online at <http://www.fbi.gov/pressrel/pressrel01/khobar.htm>

<sup>68</sup>Louis J. Freeh, “American Justice for Our Khobar Heroes,” Wall Street Journal, May 20, 2003

<sup>69</sup>Rohter, Larry. “Defector Ties Iran to 1994 Bombing of Argentine Jewish Center.” *New York Times*, November 7, 2003, Section A, pg. 9.

<sup>70</sup>Ranzoni, Alvaro. “The Teheran Connection.” *Panorama*. April 10, 2003.

<sup>71</sup>Argentine court proceedings investigating the bombings of the Israeli Embassy in Argentina and the AMIA Jewish community center in Buenos Aires (the Asociacion Mutual Israelita Argentina, or AMIA) in 1992 and 1994 respectively, National Federal Court on Criminal and Correctional Matters No. 9, Court Office No. 17, Judicial Branch of the Nation, Federal Judge Juan Jose Galeano, Federal Court Clerk Jose F. M. Pereyra, Buenos Aires, March 5, 2003 (hereafter referred to as AMIA Indictment)

<sup>72</sup>Ranzoni, Alvaro, “The Teheran Connection,” *Panorama* (Italy), April 10, 2003.

<sup>73</sup>Mark S. Steinitz, “Middle East Terrorist Activity in Latin America,” Policy Papers on the Americas, Vol. XIV, Study 7, Center for Strategic and International Studies, July 2003

<sup>74</sup>AMIA Indictment, Expert Opinion of Bruce Hoffman

<sup>75</sup>AMIA Indictment, Expert Opinion of Ariel Merari

<sup>76</sup>Rohter, Larry. “Defector Ties Iran to 1994 Bombing of Argentine Jewish Center.” *New York Times*. Section A, pg. 9, November 7, 2003.

<sup>77</sup>Daniel Sobelman, “Jordan Uncovers Iranian Plan to Initiate Attacks on Israel,” *Ha’aretz* (Tel Aviv), February 5, 2002.

Like its recruitment of Palestinians to train in Iran, Tehran recruited trainees among African Shia as well. According to Israeli intelligence, “in recent years, many foreign students, including [students] from Uganda and other African countries, are sent to study theology in Iranian universities” as a means of recruiting and training them as Hezbollah operatives or Iranian intelligence agents.<sup>78</sup>

For example, in late 2002, Ugandan officials arrested Shafi Ibrahim, a leader of a cell of Ugandan Shi’as working for Iran and possibly Hezbollah. Ibrahim’s partner was Sharif Wadoulo, another Ugandan Shi’a wanted by authorities in his homeland but believed to have fled to an unnamed Gulf country. Under questioning, Ibrahim confirmed that he and a group of African students first traveled to Iran in 1996 on scholarships to study theology at Razavi University in Mashhad. Ibrahim and Wadoulo then underwent intelligence and sabotage training in 2001 at two facilities in the Amaniye area of north Tehran. Together with new Lebanese Hezbollah trainees, they were taught to use small arms, produce explosive devices, collect pre-operational intelligence, plan escape routes, and withstand interrogation techniques. The students were given fictitious covers, money, and means of communication, then “instructed to collect intelligence on Americans and Westerners present in Uganda and other countries.” In common with Hezbollah networks in Southeast Asia, which have similarly strong ties to Iranian intelligence, Ibrahim and Wadoulo were also told “to recruit other Ugandan civilians for similar assignments.”<sup>79</sup>

Iranian operatives are also well-known for conducting surveillance for future potential attacks. In the fall of 2003 law enforcement officials in Britain questioned a carload of Iranians claiming to be tourists after they were spotted filming buildings tied to the Jewish-community in London. According to *Newsweek*, a year earlier, “Swiss authorities traced a similar apparent attempt to surveil a Jewish target in Geneva to an Iranian diplomatic mission.”<sup>80</sup>

Such activity on the part of Iranian agents is not at all uncommon. In October 2003 Israeli intelligence thwarted an Iranian plot to kidnap Israeli businessmen and political leaders in Africa. A Mossad warning specified increased Iranian intelligence activity targeting Israelis in Eritrea, Ethiopia, Kenya, Somalia and Tanzania.<sup>81</sup> A few months later, in February 2004, an Iranian diplomat was taken into custody by Nigerian police for spying on the Israeli embassy, the Nigerian Petroleum Corp towers, the British Council, and the Defense Ministry and Army headquarters in the capital of Abuja. An Israeli official confirmed that “a digital camera was found in his possession, with surveillance pictures of the embassy and several other international and local official buildings in the capital.”<sup>82</sup>

In a similar case, in September 2004, an Iranian agent was spotted surveilling the Hyatt Regency Hotel that houses the Israeli and Japanese embassies in Baku, Azerbaijan, and was arrested by local authorities. Israeli security personnel detected the Iranian videotaping the building, who claimed to be recording the building “for its beauty” but had filmed not windows or vistas but exits, entrances, access routes and a local police station. According to Israeli authorities, “it is believed the detention of the Iranian in Baku has foiled a larger operation to collect intelligence on Israeli targets.”<sup>83</sup>

Iranian intelligence operatives have also engaged in activity in support of potential terrorist operations in the United States. In June of last year, two security guards working at Iran’s mission to the United Nations were kicked out of the country for conducting surveillance of New York City landmarks in a manner “incompatible with their stated duties.” A U.S. counterintelligence official said at the time, “We cannot think of any reason for this activity other than this was reconnaissance for some kind of potential targeting for terrorists.”<sup>84</sup> This fits known Iranian *modus operandi*, as highlighted by former FBI director Louis Freeh. In the late 1990’s, Freeh would later write, the FBI wanted to photograph and fingerprint official Ira-

<sup>78</sup>Iranian Intelligence Activity in Uganda , Israeli intelligence report, author’s personal collection; corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003

<sup>79</sup>Iranian Intelligence Activity in Uganda , op cit

<sup>80</sup>Mark Hosenball, “Exclusive: A Threat to British Jews,” *Newsweek*, October 20, 2003

<sup>81</sup>Ellis Shuman, “Hizbullah Planning to Kidnap Israeli in Africa,” *Israel Insider*, October 27, 2003; confirmed to the author in interviews with Israeli officials

<sup>82</sup>“Nigeria Hold Iran Diplomat as Spy,” *Reuters/SABC News—South Africa*, February 2, 2004

<sup>83</sup>Arieh O’Sullivan and Margot Dudkevitch, “Iranian Spies on Israeli Embassy,” *The Jerusalem Post*, September 20, 2004

<sup>84</sup>Marry Weiss and Niles Lathen, “2 ‘Tape’ Worms Booted; Iran Spies in N.Y.,” *The New York Post*, June 30, 2004



nian delegations visiting the U.S. because “the MOIS was using these groups to infiltrate its agents into the U.S.”<sup>85</sup>

### 3. IRANIAN TIES TO AL QAEDA

While the 9/11 Commission found no evidence that Iran or Hezbollah had advance knowledge of the September 11 plot, the commission’s report does note that Iran and Hezbollah provided assistance to al-Qaeda on several occasions. For example, al-Qaeda operatives were allowed to travel through Iran with great ease. Entry stamps were not put in Saudi operatives’ passports at the border, though at least eight of the September 11 hijackers transited the country between October 2000 and February 2001. The report also noted a “persistence of contacts between Iranian security officials and senior al-Qaeda figures” and drew attention to an informal agreement by which Iran would support al-Qaeda training with the understanding that such training would be used “for actions carried out primarily against Israel and the United States.” Indeed, al-Qaeda operatives were trained in explosives, security, and intelligence on at least two occasions, with one group trained in Iran around 1992, and a second trained by Hezbollah in Lebanon’s Beka’a Valley in the fall of 1993.<sup>86</sup>

Hezbollah depends on a wide variety of criminal enterprises, ranging from smuggling to fraud to drug trade to diamond trade in regions across the world, including North America, South America, and the Middle East, to raise money to support Hezbollah activities. Published reports suggest that al-Qaeda and Hezbollah have formed tactical, ad-hoc alliances with a variety of terrorist organizations to cooperate on money laundering and other unlawful activities.<sup>87</sup>

Hezbollah is also believed to raise significant funds by dealing in so-called ‘conflict diamonds’ in Sierra Leone, Liberia, and Congo, a practice that al-Qaeda has reportedly copied (in this case not as a means of raising funds but to protect them from asset forfeiture and securely transfer them worldwide) using the model and contacts established by Hezbollah.<sup>88</sup>

On February 15, 2002, Turkish police arrested two Palestinians and a Jordanian who entered Turkey illegally from Iran on their way to conduct bombing attacks in Israel. The three were members of the al-Qaeda linked group Beyyiat el-Imam, fought for the Taliban, received terrorist training in Afghanistan, and were dispatched on their mission by Abu Musab al-Zarqawi. Zarqawi fled Afghanistan after the U.S.-led military campaign began, and was living in Tehran under the protection of Iran long after news of his link to the three terrorists arrested in Turkey. Prior to the war in Iraq, Zarqawi had reportedly returned to the Ansar al-Islam camp in northern Iraq run by his Jund al-Shams lieutenants. There, he enjoyed safe haven and free passage into and out of Ansar-held areas.<sup>89</sup> Zarqawi was said to be back in Iran as of October 2003, where he continued to operate with the full knowledge of the regime in Tehran until moving his base of operations and tactical focus to Iraq.<sup>90</sup>

In September 2003, when the Treasury Department designated Zarqawi and several of his associates as “Specially Designated Global Terrorist” entities, the department released information revealing that Zarqawi not only has “ties” to Hezbollah, but that plans were in place for his deputies to meet with Asbat al-Ansar, Hezbollah “and any other group that would enable them to smuggle mujaheddin into Palestine” in an effort “to smuggle operatives into Israel to conduct operations.”<sup>91</sup> Zarqawi received “more than \$35,000” in mid 2001 “for work in Palestine,” which included “finding a mechanism that would enable more suicide martyrs to enter

<sup>85</sup> Louis J. Freeh, “American Justice for Our Khobar Heroes,” Wall Street Journal, May 20, 2003

<sup>86</sup> *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States*, available online at <http://www.9-11commission.gov/report/index.htm>

<sup>87</sup> Maurice R. Greenberg, Chair, “Terrorist Financing: Report of an Independent Task Force Sponsored by the Council on Foreign Relations,” The Council on Foreign Relations, October 2002. Available online at <http://www.cfr.org/publication.php?id=5080>

<sup>88</sup> “For a Few Dollars More: How al Qaeda Moved into the Diamond Trade,” Global Witness, April 2003, available online at <http://www.globalwitness.org/reports/show.php/en.00041.html>

<sup>89</sup> Al-Sharq al-Awsat, June 1, 2003; A European intelligence official subsequently confirmed this report in an interview with the author, September 2003.

<sup>90</sup> David E. Kaplan, Angie Cannon, Mark Mazzetti, Douglas Pasternak, Kevin Whitelaw, Aamir Latif, “Run and Gun,” U.S. News and World Report, September 30, 2002, p. 36.

<sup>91</sup> “Treasury Designates Six Al-Qaeda Terrorists,” US Department of the Treasury press release (JS-757), September 24, 2003. Available online: <http://www.treasury.gov/press/releases/js757.htm>

Israel” as well as “to provide training on explosives, poisons, and remote controlled devices.”<sup>92</sup>

According to the Treasury Department, Zarqawi also met an associate named Mohamed Abu Dhess in Iran in early September 2001 “and instructed him to commit terrorist attacks against Jewish or Israeli facilities in Germany with ‘his [Zarqawi’s] people.’”<sup>93</sup> In fact, Iran is apparently a common and convenient meeting place for radical Sunnis affiliated with global jihadist groups and other terrorist organizations, including Hamas and Hezbollah. In Pakistan, the leader of a *jihadi* organization there openly admitted to having “person-to-person contacts” with other groups, adding, “sometimes fighters from Hamas and Hezbollah help us.” Asked where contacts with groups like Hamas and Hezbollah are held, the Pakistani answered, “a good place to meet is in Iran.” Offering insight into the importance of interpersonal relationships between members of disparate terrorist groups, he added, “We don’t involve other organizations. Just individuals.”<sup>94</sup>

Several terrorist threats have been thwarted because of information found in safe houses which are known to have been in direct contact with al-Qaeda personnel in Iran. Saif al-Adel, Saad Bin Laden and others were in Iran and therefore tied, in some way or another, to the bombings in Riyadh. There were apparently al-Qaeda plots to assassinate members of the Saudi royal family, at least two plots targeting Saudi ministries, and now it has been discovered—in the safe houses in Saudi Arabia—that they were using the country as a base to plot many more attacks. Indeed, already in 2002 reports emerged that Iran was providing safe haven to senior al-Qaeda fugitives who head the group’s military committee, as well as to dozens of other al-Qaeda personnel.<sup>95</sup> An Arab intelligence officer was quoted as saying that some al-Qaeda operatives were instructed to leave Iran, but were told that “they may be called on at some point to assist Iran.”<sup>96</sup>

None of this is new. In the period leading up to the 1998 East Africa embassy bombings, ten percent of Osama Bin Laden’s satellite phone calls were made to Iran. From the testimony of Ali Mohammed and other captured al-Qaeda operatives, meetings were known to be periodically set up by Iran and al-Qaeda.

Former National Security Council terrorism czar Richard Clarke testified that “al Qaeda is a small part of the overall challenge we face from radical terrorist groups associated with Islam. Autonomous cells, regional affiliate groups, radical Palestinian organizations, and groups sponsored by Iran’s Revolutionary Guards are engaged in mutual support arrangements, including funding.”<sup>97</sup> Indeed, in a January 25, 2001, memo recently declassified and now made available to the public by the National Archives, Clarke noted that “Al-Qida has recently [January 2001] increased its contacts with the Palestinian rejectionist groups, including Hizbollah, Hamas and Palestinian Islamic Jihad.”<sup>98</sup> Significantly, each of these is sponsored by Iran.

#### 4. RADICALIZATION

Beyond training and arming Hezbollah, Iran bankrolls the group’s well-oiled propaganda machine as well. Al-Manar is the official television mouthpiece of Hezbollah, and is used by Hezbollah and Iran to radicalize Muslim youth and glorify violence, especially in the contexts of Israel and Iraq. Called the “station of resistance”—it serves as Hezbollah’s tool to reach the entire Arab Muslim world to disseminate propaganda and promote terrorist activity. Al-Manar glorifies suicide bombings,

<sup>92</sup>“Treasury Designates Six Al-Qaeda Terrorists,” US Department of the Treasury press release (JS-757), September 24, 2003. Available online: <http://www.treasury.gov/press/releases/js757.htm>

<sup>93</sup>“President Shares Thanksgiving Meal with Troops,” text of President George W. Bush’s remarks to troops and families, Fort Campbell, Kentucky, November 21, 2001, [www.whitehouse.gov/news/releases/2001/11/20011121-3.html](http://www.whitehouse.gov/news/releases/2001/11/20011121-3.html)

<sup>94</sup>Jessica Stern, *Terror in the Name of God: Why Religious Militants Kill* (New York: Harper Collins, 2003), p. 211

<sup>95</sup>Peter Finn, “Al-Qaeda Deputies Harbored by Iran: Pair Are Plotting Attacks, Sources Say,” Washington Post, August 27, 2002. See also “According to Reliable Arabic Security Sources, Arrested Members of al-Qaeda Uncovered, Iran Harboring Bin Laden’s Aides,” al-Sharq al-Awsat (London), August 29, 2002

<sup>96</sup>Peter Finn, “Al-Qaeda Deputies Harbored by Iran: Pair Are Plotting Attacks, Sources Say,” Washington Post, August 27, 2002. See also “According to Reliable Arabic Security Sources, Arrested Members of al-Qaeda Uncovered, Iran Harboring Bin Laden’s Aides,” al-Sharq al-Awsat (London), August 29, 2002

<sup>97</sup>Testimony of Richard A. Clarke before the United States Senate Banking Committee, October 22, 2003, available online at <http://www.senate.gov/?banking/files/clarke.pdf>

<sup>98</sup>Richard Clarke, “Strategy for Eliminating the Threat from the Jihadist Networks of al Qida: Status and Prospects,” National Security Council Memo, January 2001, available online at <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB147/index.htm>

calls for attacks targeting Israel, coalition forces in Iraq, and the United States, and seeks to create a radicalized constituency that is as likely to seek out terrorist groups themselves to join their ranks as they are to be sought after and recruited by these groups.

At the time of al-Manar's founding in 1991, the station reportedly received seed money from Iran and had a running budget of \$1 million.<sup>99</sup> By 2002 its annual budget had grown to approximately \$15 million.<sup>100</sup> Middle East analysts and journalists maintain that most of this funding comes from Iran.<sup>101</sup> Avi Jorisch, author of *Beacon of Hatred: Inside Hezbollah's al-Manar Television*, writes that "Iran provides an estimated \$100–200 million per year to Hezbollah, which in turn transfers money to al-Manar, making Iranian funding of the station indirect."<sup>102</sup> This was confirmed by former al-Manar program director Sheikh Nasir al-Akhdar who asserted that al-Manar receives a large portion of its budget through subsidies offered by Hezbollah.<sup>103</sup>

According to one official in al-Manar's Art Graphic Department, al-Manar's music videos are meant to "help people on the way to committing what you call in the West a suicide mission. [They are] meant to be the first step in the process of a freedom fighter operation."

The United States has been a primary target of al-Manar programming and is depicted as a global oppressor. In a speech broadcast on al-Manar, Hezbollah Secretary-general Hassan Nasrallah stated, "Our enmity to the Great Satan is complete and unlimited. . . . Our echoing slogan will remain: Death to America!" One video features an altered image of the Statue of Liberty. The statue's head has been transformed into a skull with hollow eyes, her gown dripping in blood. Instead of a torch, she holds a sharp knife. After asserting that the United States "has pried into the affairs of most countries in the world," the video ends with the slogan, "America owes blood to all of humanity."

Al-Manar often juxtaposes sacred Islamic text with images of "martyrdom" to incite its viewers to support and even carry out acts of terror. In one video, Qur'anic verses are sung in somber, quiet tones and scrolled across the screen while footage in the background shows U.S. and Israeli flags being burned, demonstrators waving a "Down with U.S.A." sign, a suicide bomber recording his valediction, victims and rescue personnel scrambling in the aftermath of a suicide bombing, and similar images.

Indeed, al-Manar takes its case for suicide operations straight to the people. Viewers are told that "the path to becoming a priest in Islam is through jihad." Potential bombers are implored to focus their attention on the afterlife and on judgment day "instead of getting preoccupied with our lives here on earth." Mothers are encouraged to give up their sons for God, country, and the blessings of the afterlife, to prepare them "for battle knowing that their blood will mix with the soil." In the eyes of Hezbollah, "this belief in judgment day is the most powerful weapon in the face of technology and advanced weaponry." Such belief "drives fear into the heart of the Israeli soldier as he sits in his tank, while God guides [Hezbollah's] bullets and rockets to their targets."

Al-Manar also encourages Iraqi insurgents to attack U.S. troops as well. One video lambastes U.S. troops in Iraq with the following lyrics: "Down with the mother of terrorism! America threatens in vain, an occupying army of invaders. Nothing remains but rifles and suicide bombers." The video ends with an image of a suicide bomber's belt detonating.

Echoing and Iranian message, Hezbollah secretary-general Hassan Nasrallah made the following remarks in a speech given one week before coalition forces launched Operation Iraqi Freedom (as broadcast on al-Manar, the organization's Beirut-based satellite television station): "In the past, when the Marines were in Beirut, we screamed, 'Death to America!' Today, when the region is being filled with hundreds of thousands of American soldiers, 'Death to America!' was, is, and will stay our slogan."

<sup>99</sup> Jorisch interview with Lebanese Hezbollah expert, October 11, 2002 in Avi Jorisch, *Beacon of Hatred: Inside Hezbollah's al-Manar Television* (Washington, DC: Washington Institute for Near East Policy, 2004), Page 32.

<sup>100</sup> Nicholas Blanford, "Hezbollah Sharpens Its Weapons in Propoganda War," *Christian Science Monitor*, December 28, 2001

<sup>101</sup> Robert Fisk, "Television News Is Secret Weapon of the Intifada," *The Independent* (London), December 2, 2000

<sup>102</sup> Ali Nuri Zada, "Iran Raises Budget of 'Islamic Jihad' and Appropriates Funds to Fighters," *al-Sharq al-Awsat* (London), June 8, 2000

<sup>103</sup> "Hezbollah Inaugurates Satellite Channel via ArabSat," al-Ra'y (Amman), May 29, 2000, BBC Summary of World Broadcasts, May 31, 2000

Another vehicle Iran uses to radicalize society and breed future terrorists is the nefarious propaganda machine Hamas runs through its social-welfare institutions. According to the State Department, “Hamas has used its charities to strengthen its own standing among Palestinians at the expense of the Palestinian Authority.”<sup>104</sup> Indeed, a report submitted to then-PA Chairman Yasser Arafat in June 2000 described a meeting in Damascus at which Iranian officials and Hamas leaders agreed “to use the *dawa* in the battle for public opinion.”<sup>105</sup> Palestinian analysts readily concur that Hamas has a “project to impose itself as an alternative to the Palestinian Authority although it kept that approach hidden and undeclared.”<sup>106</sup>

Iranian funding of Hamas not only serves to radicalize Palestinian society, it also provides Hamas with a much needed logistical support structure. An Israeli analysis concluded that one of the ways Hamas *dawa* institutions serve as the group’s terrorist support apparatus is “by creating jobs and employment opportunities for them (and sometimes also for their family members) in many ‘charitable societies’ and other institutions which comprise its civilian infrastructure.” In so doing, the group provides the operatives an apparently “legal cover.”<sup>107</sup> In its ruling finding Iran responsible for a 1996 Hamas suicide bus bombing that killed American citizen Ira Weinstein, the United States District Court for the District of Columbia found that the money Iran gave Hamas “among other things, supported Hamas terrorist activities by, for example, bringing Hamas into contact with potential terrorist recruits and by providing legitimate front activities behind which Hamas could hide its terrorist activities.”<sup>108</sup>

##### 5. IRANIAN AND HEZBOLLAH ACTIVITIES IN IRAQ

Iran has been proactively involved in undermining U.S. and Coalition interests in Iraq for months. Iranian clerics, agents from the IRGC, and Hezbollah operatives have all been involved in undermining U.S. efforts in the region by radicalizing the population, gathering intelligence, and taking steps to garner support for their cause.<sup>109</sup>

Since May 2003, more than 2,000 Iranian-sponsored clerics have reportedly crossed the border from Iran into Iraq. These clerics bring with them incitement materials such as books, CDs and tapes to distribute to the Iraqi people in an effort to promote militant Islam. Furthermore, Iranian dissident sources maintain that the IRGC’s Qods Force established armed underground cells in southern Iraq, a Shi’i dominated area.<sup>110</sup>

However, Iranian clerics and the IRGC’s Qods Forces were not the only ones infiltrating Iraq. Iranian dissident sources maintain, and U.S. intelligence confirms, that Iran ordered Hezbollah to send agents and clerics across a major portion of southern Iraq. These Hezbollah operatives entered Iraq both from Syria and Iran. Originally, these operatives were thought to have numbered approximately 100.<sup>111</sup> In October 2003, Australian media reported that “Australian Security Intelligence Organization had received specific information of a threat from Hezbollah to attack Australian forces in Iraq.”<sup>112</sup> More recently, on February 9, 2005, the continuing threat posed by Hezbollah operatives in Iraq was confirmed with the announcement by Iraq’s Interior Minister Falah al-Naquist that eighteen members of Hezbollah were detained in Iraq on charges of terrorism.<sup>113</sup>

<sup>104</sup> Testimony of E. Anthony Wayne, Assistant Secretary of State for Economic and Business Affairs, Department of State, to the Senate Banking Committee, September 25, 2003

<sup>105</sup> Amos Harel, “The PA Steals from Me, Hamas Takes Care of Me,” *Ha’aretz*, June 27, 2002

<sup>106</sup> Nidal al-Mughrabi, “Analysis: Hamas Plays Key Role in Palestinian Uprising,” Reuters, August 1, 2001

<sup>107</sup> “Interpal, Part I,” Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, December 2004, available online at [http://www.intelligence.org.il/eng/sib/12\\_04/interpal.htm](http://www.intelligence.org.il/eng/sib/12_04/interpal.htm)

<sup>108</sup> *Susan Weinstein et al v. The Islamic Republic of Iran et al*, United States District Court for the District of Columbia, Civil Action No. 00–2601 (RCL), February 6, 2002

<sup>109</sup> Some of the most detailed information on Iranian activity in Iraq comes from Iranian dissident sources tied to the Mujahedin-e-Khalq (MEK), some of which I include below. While the MEK is itself a designated terrorist organization, its intelligence has proven accurate in the past (especially regarding Iran’s nuclear weapons program) and should therefore be reviewed and considered useful lead information.

<sup>110</sup> Raymond Tanter “Iran’s Threat to Coalition Forces in Iraq” PolicyWatch #827 The Washington Institute for Near East Policy, January 15, 2004.

<sup>111</sup> Raymond Tanter “Iran’s Threat to Coalition Forces in Iraq” PolicyWatch #827 The Washington Institute for Near East Policy, January 15, 2004.

<sup>112</sup> “Hezbollah Threatens Aussies,” *The Australian*, October 26, 2004

<sup>113</sup> “Lebanese Hezbollah members detained in Iraq: minister” *Agence France Presse—English*, February 9, 2005.

In a recent interview, Hazim Shalan, the Iraqi Defense Minister, declared “[t]he country that penetrates the borders the most and encroaches the most on Iraq is Iran,” and that Iran remains “the first enemy of Iraq.”<sup>114</sup> He charged in an interview that Iran has established military positions on the Iraqi-Iranian border, sent spies and saboteurs into the country, and even infiltrated the new government.<sup>115</sup> For example, in April, a Sudanese man was caught trying to contaminate drinking water in Diwanayah, 100 miles south of Baghdad. It was proven later that the man had Iranian intelligence contacts.<sup>116</sup> Shalan went on to say, “They are coming from Iran, from Syria, Jordan and Saudi Arabia. We don’t accuse the governments, but we think they are not doing enough at the borders to prevent infiltration,” adding he “wouldn’t be surprised if there is an intelligence component here. A lot of countries are sending spies.”<sup>117</sup>

IRGC and Hezbollah agents have also been involved in intelligence-gathering efforts in Iraq. Iranian dissident sources contend that Hezbollah operatives have been involved in surveying coalition assembly centers and tracking the movement of coalition vehicles. Hezbollah agents are reported to have taken videotape of various locations throughout Iraq.<sup>118</sup> Additionally, according to a September 2003 Washington Times report, Iran deployed IRGC agents to Najaf in order to gather intelligence on American forces.<sup>119</sup>

Hezbollah has established charitable organizations in Iraq to aid its recruitment efforts, a tactic that the organization used before in southern Lebanon. Iranian dissident sources also contend that the IRGC’s Qods Force has established medical centers and local charities in cities as widespread as Najaf, Baghdad, Hillah, Basra, and al-Amarah in order to gain support from the local population.<sup>120</sup>

A disconnect exists between Iranian statements and actions concerning attacks on Americans. While Iranian ministers have asserted that Tehran has not encouraged the Iraqi insurgency nor permitted suicide bombers to cross the border from Iran to Iraq, certain actions indicate otherwise. As recently as December 2004, a group calling themselves “The Committee of the Commemoration of Martyrs of the Global Islamic Campaign,” which is affiliated with the IRGC, has registered more than 25,000 “martyrdom seeking” volunteers to partake in the insurgency facing U.S.-led forces in Iraq.<sup>121</sup> The head of public relations for the group, Mohammad Ali Samadi, stated that their actions were in accordance with a message from Supreme Leader Ayatollah Ali Khamenei. Furthermore, on December 2, 2004, the group used the commemoration of a monument to the 1983 Hezbollah attack that killed 241 U.S. servicemen as a recruiting drive for suicide bombers.<sup>122</sup>

Even King Abdullah II of Jordan has accused Iran of meddling in Iraqi affairs. According to the King, more than 1 million Iranians crossed the Iraq-Iran border to vote in the recent Iraqi election. He added, some of these people were trained by Iran’s Revolutionary Guards and are members of militias that could conduct post-election attacks.<sup>123</sup> The expressed concern that an Iraqi Islamic republic could further destabilize the Gulf region saying, “If pro-Iran parties or politicians dominate the new Iraqi government a new “crescent” of dominant Shiite movements or governments stretching from Iran into Iraq, Syria and Lebanon could emerge, alter the traditional balance of power between the two main Islamic sects and pose new challenges to U.S. interests and allies.”<sup>124</sup> This would functionally “propel the possi-

<sup>114</sup>“Iraqi Defense and Interior Ministers Accuse Iran of Terrorism Against Iraq, Threaten Retaliation within Iran,” interview with *Al-Sharq*, 5 May 2004. Translated by MEMRI, 22 July 2004. <http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP75004>; Struck, Doug, “Official Warns of Iranian Infiltration; Iraqi Government Worries That Old Enemies Are Exploiting Open Borders,” *Washington Post*, 26 July 2004, A14.

<sup>115</sup>“Official Warns of Iranian Infiltration; Iraqi Government Worries That Old Enemies Are Exploiting Open Borders,”

<sup>116</sup>Ibid.

<sup>117</sup>Ibid.

<sup>118</sup>Raymond Tanter “Iran’s Threat to Coalition Forces in Iraq” PolicyWatch #827 The Washington Institute for Near East Policy, January 15, 2004.

<sup>119</sup>Raymond Tanter “Iran’s Threat to Coalition Forces in Iraq” PolicyWatch #827 The Washington Institute for Near East Policy, January 15, 2004.

<sup>120</sup>Raymond Tanter “Iran’s Threat to Coalition Forces in Iraq” PolicyWatch #827 The Washington Institute for Near East Policy, January 15, 2004.

<sup>121</sup>“Iran Hard-Liners Mark 1983 Attack on U.S. Marines,” *Reuters*, 2 December 2004.

<sup>122</sup>Samii, Bill, “Iran Splits Hairs on Suicide Bombings,” Radio Free Europe/Radio Liberty Iran Report vol. 7, no. 43, 7 December 2004.

<sup>123</sup>Wright, Robin and Perter Baker, “Iraq, Jordan See Threat To Election From Iran; Leaders Warn Against Forming Religious State,” *Washington Post*, 8 December 2004, A01.

<sup>124</sup>Ibid.

bility of a Shiite-Sunni conflict even more, as you're taking it out of the borders of Iraq," he said.<sup>125</sup>

#### CONCLUSION

Iran is indeed the world's foremost state sponsor of terrorism. The sheer scope of Iranian terrorist activity is remarkable, including both the terrorism carried out by Iranian-supported terrorist groups and by Iranian agents themselves. But the Iranian terrorist threat is especially dangerous since it threatens key United States security interests and American citizens alike.

First, Iran and its proxies present a direct threat to the United States both at home and abroad, including U.S. and coalition forces overseas. Consider the Iranian security personnel caught surveilling targets in New York. Second, Iran, along with its primary proxy, Hezbollah, is the single most dangerous threat to the prospects of securing Arab-Israeli peace. Consider Palestinian fears that Iran and Hezbollah are actively trying to torpedo the nascent ceasefire and possibly assassinate Palestinian president Mahmoud Abbas. Third, Iran is fully engaged in undermining coalition efforts in Iraq. Note the infiltration of Iranian agents and the recent announcement that eighteen Hezbollah members have been arrested there.

It is critical that the international effort to rein in Iran's nuclear weapons program include an equally concerted effort to forestall its state sponsorship of terrorism. Failure to do so guarantees Iran and its proxies will continue to undermine Israeli-Arab peace negotiations, conduct surveillance of U.S., Israeli and other targets for possible terrorist attack, and destabilize Iraq.

Mr. TANCREDO. Thank you, Mr. Levitt.  
Dr. Daugherty?

#### **STATEMENT OF WILLIAM J. DAUGHERTY, PH.D., ASSOCIATE PROFESSOR OF GOVERNMENT, ARMSTRONG ATLANTIC STATE UNIVERSITY, SAVANNAH, GEORGIA, FORMER IRANIAN HOSTAGE**

Mr. DAUGHERTY. I would like to thank you for this opportunity to provide the Congress with some observations about United States policy toward the Government of the Islamic Republic of Iran, with respect to that Government's conduct and sponsorship of international terrorism, and to share with you some reminders of that time 25 years ago when 52 Americans, indeed, the entire United States, was held hostage by that regime. I have submitted a full written statement to the Committee, and I would ask that it be admitted into the official record,—

Mr. TANCREDO. Without objection.

Mr. DAUGHERTY [continuing]. And with your leave, I will just read a brief summary of that.

The capture of the United States Embassy in 1979 was, and must be considered, the first act of state-sponsored terrorism against the United States in modern times, but it was not the last. Certainly, there is no question but that Iran, since that time, has used its own intelligence and security agencies to conduct acts of terrorism while also providing essential training and resources to terrorist groups, enabling them to attack United States citizens and interests.

The undeniable truth is that the United States Government has utterly failed to hold Iran accountable in any sustained and effective manner for its direct role in the cumulative deaths of over 275 American citizens and the wounding of well over 600 more. Moreover, the United States Government has failed to undertake any action with the force or impact sufficient to deter the Iranian Gov-

<sup>125</sup> Ibid.

ernment from conducting terrorism against our interests. The absence of any credible response has served only to encourage the continuation of Iranian-sponsored terrorism; nor have those of us who are victims of Iranian terrorism received any justice from those acts.

On the 4th of November 1979, Iranian militants attacked the United States Embassy in Tehran, capturing 66 American citizens, all but 3 of whom were diplomats accredited to and accepted by the Iranian Government. The Government of Iran subsequently assumed control of the American hostages and provided all of the assistance and support necessary, including the use of prisons and other governmental facilities and resources.

Fifty-two of the captured Americans, including myself, were held for nearly 15 months, denied our freedom by a deliberate policy decision on the part of the Government of Iran. We were subjected to psychological and physical abuses, mock executions, and threats of trials as war criminals, treatment that has been thoroughly documented elsewhere. I personally endured 425 days of solitary confinement, as well as a series of hostile interrogations, some sessions lasting over 12 hours. When I was released, I weighed 132 pounds, so I had lost almost 50 pounds in captivity.

Our families suffered greatly as well, never knowing the conditions of our captivity, nor having any assurances that their loved ones would be released. Because the Iranian Government held me completely incommunicado, my family went for over a year without knowing whether I was dead or alive. The stress took a terrible toll on my mother's health, from which she has never completely recovered.

Upon our return to the United States, President Reagan informed the world that future acts of terrorism against American citizens would be met with, and I quote, "swift and effective retribution." This threat was tested in April 1993 when Hezbollah sent a truck bomb into the American Embassy in Beirut. Seventeen Americans were killed, along with 46 others. The United States Government knew which terrorist group did it. They knew where their headquarters and training facilities were located. Despite hard intelligence of the Iranian Government connection, our Government took absolutely no action in response to the destruction of our Embassy in Beirut.

As detailed in the opening statements by Madam Chair, Iran and Hezbollah continued to conduct acts of terrorism against American interests in Beirut. During all of those acts, the American Government took absolutely no action at all. It thus became clear by 1984, with the destruction of our second Embassy in Beirut following the destruction of the Marine barracks, to Iran and Hezbollah that they could act without fear of any consequences from the U.S. Government.

There then began a succession of American citizens taken hostage by Hezbollah, including my good friend and colleague, Bill Buckley, who was the CIA Station Chief. Bill Buckley was tortured and suffered a terrible death.

The response to these kidnappings by the Reagan Administration was such that it resulted in the Iran-Contra scandal, which did not, it may fairly be said, enhance the credibility of any American de-

terrence in the eyes of the Iranians or their surrogates in Hezbollah. Yet from 1979 until today, our Government has never made Iran pay in any substantial manner for these acts. In response to the capture of the Embassy in Tehran, unilateral sanctions were imposed, but these have done absolutely nothing to deter Iranian terrorism and very little to punish the regime for any acts of terrorism it has conducted.

From 1979 until September 11, 2001, the United States Government policy was to look at acts of terrorism only as a law enforcement issue, and while it is true that a very small number of terrorists from Iranian-sponsored groups have been arrested and brought to trial, the overall effect of our policy was that Iran, as a government, and the great majority of the perpetrators of the actual terrorist acts have escaped any punishment. Convinced that it need have no fear of retribution or penalty, terrorism has been, and remains, a central component in the foreign policy of the Islamic Republic.

Despite Iranian responsibility for these American deaths and Iran's continued hostility, there are elements in the Department of State who have strongly resisted any attempts whatsoever to hold Iran accountable for their actions. In this, they see any positive act or statement on the part of any Iranian official, no matter how minor, as a clear sign that the Iranian Government wishes better relations.

While there are sound reasons why a friendly and productive relationship with Iran is desirable, the reality is that the radical fundamentalists who have firm control over the key institutions of government—the foreign, defense, and interior ministries, the Revolutionary Guards, and the intelligence and security services—have always been, and remain, adamantly opposed to the resumption of any relationship with the United States Government. Yet apparently this has not been understood by those who, for some indecipherable reason, somehow cannot bear the thought of not having a relationship with Iran. The facts simply remain that you cannot force another state to be friends with you if that other state does not wish to.

The Congress today has an opportunity to influence, through legislation, a policy that will, at long last and way overdue, back up United States rhetoric with concrete action. Iran is still the leading sponsor of terrorism, and Hezbollah and Hamas still pose a threat to United States lives and interests. Without question, Hezbollah cells outside the Middle East pose a potential danger to American citizens and other interests should the regime choose to so direct them. American deaths at the hands of Iranians or its surrogates have gone unpunished, despite tough language by every Presidential Administration, from Jimmy Carter to the present. Likewise, Americans held hostage, either by the regime itself or by its surrogates in Hezbollah, have received no justice.

The United States economic sanctions were, for all practical purposes, eviscerated by permitting foreign-based subsidiaries of major corporations to have a business-as-usual status with Iran, for clearly the Iranians well knew that they were dealing with American corporations. I note that within the last several weeks, a number of companies have altered their course and have announced their



intention to withdraw from Iran. The United States has an opportunity to, likewise, alter its course with regard to Iran and with regard to justice and compensation for United States victims of Iranian-sponsored terrorism.

It is time for the U.S. Government to implement a strong and firm policy that matches its rhetoric so that the Iranian regime fully comprehends that any future acts of terrorism against United States citizens and interests will, in fact, be met with the "swift and effective retribution" promised by President Reagan. It is time for Iran to be called to account not by pronouncements merely deploring Iranian terrorism but by clear, sustained, and overwhelming action for its past as well as any future violations of international law. And it is time for American victims of Iranian terrorism, like those of us who were held hostage by the Iranian Government, to receive the justice that is, quite literally, two decades delayed. The Congress can see that this happens, and I ask you today to take the steps necessary to do so. Thank you very much.

[The prepared statement of Mr. Daugherty follows:]

PREPARED STATEMENT OF WILLIAM J. DAUGHERTY, PH.D., ASSOCIATE PROFESSOR OF GOVERNMENT, ARMSTRONG ATLANTIC STATE UNIVERSITY, SAVANNAH, GEORGIA, FORMER IRANIAN HOSTAGE

Thank you for this opportunity to provide the Congress with some observations about United States policy towards the Government of the Islamic Republic of Iran with respect to that government's conduct and sponsorship of international terrorism, and to share with you some reminders of that time 25 years ago when 52 Americans, indeed the entire United States, was held hostage by that regime.

The capture of the United States embassy in 1979 and subsequent imprisonment of American diplomats was directly contrary to the Vienna Conventions on diplomatic and consular relations, of which Iran was a signatory. This was and must be considered to be the first act of state sponsored terrorism against the United States in modern times. But it was not the last. Since 1983 the Department of State has annually labeled Iran as the world's most significant perpetrator of terrorism. There is no question but that Iran has used its own intelligence and security agencies to conduct acts of terrorism (including political assassinations) while also providing essential training and resources to terrorist groups such as Lebanese Hezbollah, Palestine Islamic Jihad, Saudi Hezbollah, and Hamas, enabling them to attack United States citizens and interests.

The undeniable truth is that the United States Government has utterly failed to hold Iran accountable in any sustained and effective manner for its direct role in the deaths of over 275 American citizens and the wounding of over 600 more. Moreover, the United States Government has failed to undertake any action with the force or impact sufficient to deter that the Iranian Government from conducting terrorism against our interests. The absence of any credible response has served only to encourage the continuation of Iranian sponsored terrorism. Nor have those of us who are victims of Iranian terrorism received any justice from those acts.

On the 4th of November, 1979 Iranian militants attacked the United States Embassy in Tehran capturing 66 American citizens, all but three of whom were diplomats accredited to and accepted by the Iranian Government. Ignoring international law, the Iranian regime in the person of the Ayatollah Khomeini, quickly gave official sanction to the actions of the militants. The Government of Iran subsequently assumed control of the American hostages and provided all assistance necessary to sustain our captivity, including the use of prisons and other Governmental facilities and resources.

Fifty-two of the captured Americans, including myself, were held for nearly 15 months, denied our freedom by a deliberate policy decision on the part of the Government of Iran. We were subjected to psychological and physical abuses, mock executions, and threats of trials as "war criminals," treatment that has been thoroughly documented elsewhere. I personally endured 425 days of solitary confinement, as well as a series of hostile interrogations with some sessions lasting well over 12 hours. Our families suffered greatly as well, never knowing the conditions of our

captivity nor having any assurances that their loved one would be released. Because the Iranian Government held me completely incommunicado, my family went over a year without knowing whether I was dead or alive. The stress took a terrible toll on my mother's health, from which she has never completely recovered.

Upon our return to the United States, we were hosted at the White House by President Reagan on January 27th, 1981. At that time, the President informed the world that future acts of terrorism against American citizens would be met with "swift and effective retribution." This threat was tested in April of 1983 when Hezbollah sent a truck bomb into the American embassy in Beirut, killing 17 Americans and 46 others. The United States Government knew which terrorist group did it and where their headquarters and training facilities were located. Despite hard intelligence of the Iranian Government connection, absolutely no action was taken. On October 23rd, 1983, the US Marine Corps barracks in Beirut was truck bombed by Hezbollah with 241 Marines killed and scores wounded. Secretary of State George Schultz argued for that "swift and effective retribution," while Secretary of Defense Casper Weinberger argued against it. The President in fact ordered an air strike but—amazingly—at the last minute the Secretary of Defense cancelled it without notification to the President. In 1984 the newly built US embassy in East Beirut was car bombed by Hezbollah, again without any meaningful US Government response. Thus, it became clear to Hezbollah that they could act without fear of consequences.

There then began a succession of American citizens taken hostage by Hezbollah in Beirut, including my friend and colleague, CIA station chief Bill Buckley, who was tortured and ultimately suffered a terrible death. The response to these kidnappings by the Reagan administration resulted in the Iran-Contra scandal, which did not, it may fairly be said, enhance the credibility of an American deterrence in the eyes of the Iranians or their surrogates in Hezbollah. And in 1996 an Iranian-supported group bombed the Khobar Towers in Saudi Arabia, killing 19 and wounding over 350.

Yet from 1979 until today, our Government has never made Iran pay in any substantial manner for these acts. In response to the capture of the embassy in Tehran, unilateral economic sanctions were imposed, but these did nothing to deter Iranian terrorism and little to punish the regime for past acts. Meanwhile, European allies have traded aggressively with Iran. From 1979 until September 11th, 2001, the United States looked at acts of terrorism only as a law enforcement issue. And while a very small handful of terrorists from Iranian Government sponsored groups have been arrested and brought to trial, the overall effect of this policy was that Iran as a government and the great majority of the perpetrators of the actual terrorist acts have escaped any punishment. Convinced that it need have no fear of retribution or penalty, terrorism has been and remains a central component in the foreign policy of the Islamic Republic.

Among the common threads running through these acts is the Iranian embassy in Damascus, Syria, where Iran's ambassador serves as the conduit for Iranian support to Hezbollah and Hamas. His role is no secret to the Syrian Government, by whose grace this support is enabled. Hezbollah has, as discussed, deliberately and successfully, targeted American citizens, while Hamas, by dint of their suicide bombers, has victimized Americans traveling in Israel. Iranian Government support to these groups includes the provision of funds, training, arms, and explosives. The truck bombs used in Beirut came via Damascus. (Thus, the Syrians have a secondary responsibility for the American deaths, but they have not been held to account, either.) In the 1990s, the Iranian ambassador to Damascus was one of the leaders in the capture of our embassy in Tehran in 1979. I know him well, for he was my principle interrogator. After the takeover of the embassy, he went on to serve as a deputy foreign minister, a position in which he also played a significant role in the bombings of our embassy and our Marines in Beirut. He continues to serve in the Iranian Government today, without any penalty or cost from the United States.

Despite these American deaths and Iran's continued hostility, there are elements in the Department of State who have strongly resisted attempts to hold Iran accountable for their actions. In this, they see any positive act or statement on the part of any Iranian official, no matter how minor, as a sign that the Iranian Government wishes better relations. While there are sound reasons why a friendly and productive relationship with Iran is desirable, the reality is that the radical fundamentalists who have firm control over the key institutions of Government—the foreign, defense, and interior ministries, the Revolutionary Guards, and the intelligence and security services—have always been and remain adamantly opposed to the resumption of any relations with the United States Government. Yet apparently this has

not been understood by those who, for some indecipherable reason, somehow can't seem to bear the thought of not having a relationship with Iran.

For example, in the summer of 1980, after we had been held hostage for nearly ten months with the attendant humiliation to the United States, a senior State officer advocated telling the Iranian Government that if they would let us go, the US would be willing to have a relationship on any grounds the regime wanted. Leaving aside the groveling tone of the suggestion, it showed a complete lack of understanding that the militants captured the embassy precisely because they wanted no relationship with the United States, a position that was fully endorsed by the Government of Iran.

In late 1999, in an effort to seek a rapprochement with the Iranian regime, the Clinton administration made multiple concessions to Iran, including a partial lifting of sanctions, an apology for past American actions against Iran(!), an agreement for cultural exchanges, the removal of Iran from a list of countries trafficking in narcotics, and permitting the delivery of spare parts for the Iranian fleet of Boeing aircraft (which have a military capability). The Iranian response was that the United States had not done enough. The lesson that has yet to be learned in some circles in Washington is that you cannot be friends with a government that has absolutely no wish to be friends with you. And nothing within the ruling circles of Iran has changed since. It is still "death to America" for the radicals.

The Congress today has the opportunity to influence, through legislation, a policy that will—at long last and way overdue—back up United States rhetoric with concrete action. Iran is still the leading sponsor of terrorism, and Hezbollah and Hamas still pose a threat to US lives and interests. Without question, Hezbollah cells outside of the Middle East pose a potential danger to American citizens and interests, should the regime choose to so direct them. American deaths at the hands of the Iranians or its surrogates have gone unpunished, despite tough language by every presidential administration from Jimmy Carter to the present. Likewise, Americans held hostage either by the regime itself or by its surrogates in Hezbollah have received no justice. United States economic sanctions were for all practical purposes eviscerated by permitting foreign-based subsidiaries of major corporations to have a "business as usual" status with Iran, for clearly the Iranians well knew they were dealing with American corporations. I note that within the last several weeks that a number of companies have altered their course and have announced their intention to withdraw from Iran. The US has an opportunity to, likewise, alter its course with regard to Iran and with regard to justice and compensation for US citizens victimized by Iranian Government sponsored terrorism.

It is time for the United States Government to implement a firm and strong policy that matches its rhetoric, so that the Iranian regime fully comprehends that any future acts of terrorism against United States citizens and interests will in fact be met with the "swift and effective retribution" promised by President Reagan. It is time for Iran to be called to account—not by pronouncements merely deploring Iranian terrorism but by clear, sustained, and overwhelming action—for its past as well as any future violations of international law. And it is time for American victims of Iranian terrorism, like those of us who were held hostage by the Iranian Government, to receive the justice that is quite literally two decades delayed. The Congress can see that this happens and I ask you today to take the steps necessary to do so.

Thank you.

Ms. ROS-LEHTINEN [presiding]. Thank you. Amen.

And now we would like to hear from Major Steven Kirtley, United States Marine Corps, retired, former Iranian hostage as well.

**STATEMENT OF MAJOR STEVEN KIRTLEY (USMC, RET.),  
FORMER IRANIAN HOSTAGE**

Mr. KIRTLEY. Thank you, ma'am. Madam Chair, Members of the Committee, it certainly is my honor to be able to speak to you about my imprisonment at the hands of the Government of Iran 25 years ago and my continued personal battle against terrorism.

For most of America, the war on terror is recognized as starting on September 11, 2001, but, for me, it really started on November 4, 1979, when myself and 65 other Americans were taken and held hostage by the Government of Iran for a period of 444 days. During

this 444-day period, I consider myself to be one of the really lucky ones.

I was a single, 21-year-old Marine Corporal who volunteered to go to the American Embassy in Tehran out of a sense of excitement and duty. I had been at the Embassy for almost 3 months before the takeover, so I had some understanding of the level of hostility felt toward Americans in Iran. I say I was lucky because I did not endure the interrogations that lasted days and weeks, like my good friend, Charles Scott, and others. I say I am lucky because I did not have to endure the repeated beatings and physical torture, like my good friend, Mike Metrisko, and others. I did not have to endure weeks and months and, in some cases, over a year of solitary confinement, like my good friend, Bill Daugherty, here, and others.

I did not have a wife and the three great sons that I have now, so I did not have to endure the daily threats against my family and the daily threats that I would never be able to see them again, like my good friend, Phil Ward, and others.

I was lucky in that I only had to endure the terror of mock firing squads. One of these occurred on the day I was taken. I was in uniform, and after a short period of being held in a small building, a group of three Iranians came in, lifted me to my feet, and untied my feet and removed the rope from around my body and upper shoulders and arms, leaving my hands tied behind my back. They blindfolded me and led me down a sidewalk where they stopped me in front of what I knew was a blank brick wall. They turned me so my back was to the wall, pushed me back a couple of steps until I could just feel the wall with my hands, and then let go of me.

It is hard to convey the terror I felt at that time. Needless to say, it was a new feeling. I remember the deafening noise of the crowd running around the Embassy compound and the anarchy. I remember standing there asking myself how much this was going to hurt and trying to steady my legs so I would not bring discredit upon my Marine Corps uniform. I also remember the relief at being led back to the same small building and tied up again. This was just the first of a number of these mock executions endured by all of us, including my good friends, Rocky Sickmann and Dick Morefield, sitting behind me.

I remember my fight with food poisoning and the hopelessness and anger of not being allowed to go to the toilet in the middle of the night, banging and banging, to try and get someone to come and unlock the door and let me crawl up the stairs to relieve myself and not being able to wait any longer. Once the guards did come, I had the added task of cleaning myself, washing my clothes and putting them back on wet before the long trip back down the 14 stairs to my cell, and there are others who can tell you the same type of story.

I was shocked to watch one of my fellow hostages try to kill himself in front of me and one of our captors because the interrogations, threats, and psychological strain was too much. I remember what he said before he ran full speed and dove head first into a protruding concrete corner trying to end his life. I remember holding his head in my arms and checking to make sure there was no dirt on his skull as I folded his torn scalp back over his exposed skull. I remember my relief as he opened his eyes and sitting there

with him in my arms thinking how lucky I was not to be suffering the same as he was.

I remember a trip from Esfahan to Tehran when one of our captors fell asleep at the wheel, ran off the road in the middle of the desert, and rolled the van he was driving and I was riding in twice. I remember thinking I was about to die while I was handcuffed to a fellow hostage and tumbling around in the van like a bingo chip. As I stumbled out, and the rest of us stumbled out, of what was left of the van, I was amazed that I was alive and only my leg and shoulder hurt. My buddy was not so fortunate and went the next 6 months with a broken shoulder blade. And we considered ourselves to be lucky to be alive.

I only had to endure the day-to-day threats that we would all be tried and summarily executed. I did not consider these to be idle threats, as there was a constant schedule of demonstrations outside of the Embassy compound when we were held there. The guards made a point of telling us how we were being protected from the mob of over 500,000 waiting to tear us all apart.

I remember being put in one of the most notorious prisons in Iran and listening to the screams from the torture of men, women, and even children and wondering if and when it would be my turn.

Mostly, as a youngster, I remembered the despair I had at not knowing what was ever going to happen to us.

I am here today because America paid the Iranian Government their ransom, and they let us go.

Over the past 25 years, for obvious reasons, I have read about Iran and follow Iranian politics with some interest. Our release in 1981 was brought about by the overt rewards to the Iranian Government. The ransom paid for our release does not take into account the immense increase in stature the Iranian Government experienced, and continues to experience, as a result of their successful belittlement of the United States Government.

Although I know it by heart, I will not go over the history of Iran's continued involvement in terrorism over the past 25 years. It has been explained here.

The current "Islamic fundamentalist" leadership appears to be at least as tyrannical as the former Shah, if not more, and the Iranian people are beginning to tire of it and rise up to pursue their own freedom. I follow the current Iranian situation as related to the nuclear program with some interest and would conjecture that maybe the mullahs are inviting a United States attack because they know it is the only thing that can bring their country together under their oppressive rule. Regardless, the past political policies of the United States Government in responding to Iranian involvement in acts of terrorism would appear to only embolden them to further their efforts and actions.

I, and we, appreciate the opportunity we have had to share with you our experiences during those 444 days and how it has affected our lives and continues to affect the lives of Americans today. Dr. Daugherty, Rocky, and Dick, and I sit before you today on behalf of the remaining survivors and their families to shed light on our struggle and to ask you for justice. We are well aware of what has been done over the past 25 years as it relates to Iran, and we are

very interested to see what is going to happen next. Thank you very much.

[The prepared statement of Mr. Kirtley follows:]

PREPARED STATEMENT OF MAJOR STEVEN KIRTLEY (USMC, RET.), FORMER IRANIAN  
HOSTAGE

Ms. Chairwoman and Members of the Committee:

It is my honor to be able to speak to you about my imprisonment at the hands of the Government of Iran 25 years ago and my continued personal battle against terrorism.

The war on terror is now inextricably linked to the events of September 11th. A day that is seared into America's and the world's memory. It was a day that terrorism touched Americans at home and haunts us still.

But the war on terror did not start when Al Qaeda executed its attack on the U.S. on September 11, 2001. It began on November 4, 1979 when the Iranian government held me and 65 other American citizens hostage.

On that day, we became the first victims of terrorism. We were taken captive by an entire government and literally lived in fear for our lives for 444 days.

I was one of the lucky ones. I was a 21-year-old Marine corporal who volunteered to go to the American Embassy in Tehran out of a sense of excitement and duty. I had been at the Embassy for almost three months before the takeover, so I had some understanding of the level of hostility felt toward Americans. I say I was lucky because I did not endure interrogations that lasted days and weeks like my good friend Charles Scott and others. I did not have to endure repeated beatings like my good friend Mike Metrinko and others. I did not have to endure weeks and months, and in some cases over a year, of solitary confinement like my good friend Bill Daugherty and others. I did not have a wife and three great sons as I do now, so I did not have to endure the daily threats against my family and the threats that I would never see them again like my good friend Phil Ward and others.

I was lucky in that I only had to endure the terror of mock firing squads. One of these occurred on the day I was taken. I was in uniform and after a short period of being held in a small building, a group of three Iranians came in and untied my feet and removed the rope from around my upper arms and chest, leaving my hands tied behind my back. They stood me up, blindfolded me and led me down a sidewalk where they stopped me in front of what I know was a brick wall. They turned me so my back was to the wall and pushed me back a couple of steps until I could just feel the wall and they let go of me. It is hard to convey the terror I felt. Needless to say, it was a new feeling. I remember the noise of the crowd and the anarchy. I remember asking myself how much this would hurt and trying to steady my legs so as not to bring discredit to my uniform. I also remember the relief at being lead back to the same small building and tied up again. This was just the first of a number of these Mock executions we all endured.

I remember my fight with food poisoning and the hopelessness and anger of not being allowed to go to the toilet in the middle of the night. Banging and banging to try and get someone to unlock the door and let me crawl up the stairs to relieve myself and not being able to wait any longer. Once the guard came I had the added task of cleaning myself, washing my clothes and putting them back on wet before the long trip back down the 14 stairs to my cell. Others can tell you the same story.

I was shocked to watch one of my fellow hostages try to kill himself in front of me and one of our captors because the interrogations, threats, and psychological strain was too much. I remember what he said before he ran full speed and dove head first into a protruding concrete corner trying to end his life. I remember holding his head in my arms and checking to make sure there was no dirt "in there" as I folded his torn scalp back over his exposed skull. I remember my relief as he opened his eyes and thinking how lucky I was not to be suffering as he was.

I remember a trip from Esfahan to Tehran when our one of our captors fell asleep at the wheel, ran off the road in the middle of the desert and rolled the van twice. I remember thinking I was about to die while being handcuffed to a fellow hostage and rolling around in a van like a bingo chip. As I stumbled out of what was left of the van, I was amazed that I was alive and only my leg and shoulder hurt. My buddy went the next six months with a broken shoulder blade. We considered ourselves lucky to be alive.

I only had to endure the day-to-day threats that we could all be tried and summarily executed. I did not consider these to be idle threats as there was a constant schedule of demonstrations outside of the embassy compound when we were held

there. The guards made a point of telling us how we were being protected from the mob of over 500,000 waiting to tear us all apart.

I remember being put in one of the most notorious prisons in Iran and listening to the screams from the torture of men, women, and even children, wondering if and when it would be my turn.

Mostly I remember the despair I had at not knowing what was ever going to happen to us.

I am here today because America paid the Iranian Government their ransom and they let us go free.

Over the past 25 years, for obvious reasons, I have read about Iran and follow Iranian politics with some interest. Our release in 1981 was brought about by overt rewards to the Iranian Government. The ransom paid for our release does not take into account the immense increase in stature the Iranian Government experienced as a result of their successful belittlement of the United States Government. Although I know it by heart, I will not go over the history of Iran's continued involvement in terrorism over the past 25 years. The current "Islamic Fundamentalist" leadership appears to be at least as tyrannical as the former Shah, if not more, and the Iranian people are beginning to tire of it and rise up to pursue their own freedom. I follow the current Iranian situation as related to their nuclear program with some interest. Maybe the mullahs are inviting a U.S. attack because they know it is the only thing that can bring their country together under their oppressive rule. Regardless, the past political policies of the United States Government in responding to Iranian involvement in acts of terrorism would appear to only embolden them to further their efforts and actions.

We appreciate the opportunity to share with you our experiences during those 444 days, how it has affected our lives and continues to affect the lives of Americans today. Dr. Daugherty and I sit here before you today on behalf of the remaining survivors and their families to shed light on our struggle and to ask you for justice. We know what's been done over the past 25 years . . . we'll watch with interest to see what happens next.

Thank You

Ms. ROS-LEHTINEN. Thank you. We thank you for your service and the sacrifices that you and your family have made.

We are very pleased to recognize Congressman Jim McCreary of Louisiana, who is listening in. Thank you, Jim, for coming.

And now I would like to recognize Ms. Lynn Smith Derbyshire, the family member of Captain Vince Smith, killed in the bombing of the Marine barracks in Beirut, 1983. Thank you, Ms. Derbyshire.

**STATEMENT OF MS. LYNN SMITH DERBYSHIRE, FAMILY MEMBER OF CAPTAIN VINCE SMITH, KILLED IN BOMBING OF MARINE BARRACKS IN BEIRUT, 1983**

Ms. DERBYSHIRE. Thank you, Madam Chair. I have prepared a written statement which I have submitted, but with your permission, I would like to set that aside and just speak to you from my heart.

Ms. ROS-LEHTINEN. Thank you, and all of your statements will be made a part of the record without objection. Thank you.

Ms. DERBYSHIRE. The issue of terrorism is important to America simply because we are American and we value our freedom. And I know the issue is important to you, as Congressmen and Congresswomen. You have said so eloquently already. It is important because it is your job, but the issue is important to me for a different reason.

On October 23, 1983, the Beirut barracks in Lebanon was bombed by Hezbollah, and 241 United States servicemen were killed that day, and many others were wounded. Among them was a blond, blue-eyed, bow-legged, helicopter pilot. His name was Captain Vince Smith. His buddies called him "Vinny," and they knew

him for his practical jokes and his penchant for playing football on fall afternoons. His family called him "Vince."

Vince was my oldest brother. I was in church on Sunday morning, and when I came home from church, my neighbor said to me, "You need to come in the house and watch television." Well, obviously, that was bizarre. Nobody watched television on Sunday back then. I went into her house, and the television coverage of the bombing was there, and I saw among the rubble as they were pulling out the bodies that it looked to me as if the building had been destroyed the way a child would destroy his Play-Doh or his Tinker Toys.

You will see on the screen a picture of my brother. He is the one on the far right. He is shaking the hand of Admiral McCain. Vince was about to go off to the Naval Academy. My father was receiving an award that day, and we had all been there for the ceremony, and the little girl in the middle is me.

Vince was my protector. He was the calm, unifying force in a family that needed unity. Vince was an American, and he was a Marine, and Vince was a man of justice. I do not know who said that time heals wounds, but that person was an idiot. Time does not heal wounds; only hope can do that.

The Government of Iran has been perpetrating acts of terrorism and supporting terrorist organizations long enough. We need to stop them. We need to do everything in our power to deter future acts of terrorism so that other little girls will not have to watch their brothers die.

The bill before you today will impose greater sanctions on Iran, which have already been described. We need to do this. This is one tool in the box that we need to use against Iran. We need to use every tool in the box. You cannot build a house with just a hammer; you need a saw as well.

There is also another piece of legislation being introduced called the Justice for Marine Corps Families-Victims of Terrorists Act, which will be referred to the Judiciary Committee, and this is another tool that we can use to impose accountability on this rogue nation. Together, the two pieces of legislation will make it harder for terrorists to raise and distribute funds to perpetrate further acts of terror.

Terrorists get away with murder because we let them. They keep doing it because it gives them power. In order to deter more crimes of terrorism, the consequences must be serious, serious enough that they will decide that it is not worth it. We must make it cost them so much that they will stop. Every time there is another terrorist attack, my heart is sliced open again, and I have to grieve Vince all over again. They have been named already. 9/11 was not the beginning, and, unfortunately, it was not the end. There must be an end.

Mya Angelou said that "history, despite its wrenching pain, cannot be un-lived, but if faced with courage, it need not be lived again."

Ladies and gentlemen, we must face today with courage. The events of October 23, 1983, have been repeated far too many times already. Far too many people have died. Look at me closely. As you look at me, you are gazing into the face of the unrelenting grief of



the American people who have lost someone they love at the hands of state-sponsors of terrorism, and when the time comes to cast your vote, I beg you to remember the pain you see in my face and know that it is also reflected in the faces of my mother and my father, who could not be here today, and all of the other family members of the men who died in Beirut.

The prophet, Jeremiah, says that Rachel is weeping for her children. She refuses to be comforted for her children because her children are no more. And God says to her, "Restrain your voice from weeping because there is hope for the future."

I am before you today as a woman weeping for my brother, and I am begging you to give me a reason to hope for my future and the future of my young children. I have a son, and I have named him for my brother, and I do not want my son to grow up in an America where he has to be afraid.

We are not free. We are in bondage to our fear. Look around at the security. You cannot get into our national treasures, our monuments, our Capitol. We are afraid, and we are afraid because it hurts so much.

Ladies and gentlemen, pain left unhealed ferments into hatred, and we can ill afford to become a Nation of hatred because then we will be the terrorists. People who hate commit acts of terrorism. We must have healing, but in order to have healing, we must first have hope, and we will only have hope when there is justice, and in order to achieve justice, we must fight, and fighting takes courage.

I beg you to be men and women of courage. And, President Bush, if you are listening, I beg you to be a man of courage.

We must stop the spiraling vortex of injustice, and we must reverse its flow. Justice brings hope. Hope leads to healing, and only if there is healing will there be freedom. If Vince were here, he would be sitting here giving you testimony, along with Mr. Kirtley and Mr. Daugherty. But he cannot be here, and in his name and to honor his memory, I ask you to do everything that you can to bring justice. Thank you.

[The prepared statement of Ms. Derbyshire follows:]

PREPARED STATEMENT OF MS. LYNN SMITH DERBYSHIRE, FAMILY MEMBER OF CAPTAIN VINCE SMITH, KILLED IN BOMBING OF MARINE BARRACKS IN BEIRUT, 1983

Mr. Chairman:

I would like to thank you, and the members of the two Subcommittees represented here for allowing me the opportunity to speak today regarding the "Iran Freedom Support Act". I deeply appreciate all that you do to govern our land, and I know that the work is both time-consuming and arduous. The issues before us are heavy, and we need to look at them.

The issue of stopping state sponsored terrorism is important to many Americans, simply because they are Americans, and as such, they care. This issue is important to you, because you are Representatives of Congress. But for me, it's different. A state sponsor of terrorism, specifically the government of Iran, has ripped a hole in my life that can never be repaired.

My oldest brother, Capt. Vincent Smith, along with 240 other Marines and servicemen, was murdered by the terrorist group, Hezbollah, who were both financially and materially sponsored by the government of Iran.

Vince was one of 241 United States Marines and service personnel killed when Hezbollah terrorists transformed an ordinary truck—one that looked exactly like the usual truck that carried water to the base—into a 12,000 pound bomb and detonated it in the barracks, demolishing the concrete and steel building as if it were made of play-doh and tinker toys. My family and I hovered by our television sets,

weeping as we sat by the phone, waiting for news of the brother, father, son, and husband that we cherished. It took three weeks to search through the rubble and identify all the bodies. Twenty-one years later there is still a gaping hole in our lives and our hearts. Twenty-one years later there is still no justice.

The government of Iran has been perpetrating acts of terrorism, and supporting terrorist organizations long enough. We need to stop them. We need to do everything and anything in our power to deter future acts of terrorism against Americans, and in our world. Passage of the Bill before you today, will impose greater sanctions on the government of Iran, which is one tool America can use to deter them from their heinous crimes.

A companion Bill is being introduced in Congress today, called the "Justice for Marine Corps Families-Victims of Terrorism Act". This Bill, which will be referred to the Judiciary Committee, will allow the families and the victims of the Beirut Bombing to perfect and enforce pending claims against the government of Iran. Together, the two pieces of legislation will make it harder for terrorist states to raise and distribute funds to perpetrate further acts of terrorism. We need to come at them from both angles—making it harder for them to perpetrate crimes, while holding them responsible for the crimes they have already committed. I would urge the members of these two subcommittees to join with members of the Judiciary committee in support of this legislation. Likewise, I will be urging members of the Judiciary committee to support the "Iran Freedom Support Act".

In order to deter more crimes of terrorism, there must be serious consequences. Terrorists continue to terrorize because they can. We have not held them accountable for their crimes, so they continue to build bombs, and they continue to murder and maim our loved ones.

George Santayana said, "Those who cannot remember the past are condemned to repeat it." As family members of the courageous men killed in Beirut, we have adopted the motto, "Our first duty is to remember," because we know this truth, and we are determined not to let history be repeated in this case. We must do everything in our power to prevent the terrorists from continuing their evil acts of terrorism. We must stop them before they murder someone you love.

My brother Vince was dear to me. His murder was an incalculable, immeasurable loss, which affects me every single day. I ask you, Congress, to pass these two bills, and to work tirelessly to affect whatever additional legislative changes are necessary, to impose such hardship on the government of Iran, that they will have no choice but to stop their wanton killing, to own up to their crimes, and to make restitution for those already committed.

Again, thank you for hearing me today. I am respectfully,  
Lynn Smith Derbyshire

Ms. ROS-LEHTINEN. Thank you so very much for an emotional and enlightening testimony and for sharing your grief with us. I am a proud co-sponsor of the other bill that you had mentioned as well.

Ms. DERBYSHIRE. Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Thank you. I am sure Vince lives every day in your heart, and he will be remembered by all of us as well for the ultimate sacrifice.

Ms. DERBYSHIRE. Thank you.

Ms. ROS-LEHTINEN. Thank you, Lynn.

And now I would like to recognize Dr. Yonah Alexander, the Senior Fellow of the Potomac Institute for Policy Studies and the Director of the International Center for Terrorism Studies. Thank you, Dr. Alexander.

**STATEMENT OF YONAH ALEXANDER, PH.D., SENIOR FELLOW,  
POTOMAC INSTITUTE FOR POLICY STUDIES, AND DIRECTOR,  
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Mr. ALEXANDER. I would like to thank the Chairs and distinguished Members of the Subcommittees for affording me the opportunity to share some of my observations.

After listening to the very moving statements by the victims of terrorism, I would like to share with you that several days ago, I met with a colleague, a General, a former General of the Israeli Army, who lost his son. He did not lose his son on the battlefield in Israel. He died on September 11 in the World Trade Center. He happened to be at the wrong place at the wrong time. That is the nature of terrorism.

Since I was away on travel, I did not prepare a written statement, but with your permission, I would like to leave for the Members several publications that focus on the Iranian issue, and, hopefully, they will be useful.

One is the first issue of *Terrorism: An International Journal* (1977). Twenty-eight years ago, I had the Ambassador of Iran to the U.N. prepare an article. He wrote on the problem of international terrorism at the U.N. and actually criticized the United Nations for its inability to define "terrorism." So 28 years later, we are still dealing with who are the terrorists, and the use of different terms and concepts, such as "guerrilla fighters" and "insurgents" and "freedom fighters," are being used interchangeably by policymakers and the media. So this issue would be considered once again, if there is a change of regime in Iran.

A second publication, *The United States and Iran: A Documentary History*, relates to the hostage situation, the United States and Iran, that we prepared as a result of the takeover in Tehran. We simply wanted to find out what happened to the 100 years of relationship history between the United States and Iran. And, again, today, we are still dealing with Iranian terrorism. We are encouraged that the Congress of the United States is providing legislation which is really critical to deal with this challenge effectively.

Since we are dealing with state-sponsored terrorism, I would like to submit, with your permission, a report which I prepared with my colleague 20 years ago that was submitted to the Committee on the Judiciary in 1985. The debate is going on within the policy-making community and the academic community whether the war involved state-sponsored terrorism, especially after the collapse of the Soviet Union. Moreover, the fact that we are gathered today to discuss the role of Iran is obviously very critical.

I would like also to submit a study that we prepared on al-Qaeda and bin Laden that was published before 9/11. Simply, we did not see the writing on the wall, and, hopefully, if we can learn from history, perhaps we can avoid some of the mistakes of the past in the future.

And, finally, as a result of a study in Buenos Aires on the AMIA, I would like to submit also a report that 10 years after the attacks, we do not have any definitive results in connection with the role of Iran in Argentina, the attack on the Israeli Embassy in 1992, and the attack on the AMIA in 1994, as was mentioned before.

Since, in the interest of time, I wish to suggest that if we desire to reduce the threat of terrorism, then we must deal with education in hatred. On the basis of a recent trip to Israel last January, if we are going to have bin Laden—you probably know about the dolls that are being sold throughout the Middle East and now in Europe—we will be unable to deal with the problem effectively.

Actually, with all of the euphoria about the Middle East peace discussions, there is no doubt that even if a Palestinian State will be created side by side with Israel, there are going to be groups, such as the Hezbollah and the Hamas, with the support of Iran, that will try to undermine the peace process. We are already facing terrorism for the next 100 years because of education in hatred.

The second picture shows a television dish that was prepared by prisoners in Israel in order to be able to receive the propaganda from Al-Manar in Lebanon. The third picture is not a lesson in Karate. This is actually preparation for terrorist activities in an Israeli prison, which would lead them to use, of course, in suicide bombings by both men and women.

Today, we are looking at the Iranian connection. We are looking at an Islamic connection. If I may, I would like to suggest that we have to look at the situation in a broader perspective, meaning that although many of the activities were perpetrated by Islamic-based terrorist groups, we have to be concerned about terrorism from the extremist ideological groups, right and left, and so on. The attack in Oklahoma City in 1995 was perpetrated by an extremist American.

I would also like to suggest that we have to look at other state sponsors of terrorism, such as Cuba. A few days ago, I discussed the issue of the Cuban connection with terrorists in Latin America with my colleagues at the University of Miami. I must report to you that if we ignore Latin America and the tri-border area of Argentina and Brazil and Paraguay, which I visited a couple of months ago, we would not be able to reduce the threat of terrorism.

So, again, we have to look at the challenge in a broader perspective, not only on the Islamic issue. And clearly we have to make sure that we do not vilify Islam. We have to find ways to reform some of these Muslim countries that are being targeted by Islamic terrorism of al-Qaeda and the Iranian connection.

What can be done? Obviously, each and every segment of our community can play a role. Congress must provide the leadership. Civil society in general can play a role, such as the academic community and the professional organizations. We have to understand that terrorism against one is terrorism against all, and we have to mobilize both the civilian and the military communities to confront the problem.

[The prepared statement of Mr. Alexander follows:]

PREPARED STATEMENT OF YONAH ALEXANDER, PH.D., SENIOR FELLOW, POTOMAC INSTITUTE FOR POLICY STUDIES, AND DIRECTOR, INTERNATIONAL CENTER FOR TERRORISM STUDIES



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Statement at Hearing Before the  
 House Committee on International Relations'  
 Subcommittee on the Middle East and Central Asia and  
 Subcommittee on International Terrorism and Nonproliferation  
 "Iran: A Quarter-Century of State Sponsored Terror"  
 Wednesday, February 16, 2005  
 1:00PM

The Rayburn House Office Building, Room 2172

by

Professor Yonah Alexander

Director, Inter-University Center for Terrorism Studies

(Administered by the International Center for Terrorism Studies, Potomac Institute  
 for Policy Studies and the Inter-University Center for Legal Studies at the  
 International Law Institute) \*

\* Special thanks are due to Captain in the United States Army Joe Swiecki for his research assistance.

I would like to thank the Co-chair and distinguished members of the joint subcommittees for affording me the opportunity to share some of my observations on how to prevent Iran's nuclear terrorism.

Almost a century and a half ago, the American historian Henry Adams warned, "some day science may have the existence of mankind in its power, and the human race will commit suicide by blowing up the world." Indeed, Albert Einstein's basic equation,  $E=mc^2$ , from which the atomic bomb was developed during World War II, ushered in the "Nuclear Age" with all its frightening ramifications for the very survival of civilization itself.

Tragically, the net balance at this time and in the foreseeable future is tilting toward the risk of suicide nuclear terrorism. This shift should be a matter of urgent concern to the international community.

Can we prevent such an unconventional holocaust, particularly in view of the fact that Iran, the foremost state sponsor of terrorism, is more actively than ever before engaged in mass destruction programs, such as developing nuclear capabilities and their delivery systems? The short answer is definitely yes, if responsible nations can agree on the intensity of the threat and immediately craft realistic policies designed to minimize the looming dangers from suicide nuclear terrorism.

What is required first is to dispel the myth held by some observers that state-sponsored terrorism is becoming an irrelevant factor in power politics because of the emergence of formidable regional and global nonstate actors such as al-Qaida. This assessment is erroneous since state-sponsored terrorism is by its very nature a permanent fixture in the struggle for power within and among nations.

Admittedly, the conceptual debate surrounding what constitutes state-sponsored terrorism is rather confused when it is linked to other terms traditionally associated with the broad spectrum of violent conflict so prevalent today, such as insurgency and asymmetric warfare. However, when terrorism is state sponsored, it is plainly in some sense a form of secret or undeclared warfare, in Karl von Clausewitz's words, a continuation of war "by other means" for the purpose of compelling the opponent

to “fulfill our will.” This potency is then another tool that nations use to project political and military power as a preferred substitute for engaging in overt hostilities.

It is not surprising, therefore, that Clausewitz’s formula has been adopted by Iran as the “poor man’s” warfare and a key element of a cost-effective, reduced risk-strategy. More specifically, Iran’s state sponsorship is the direct or indirect instigation of official and unofficial groups to exercise psychological or physical violence against adversaries for the purposes of coercion and widespread intimidation to bring about a desired political or strategic objective. What sets apart Tehran’s utilization of terrorism as an instrument of policy from more conventional forms of coercive force at its disposal is the option of plausible denial of public accountability.

And yet, Iran’s lawless record of the past 25 years in sponsoring terrorism at home and abroad is rather transparent. It includes, violating fundamental human rights of its own citizens; establishing, directing, and supporting indigenous and foreign terrorist groups such as Hizballah, Hamas, Islamic Jihad, and the al-Aqsa martyrs; setting up cells and networks in the Middle East, Europe, the United States, and elsewhere; cooperating with various factions of al-Qaida and other jihadist movements; and undermining efforts to stabilize Iraq and to sabotage the Israeli-Palestinian peace process.

What is particularly alarming about Iran’s integrated strategy of systematic and carefully orchestrated terrorism are two intensifying trends. A glimpse of the first accelerating phenomenon is related to Tehran’s propagation of “Jihad” (holy war) and “Shahada” (self sacrifice), thus assuring the centrality of the suicide weapon in the arsenal of terrorism, currently conventional and ultimately unconventional. For instance, in December 2004, The Committee of the Commemoration of Martyrs of the Global Islamic Campaign, which is linked to Iran’s Islamic Revolutionary Guards Corps that is responsible for “exporting” Ayatollah Khomeini’s revolution, had registered some 25,000 volunteer martyrs to attack the coalition forces in Iraq. And in January 2005, Iran’s leader Ali Khamenei praised the culture of Sahada and called the young generation of students to follow the path of martyrdom because “this is the most beautiful human value.”

The second disturbing trend that initially began after the Iraq-Iran war, 1980-1988, is Tehran's decision to actively pursue a policy of nuclear development. Discernable motivations are to energize national pride, secure international legitimacy and prestige, and create strategic deterrence against Arab and non-Arab regional adversaries and the United States.

With the support of some countries such as Russia and Venezuela, Iran has repeatedly claimed that its nuclear project has been designed as a "peaceful" undertaking, will be used to generate electricity, and will "never" be diverted to weapons production. And yet, the regime's activities, so far at least, are aiming at the acquisition of fissile materials, such as enriched uranium-- a core of any nuclear explosive device-- do not provide the world any "objective guarantees" that Iran will not construct atomic weapons.

In fact, Iran's nuclear infrastructure consists of six major sites: Esfahan (uranium conversion), Natanz (uranium enrichment), Bushehr (power reactor), Arak (natural uranium, heavy water-reactor), Lavizan II (trigger development), and Parchin (testing explosive mechanisms). Aside from the activities of these facilities, there is a possibility that Tehran has also a clandestine program not subject to any existing international verification regime and safeguards established by the International Atomic Energy Agency (IAEA). For instance, Iran secretly procured P-1 centrifuge components from Pakistan's A.Q. Khan's nuclear proliferation network as well as P-2 components, and developed the capability to produce centrifuge components domestically.

Thus, in view of Iran's apparent intentions to create a military application to its nuclear program, coupled with its traditional utilization of suicide terrorism abroad as a mode of warfare, it is possible, if not probable, that under certain circumstances it would deploy the ultimate weapon through a terrorist proxy abroad.

Just imagine what might happen if Hizballah, which has repeatedly sought unconventional weapons, activates its cells in the United States to simultaneously detonate "dirty bombs" in several cities in retaliation for America's "unforgivable" policies and actions in the Middle East. Can the



United States, unilaterally or in concert with like-minded nations, deny Iran nuclear capabilities and their utilization as a terrorist weapon in such a scenario? And are realistic options available to American decision makers?

One suggested course of action is the military response. Yet, the only existing historical record indicates questionable strategic benefits. Iran is not Iraq, where Baghdad's nuclear research program at Osirek was destroyed in June 1981 by a daring Israeli air strike. This attack temporarily set back Iraq's program but did not end Saddam's quest for nuclear capabilities until his regime was finally destroyed by force in 2003.

Moreover, if Israel and the United States were to decide to mount air strikes, unilaterally or jointly, by manned aircraft and drones as well as cruise missile attacks against multiple-targeted Iranian nuclear facilities, the challenge would be Herculean. After all, Iran has already deployed advanced air defense systems, including the S-300 PMU-I, S-300, and possibly the S-300V to guard its nuclear sites. Clearly, the dispersed facilities located hundreds of miles from each other make a simultaneous attack most difficult and dangerous. Besides, the more sensitive portions of Iran's nuclear infrastructure were specifically built underground to guard against potential air strikes. And finally, any air attack would prove to Tehran that its conventional defense capabilities are too weak to protect itself from an "aggressive" external threat and consequently this realization would lead the regime to accelerate its nuclear weapon program.

Nevertheless, it has been argued by some analysts that a drastic military action should be undertaken. This operation could include a full-scale naval blockade, the landing of U.S. Marine Corps amphibious forces at strategic locations, the introduction of Special Operations forces to seize key objectives, and the cross-border invasion of land forces fully supported by preparatory air strikes intended to disable and destroy command and control centers, anti-aircraft capabilities, as well as key military and logistics centers. Such action would ultimately ensure the elimination of Iraq's nuclear and

other weapons of mass destruction programs. It would also guarantee a regime change similar to the Iraq precedent.

Although the endgame of achieving such strategic goals is desired, the great danger with these extreme military actions is that they are likely to elicit international outrage, incur high casualties, and create a much longer period of intense, widespread insurgency than experienced in Iraq. It would also result in continued strain on the overall U.S. military structure and its available resources, and would affect long-term sustainability of any such operation and the overall ability of the United States to respond to crisis elsewhere.

In view of the foregoing, two parallel nonmilitary actions are needed: first to allow Iran to keep its nuclear power plants if it agrees to stop its uranium enrichment program in exchange for outside sources of nuclear fuel; and second, to secure pledges from Iran to stop sponsorship and support of terrorism in exchange for a "Marshall Plan"-type commitment of massive foreign investment in the order of some 18 billion dollars required to generate an optimum economic and social development in the country.

Such courses of action are realistic through the intensification of a dialogue of the European nations-- Britain, France, and Germany-- with Iran. With the recent policy shift in the United States to support such efforts, the world community has one more diplomatic opportunity to move forward on preventing nuclear terrorism with devastating consequences for national, regional, and global security concerns. However, if Iran refuses to cooperate within a reasonable time-frame, then the availability of smart sanctions as well as military options should be considered seriously by the United Nations Security Council, whose obligation is to maintain peace and stability.

In sum, the carrot-and -stick approach of both incentives and punishments will suffice for the moment. Hopefully, Iran's prime concern with its national self preservation will dictate willingness to consider Charles Maurice de Talleyrand's observation some 160 years ago: "True strength restrains itself—true greatness sets its own limits."

Ms. ROS-LEHTINEN. Thank you so much. I so agree with what you have said, and related to Castro, we recall that Castro was in Iran just a few years ago, and he made a statement and very inflammatory speeches, and he said, among many other things, together Iran and Cuba can bring the United States to its knees, and the support that they have given to all of the terrorist organizations.

You also mentioned a very important point, which is the propaganda machine by Hezbollah and other terrorist organizations that are anti-Semitic, anti-Western, and the incitement that fuels and translates into terrorist activities. For example, Freedom House just released a report a few weeks ago on the dissemination of anti-United States and anti-Western propaganda by the Government of the Kingdom of Saudi Arabia to the mosques here in the United States. I would imagine that there is going to be an immediate and there should be an immediate and unconditional response by the United States to make sure that we remove such material and that requires our U.S. allies to curtail this venom because it is a primary component of our U.S. counterterrorism efforts worldwide. So thank you, Dr. Alexander, for bringing that up.

Mr. Levitt, I wanted to ask you, in your written testimony, you refer to the presence of Hezbollah operatives in North Carolina. What is the extent of Hezbollah operations in the United States and those of other Iranian-sponsored groups, and what are the linkages between the United States cells and the Canadian procurement cell, and what are their targets, what are their goals, or who are their goals, and what do you mean when you say that each cell maintains direct contact with senior Hezbollah and/or Iranian intelligence operatives? That is certainly chilling testimony that you had presented to us.

Mr. LEVITT. Thank you very much. I had the honor of serving as the Government's expert witness in that case in North Carolina a couple of years ago. It was very revealing in terms of the extent of Hezbollah's presence in the United States and North America because of the Canadian aspect, and I think it should be taken as a case in point as insight. The presence of Hezbollah in this country is something that is not widely available in open-source information, but even just from the little bit that is available, it is clear that there are several cells.

The FBI has testified, as I mentioned earlier, that should it become the interest of Iran and Hezbollah leaders, it is the FBI's position that groups like Hezbollah and Hamas—both Iranian sponsored—could conduct attacks here if that was their desire.

Members of the Charlotte cell went out for shooting range training. They had been trained in Lebanon. The prosecution showed pictures that they had in their homes of the RPG and other manpads, shoulder-fired missiles, that they had been trained to use in Lebanon.

The Charlotte cell was operating in direct contact with a Hezbollah military commander from Berjul Barashne, a Hezbollah stronghold in southern Beirut, a gentleman named Sheikh Abbas Harake. They were connected to a dual-use procurement cell in Canada. That cell was operating under the authority of Haj Hasan Hilu Laqis. Until this trial, Laqis's name was not available in open-

source literature, but he was known to people in the Government long beforehand as Hezbollah's chief procurement officer. It is believed that anything that Hezbollah gets through Laqis's procurement network, which is a global network, goes to Iran as well.

Another expert witness in the Charlotte case demonstrated how the type of dual-use technologies that these cells here in North America procured enhanced Hezbollah's operational capabilities and demonstrated how their capabilities, in fact, did improve at that exact period. They did things like engaging in credit card scams. They purchased the Social Security numbers and used the accounts of Middle Eastern students who returned to the Middle East, making it very, very difficult for law enforcement to recognize that their identities were, in fact, false.

In many cases, they just went to the DMV and informed that they had moved and were changing their name. No questions were asked. They were given new legal driver's licenses under all kinds of names.

In one case, members of the Canada network talked about taking out life insurance policies in Canada for Hezbollah suicide bombers who would "go for a walk in southern Lebanon—" this is shortly before Israel withdrew to the blue line—"and would never come back."

We need to be very, very concerned about Hezbollah's presence worldwide. The Europeans today were supposed to discuss whether or not to ban Hezbollah. All indications are that, at France's lead, they will not, which is extremely disturbing not only because the EU is a member of the quartet, and the Palestinians and Israelis agree that there is no greater threat to the peace process than Iran and Hezbollah, but also because Hezbollah is proactively engaged in operations in Germany. German intelligence reports that there are at least 800 Hezbollah operatives in that country alone.

One U.S. intelligence official that I interviewed for something that I was writing told me, at one point, "The bottom line is this: Hezbollah has procurement, logistical and financial, cells worldwide." None of these cells that he knew of, he told me, is divorced from operational activity. Every Hezbollah cell, he told me, has some operational role, and if you look at how Hezbollah carried out the attacks in Buenos Aires in 1992 and 1994, we have a case study of just how that works.

Ms. ROS-LEHTINEN. Thank you so much.

I would like to ask the few witnesses here who have personal experience, either directly or through family members, What did your personal experience with the Iranian militants tell you about the nature of this enemy that we are facing, and the nature of Iranian-sponsored terrorism? Dr. Daugherty?

Mr. DAUGHERTY. The first word that comes right to mind is that it is unrelenting. The role that America played in Iran for a number of years was used quite effectively by the fundamentalists during the revolution against the Shah in 1977, 1978, 1979. And America assumed, in the eyes of the Iranians, in fact, a much more sinister role than our policy actually entailed. This anti-Americanism has become entrenched not only within the ranks of the fundamentalists, but it is almost a key to their ability to remain in power. They use anti-Americanism as a call to unify the country.

They use anti-Americanism as a way to deflect from the internal problems—economically, developmentally—that Iran is experiencing.

In this respect, there is no chance that it is going to go away with this fundamentalist regime. There is no chance that they are going to ease up on it. In many respects, it is their key to remaining in power. I think this is one reason why a chance of a rapprochement with the United States and Iran is, for the time being, out of the question. After 25 years of demonizing the United States, they are not in a position to turn around and tell the Iranian people that now it is time to be friends with the American Government.

We are too valuable to them as enemies, and we will continue to be their enemy until this regime, one way or another, disappears, and what appears to be the wishes of the broader Iranian population in terms of throwing off oppression, becoming more open to the West, and having a normal relationship with the Western world, including the United States, is able to come to pass. That is why I say it is unrelenting, and it will be for the foreseeable future.

Ms. ROS-LEHTINEN. Thank you. Any others?

Mr. KIRTLEY. Ma'am, I cannot think of anything. Bill and I have discussed and talked about this. I really do think it is a great media ploy for the despots that run the country right now, and they do use it very effectively to keep the people infuriated and following their line.

Ms. DERBYSHIRE. I would just like to add that I have a very close friend who is an Iranian woman whose family escaped from Iran when she was a girl. We have sat up late often over our cups of coffee and talked about these things.

I cannot address it from a political point of view, but personally, on a personal level, from the heart, her mother is still in Iran, and she talks to her mother on the phone, and her mother says to her, "When are they going to rescue us?"

Ms. ROS-LEHTINEN. Very powerful. Thank you so much.

Mr. Royce?

Mr. ROYCE. Thank you, Chairwoman. I did want to ask a question of Professor Daugherty. You were a counterterrorism officer for 18 years and taught that as well. My question to you is that we realize that developing atomic weapons is a national priority for Iran, and there are issues of perceived prestige and issues of security. But what national interest, real or imagined, is there for Iran in developing this network of support for terrorism? Can you explain that?

Then the other question I was going to ask you is, what evidence do we have of Iranian support for insurgencies in Iraq right now?

Mr. DAUGHERTY. Let me address the second issue first just very briefly. The best information that I have seen is that there are well over a thousand members of the Revolutionary Guards, Iranian intelligence officers, that infiltrated into southern Iran which have connections with Moqada al-Sadr and his militia. Al-Sadr's militia has received an enormous amount of weaponry and resources from the Government of Iran. And it is worth noting that some months ago, when the United States Marines went against the militia be-

fore the militia agreed to disarm, there again were a number of Marine deaths, and I think they can be directly laid at the doorstep of Iran.

The Iranians see a great opportunity in the coming to power of the Iraqi Shi'a. They are very manipulative. They will exercise, indirectly control in various ways, again, mostly through the provision of resources but as well as training and the actual presence of Iranian intelligence officers. I think this is a situation where if Iran chooses to pull that trigger, they can be greatly destabilizing to our efforts in southern Iraq and ultimately to the new democratically-elected Government of Iraq, and I think this is a very serious issue.

Mr. ROYCE. What national interests are served by them supporting terrorism?

Mr. DAUGHERTY. Simply, it is an extension of their foreign policy. Things that they cannot get through overt diplomacy, things that they cannot achieve for what they would see as the benefit to their country, they believe they are able to achieve by force. Certainly, when it comes to the United States, the ability of them to use terrorism to diminish United States interests, to diminish the prestige and influence of the United States, to perhaps sway Middle Eastern governments that might be more likely to support United States interests, if they can inject an element of fear into that relationship, make other Middle Eastern governments perhaps sit back and question whether or not they should have a close relationship with the United States, all of these things can eventually work against our interests and to the interests of the Iranians.

Mr. ROYCE. When we look at arms trafficking and drug smuggling, some of the other things that we are investigating in the Paraguay, Brazil, Argentine region—the tri-border region—do we see in that the fingerprints of the Iranian Government? Or is it just Hezbollah that is building up that network? Or do you find, through their Embassies and through other contacts, evidence that Iran itself is engaged in building that terrorist network in the tri-border area?

Mr. DAUGHERTY. That is not necessarily my area of expertise, but I will comment that Hezbollah really cannot exist without Iran. It is the right arm of Iran in terms of any international terrorism, and when it is inconvenient for the Government of Iran to use terrorism, then its tool is Hezbollah. Hezbollah does not act independently—at least, to my knowledge, it does not—and it is very much an arm of the Iranian Government.

Mr. ROYCE. Hezbollah is a surrogate. Do we have direct evidence, and maybe I should ask Dr. Alexander this, Do we have direct evidence or the fingerprints of Iranian Embassy officials and so forth on Hezbollah activity, either in Latin America or in the Middle East?

Mr. ALEXANDER. Absolutely. For the past 20 years, I tried to follow what is happening in the region, and a couple of months ago, I had the opportunity to be in Argentina, including the tri-border region. I would be delighted to submit some report on the ongoing research that we have to link up the Hezbollah, as well as the Iranian connection with their Embassies.

There is no doubt, for example, as to their role in attacking the Israeli Embassy in Buenos Aires in 1992 and AMRA in 1994. The evidence is there. Unfortunately, because of internal problems in Argentina, we cannot resolve the problem, but there is no way that Hezbollah, which operates in dozens of countries around the world—it is almost second to al-Qaeda that operates probably over 80 countries around the world—would operate, especially in major activities, without the knowledge and the approval and the support of the Iranian Government and its top echelon leadership.

Mr. ROYCE. And the strongest piece of hard evidence on Iranian cooperation with al-Qaeda; what would you offer—

Mr. ALEXANDER. Well, I think Matt Levitt referred to some of the meetings that took place in the past, Mugniyeh, Hezbollah's director of external operations, met with Zawahiri. Currently there are probably dozens, if not hundreds, of al-Qaeda operatives who have found a safe haven in Iran. And it is in the interest of Iran to utilize terrorism as another tool in the struggle for power. In other words, terrorism is the great equalizer. They do not have to face the United States eyeball-to-eyeball to fight us, but they can resort to terrorism whenever they think it would be useful. It is the cost-benefit relationship.

Earlier I mentioned Fidel Castro. Madam Chair mentioned correctly that when Fidel Castro visited the Middle East, he visited Libya and Iran, and made the statement that he would bring us to our knees if they will cooperate with Iran. So what better way that the Iranians might consider working with Fidel Castro, which is very close to the shores of the United States, to instigate attacks in this country and around Latin America?

By the way, just one more word, if I may, on state-sponsored terrorism. We have to look at the historical record of the role of Cuba, for 40 years, how they tried to operate in Latin America, Africa, and the Middle East. So, again, state-sponsored terrorism is alive and well and kicking and we have to consider the responses very seriously.

Mr. ROYCE. The same modus operandi. Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Thank you, Mr. Royce.

So pleased to yield to our Ranking Member, Mr. Ackerman, my good friend.

Mr. ACKERMAN. I thank the Chair. Madam Chair, I think this has been one of the most powerful, factual, and gut-wrenching hearings that we have had that I can remember in my 22 years here. It puts a very personal face on the issue that we are talking about and raises such huge questions of why do we stand around pretending to be impotent when we really can, if we came up with a policy, do something to affect what is going on?

I would like to direct this question to Mr. Daugherty, if I may. It is my understanding that after the release of the hostages from Iranian captivity, that American companies were compensated for property that was seized by the Iranian Government. Is that accurate?

Mr. DAUGHERTY. Under the Algiers Accord, sir, the agreement was the banks that were involved in the deal that had investments in Iran that lost those investments, the banks basically came out

100 cents on the dollar with no losses at all. There was a tribunal set up for American corporations to adjudicate the claims.

Mr. ACKERMAN. So we made sure, in effect, that America's corporate interests were 100-percent made whole.

Mr. DAUGHERTY. Either through the amount of money that they received in compensation or the ability to take those losses off in terms of taxes, yes, the American corporations, as well as the banks, have been fully compensated.

Mr. ACKERMAN. So this country stood behind its business community.

Mr. DAUGHERTY. It is hard not to come to that conclusion at times, sir.

Mr. ACKERMAN. The second part of that same question: Correct me if I am wrong, but it is also my understanding that despite the fact that American citizens who were the victims of terrorism, both by Iran and other countries, have sued successfully in United States courts for damages, but that those of you who were hostages held in Iran during those horrific 444 days are prohibited from suing for damages.

Mr. DAUGHERTY. Yes, sir. That is correct. That was put in the terms of the accords.

Mr. ACKERMAN. How did this come about?

Mr. DAUGHERTY. My understanding is it was something of almost a casual, let us throw the Iranians another incentive to take the deal. Contrary to what the State Department now claims, there was no discussion with our families. The families did not give permission for this provision to be put in there. It was a surprise to us when we got off the airplane to learn that the provision was in there. We were very surprised by it. I believe that there was a certain amount of unfairness, given the nature of the corporations and the banks to make good on their losses but no provision for us.

I would like to point out that the Algiers Accord basically was negotiated at gunpoint. Under international law, any agreement that is negotiated under duress really has no validity. The State Department has maintained all along that there is a certain sanctity to these accords. There is a provision also in the accords, sir, that says the United States will not interfere in Iranian internal affairs. But if we are to promote democracy in Iran, if we are to support organizations or nongovernmental organizations or other methods to help the Iranian people throw off their oppressors, to reverse the direction of their Government, and to come join the family of nations, technically any of our efforts in that regard would put us in violation of the Algiers Accords.

Mr. ACKERMAN. It would seem to me, then, having seen, as the country did, President Bush's inaugural in which he said, I paraphrase, to the captive peoples of the world, that if you stand up for freedom, we will stand with you, that that is a violation of the Algiers Accord.

Mr. DAUGHERTY. Technically, it would be.

Mr. ACKERMAN. I do not understand, and I will just apologize for our Government. I am probably not the right person to do it, but somebody should, to apologize for the treatment that hostages and families and victims suffer while the Government of our great country protects the corporate interests and not the personal inter-



ests of its citizens and would even have such an agreement. It seems to me that if you negotiate an agreement with a gun to your head, that is not anything that can be upheld in any court of law because you do not have two willing parties to the agreement.

Mr. DAUGHERTY. You can understand our great surprise and dismay when the State Department and the Justice Department appeared in court against us to argue the case that Iran would have argued had they chosen to defend that case.

Mr. ACKERMAN. Well, I am sorry we were on their side.

You know, it seems to me, listening to the full testimony of the panel, that Iran really needs us more than anything else, and as the party that continues to play the needed party, that we become the enablers of their terrorism, and I think we have to give that an awful lot of thought as we proceed with our policy deliberations.

It was earlier today that we heard a suggestion that the international community should set up a tribunal similar to the one that was established for Sierra Leone in order to build a case against Iran for its support of terrorism. What do you think about this approach? Should the U.S. pursue it? Mr. Levitt?

Mr. LEVITT. I think any action is positive action, and inaction just tells state sponsors of terrorism and the groups that they sponsor that they can continue with their activities, as you have heard from just about everybody on this panel. From Hezbollah to al-Qaeda, we have heard time and again, and the 9-11 Commission made very clear, that the terrorists see when we do not respond and take that weakness into consideration when they plan future attacks.

I do not think that a tribunal is going to be effective. That is not my litmus test. My litmus test is whether or not we are trying to find creative options for dealing with a very difficult problem and doing everything we can, even if any given option is only going to move us a little forward, a few inches forward.

Militarily, I do not think that is a particularly wise option with Iran, given that it is ironically the greatest sponsor of terrorism, on the one hand, and, on the other hand, has a population that is perhaps the most pro-Western in the greater Muslim world. And the one thing, as, I think, Professor Daugherty said, that would unite them is if there were to be some type of overt foreign intervention. I think that a tremendous amount of covert activity is called for.

I think that diplomatically there is much, much more that can be done, both targeting Iran and targeting our allies who are insufficiently activated on the issue of Iran and its state sponsors, and, again, I point to the Europeans, in particular, and their lack or failure to list Hezbollah on their terrorist organizations list, even though members of Hezbollah are on that list, as if the members who are recruited, trained, and funded are somehow disconnected from the group. There is clearly much more that we can do.

Mr. ACKERMAN. Just following up on that notion, there are some that have suggested today that we perhaps run a blockade, an economic blockade, on Iran. The success of that, if it is a wise move at all, would probably require the cooperation of countries that you have already mentioned and others in Europe that we can think of. And that just thinking of that, I think most people come to the con-

clusion that cooperation is something that we are not going to get. Is this because of commercial interests and both corporate and national greed on behalf of some of the countries in Europe that may be doing a lot of business?

Mr. LEVITT. I think the Oil-for-Food scandal demonstrates how powerful an incentive money can be. I think that certainly is a factor. I think it is also a factor that different states, including some of our closest allies, do have interests of their own and prioritize them differently and interpret threats differently. Even within this country, there are those who believe that terrorist groups should be divided up into those who are very directly threatening and targeting us today, whether or not they have in the past, and those that some would say are not.

I have had arguments with people in the Administration here, academics, all kinds of people in our country who say that we should deal with Hamas and Hezbollah differently than we deal with other terrorist groups. And I think that that is ridiculous not only because there are links between all of these different groups, not only because these groups should be held accountable for their horrible past actions, as we have heard about today, but because if we had dealt with al-Qaeda by that litmus test for many years, we would have done even less than we did prior to 9/11, and the devastating effects could have been even worse.

We need to deal with people and states and organizations who engage in terrorism not because of who they are attacking. As Professor Alexander said, not because of the political reason upon which they justify their actions, however legitimate their political goals may be, but simply the use of terrorism is a delegitimizing; the use of terrorism is beyond the pale.

Ms. DERBYSHIRE. May I add something?

Mr. ACKERMAN. Sure.

Ms. DERBYSHIRE. I think that whatever it is we do, we need to send a message that they cannot get away with it, and right now we are not doing anything that sends that message. They are using terrorism as a tool because it works for them. It gives them power. We have to take that away.

My understanding of the situation is not complete. I am not an expert like these other people.

Mr. ACKERMAN. Oh, yes, you are.

Ms. DERBYSHIRE. But it looks to me like their Achilles's Heel is financial.

Mr. DAUGHERTY. Sir, can I make one observation?

Mr. ACKERMAN. Sure.

Mr. DAUGHERTY. Let me just bring home what state-sponsored terrorism has done in this very building. When I came to Washington in 1979, you could walk the Capitol grounds 24 hours a day. The Capitol police were inside. There were no guards. There were no fences. There was no electronic security. At 3 o'clock in the morning, you could come and look at this building. You could walk into the rotunda at 3 o'clock in the morning and look at this building, which is the symbol of democracy in the world. And at the height of the Cold War, when the Soviet Union had the ability to destroy us many times over, 24 hours a day, you could come into this building and freely look at what democracy means.

And now state-sponsored terrorism has caused the barricades to go up, has caused—here is this new visitors' center, all of the extra security. The Soviet Union, with the power to destroy us, never did to this building what state-sponsored terrorism has done.

Mr. KIRTLEY. Sir, you mentioned the effects of an international tribunal, and I will make a couple of points and then try to tie it all together.

Mr. Royce asked a question about what the national interests are in Iran developing nuclear capabilities, and what the national interests are of Iran in being a state sponsor of terrorism, and I think this is one of the shortcomings, maybe, of certainly the State Department and probably of some Americans overall. The people that are running Iran certainly, I would say, have a different thought process and think of national interest in a much different light than we think of it, than the State Department and our elected leaders think of it. I will make that point, and I am sure Dr. Alexander and Dr. Levitt will agree.

When we go to this international tribunal, I would agree that any step forward is progress, but I also would say that talk without accountability is useless. Tell me what, over the past 25 years, America or any of the world leaders have done to make Iran believe that it is not in their best interest to develop a nuclear weapon.

Mr. ACKERMAN. Well, I guess the short answer might be Iraq. However, having done or having been doing Iraq, I think it becomes harder to sell either the U.N. or the international community or any component thereof that we are dealing with a Middle Eastern country with connections to international terrorist groups and al-Qaeda, that has weapons of mass destruction that they are developing, and has bad intentions all around. It seems to me, we speak from a position of weakness brought on by our loss of a lot of credibility in that situation, and that hurts us. That hurts us tremendously as far as our prestige and our ability to really do some good in the world.

Just a comment on Dr. Daugherty's observation. I remember the social studies teacher who came to Washington. I brought my kids down here, my own kids, and marveled in the fact that I could drive my car right up to the front steps of the Capitol of the United States and walk inside at 10 o'clock at night without anybody asking me who I was because I wanted to see the Capitol of the free world and show it to my children.

You know, terrorists cannot win a war, but it is also possible to be nibbled to death by ants, and the faster we have a policy to deal with this, the better off everybody is going to be.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Ackerman.

To close this hearing, I would like to ask two other witnesses just to come forward and make some closing remarks on our behalf, and that is Rocky Sickmann and Dick Morefield, who were also hostages, and I would like to recognize them and address our Subcommittee and close the hearing for us. Push the little button there.

**STATEMENT OF RICHARD H. MOREFIELD**

Mr. MOREFIELD. Thank you, Madam Chair, for the opportunity. You have seen me in the back there nodding and bobbing like the choir. I would like to give you two insights from my experiences, one that goes back to Uruguay, back to the 1960s.

I saw a beautiful, little democracy destroyed by the first urban terrorism, the Tupermaros. It took Uruguay two generations to recover from their inability to cope with terrorism at that time, and I came to the conclusion at that time that terrorism is the ultimate weapon of mass destruction. It makes it possible for a small group that cannot win its aims, either by military or political means, to force its agenda on either a segment of a country or an entire country. I have seen this also in Colombia, and I think I am seeing this also in Iran.

The reason why Iran uses state terrorism is because it is cheap, and it works. The only way we can combat it is basically to stand up to it so that it does not work and make it more expensive.

Now, let me give you one other insight from when I was along the Caspian border right after the failed rescue attempt. It was one of the few times I was able to talk to the guards, and I was trying to find out why Russia was the Little Satan, and we were the Great Satan. I said, "Russia is on your border. They have invaded you once before. Why?" They never could give me an answer until I asked them. I said, "You do not understand the United States. I wish you could come to the United States so you could understand it." And he said, "Oh, no. I do not want to go to the United States. I must be corrupted." And that gave me the key. The reason why we are the Great Satan is because we are a multicultural, democratic, open society, and that is what the people in power in Iran fear, and that is what somehow the Iranian people are going to have to overcome. And with those two insights, I will turn it over to Rocky.

Ms. ROS-LEHTINEN. Thank you. Rocky?

Mr. ACKERMAN. Madam Chair?

Ms. ROS-LEHTINEN. Yes, Mr. Ackerman.

Mr. ACKERMAN. Just for the record, let it be recorded that the minority concurs happily with the late-noticed, additional witnesses, and we are happy that they are here.

Ms. ROS-LEHTINEN. I saw his head bobbing, and I just felt like he wanted to talk. [Laughter.]

Thank you. Rocky?

**STATEMENT OF ROCKY SICKMANN**

Mr. SICKMANN. Madam Chair, I am not prepared to really expound on the situation, although I can only think back to seeing that picture that day, that November 4th, where I, along with other fellow Marines, had shotguns pointed to rows of Iranian women as they had broken through the basement window, and they brought the women in first, knowing that the Marines probably would not have shot upon them unarmed. Of course, at that time, we were told not to fire our weapons. Tear gas was thrown. They removed themselves. And I think back, and especially after 9/11, I have told friends that I wonder what would have happened had I fired that November 4th of 1979. That young Marine, along

with the others, accidentally pulled the trigger and started a blood-bath.

Would we have had, and would we be here now, had we taken the accountability to make Iran be responsible for their actions? That haunts me over and over and over.

As Ms. Derbyshire had mentioned, she has a friend, an Iranian friend. My son's best friend is an Iranian, and I teach—I have three wonderful children and a wonderful wife of 25 years next year, but I teach my children, when they are born, to love, not to hate. When I was held for 444 days, outside my window I would hear the young children of Iran—that was 1979—“Death to America.” And it is 2005, and it is still “Death to America.”

So it continues to haunt me, When do we take action? When do we show Iran that what they did on that day should never happen, not only Iran but the rest of the world? So that is why I am here because, you know, it is our future, and something needs to be said, a policy and a procedure.

Ms. ROS-LEHTINEN. We did not hear then, and I hope that we are listening now. Thank you to each and every one of you for your powerful testimony, and thank you to the Members for being here. The Subcommittee is adjourned.

[Whereupon, at 3:15 p.m., the Subcommittee was adjourned.]

