

**IRANIAN TERROR OPERATIONS ON  
AMERICAN SOIL**

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**JOINT HEARING**

BEFORE THE

**SUBCOMMITTEE ON OVERSIGHT,  
INVESTIGATIONS, AND MANAGEMENT**

AND THE

**SUBCOMMITTEE ON  
COUNTERTERRORISM  
AND INTELLIGENCE**

OF THE

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## IRANIAN TERROR OPERATIONS ON AMERICAN SOIL

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Wednesday, October 26, 2011

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON COUNTERTERRORISM AND  
INTELLIGENCE, AND  
SUBCOMMITTEE ON SUBCOMMITTEE ON OVERSIGHT,  
INVESTIGATIONS, AND MANAGEMENT,  
WASHINGTON, DC.

The subcommittees met, pursuant to call, at 10:05 a.m., in Room 311, Cannon House Office Building, Hon. Michael T. McCaul [Chairman of the Oversight, Investigations, and Management subcommittee] presiding.

Present from the Counterterrorism and Intelligence subcommittee: Representatives Meehan, Broun, Speier, Higgins, and Hahn.

Present from the Oversight, Investigations, and Management subcommittee: Representatives McCaul, Bilirakis, Duncan, Marino, King, Keating, Clarke, Davis, Hochul, and Thompson.

Also present: Representative Jackson Lee.

Mr. MCCAUL. Good morning. Excuse me, good morning. The subcommittees will come to order.

Today, we have a joint subcommittee between the Oversight Subcommittee and the Intelligence Subcommittee. We are meeting today to hear testimony regarding the “Iranian Terror Operations on American Soil.”

The Iranian government is a threat to the international community, building weapons of mass destruction. It is a threat to the Middle East, dominating the region through intimidation and support to terrorist organizations. Now, recent reports indicate that the Iranian government is a threat to homeland security by attempting to assassinate the Saudi ambassador on our soil using drug cartels operating on our doorstep.

Enough is enough. In the past, we, and the international community have attempted to use economic sanctions. It is obvious these sanctions have not worked. Our message to Iran should be simple—continue threatening the National security of the United States, and there will be a punitive response.

Our hearing today examines the threats from the Iranian government, the timid U.S. response, and the alternative courses of action. In February, the International Atomic Agency director agreed that Iranian leaders seemed very determined to build a nuclear weapon.

Additionally, Iran has declared it has successfully enriched uranium. Iran's growing arsenal of ballistic missiles enhances its power projection, and there are reports Iran is adapting one of its ballistic missiles to deliver a nuclear warhead.

The U.S. Department of State considers Iran the world's most active state sponsor of terrorism. Since its inception in 1979, the Islamic state has used terrorism as an integral part of its foreign and military policies. It provides funding, weapons, training, and sanctuary to numerous terrorist groups, most notably those operating in Iraq, Afghanistan, Lebanon, and other Middle Eastern countries.

Iranian-backed political violence has killed more than a thousand people in over 200 terror attacks, including the 1983 suicide bombing of American and French military barracks in Beirut, killing 299 people.

Most recently, the U.S. Department of Justice filed charges of conspiracy to commit terrorism against Manssor Arbabsiar, a naturalized U.S. citizen who holds an Iranian passport, and Gholam Shakuri, who is identified as a member of the Qods Force—a special covered unit of Iran's Revolutionary Guard Corps (IRGC).

Shakuri is still at large and thought to be in Iran. But charges state that Mr. Manssor, who is living in Corpus Christi and, at one point in time, in my district in Austin, Texas, attempted to hire the Mexican drug cartel Los Zetas to assassinate the Saudi Arabian ambassador in Washington, DC.

We should be concerned about a nexus between Iran, Hezbollah, and the drug cartels. This plot indicates a dangerous escalation of the Iranian government's role in the sponsorship of terrorism. Remember that World War I started because of an assassination of a foreign diplomat.

The Iranian government has established strong ties to Latin America. Presidents Ahmadinejad and Chavez are allies. Iran is focused on recruiting Venezuelan youth of Arab origin for use as intelligence and militant operatives. Some are brought to Iran for training. Sources claim that Hezbollah is involved in this operation.

In addition, Iran Air operates a Tehran-to-Caracas flight commonly referred to as Aero-Terror by intelligence officials for allegedly transporting terror suspects, uranium shipments, IRGC members, and Hezbollah operatives to South America. The Venezuelan government shields passenger list from Interpol on these flights.

Obviously, Iran is a rogue state which continues the work towards acquiring nuclear weapons, building long-range missiles, and supporting terrorism. Actions taken by the administration are not working. We do not enforce sanctions against Iran's Central Bank. Iran uses this bank to circumvent sanctions. Additionally, this bank assists the Iranian Qods Force in funneling money to terrorist groups such as Hezbollah and Hamas.

Strict sanctions on the Central Bank of Iran must be enforced sooner rather than later. If it turns out that this Iranian assassination plot on U.S. soil was sanctioned at the highest levels of the Iranian government, then I believe military force should not be taken off the table.

I look forward to the witnesses' testimony. We have a distinguished panel here today. I also look forward to see what actions



the Obama administration will take to demonstrate that the Iranian government's actions are simply unacceptable.

With that, I now recognize the Ranking Member of the subcommittee on Counterterrorism and Intelligence, the gentlelady from California, Ms. Jackie Speier.

Ms. SPEIER. Thank you, Mr. Chairman, and thank you for holding this timely hearing on threats to the homeland from Iran.

First, I would like to congratulate the people of Libya for ending the reign of Muammar Gaddafi last week. It is now time for the Libyan people to begin the long process of rebuilding their country and regaining Libya's standing in the international community.

I would also like to commend President Obama on yet another major National security victory for helping to assembling the coalition that supported the Libyans in deposing this dictator all without placing any of our forces in harm's way.

Those developments in North Africa should hold some relevance for today's topic as well, because it stands as yet another example that in our increasingly interconnected world, brutal regimes cannot continue to suppress their citizens' desire for freedom and democracy.

I want to thank our distinguished witnesses for being here with us today to discuss the Iranian threat, which is a discussion that has grown in significance following the foiled plot to assassinate the Saudi Arabian ambassador to the United States by an Iranian-American man allegedly acting on behalf of the Islamic Revolutionary Guards Corps—Qods Force.

But though this plot has refocused the debate on threats to our security from Iran, we all know that Iran has been a primary security concern for America for a long time. Earlier this year, we held a subcommittee hearing on Hezbollah that examined the close links between the Iranian government, including the Qods Force and Hezbollah, a group responsible for devastating attacks against the United States, including deadly bombings of U.S. embassy and Marine Corps barracks in Lebanon.

Iran continues to provide support for Hezbollah and other terrorist groups, including Hamas. Through some of these proxy groups, Iran has been tied to attacks on U.S. troops in both Iraq and Afghanistan, and Iranian-made weapons have caused the deaths of many American service members.

Of course, the recently foiled plot—which was allegedly authorized, funded, and planned by members of the Qods Force—opens up a new dimension to the threat we face from Iran. If the version of events laid out by the Justice Department and its complaint is true, that this plot was authorized by members of the Iranian government, what does it mean for the overall threat we face from Iran?

Given that the target of this plot was not American, how does this change our estimation of the Iranians' capabilities, and intent to strike the United States? Does the alleged attempts to partner with a Mexican drug cartel member indicate a greater collusion between Iran and drug-trafficking organizations? We still need to learn all the facts in this troubling case.

But one thing is for sure. We need sober, reasoned discussion of the foreign policy challenge we face with Iran, not the inflam-

matory sound bites that have been characteristic of the debate up until now.

The heated rhetoric from both sides over the past decade brings back memories of the darkest days of the Cold War. Before this recent plot was uncovered, the United States and Iran have been contemplating a hotline between the two countries to provide a direct line for top leaders to communicate during a crisis, in the hopes that cooler heads would prevail.

A similar solution was adopted by the United States and the Soviet Union during the Cold War. With the arrest earlier this month sparking a lot more heated rhetoric, I cannot help but think that such a hotline could have helped. We must carefully assess the most effective path forward for dealing with Iran.

America needs to send a message that Iran's leaders must be held accountable for their actions. But we cannot take any reckless actions which may lead to opening another front in the war on terror, which the American people do not want and cannot afford. We need to work with our international partners to find the right balance in making Iran accountable. As we showed in Libya, the best approach is to build a coalition and to avoid unilateral actions.

Though many people have criticized our sanctions of Iran for lacking teeth, just last week the *Washington Post* reported that Iran's nuclear program faced major setbacks, in part due to poorly-performing equipment and shortages of parts, as global sanctions exert a mounting toll.

Even China has recently slowed oil and energy investments in Iran to be more in compliance with the sanctions program, greatly angering the Iranians. Working with our partners will enhance our sanctions program and increase the pressure on Iran, further isolating the regime and providing a path forward that does not put our troops at risk.

I hope today to gain new insights into these and other challenges in the hopes we can move forward, building a strategy for dealing with Iran that is both effective and responsible.

With that, Mr. Chairman, I yield back.

Mr. MCCAUL. I thank the gentlelady.

The Chairman now recognizes the Chairman of the Subcommittee on Counterterrorism and Intelligence, the gentleman from Pennsylvania, Mr. Meehan.

Mr. MEEHAN. Thank you, Mr. Chairman, and thank you to our distinguished panel for your presence here today.

Since the Iranian-sponsored assassination plot was revealed to the public 2 weeks ago, I have been struck by much of the commentary in the media that has underplayed the plot, with some even suggesting that it would be impossible to pull off, and questioning how Iran would ever use Mexican drug cartels for a terrorist attack on American soil.

But I would note that the September 11 attacks, the 9/11 Commission pointedly stated, and I am holding it up. These were their conclusions. Across the Government there were failures of imagination, policy, capabilities, and management. The most important was a failure of imagination. We do not believe leaders understand the gravity of the threat, a failure of imagination. Do our leaders

completely understand the gravity of threat? That is the essence of what we are trying to ask today.

When it comes to the ambition of Iran to develop nuclear weapons, an Iran that is willing to engineer terrorist attacks on the United States soil, and an Iran that vowed to wipe Israel off the map it appears to me that our government risks a failure of imagination and may not fully be considering the gravity of the Iranian threat. I hope we can analyze that.

Today's hearings address a critical homeland security issue, Iran's terror operations on American soil. In my view, this is a game changer and represents crossing of the red line by Iran.

For many members of this committee it is not surprising. This committee, in July, held a hearing on Hezbollah and Iran's presence in Latin America, and its ramifications to United States homeland. Witnesses testified that Iran, both directly and through its proxy, Hezbollah, had its tentacles firmly entrenched in Venezuela, throughout Latin America, and into Mexico.

One witness even testified that the Hezbollah was sharing underground tunnel technology with the drug cartels along the Southern Border of the United States, the same technology used by another Iran-supported terrorist group, Hamas, along the Egyptian Gaza Strip border.

Those issue are alarming. I think there is a general consensus among the witnesses, for many in the intelligence community, that although Hezbollah has a presence in the United States primarily for fundraising activity, Iran would not attack the United States homeland unless provoked by the United States or an attack by them on Israel or their nuclear facilities, our nuclear facilities.

Does it now appear that that consensus is wrong? These are among the questions I hope the principal purpose of this hearing can be. A complaint unsealed in New York on October 11 has ramifications that are significant for homeland security in the United States. The focus since 9/11 has rightly been on al-Qaeda and affiliated terrorist groups. Debate about Iran's intent and capability to strike on American soil has been limited to the nuclear issue. That must change, and I hope today's hearing is a constructive contribution to the debate.

While the United States and the international community have issued sanctions against Iran in some forms since 1979, it is obvious from the assassination attempt that Iran has not been deterred. Some have theorized such an attempt might actually signal some amount of desperation and dissention within Iran, particularly as it relates to the relationship between Ahmadinejad and the ruling theocracy. What are the implications of that?

I do believe, regardless, that it is important for the United States to get serious, sanction the Iranian Central Bank, its oil refinery businesses, its shipping companies, and its port operations. While Iran assassinating a foreign ambassador in Washington, DC is a significant provocation, it is not a plot considered in isolation. Iran is on a path toward obtaining a nuclear weapon. We cannot allow that to happen.

If we cannot deter Iran's actions now—and the thought of them with a nuclear weapon is unimaginable—simply taking him at his word, President Ahmadinejad would use nuclear weapons to lit-

erally wipe Israel off the map. It is my belief that we should take him at his word and do everything we can as a Nation to stop Iran from obtaining a nuclear weapon, ensuring both United States and Israeli security.

The United States and Israel share a common enemy in Iran and, in Israel's case, a potential existential threat if Iran attains a nuclear weapon. The United States must do everything in its power to protect the state of Israel from an Iranian attack.

Let me close my comments by saying I would like to call special attention on one of today's witnesses, Retired Marine Colonel Tim Geraghty. Colonel Geraghty was the commander of the U.S. Multinational Peacekeeping Force in Beirut, Lebanon in 1983, when a Hezbollah suicide bomber killed 241 servicemen. As we all know, this attack was planned, financed, and ordered by the Iranian government.

This past Sunday was the 28th anniversary of the attacks, and I know I speak for all Members of Congress when I say we have never forgotten their sacrifice. I also want to highlight that on this past Sunday there was a remembrance ceremony at Arlington National Cemetery in Section 59, where many of Colonel Geraghty's fallen Marines rest today in honor.

In what I believe to be a striking contrast, in 2004 a monument was erected in Tehran commemorating the suicide bombers that killed our 241 servicemen in that attack. Organizers there held a registration drive, seeking martyrdom volunteers. While just an anecdote, I think it tells us much of an important story about the type of enemy Iran poses to the United States.

With that, Mr. Chairman, I yield back.

Mr. McCAUL. Thank you, gentleman.

The Chairman now recognizes the Ranking Member of the Subcommittee on Oversight, the gentleman from Massachusetts, Mr. Keating.

Mr. KEATING. Thank you, Mr. Chairman, and I want to thank you for conducting this hearing. I would like to also acknowledge a former D.A. colleague, Chairman Meehan, and Ranking Member Speier.

I am pleased to be here and have the combined forces of our subcommittee to join together to gain a greater insight on the Iranian threat. For over 30 years, the relationship between Iran and the United States has been tenuous at best.

Since 1995 the United States has had an embargo with Iran, and this may seem like a long time, post-dating the Red Sox, you know, version to the playoffs. But also, Iran's sponsorship of the terrorist activities against the United States and other countries spans those great three decades.

As I watch our young men and women return from the battlefield in Iraq and Afghanistan, bearing both the physical and the psychological wounds of war, what angers me the most is their allegations of the extensive collaboration between Iran and some of our most threatening enemies like the Taliban, Afghan warlords, and al-Qaeda themselves.

For this very reason, our foreign policy with Iran should not be a partisan issue. Iran's actions are wrong. As we focus on the nuclear ambition, which are incredibly concerning, we cannot turn a

blind eye to the Revolutionary Guard's own ambitions to stretch their tentacles even further across the Middle East and perhaps, and I think likely, the Western Hemisphere, as well.

There is no doubt that, following the failed Iranian elections in June 2010, the Iranian regime has had its legitimacy wounded. Their own paranoia has increased. They have called on Islamic extremists in the region to increase their violent posture, and yet again have advocated for the annihilation of the Jewish state.

As if this were not enough to worry about, Israel—who is our true democratic ally and trusted friend—Iran's nuclear ambitions are moving swiftly towards the nuclear reality as the world waits with a bit of apprehension.

Europe, Israel, and United States must undoubtedly prepare for a more dangerous Iranian regime in the near term. Yet nothing endangers peace more than a refusal to face and accept the facts. So an examination of a way forward with Iran makes sense.

While Iran's known and speculated alliances with terrorist organizations pose an actual threat to the United States homeland is a question that many have tried to answer, what we do know is that members of the elite Qods and the Iranian Revolutionary Guard Corps were involved in a plot to assassinate Saudi Arabia's ambassador of the United States. We should ensure that the decision on how to proceed is grounded in the best interests of the United States.

According to the complaint filed by the Department of Justice, an Iranian-American working on behalf of an Iran-based member of Iran's Qods Force attempted to hire a member of the Mexican drug cartel to assassinate the Saudi ambassador to the United States. The cartel member, however, turned out to be an informant for the U.S. Drug Enforcement Agency, who tipped off U.S. officials and helped them build a case against perpetrators who were subsequently arrested on September 29 in New York.

Therefore, the focus of this hearing rightfully belongs on the Islamic Revolutionary Guard Corps, an organization that has been designated as a terrorist organization by the United States, and whether the government of Iran or the entire IRGC had knowledge of this scheme or not.

As I alluded to earlier, the evidence exists that the IRGC is playing an active role to undermine Iraq by funneling funds and arms to the Shiite militia, engaging directly in military activity, and gathering intelligence.

Furthermore, the United States and the European Union both agreed that the Qods Force are providing equipment and support to help the Syrian regime suppress revolts in Syria. This information alone is a cause for concern. Although I believe President Obama's dual track of engagement and policy has had a profound effect on Iran's capabilities, we must begin to weigh other measures and prepare to counter the evolving threat of Iran.

I look forward to this hearing. I look forward to what will be discussed and the ideas coming from our witnesses. I thank our witnesses for being here today, and look forward to hearing their views on how we should counter this threat and exactly how far along the threat lies within our borders.

Again, I want to thank the Chairman, the Ranking Members for being here, and I look forward to the testimony.

Mr. McCaul. I thank the gentleman.

The Chairman now recognizes Chairman King for an opening statement.

Mr. KING. Thank you, Chairman McCaul.

Let me, at the outset, thank you and Chairman Meehan for holding today's hearing. This is a vital issue. I think it is very appropriate that the two subcommittees came together to hold this hearing.

Much reference has been made this morning to the recent indictment and the allegations regarding the plot against the United States by Iran by elements within Iran. I have seen much of the evidence, both in this committee and the Intelligence Committee, and the totality of the evidence makes it clear that this was a real plot. All of the various types of evidence confirm how real it was. This to me is, as Chairman Meehan said, a game-changer. This takes it to a new level.

Iran has been an enemy for many years. Some of the statements this morning catalogued Iran's actions against the United States. But to actually be contemplating what would have been an active war against the United States, No. 1, showing a foreign ambassador on American soil in our Nation's Capitol. But also clear from the statements that were made, there was a willingness to kill hundreds of Americans along with that.

So you have the assassination of a foreign ambassador, you have the willingness to kill hundreds of Americans. This is an act of war. So I do not think we can just do business as usual or even carry on sanctions as usual. I think sanctions have been somewhat effective in the past. But because of this red line that was crossed, that was jumped across, I believe further action is needed to make it clear how strongly we feel about this.

Also not just to send a message for Iran, but also send a message to other nations in the region about how seriously we feel. I think, for instance, we should expel Iranian officials both in New York at the United Nations and also here in Washington. Many of them are working as spies.

In New York, we had a particular experience of people out of the Iranian office at the United Nations. The United States actually doing reconnaissance on the New York City subway system, they were expelled from the country. I believe it is fairly very clear a number of representatives of the Qods Force who would be involved in Washington and also in New York. So I think that is a clear signal, and a clear action should be taken now.

Additionally, I heard Congressman Keating reference the Iranian Revolutionary Guard Corps. I do not believe they have been designated as a foreign terrorist organization. I think the administration, our Government, should make that official designation to designate them as a foreign terrorist organization.

Also, as Chairman McCaul said, I think it is essential that we begin to enforce sanctions against Iran's Central Bank. These would send clear signals. Also I think it is important to say that nothing should be taken off the table. Because once we take anything off the table, that is only going to embolden Iran. It is also

going to cause concern among our allies in the region and other countries that could be on the fence. So I do not think anything should be taken off the table.

So I look forward to the hearing today. I look forward to the witnesses. Let me particularly thank General Keane for being here. He is from New York. We have had a number of meetings over the years. I know of the particular work he did in formulating the surge strategy in Iraq at a time when everyone said that policy would not work.

I remember being at meetings with General Keane in late 2006, early 2007, and he, if anyone, was the architect of that strategy. General Keane, I want to thank him for that today. I want to thank all the witnesses for being here.

With that, I yield back the balance of my time.

Mr. MCCAUL. I thank Chairman King.

The Chair now recognizes the Ranking Member, Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman.

We were recently made aware of an alleged attempt to assassinate the Saudi Arabian ambassador to the United States in Washington, DC. The U.S. Government has linked this assassination attempt to high-ranking Iranian officials in the Iranian Revolutionary Guard Qods Force. I commend the work of our intelligence and law enforcement communities, and look forward to seeing justice served in the case.

The United States and Iran have a long history. Even before uncovering the alleged plot to kill the Saudi ambassador, the United States had designated Iran as a terrorist country. Reports that Iran is vigorously pursuing nuclear weapons and has alleged ties to al-Qaeda are additional reasons why the United States should pay close attention to Iranian activities.

However, recent remarks by some of my Republican colleagues, as well as this morning, suggest that the alleged assassination attempt represented the crossing of a red line by the world's largest state sponsor of terrorism against the United States and Israel, and claims that sanctions are not working, may be premature, and could inflame an already fragile climate.

Furthermore, the individual currently awaiting trial is accused of attempting to enlist a Mexican drug cartel member to assassinate the Saudi Arabian ambassador to the United States. Although some have made a point to capitalize on the possible alliance between Iranians and the Mexican drug cartels, the facts indicate otherwise. We must be careful to stick to the facts. We must not overstate, nor overreact to the threat we currently face from Iran.

Some have criticized the sanctions we placed on Iran as too soft, and have suggested taking actions that would lead us on a path to escalation. But Iran is a nation that has already isolated itself from the world community. It has long lost even more credibility following its latest round of illegitimate elections, and the Arab Spring that has swept the Middle East. Let us not lend them the legitimacy they need by taking reckless actions that would lead now the path to another war.

I thank the witnesses for being here today, and I look forward to their testimony. I yield back.

Mr. MCCAUL. Thank you, Ranking Member.

Let me first say that I recently met with the FBI agents and the DEA agents involved in this case. I want to personally commend them, congratulate them, the U.S. attorney's offices, the intelligence community. This was a true joint operation that worked the way it is supposed to work, and I want to just personally thank them on the record.

With that, we have a distinguished panel of witnesses here today.

First, General Jack Keane is a four-star general. He completed 37 years in public service in December 2003, culminating as acting chief of staff and vice chief of staff of the U.S. Army. He also serves as chairman of the Institute for the Study of War.

General Keane, thank you for being here today.

Next, we have Reuel Marc Gerecht. He is a senior fellow with the Foundation for the Defense of Democracies, where he focuses on Iran, Afghanistan, and Iraq terrorism and intelligence. He previously served as a specialist at the CIA at their Directorate of Operations.

Next, we have Dr. Matt Levitt who founded and is the director of the Stein Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy. From 2005 to 2007, Dr. Levitt served as deputy assistant secretary for Intelligence and Analysis at the Department of the Treasury, and then as a State Department counterterrorism adviser.

Dr. Lawrence Korb, a senior fellow at the Center for American Progress and a senior adviser to the Center for Defense Information. Previously, he was a director of National Security Studies at the Council on Foreign Relations. Dr. Korb also served as an assistant secretary of Defense for Manpower, Reserve Affairs, Installations, and Logistics.

Finally, we are very, very honored today to have Colonel Timothy Geraghty. He entered the Marine Corps in 1959, following graduation from Saint Louis University. He commanded a reconnaissance company in Vietnam and, while a lieutenant colonel, served in a special assignment with the Central Intelligence Agency's Special Operations group. He commanded the 24th Marine amphibious unit in Beirut in 1983 as part of the Multinational Peacekeeping Force. Upon his retirement from the Corps, he returned to the CIA to serve in the Counterterrorism Center.

Colonel Geraghty, let me personally thank you for your service and the brave actions on that fateful day in Beirut. I know we will never forget the Marines that died that day.

With that, I will recognize General Keane for his testimony.

**STATEMENT OF GENERAL JOHN M. KEANE, UNITED STATES  
ARMY (RETIRED)**

General KEANE. Thank you, Mr. Chairman and Ranking Minority Member, the other Chairs who are present here today, and the other Ranking Minority Members. I appreciate you inviting me to share my views with you. I got to say this is probably one of the most unique testimonies I have provided here, with bringing these two committees together and also the number of Chairs and Ranking Minority Members that are here. Also, I am also honored to be



on this panel with the distinguished colleagues that will share their views with you, as well.

The Iranian bungled operation to use proxies to assassinate the Saudi Arabian ambassador to the United States, and to purposefully plan the operation inside the United States, is a stunning rebuke to the Obama administration's policy of negotiation and isolation with the Iranians. Indeed, Republican and Democratic administrations, since 1980, have failed to deal effectively with the harsh reality that Iran is our No. 1 strategic enemy in the world.

Frankly, the Iranians stated as much in 1980. That the United States was the enemy of the Islamic Revolution, and their intent was to drive the United States out of the region. Therefore, they have been systematically killing us for over 30 years.

As mentioned, in 1983, their proxies, the Hezbollah, blew up the American embassy, the Marine barracks in Lebanon, and the embassy annex the following year, with a total of almost 500 lives lost. We not only had no response to this tragedy, but we pulled our troops out of Lebanon.

In 1983, the Iranian-backed Al Dawa extremist groups blew up the U.S. embassy in Kuwait and attacked Raytheon's residential area, killing and wounding over 80.

In 1984, the CIA station chief in Lebanon, William Buckley, was captured and eventually killed, which was the beginning of an Iranian-backed campaign to take high-profile hostages over a 10-year period. This led to the poorly-conceived and ill-fated operation by the Reagan administration to exchange arms for hostages with the Iranians.

In 1985, TWA flight 847 was seized while en route to Rome and was forced to land in Beirut, which led to the killing of a U.S. Navy diver and dumping his body on the tarmac. Eventually, the airplane hostages were released as the Israelis released hundreds of extremist terrorists from Israeli jails.

In 1996, the U.S. Air Force Kobar Towers barracks in Saudi Arabia was blown up by the Iranian-backed Hezbollah, killing 19 and wounding almost 400. Again, although our intelligence identified the culprits as Iranian-backed Hezbollah, we had no response. Eventually we shut down the U.S. military bases in Saudi Arabia.

Since 2003, in Iraq, the Iranians have provided rockets, mortars, enhanced IEDs, and money to the Shia militia who were directly involved in killing U.S. troops in Iraq. Moreover, the Iraq Shia militia were trained by the Iranian special operations force, the Qods force, assisted by the Hezbollah at training bases in Iran.

While the Iranians were defeated politically and militarily in Iraq in 2009, the President's recent decision to withdraw all troops from Iraq puts our hard-fought gains in Iraq at risk and plays right into the hands of the Iranians. Similarly, the Iranians are supporting the Taliban in Afghanistan with money and ammunition.

The action arm for Iran's state sponsorship of terrorism outside of their borders is led by General Qassem Soleimani, who has been in charge for over 15 years. General Soleimani has no military or political boss. He answers to only one person—the supreme leader in Iran, Khomeini. We must conclude that for General Soleimani to plan an operation inside the United States that would result in

Americans being killed, surely the supreme leader, at a minimum, approved the plan and may, in fact, direct it.

Moreover, we must ask ourselves: Has U.S. policy with respect to Iran been working? We appear to have a policy of rhetorical condemnation when the Iranians engage in behavior adverse to the United States interests. We also engage in negotiations which are on-again, off-again, while the Iranians continue to pursue nuclear weapons. We have imposed some limited sanctions on the Iranians and attempt to isolate them in the world which, as best as we can tell, also has had no impact on their pursuit of nuclear weapons or their sponsorship of terrorism.

We also must admit that the Iranians are not without their own challenges. Having two fledgling democracies on their borders in Iraq and Afghanistan is a huge geopolitical threat to their tyrannical control of their own population and preservation of their regime. The Arab Spring is a repudiation of radical Islam. Indeed, the people in the streets are seeking political reform, social justice, and economic opportunities, which are the mainstream of Western democracies.

Certainly, the Iranians are attempting to take advantage of the opportunities the social unrest of the Arab Spring provides, but no one has demonstrated on behalf of their flawed values. Losing a state-sponsored terrorist like Gaddafi is a setback for them, to be sure, as is the upheaval in Syria, their No. 1 ally in the region.

All that said, it is time to review our strategy for Iran against the harsh reality that despite our rhetoric, attempts to negotiate, isolate, and sanction, the fact is the Iranians continue to use their proxies against U.S. interests and continue to pursue nuclear weapons. Therefore, one must conclude the obvious: That our policy has failed, and failed miserably.

What can we do? First and foremost, begin to treat Iran as the strategic enemy they truly are. As such, develop a strategic competitive framework that counters every major interest the Iranian regime engages in. Yes, of course, seek international community support and cooperation. But regardless of the amount of support that we are able to obtain, we must act.

As an example, seize the financial assets which are outside of Iran, much as we did with the al-Qaeda. Limit their ability to trade by denying their ships entry to ports around the world. Limit the ability of their central bank to operate effectively. Conduct an offensive cyber campaign against military and economic interests inside of Iran.

Conduct covert operations led by the CIA, in cooperation with other agencies, to target the Qods Force and their proxies. Provide money, information, and encouragement to the dissident leaders inside Iran to use their population to put pressure on the regime. In my view, these measures have a realistic chance to compel a behavior change or, possibly, even the regime to fall.

This much I do know: If we continue the half-measures of the past, the Iranians will continue to kill us, will continue to sponsor terrorism and use their proxies against our interests, and will continue to pursue nuclear weapons. The next nightmare the world is awaiting is around the corner, and it is an unchecked Iran with nuclear weapons.

Thank you, and I look forward to your questions.  
[The statement of General Keane follows:]

PREPARED STATEMENT OF JOHN M. KEANE

26 OCTOBER 11

The Iranian bungled operation to use proxies to assassinate the Saudi Arabian Ambassador to the United States and to purposefully plan the operation inside the United States is a stunning rebuke to the Obama administration's policy of negotiation and isolation with the Iranians.

Indeed, Republican and Democratic administrations since 1980 have failed to deal effectively with the harsh reality that Iran is our No. 1 strategic enemy in the world. Frankly, the Iranians stated as much in 1980, that the United States was the enemy of the Islamic Revolution and their intent was to drive the United States out of the region. Therefore, they have been systematically killing us for over 30 years.

In 1983, their proxies the Hezbollah blew up the American Embassy, the Marine Barracks in Lebanon and the Embassy Annex the following year with a total of almost 500 lives lost. We not only had no response to this tragedy but we pulled our troops out of Lebanon. In 1983 the Iranian backed Al Dawa extremist groups blew up the U.S. Embassy in Kuwait and attacked Raytheon's residential area killing and wounding over 80.

In 1984, the CIA station chief in Lebanon, William Buckley, was captured and eventually killed, which was the beginning of an Iranian-backed campaign to take high-profile hostages over a 10-year period. This led to the poorly conceived and ill-fated operation by the Reagan administration to exchange arms for hostages with the Iranians. In 1985 TWA flight 847 was seized while en route to Rome and was forced to land in Beirut, which led to the killing of a U.S. Navy diver and dumping his body on the tarmac. Eventually the airplane hostages were released as the Israelis released hundreds of extremist terrorists from Israeli jails.

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Since 2003 in Iraq the Iranians have provided rockets, mortars, enhanced IED'S and money to the Shia Militia who were directly involved in killing U.S. troops in Iraq. Moreover, the Iraq Shia Militia were trained by the Iranian special operations force, the Qods force, at training bases in Iran. While the Iranians were defeated politically and militarily in Iraq in 2009, the President's recent decision to withdraw all our troops from Iraq puts our hard-fought gains in Iraq at risk and plays into the hands of the Iranians. Similarly, the Iranians are supporting the Taliban in Afghanistan with money and ammunition.

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Moreover we must ask ourselves: Has U.S. policy with respect to Iran been working? We appear to have a policy of rhetorical condemnation when the Iranians engage in behavior adverse to the U.S. interests, we also engage in negotiations, which are on-again/off-again, while the Iranians continue to pursue nuclear weapons. We have imposed some limited sanctions on the Iranians and attempt to isolate them in the world which as best as we can tell also has had no impact on their pursuit of nuclear weapons or their sponsorship of terrorism.

We also must admit that the Iranians are not without their own challenges. Having two fledgling democracies on their borders in Iraq and Afghanistan is a huge geopolitical threat to their tyrannical control of their own population and preservation of their regime. The Arab Spring is a repudiation of radical Islam; indeed, the people in the streets are seeking political reform, social justice, and economic opportunities, which are the mainstream of western democracies. Certainly the Iranians are attempting to take advantage of the opportunities the social unrest of the Arab Spring provides but no one is demonstrating on behalf of their flawed values. Losing a state-sponsored terrorist like Ghaddafi is a setback as is the upheaval in Syria, their No. 1 ally in the region.

All that said, it is time to review our strategy for Iran against the harsh reality that despite our rhetoric, attempts to negotiate, isolate, and sanction, the fact is the Iranians continue to use their proxies against U.S. interests and continue to pursue nuclear weapons. Therefore, one must conclude the obvious, that our policy has failed, and failed miserably.

What can we do? First and foremost begin to treat Iran as the strategic enemy they truly are. And, as such, develop a strategic competitive framework that counters every major interest the Iranian regime engages in. For example, seize the financial assets which are outside of Iran, much as we did with the al-Qaeda, limit their ability to trade by denying their ships, entry to ports around the world, limit the ability of their central bank to operate effectively, conduct an offensive cyber campaign against military and economic interests inside of Iran, conduct covert operations led by the CIA in cooperation with other agencies to target the Qods force and their proxies. Provide money, information and encouragement to the dissident leaders inside Iran to use their population to put pressure on the regime.

In my view, these measures have a realistic chance to compel a behavior change or possibly even the regime to fall. This much I do know, if we continue the half-measures of the past the Iranians will continue to kill us, will continue to sponsor terrorism and use their proxies against our interests, and will continue to pursue nuclear weapons.

The next nightmare for the world is around the corner, an unchecked Iran with nuclear weapons.

Thank you and I look forward to your questions.

Mr. MCCAUL. Thank you, General, for that excellent analysis.  
The Chairman now recognizes Mr. Gerecht for his testimony.

**STATEMENT OF RUEEL MARC GERECHT, SENIOR FELLOW,  
FOUNDATION FOR DEFENSE OF DEMOCRACIES**

Mr. GERECHT. I just want to say it is a pleasure to be here, to be invited by the subcommittees. Also, I must always say it is a pleasure to sit next to General Keane. If one casts one's mind back to the dark days of 2006, there were very few individuals in this town on the Republican or Democratic aisle or in the Pentagon who believed that Iraq could be turned around. General Keane did, and we all owe him a great deal.

I am going to primarily talk about operations, about how I have observed the Iranians over 20 years. To go back a little bit in time to when I was an Iranian targets officer in the Central Intelligence Agency.

Now, a great deal of conversation occurred after the plot was revealed. Many quarters, many sensible quarters said they could not really believe the Iranians were responsible, they could not believe that al-Khomeini, who they described as being a cautious man, could they have been involved in this. Most importantly, they could not believe that the Iranians were involved because the operation was so lame that the hiring of someone like Mr. Arbabsiar could not have happened because this is the A-Team.

Well let me tell you, the truth is that Iranian operations are almost always sloppy. That is the way they have been. Do not mix up the notion that an operation that was sloppy cannot be lethal. I mean, when this first occurred it reminded me of perhaps of my favorite Iranian bombing run, which was in Paris in 1986, where the Iranians let loose against the French.

Probably, we know from commentary later by Iranian officials in retaliation of French support of Iraq during the Iran-Iraq war, they bombed Paris repeatedly, my favorite, that culminated in the most lethal bombing of a place called Tati, which was an inexpensive de-

partment store on the Rue de Rennes, best known for its inexpensive women's underwear.

The individual who was responsible for that was a Tunisian. Now, there were several people who were, but probably the guiding light was the Tunisian Muslim who converted to Islam and was taken back to Iran and was trained, who had been a failed seller of vegetables and fruit in the streets of Paris. Yet, the Hezbollah and the Iranians found him to be an ideal candidate to bomb Paris. Within less than a fortnight, the DST, the French Internal Security Service, had ripped the whole thing apart. It was patently obvious the Iranians had done it.

I tracked Iranian operations all over the place in the 1980's and 1990's. Many of those operations succeeded. That is, they killed individuals. Most of those operations again, it did not take you very long to put all the pieces together. Again, the Iranians really do not hide all that much. That is the real truth.

I might make a slight digression, and just say all intelligence services are not as good as you think they are and the Iranians are no exception. They make a lot of mistakes. So it is important to remember, when you think about the Revolutionary Guard Corps, and the Qods Force, too is, that these services largely reflect their domestic ethics.

Now, the way the IRGC works, the Pasdaran and the Revolutionary Guard Corps works inside of Iran, is usually one of brute force and coercion. They are not a subtle organization. The ethos that you see inside the country is the same ethos that you see outside of the country. They do not have one body of very sophisticated folks who are the Persian version of James Bond working outside of the country, and then just the brutes, the thugs, inside. It is the brutes and the thugs in both places.

So do not, for a moment, buy the argument from those who said it cannot be because this is too sloppy. This is the nature of the game. This is how it is done. You know, cast your mind back again to something that obviously hurt us. If you go back and you look at al-Qaeda's operations for the millennial bombings and their attempt to go after the USS Sullivans in the Port of Aden, it is positively comical. Yet, al-Qaeda was able to recover in its consistently sloppy way, and they were almost able to sink the USS Cole.

In the intelligence game, in this type of dark arts system, the prize goes to those who just do—if you just persist at it. What the Iranians do is, they persist. It is important to note here that it is better than a 50/50 guess—in fact, it is more like a 90/10 guess—that every single Iranian terrorist operation since 1989, since the death of Ayatollah Khomeini, has been approved by Khomeini.

He has been a somewhat cautious man, occasionally, inside of Iran. I would argue that since the uproar of June 2009 and the explosion of the—and its collapse, that actually even that analysis is overrated. He has essentially turned a consensual theocracy into a dictatorship. He has moved members of the Guard Corps like they are musical chairs. He is in control of that system.

Lord help Qassem Soleimani if he engaged in the operation to kill Americans in Washington, DC without his approval. I guarantee you he will be gone soon. He will most likely be dead soon.

What we need to look at in the future—and I suspect this is where the operational aspect of this is going to get worrisome—is, what I think the Iranians are going to do—and I would say the only reason the Iranians have not hit the United States in the past is because they feared an American response. They have had very active operations throughout the West, except in the United States. The only incidence of that was immediately after the revolution, in the assassination of a former Iranian diplomat in Bethesda, a fellow by the name of Tabatabai.

Since then, they have not engaged in lethal operations, so far as we know, in the United States. I think the reason for that is they have been scared. They have been scared of the possible outrage coming from the United States. They have been scared of American military.

I would emphasize to you that the reaction in Tehran in 2001, after the invasion of Afghanistan, and in 2003 after the invasion of Iraq, was just dead silence and fear. It went away because as Americans started talking about Afghanistan, and more importantly, Iraq as a failure, the Iranians said, “Oh, it’s a failure.” Their attitude about what they could do to Americans started to change, and they started to push, push, push. If they think they can get away with it they will push forward, and they did get away with it.

Now, even though it is very invidious to say this I think it is crystal clear that they had the conception that now, today, in Washington, DC they could have a terrorist operation that could hit the two people that they detest most, the Americans and the Saudis, and they could get away with it.

Now, the only way that I would argue that you are going to stop that type of mentality and attitude is that you have to convince them that you will escalate. You do not want to run away from that word. You want to run towards it. You do not want to say to them, “We don’t want to have another front in the war on terror.” Say you are more than willing to have another front on the war on terror.

Mr. MCCAUL. Mr. Gerecht, this has been really fascinating. But I would ask, in the interest of time, if you could wrap your statement to give the Members time for question and answer. You will have ample time to say some more.

Mr. GERECHT. I would just end with this. Operationally, what I would suggest the committees look at is that they look at Canada. I think that is where the Iranians have had much more success in developing contacts, networks. I suspect what they will try to do is move the type of operations they have in Canada, move them south and all in there.

Mr. MCCAUL. Thank you for your insightful testimony.  
The Chairman now recognizes Dr. Levitt.

**STATEMENT OF MATTHEW LEVITT, DIRECTOR, STEIN PROGRAM ON COUNTERTERRORISM AND INTELLIGENCE, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY**

Dr. LEVITT. Thank you very much, Chairman, the Ranking Members, the distinguished Members of the committee. It is an honor

and a privilege to testify before you today and to share a panel with these distinguished speakers.

The fact that Iran uses brutal means to achieve its foreign policy goals is nothing new. The fact that it decided to carry out an attack in Washington, DC, an attack that would have killed many more Americans, that they did not appear to have any concern about the possibility of killing Senators, this really is, indeed, something new.

There have been past plots in the United States, the one that Reuel mentioned and a couple others possible since. I include those in my written testimony. Many, many more abroad, including the targeting of Saudi diplomats abroad. Of course, one major instance in the past, Khobar Towers, where they tried to hit U.S. and Saudi interests at once.

According to the Iran Human Rights Documentation Center, Iran has been tied to at least 162 extrajudicial killings around the world since 1979. But as several Members have noted, questions have been raised about this plot, about its unprofessionalism. Could have been a rogue operation? Why would Iran decide to carry out an attack like this now?

I would like to answer some of those questions and, if there is time, suggest some things we might be able to do right now to be able to give Iran an answer. I agree with Reuel wholeheartedly. We have to answer somehow now.

As to the unprofessionalism, I do not think anybody would have said it was unprofessional had the person that they turned to—I think that he was member of a cartel—not been a DEA undercover. This was, in fact, a spectacular success of U.S. law enforcement and intelligence. But had they not gone to that individual, this could have been carried out. No one would have pooh-poohed it then.

In fact, going to the Mexican cartel does not necessarily suggest a formal nexus between Iran and the cartel. This would have been a target of opportunity, perhaps, just as easily. But it certainly would have been an effort to seek reasonable deniability. That is a hallmark of Qods Force and Hezbollah operations both.

You know, as tensions persisted between the United States and Iran in the Gulf in the 1990's, the CIA assessed, in what has now been declassified, that Iran would sponsor easily-deniable attacks against U.S. targets, presumably mostly abroad. So by reaching out to someone that they assume to have been tied to Mexican drug cartels, using this foolish-looking guy, Arbabsiar, as a cut-out, Qods Force planners may have thought that they were indeed building for themselves some type of reasonable deniability.

In my written testimony I also cite the case of Fouad Ali Saleh, the Tunisian-Sunni convert to Shia Islam who sold fruits, vegetables, and clothing, not with great success, in the Paris subway as a precedent for the Qods Force using individuals just like this.

Indeed, I would argue that the fact that the Qods Force has suffered several recent failures suggests that they may not be quite as vaunted as people assume that they have been. Consider the foiled plot in Azerbaijan, where two Hezbollah operatives were convicted and then released, but two other Qods Force members were quickly captured and quietly released. Consider reports of the joint Hezbollah Qods Force operation in Turkey, again, where Qods

Force operatives were quietly released. They have had a series of failures. This is not the only one.

As for a rogue operation, I, too, agree that if the head of the Qods Force did something like this without higher authorization he is in for some very tough times. In the past—Khobar Towers, the bombings in Argentina in 1992 and 1994—all of these have, in time, been tied not only back to Iran and to the Qods Force, but to very high levels of leadership and the Iranian national security council both. I will go to that in detail in my written testimony.

The fact is that U.S. intelligence assessed in August 1990 that Iran had been responsible for sponsoring numerous attacks against Saudi interests over that past year, and assessed that the Iranian terrorist attacks carried out in 1989–1990 were, and I quote—“probably approved in advance by the president and other senior Iranian leaders.” We are likely going to find something along those lines here, too.

Why would they want to carry out attacks now? Well, there are all kinds of reasons. The Saudi ambassador reportedly was quoted in Wikileaks that came out in the press as saying that the Saudi king told U.S. officials that we should be doing something against Iran. Tensions between the United States and Iran are at least as high now as they were in the 1980s and 1990s. The revolutionary radical elements within Iran are in ascent.

All the things that were going on then that led to increased attacks are going on now. There is, in fact, a shadow war going on. If you look at this from Iran’s perspective—Stuxnet virus, Qods Force people defecting, members of the nuclear program suddenly disappearing—these are things that they blame us and Israel, and every once in a while the Brits, too, for doing. All of these maybe had an effect.

So what should be done? I would argue that especially while the court case is on-going we would not want to do something that would be prejudicial. I would also argue the fact is that the country, Democrats and Republicans alike, does not have a whole lot of stomach for a major military intervention now. It should not be taken off the table.

My testimony is what can be done right now, and I will give you a few examples. None of these are more than pinpricks, to be sure. But if we were to do a bunch of pinpricks right now, we could send a message, even before the trial is over, without being prejudicial—and I do think we have to do something right now.

I think that we should be working with allies—and the Saudis were targeted here, they should carry some of the water—to get some of the larger Iranian embassies, especially in South America, brought down to size.

After the AMIA bombings in 1994, members of the U.S. Government testified before Congress that this is something that they were doing then. Instead, which we have seen is an increase in the number of embassies, the size of those embassies. We should also be pressing allies to P&G, to kick out of the country known and suspected ministry of intelligence and security operatives and IRGC operatives. We all have long lists of people along those lines.

I think that we should restrict the movements of Iranian diplomats—that is, press our allies to do that, we already do—so that



they cannot go outside capitol cities. Visiting dignitaries cannot do anything more than what they came for. Recently, Iranian officials went to Rome for a meeting. They were allowed to go to that meeting, nothing else—no press, no lectures, no meeting with the Pope, no meeting with Italian officials.

I think that the GCC can be brought in here. Most GCC members, for example, do support actions like targeting Bank Merkazi, the central bank of Iran. I do think that is something that should be done, and the Treasury Department has people in Europe pressing that right now as we speak. But let us be honest.

The major issue there is not that our European or Gulf allies disagree with us that Bank Merkazi should be designated, that it is a viable target, but rather the question of what would happen to the international oil economy—and the larger world economy, at a time when we, and right now especially the Europeans, are facing some serious economic problems—that is something that will have to be answered before we get people to do that with us.

Iran sits on all kinds of international bodies. Their memberships should be suspended so long as they engage in activities that are completely beyond acceptable for international norms. There are small types of military pressures especially in Iraq. There is a lot that we are doing. We could be publicizing some of that. There is more we could be doing.

I would add just one last thing here. Aside from doing more sanctions on the Qods Force, and there is a lot more we could do there, Chairman King had asked if they were designated as an FCO. They have not, but they have been designated by Treasury as a specially-designated global terrorist entity.

One other thing that can be done, and DHS here can play a role, is greater customs controls. We do have DHS officers in Brussels working closely with FBI and others, doing yeoman's work on dealing with Iran's procurement and customs violations.

There is precedent, within the European Union, for setting up a small body that might share information in a timely manner focused on one particular issue. After Kosovo, there was an effort like this. We could do that on Iran and highlight Iran's customs violations. That would help both on proliferation and then argue terrorism as well.

There is a lot more detail in my written testimony. I will leave that for that, and thank you for the opportunity.

[The statement of Dr. Levitt follows:]

PREPARED STATEMENT OF MATTHEW LEVITT

OCTOBER 26, 2011

U.S. Attorney General Eric Holder's announcement on Oct. 11 that a dual U.S.-Iranian citizen and a commander in Iran's Qods Force, the special-operations unit of the Islamic Revolutionary Guard Corps (IRGC), had been charged in New York for their alleged roles in a plot to murder the Saudi ambassador to the United States, Adel al-Jubeir, represents a brazen escalation in Iran's struggle for regional dominance. But Iran's willingness to use brutal means to achieve its foreign policy goals is nothing new: Since the creation of the Islamic Republic, U.S. intelligence agencies have repeatedly identified terrorism as one of the regime's signature calling cards.

The plot developed quickly over just a few months, starting this spring and culminating with the arrest of Manssor Arbabsiar, the Iranian-American man, in September. According to a Justice Department news release, Arbabsiar told a Drug En-

forcement Administration confidential source (CS-1) posing as an associate of an international drug cartel that “his associates in Iran had discussed a number of violent missions for CS-1 and his associates to perform, including the murder of the Ambassador.” Later, after Arbabsiar was arrested and had confessed to his role in the plots, he reportedly called Gholam Shakuri, the member of the Qods Force who was also indicted, at the direction of law enforcement. Shakuri again confirmed that the plot should go forward and as soon as possible. “Just do it quickly. It’s late,” he said.

The timing of this plot suggests that Iran feels itself under increasing pressure, both from the international community (led by the United States) and from the regional alliance of Sunni states in the region (led by Saudi Arabia). Intriguingly, the plot seems to have been launched shortly after the Saudi-led military intervention in Bahrain against Shiite protesters to which Iran objected loudly but was unable to affect. According to press reports, a Saudi official alleged that Gholam Shakuri was “an important Qods Force case officer who had helped organize militant Shiite protesters in Bahrain.” According to this Saudi official, “Shakuri was among the Iranians who met Hasan Mushaima, a radical Bahraini Shiite cleric, during a stopover in Beirut last February, when Mushaima was on his way back home to lead protests in Bahrain.”<sup>1</sup>

#### PAST PLOTS

The fact that Iran plotted attacks in the United States is surprising, and not only because Iranian agents have traditionally carried out such attacks in Europe, South America, or the Middle East. But the fact that Iranian agents engage in assassination plots abroad is not itself news. Recall, for example, the assassinations of General Gholam Ali Oveissi in Paris in February 1984; Amir Parviz, Ali Tavakoli, and Nader Tavakoli in London in July 1987; Dr. Abdolrahman Ghassemlou, Abdollah Ghaeri-Azar, and Fazil Rassoul in Vienna in July 1989; Kazem Radjavi in Switzerland in April 1990; and Sadegh Sharafkandi and three of his colleagues at the Mykonos restaurant in Berlin in September 1992. According to the Iran Human Rights Documentation Center, Iran has been tied to at least 162 extrajudicial killings around the world since 1979.<sup>2</sup>

Indeed, some of these occurred in the United States. In 1980, Dawud Salahuddin, an American convert to Islam, was recruited by the then newly-formed Islamic Republic of Iran to assassinate Ali Akbar Tabatabai, a former press attaché at the Iranian Embassy in Washington who became a vocal critic of Ayatollah Khomeini and founded the Iran Freedom Foundation, an organization opposed the Islamic revolutionary regime.<sup>3</sup> In 1979, Salahuddin accepted a post as a security guard offered by Ali Agha, the embassy’s Chargé d’Affaires. Salahuddin was moved to a head security post at the Iranian Interest Section at the Algerian Embassy after the United States and Iran severed diplomatic relations in April 1980. While at this post, according to Salahuddin, he was contracted and paid \$5,000 to “kill for the Iranian Government.”<sup>4</sup> Dressed as a U.S. Postal Service mail carrier, Salahuddin carried a parcel concealing a handgun to Mr. Tabatabai’s front door on July 22, 1980. Salahuddin shot Mr. Tabatabai three times when he answered the door to his Bethesda home.<sup>5</sup> Following the killing, Salahuddin fled to Canada and purchased a ticket to Paris. Eventually, he arrived at the Iranian Embassy in Geneva and received a visa to Iran where he was accorded a private meeting with Ayatollah Khomeini.<sup>6</sup> U.S. authorities have charged him with murder; he remains a fugitive to this day.

A 2008 report published by the Iranian Human Rights Documentation Center notes a second assassination in the U.S. Nareh Rafizadeh, likely targeted because

<sup>1</sup>David Ignatius, “Intelligence Links Iran to Saudi Diplomat’s Murder,” *Washington Post’s Post Partisan Blog*, October 13, 2011, [http://www.washingtonpost.com/blogs/post-partisan/post/intelligence-links-iran-to-saudi-diplomats-murder/2011/10/13/gIQAFeCPiL\\_blog.html](http://www.washingtonpost.com/blogs/post-partisan/post/intelligence-links-iran-to-saudi-diplomats-murder/2011/10/13/gIQAFeCPiL_blog.html).

<sup>2</sup>“No Safe Haven, Iran’s Global Assassination Campaign”, Iran Human Rights Documentation Center, Appendix 1 “Chronological List of those Killed during the Islamic Republic of Iran’s Global Assassination Campaign”, May 2008, <http://www.iranhrdc.org/english/publications/reports/3152-no-safe-haven-iran-s-global-assassination-campaign.html>.

<sup>3</sup>“The Assassin—an American Who Killed For Iran”, *ABC News* 20/20, January 19, 1996; “Anti-Khomeini Iranian Slain at Bethesda Home”, *Washington Post*, July 23, 1980; Dawud Salahuddin was originally known as David Belfield. He changed his name to Dawud Salahuddin after converting. Other known aliases include Hassan Tantai and Hassan Abdulrahman.

<sup>4</sup>David Ottaway, “The Lone Assassin”, *Washington Post*, August 25, 1996; Ira Silverman, “An American Terrorist”, *The New Yorker*, August 5, 2002, [http://www.newyorker.com/archive/2002/08/05/020805fa\\_fact](http://www.newyorker.com/archive/2002/08/05/020805fa_fact).

<sup>5</sup>Ira Silverman, “An American Terrorist”, *The New Yorker*, August 5, 2002.

<sup>6</sup>David Ottaway, “The Lone Assassin”, *Washington Post*, August 25, 1996.

her husband and brother-in-law had been agents of the Shah's intelligence service, was killed in New Jersey in 1992.<sup>7</sup>

Iranian intelligence operatives have also engaged in activity in support of potential terrorist operations in the United States. In June of 2004, 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>8</sup> This fits known Iranian *modus operandi*, as highlighted by former FBI director Louis Freeh. Freeh would write in the 1990s, the FBI wanted to photograph and fingerprint official Iranian delegations visiting the United States because "the MOIS was using these groups to infiltrate its agents into the U.S."<sup>9</sup>

More recently, in July 2009, Mohammad Reza Sadeghnia, a naturalized U.S. citizen of Iranian descent, was arrested in California for carrying out preoperational surveillance for the Iranian government. Sadeghnia was not a trained operative but a painter living in Michigan, which helps explain why he was easily spotted by his targets, Jamshid Sharmahd—a member of the Iranian opposition group Tondar, who made radio broadcast from his California home—and Ali Reza Nourizadeh, a Voice of America employee in London. Despite Sadeghnia's inexperience, many factors support the belief that he was an agent of the Iranian government. Not only did he plead guilty to the crime, but he traveled abroad extensively. Moreover, he not only conducted surveillance on two high-profile Iranian dissidents in both California and London, but he recruited someone to murder one of his targets and, once on supervised release, fled to Tehran.<sup>10</sup>

Iran also has a history of targeting Saudi diplomats. During Iran's worldwide assassination campaign targeting political dissidents, Hezbollah in Saudi Arabia embarked on a campaign against Saudi diplomats and officials. Attacks against Saudi officials abroad occurred in Turkey, Pakistan, and Thailand. Indeed, commenting on one of these assassinations, a CIA analysis issued in December 1988 noted that "Riyadh is concerned that the assassination of a Saudi diplomat in Ankara on 25 October may be the opening round in a Shi'a terrorist campaign targeting Saudi officials and facilities."<sup>11</sup> According to U.S. intelligence, Iranian attacks targeting the Saudis continued even under the presidency of the "moderate" President Rafsanjani. A CIA analysis published in August 1990 assessed that Iran had been responsible for "sponsoring numerous attacks against Saudi interests" over the past year. Moreover, the CIA assessed that Iranian terrorist attacks carried out over the past year (1989–1990) "were probably approved in advance" by the President and other senior Iranian leaders.<sup>12</sup>

#### TERROR AS A TOOL OF FOREIGN POLICY

One might assume Iran would behave more cautiously today, at a time when it has come under increasing international pressure over its rumored pursuit of nuclear weapons, its suppression of human rights at home, and its support of terrorism abroad. Indeed, the U.S. Government designated the Qods Force as a terrorist group in 2007 for providing material support to the Taliban, Iraqi Shiite militants, and other terrorist organizations. Most counterterrorism experts, myself included, expected that future acts of Iranian terrorism would occur in places like Europe, where Iranian agents have long targeted dissidents, and not in the United States, where carrying out an attack would risk a severe countermeasures, including the possibility of a U.S. military reprisal had the attack been successfully executed and linked back to Iran.

<sup>7</sup>"No Safe Haven, Iran's Global Assassination Campaign", Iran Human Rights Documentation Center, Appendix 1 "Chronological List of those Killed during the Islamic Republic of Iran's Global Assassination Campaign", May 2008, <http://www.iranhrcd.org/english/publications/reports/3152-no-safe-haven-iran-s-global-assassination-campaign.html>.

<sup>8</sup>Marry Weiss and Niles Lathen, "2 'Tape' Worms Booted; Iran Spies in N.Y.," *The New York Post*, June 30, 2004.

<sup>9</sup>Louis J. Freeh, "American Justice for Our Khobar Heroes," *Wall Street Journal*, May 20, 2003.

<sup>10</sup>Scott Stewart, "Reflections on the Iranian Assassination Plot," Stratfor Global Intelligence, 20 October 2011, <http://www.stratfor.com/weekly/20111019-reflections-iranian-assassination>.

<sup>11</sup>"Terrorism Review," Directorate of Intelligence, Central Intelligence Agency, December 1, 1988, approved for public release March 1998, <http://www.foia.cia.gov/>.

<sup>12</sup>"Iranian Support for Terrorism: Rafsanjani's Report Card," *Terrorism Review*, Directorate of Intelligence, Central Intelligence Agency, August 9, 1990, Approved for Release June 1999, <http://www.foia.cia.gov/>.

Iran's use of terrorism as a tool of foreign policy, however, goes back as far as the 1979 Islamic Revolution. Writing in 1986, the CIA assessed in a now declassified report titled "Iranian Support for International Terrorism" that while Iran's support for terrorism was meant to further its National interest, it also stemmed from the clerical regime's perception "that it has a religious duty to export its Islamic revolution and to wage, by whatever means, a constant struggle against the perceived oppressor states."<sup>13</sup>

In the early 1990s, these interests dictated an increase in operational activities in the Gulf. Shiite extremist violence was primarily the consequence of Iran's geopolitical calculus and its continued enmity toward Sunni Gulf states. To that end, the CIA noted, Iran not only supported and sometimes directed Hezbollah operations but also "smuggled explosives into Saudi Arabia and conducted terrorist operations against Kuwaiti targets."<sup>14</sup> As tensions in the region persisted, the CIA assessed in 1992 that "for now, Iran will sponsor easily deniable attacks on U.S. targets and allow Hizballah to retaliate for [Hezbollah leader Abbas] Musawi's assassination."<sup>15</sup> By reaching out to someone believed to be tied to Mexican drug cartels and using Arbabsiar as a cut-out, Qods Forces planners likely believed they were building for themselves the requisite "reasonable deniability" that is a central component of Iranian state sponsorship of terrorism.

A 1989 CIA report highlights several factors that made Iran more likely to take increased risks in support of terrorism—factors that faded somewhat after the mid-1990s but that are now coming back with a vengeance. The first was the dominance of radical elements within the clerical leadership, which translated into significant Iranian hostility toward the West. Then as now, there was little chance more pragmatic leaders would come to the fore. Furthermore, igniting tensions abroad could shift popular attention away from domestic problems, while asymmetrical warfare provided Tehran with a potent weapon at a time when its military and economy were weak.

Underlying Iranian grievances with the West exacerbated these tensions in the late 1980s in much the same way that they have today. In the late 1980s, Iranian anger was fed by the accidental 1988 downing of an Iranian airliner by the *USS Vincennes*, as well as anger over the publication of Salman Rushdie's *The Satanic Verses*, deemed by Iran to be offensive to Islam. Now, the Iranian authorities' anger is fed by increasing U.S. and European sanctions plus Tehran's conviction that the West is pursuing a "soft overthrow" of the Islamic Republic by use of modern communications to whip up protests. Tehran thinks that the West caused the 2009 protests in Iran and is behind the protests shaking Syria now.

According to CIA reporting in the late 1980s, "Iranian leaders view terrorism as an important instrument of foreign policy that they use both to advance national goals and to export the regime's Islamic revolutionary ideals." The CIA noted that Iran had already "supported and sometimes directed terrorist operations by Hezbollah" described as "a thriving Shia fundamentalist movement in Lebanon." Iran had also "smuggled explosives into Saudi Arabia and conducted terrorist operations against Kuwait targets." Iran, the CIA concluded, would "keep the United States as a primary terrorist target" for itself and its surrogates for a variety of reasons, including the U.S. military presence in the Gulf, the recent reflagging of Kuwaiti oil tankers, the seizure of an Iranian ship laying mines in the Gulf, and an attack on an Iranian oil platform used to support Iranian military operations.<sup>16</sup>

#### IRAN UNDER STRESS

Iran's competition for regional dominance with the United States and Saudi Arabia is also at least as contentious as it was in the late 1980s and 1990s. Iran is under increasing international diplomatic and economic sanctions, for which it holds both Saudi Arabia and the United States responsible—and for good reason. From the Stuxnet virus to the assassination of Iranian scientists and the defection of Iranian agents, Iran feels increasingly targeted by Western intelligence services. And Iran had reason to target Ambassador al-Jubeir in particular: According to press reports, a 2008 State Department cable made public by WikiLeaks quotes Ambassador Jubeir as telling American officials that the king of Saudi Arabia said the United

<sup>13</sup>"Iranian Support for International Terrorism," Directorate of Intelligence, Central Intelligence Agency, November 22, 1986, Approved for Release June 1999, <http://www.foia.cia.gov/>.

<sup>14</sup>"Terrorism Review," 22 October 1987, Directorate of Intelligence, Central Intelligence Agency, Approved for Release June 1999, <http://www.foia.cia.gov/>.

<sup>15</sup>"Lebanon's Hizballah: Testing Political Waters, Keeping Militant Agenda [redacted]," Central Intelligence Agency, July 1992, <http://www.foia.cia.gov/>.

<sup>16</sup>[sic]

States should “cut off the head of the snake,” a likely reference to an attack on Iran.<sup>17</sup>

A few weeks ago, a Western intelligence official and I were mulling over the string of attempted attacks by Hezbollah operatives targeting Israeli interests over the past 3 years. From Azerbaijan to Turkey and from Cyprus to Egypt, terrorist operations by Iran’s terrorist proxy, often operating jointly with members of the Qods Force, have been foiled time and again. But while attacks in the past were widely seen as acts of revenge for the 2008 assassination of Hezbollah’s Imad Mughniyeh, an attack today, this official mused, could just as likely be an Iranian-driven plot in retaliation for the sabotage of Iran’s nuclear program. And Iran, he noted, attributes these setbacks to Israel and the United States.

The fact that the vaunted Qods Force has experienced several recent failed attempts to carry out attacks abroad—most notably in Azerbaijan and Turkey, both in cooperation with Hezbollah—suggests that the Force may be lacking capability and may explain what some have described as an unprofessional plot lacking the kind of tradecraft we have come to expect from the Iran’s IRGC and MOIS. In fact, Iran has relied on fairly unskilled and simple operatives to carry out attacks in the past. For example, Iran and Hezbollah relied on Fouad Ali Saleh to run a cell of 20 operatives responsible for a series of bombings in Paris in 1985 and 1986. Saleh, a Tunisian-born Frenchman (a convert from Sunni to Shia Islam) who sold fruits, vegetables, and clothing in the Paris subway, was as unskilled and unlikely an operative as Arbabsiar, the Iranian-American car salesman arrested in the al-Jubeir assassination plot.<sup>18</sup>

All the evidence available suggests the attempted assassination of Ambassador al-Jubeir was a high-level IRGC plot, though authorities have been careful to describe it as “directed by elements of the Iranian government” and not more than that. It is, however, noteworthy that the Treasury Department designated IRGC Qods Force Commander Qassem Suleimani as a global terrorist on Oct. 11 because, as commander of the Force, he “oversees the IRGC-QF officers who were involved in this plot.” In the past, major acts of Iranian state sponsorship of terrorism have ultimately been linked back to the most senior elements of the Iranian leadership.

Consider, for example, the June 1996 bombing of the Khobar Towers housing complex that was home to American, Saudi, French, and British service members in Saudi Arabia’s Eastern Province—the last time Iranian agents carried out an attack targeting both U.S. and Saudi interests. In that case, Iranian agents teamed up with Saudi and Lebanese Hezbollah operatives to carry out the attack. According to the testimony of a former CIA official, arrangements for the Khobar Towers attack began around 1994, including planning meetings likely held in Tehran and operational meetings held at the Iranian embassy in Damascus, Syria. It was in 1994, according to this account, that the Supreme Leader of Iran, Ayatollah Khamenei, gave the order for the attack on the Khobar Towers complex.<sup>19</sup> While planning the attack on Khobar Towers, Shia extremists continued to carry out other plots, including the hijacking of a Saudi Airbus flight, also in 1994.<sup>20</sup> According to former FBI Deputy Director for Counterterrorism Dale Watson, evidence the FBI collected to determine Saudi Hezbollah carried out the attack at Iran’s behest included not only forensics and the statements of detained conspirators but also “a lot of other types of information that I’m not at liberty to discuss.”<sup>21</sup> According to Watson, whose tenure at the FBI spanned 24 years and included a stint as the Unit Chief for the Iran-Hezbollah unit at FBI Headquarters, Hezbollah does not carry out terrorist attacks internationally on its own. “It must be sanctioned, it must be ordered, and it must be approved and somebody has to fund it,” Watson noted in explaining Iran’s role in the attack.<sup>22</sup> According to former CIA officer Bruce Tefft, the Khobar Towers attack was planned and overseen by Iran’s Islamic Revolutionary

<sup>17</sup>“WikiLeaks Cable Hints at Motive for Alleged Iran Plot,” National Public Radio, October 15, 2011, <http://www.npr.org/2011/10/15/141364863/wikileaks-cable-hints-at-motive-for-alleged-iran-plot>.

<sup>18</sup>Youssef M. Ibrahim, “Trial of Accused Mastermind in Bombings Begins in Paris,” *The New York Times*, January 30, 1990.

<sup>19</sup>Testimony of Bruce D. Tefft, *Paul A Blais v. Islamic Republic of Iran et al*, Civil Action No. 02–285, United States District Court for the District of Columbia, May 26, 2006.

<sup>20</sup>Memorandum for the Secretary of Defense, Report of the Assessment of the Khobar Towers Bombing, Downing Assessment Task Force, August 30, [www.fas.org/irp/threat/downing/report.pdf](http://www.fas.org/irp/threat/downing/report.pdf).

<sup>21</sup>Testimony of Dale Watson, *Heiser et al v The Islamic Republic of Iran*, Civil Action Nos. 00–2329, 01–2104, United States District Court for the District of Columbia, December 18, 2003.

<sup>22</sup>Testimony of Dale Watson, *Heiser et al v The Islamic Republic of Iran*, Civil Action Nos. 00–2329, 01–2104, United States District Court for the District of Columbia, December 18, 2003.

Guard Corp (IRGC) and Ministry of Intelligence and Security (MOIS) “acting on the orders of the Supreme Leader of Iran.”<sup>23</sup>

Based on evidence gathered in the investigation into the 1994 bombing of the AMIA Jewish community center in Buenos Aires, including the testimony of Iranian intelligence defector Abolghasem Mesbahi, prosecutors would ultimately conclude that Iran’s Supreme National Security Council held a meeting in Mashhad on Saturday, August 14, 1993, where senior Iranian leaders approved the bombing plot and selected the AMIA building as the target. The meeting, chaired by then-President Ali Akbar Hashemi Rafsanjani, began promptly at 4:30 p.m. and ran for 2 hours.<sup>24</sup> According to the FBI, around the time of this August meeting, intelligence reports indicated Hezbollah was “planning some sort of spectacular act against Western interests, probably Israeli but perhaps against the United States.”<sup>25</sup>

To be sure, an Iranian plot to assassinate a prominent diplomat in the heart of Washington in an attack that would likely include significant collateral damage marks a significant break with the traditional *modus operandi* of Iran’s Ministry of Intelligence and Security and the IRGC Qods Force. The decision to engage in such a brazen, risky, and desperate operation underscores reports of fissures within Iranian decision-making circles and suggests powerful elements of Iran’s ruling elite are under significant pressure. Whatever the reason, and despite Iran’s apparent attempt to mask its role in the plot to assassinate the Saudi Ambassador by employing a team of assassins from Mexico tied to a violent drug cartel, the indictment—as well as the parallel Treasury Department designations of several senior Qods Force officers as specially designated global terrorists—exposes Iran for the terrorist state it is. It is too early to tell what the consequences of Iran’s assassination plot may be, but there should be no doubt the plot lays bare the myth that sufficient carrots—from offers of dialogue to requests for an emergency hotline to reduce naval tensions in the Gulf—can induce the regime in Tehran to abandon its support for terrorism, part with its nuclear weapons program, or respect human rights.

#### WHAT SHOULD BE DONE?

Pointing to the 1983 and 1984 Beirut bombings, the CIA reported in 1987 that “many Iranian leaders use this precedent as proof that terrorism can break U.S. resolve” and view “sabotage and terrorism as an important option in its confrontation with the United States in the Persian Gulf.”<sup>26</sup> That calculus appears to remain intact among senior Iranian decision makers. There are, however, several concrete steps that could and should be taken in response to the planned assassination of Ambassador al-Jubeir to signal the international community’s resolve to confront Iranian state sponsorship of terrorism. Authorities may want to hold back on some more severe actions until after Arbabsiar’s trial runs its course for fear of acting prejudicially, but the intelligence supporting the case appears to be especially strong. On that basis, there are several things that could be done now:

*1. Diplomatic Pressure.*—Press allies to restrict the size of Iranian missions to the minimum needed to conduct official business, to restrict visits by Iranian officials to official business only (no meetings with sympathizers, no speeches, etc.), and to exercise diligence about the possibility that non-diplomatic Iranian travelers connected to the Iranian government may be engaged in illegal activities. Iranian diplomats should only be allowed to travel outside the city to which they are assigned on official business.

Consider that Iran’s intelligence penetration of South America has expanded significantly since the AMIA bombing. Testifying before Congress in the weeks following that 1994 attack, the State Department’s coordinator for counterterrorism expressed concern that Iranian embassies in the region were stacked with larger-than-necessary numbers of diplomats, some of whom were believed

<sup>23</sup> Testimony of Bruce Tefft, *Blais et al v The Islamic Republic of Iran*, Civil Case No. 2003–285, United States District Court for the District of Columbia, May 26, 2003.

<sup>24</sup> Report by the Investigations Unit of the Office of the Attorney General, “AMIA Case” signed by District Attorney Marcelo Martinez Burgos, Attorney General Alberto Nisman, and Secretary of the Office of the Attorney General Hernan Longo, October 25 2006, p. 92; Larry Rohter, “Defector Ties Iran to 1994 Bombing of Argentine Jewish Center,” *New York Times*, November 7, 2003.

<sup>25</sup> “International Radical Fundamentalism: An Analytical Overview of Groups and Trends,” Terrorist Research and Analytical Center, Federal Bureau of Investigation, Department of Justice, November 1994, declassified on November 20, 2008, <http://www.investigativeproject.org/documents/misc/469.pdf>.

<sup>26</sup> “Terrorism Review,” 22 October 1987, Directorate of Intelligence, Central Intelligence Agency, Approved for Release June 1999, <http://www.foia.cia.gov/>.

to be intelligence agents and terrorist operatives: “We are sharing information in our possession with other States about Iranian diplomats,

Iranian terrorist leaders who are posing as diplomats, so that nations will refuse to give them accreditation, or if they are already accredited, to expel them. We have had some success in that respect, but we have not always succeeded.”<sup>27</sup> Another witness recounted meeting with senior government officials in Chile, Uruguay, and Argentina regarding overrepresentation at Iranian embassies in the region in March 1995—8 months after the AMIA bombing. Officials in Chile and Uruguay, the countries of most concern regarding Iranian overrepresentation at the time, indicated that “the activities of those at the [Iranian] embassy were being monitored and that this was very clearly a concern.”<sup>28</sup> Five years later, the commander of U.S. Southern Command, which has responsibility for the U.S. military over the southern half of the Western Hemisphere, indicated the Iranian presence in the region had grown still larger by expanding the number of embassies in the region from just a handful a few years earlier to 12 missions by 2010. That, plus Iran’s traditional support for terrorism, had General Douglas Fraser concerned. “Transnational terrorists—Hezbollah, Hamas—have organizations resident in the region,” Fraser noted.<sup>29</sup> According to press reports, the Qods Force plot may have also included plans to target Saudi or possibly Israeli diplomats in Argentina.<sup>30</sup>

2. Press regional bodies, such as the Gulf Cooperation Council, the Arab League, and other regional bodies to condemn the Iranian plot to target one of their most prominent diplomats. Countries in the region and beyond should be pressed to expel known IRGC and MOIS operatives operating out of Iranian embassies; this would send a coordinated message that the world is aware that Iran is proactively engaged in illicit conduct based out of its embassies and that such activities will no longer be tolerated.

3. Build international consensus and support for the suspension of Iran’s participation in international bodies until such time as Iran is no longer acting in flagrant violation of its international obligations. To date, Iran participates in several such bodies, including:

- The Commission on the Status of Women (UN);
- Executive Board, United Nations Development Program;
- Board Member, United Nation’s World Food Program;
- Member, International Olympic Committee;
- Member, Interpol;
- Member, United Nations World Tourism Organization;
- Member, World Health Organization;
- Member, The International Fund for Agricultural Development (IFAD–UN);
- Member, World Customs Organization.

4. *Military Pressure.*—More overtly contest Iranian military activities and support for insurgent elements in Iraq. For example, U.S. unilateral raids or raids undertaken in collaboration with Iraq’s Counter Terrorism Service could be accelerated.

Efforts to bolster Iraqi military tactical intelligence capabilities could also be bolstered with additional training and equipment, provided largely through embedded contractors. Such assistance could allow divisional formations along the Iraq-Iran border to undertake UAV operations, cellphone, and document exploitation, ground-facing radar surveillance and other border security sensors. This would require U.S. Government to consider releasing new technologies to Iraq, which obviously presents certain risks due to Iranian penetration of Iraqi agencies.

The U.S. military should develop a concentrated program to develop Iraqi Army counterintelligence capabilities. Washington should also consider releasing fur-

<sup>27</sup>Testimony of Ambassador Philip Wilcox, Testimony at Hearing on “Terrorism in Latin America/AMIA Bombing in Argentina” before the Committee on International Relations, House of Representatives, September 28, 1995.

<sup>28</sup>Testimony of Mr. Tommy Baer, president of B’NAI BRITH, Testimony at Hearing on “Terrorism in Latin America/AMIA Bombing in Argentina” before the Committee on International Relations, House of Representatives, September 28, 1995, page 34 of oral testimony.

<sup>29</sup>Benjamin Birnbaum, “General in Latin America Trains Eye on Middle East,” *The Washington Times*, July 29, 2010.

<sup>30</sup>Kevi G. Hall, “U.S. Says Iran Plot to Kill Saudi Ambassador Hatched in Mexico,” *The Miami Herald* (McClatchy Newspapers), October 11, 2001.

ther evidence demonstrating Iranian complicity in mass casualty attacks in Iraq (Ansar al-Islam/Katibat Ul-Kurdistan).<sup>31</sup>

5. *Customs Controls.*—In line with the May 2011 recommendations of the U.N. Monitoring Committee, the United States should partner with the European Union to press allies and U.N. Member States “to provide information, expertise, and experience to States whose export control regimes and capacities for effective implementation could be strengthened.”<sup>32</sup> States should be pressed to allow authorities seeking to inspect the cargo of Iranian ships, pursuant to UN Security Council Resolution 1929, the ability to bring said ships to port in their countries for full inspection.<sup>33</sup>

Also along these lines, the United States and the European Union could emulate the European Union’s Customs and Fiscal Assistance Office program (CAFAO), launched in 1996 to promote the development of a customs service in Bosnia and Herzegovina. The CAFAO was charged with assisting in the creation of more efficient customs services in order to allow for better management of border-crossings and customs checkpoints at airports and naval ports. Further, it was tasked with developing infrastructures to combat organized crime and commercial fraud and to facilitate legitimate trade.<sup>34</sup> A concerted effort to develop similar infrastructures and build the capacities of other states to combat Iran’s illicit financial and procurement activities would be welcome and could be led by a joint USEU effort, perhaps based out of Brussels where DHS and other U.S. agencies are already doing excellent work on customs enforcement related to Iran.

6. *Financial Pressure.*—Work with allies to sanction and target the full array of IRGC business entities. The IRGC is deeply involved in the suppression of human rights in Iran; it controls the country’s nuclear, missile, and other weapons proliferation activities, and it maintains the Qods Forces as a special branch to support terrorism. The plot to assassinate Ambassador al-Jubeir is just the latest IRGC plot authorities have uncovered in a long line of illicit activities the Corp has been involved in from Iraq and Afghanistan to Europe, South America and the United States. Nonbinding sections of U.N. Security Council Resolutions already call on member states to “exercise vigilance” toward certain activities related to Iran, particularly transactions involving Iranian banks or the Islamic Revolutionary Guard Corps (IRGC), among other business dealings. While it appears clear a new U.N. resolution is unlikely to pass in the near future, despite the U.N. Monitoring Committee’s list of further designations it recommended, pressing allies to do more to enforce such voluntary guidelines would be welcome.<sup>35</sup>

7. Coordinate with European and other allies to allay their fears over the possible unintended consequences of designating Bank Merkazi, the Central Bank of Iran (CBI), for its on-going financial support of Iran’s illicit conduct. (As of this writing, Treasury Undersecretary David Cohen is reportedly in Europe doing just this). For all those pressing for a non-kinetic measure that would truly affect Iran’s bottom line, this is it. U.S. officials have apparently concluded that sanctioning CBI would not throw the international oil economy into a tail-spin, and now they must convince key allies so as not to lose their support and maintain a united front against Iran (here, the Saudi’s increasing oil production is very useful). The time for such a push is now, as it would come on the heels of this latest plot, a UN report on Iran’s horrific human rights record, and the expected IAEA report on Iran’s nuclear program. Indeed, in light of recent events most GCC countries now reportedly support sanctioning CBI.

And there is no doubt that targeting the CBI would undermine Iran’s on-going effort to engage in illicit conduct. Iran disguises its involvement in financing terrorist activities through an array of deceptive practices. For example, the CBI and other Iranian commercial banks have requested—in order to make it more difficult for intermediary financial institutions to track transactions—that

<sup>31</sup>This section benefited from input from my colleague, Michael Knights, who recently spent a period of 3 weeks embedded with Iraqi Army headquarters in the south of Iraq.

<sup>32</sup>See leaked UN Panel of Experts Report on Iran Sanctions, May 2011, <http://www.scribd.com/doc/55737041/Leaked-UN-Panel-of-Experts-Report-on-Iran-Sanctions-May-2011>.

<sup>33</sup>See UNSCR 1929, <http://www.un.org/News/Press/docs/2010/sc9948.doc.htm>.

<sup>34</sup>See “Cooperation in the Field of Customs and Taxation: The European Union and the Western Balkans,” *European Commission*, 2005. [http://www.mathra.gr/files/CAFAO\\_en.pdf](http://www.mathra.gr/files/CAFAO_en.pdf).

<sup>35</sup>See leaked UN Panel of Experts Report on Iran Sanctions, May 2011, <http://www.scribd.com/doc/55737041/Leaked-UN-Panel-of-Experts-Report-on-Iran-Sanctions-May-2011>.



their names be removed from global transitions.<sup>36</sup> The U.S. Treasury is concerned that CBI may facilitate transactions for sanctioned Iranian banks much like Iran's Bank of Industry and Mine (BIM) has provided financial services to other designated Iranian banks.<sup>37</sup> Additionally, CBI continues to provide financial services to Iranian entities designated by the U.N. Security Council.<sup>38</sup>

I thank you for your attention and look forward to answering any questions you may have.

Mr. MCCAUL. Thank you, Dr. Levitt.

The Chairman now recognizes Dr. Korb for his testimony.

**STATEMENT OF LAWRENCE J. KORB, SENIOR FELLOW,  
CENTER FOR AMERICAN PROGRESS ACTION FUND**

Dr. KORB. Thank you very much, Mr. Chairman. Like General Keane, I have testified over 100 times. I have never seen so many Chairmen and Ranking Members, so I am honored.

Yes, this is certainly a critical time for U.S.-Iranian relations. I would like to begin by pointing out that the success of the law enforcement people here playing a critical role shows that in dealing with the threat from terrorists with a global reach it does not have to be military. That, in fact, we can work with our law enforcement agencies here at home.

There is no doubt that Iran sponsors terrorism and is undertaking an illicit nuclear program. While it might be emotionally satisfying to take military action, I think it would be exactly the wrong step. You know, if you go back and you look at our history, Chairman McCaul was talking about how World War I started with an assassination. Everyone agrees that that was an over-reaction to the assassination and created problems that plagued us for the rest of the 20th Century.

I remember in the Korean War, people wanted, General McArthur wanted, us to bomb China. When I was in Vietnam, people were talking about using nuclear weapons. Of course, in the Cuban missile crisis people wanted us to invade Cuba. Any of those steps would have been disastrous.

I think one example of us overreacting—in what the late Ted Sorensen called the mindless, needless, senseless invasion of Iraq—did strengthen Iran, and continues to strengthen them in that part of the world. It undermined our image throughout the world, and made people listen more to Iran.

My feeling is that this attack, or the alleged attack, is a sign of desperation. It shows that the sanctions are working. While we should not take anything off the table, I think that what we need to do is use this occasion as an opportunity to assemble the coalition to increase sanctions. Follow the advice of Admiral Mullen, who recently said even in our darkest days of the Cold War, we had direct relations with the Soviet Union. We should follow that with Iran.

<sup>36</sup>Bulletin, U.S. Department of the Treasury, "Guidance to Financial Institutions on the Continuing Money Laundering Threat Involving Illicit Iranian Activity", March 20, 2008, <http://www.occ.treas.gov/newsissuances/bulletins/2008/bulletin-2008-13a.pdf>.

<sup>37</sup>David Cohen, "Emerging Threats and Security in the Western Hemisphere: Next Steps for U.S. Policy", Testimony before the Senate Committee on Banking, Housing, and Urban Affairs, October 13, 2011.

<sup>38</sup>Bulletin, U.S. Department of the Treasury, "Guidance to Financial Institutions on the Continuing Money Laundering Threat Involving Illicit Iranian Activity", March 20, 2008, <http://www.occ.treas.gov/newsissuances/bulletins/2008/bulletin-2008-13a.pdf>.

Now, when people talk about the sanctions not working, I am reminded of what a man I had the privilege of serving President Reagan used to call the misery index. Take a look at the misery index in Iran. It is over 30, when you count both inflation and unemployment.

There is political turmoil. You have had fraudulent elections. You have had the fact that the ruling clerics are trying to undermine the president. In fact, today there was a report that the ruling clerics would like to do away with the presidency.

The nuclear program is not working. David Albright, from the Institute for Science and International Security, who is the foremost expert on this, has recently argued that the program is not working because of all the problems that we are having.

Now, I think the key to the sanctions has got to be getting international consensus. The sanctions that were adopted last June had U.N. approval, and we had all other countries involved with us. That is why they are working. I applaud President Obama for freezing the assets of the Mahan Air. I think we should begin to move toward getting sanctions on the Central Bank, but do not do it unilaterally. It has to be done with the rest of the world.

Let me conclude with this. Everybody talks about how horrible Iran is, and they have done a lot of horrible things. But let me tell you, they were the first Muslim country to condemn the attacks of 9/11. At the Bonn Conference, in which we set up the Karzai government, George Bush's Ambassador, Jim Dobbins said without the support of Iran, the fact that the Karzai government would not have been installed.

So I think you have to put things into perspective, and recognize there have been times that they have worked with us.

Thank you very much.

[The statement of Dr. Korb follows:]

PREPARED STATEMENT OF LAWRENCE J. KORB

OCTOBER 26, 2011

Chairman Meehan, Ranking Member Speier, Chairman McCaul, Ranking Member Keating, and distinguished Members of the subcommittees, thank you for inviting me to testify about the Iranian government's alleged plans to assassinate the Saudi ambassador to the United States on American soil. This event comes at a critical time in U.S.-Iranian relations, and it is imperative that the United States not overreact but respond rationally and effectively. In this testimony, I will discuss how the United States can best respond to Iran in order to protect and defend our National security and our interests in the Middle East and across the globe in this age of terrorism, tyrants, and weapons of mass destruction.

First, I would begin by congratulating our agents at the FBI and Drug Enforcement Administration. This case is a victory for law enforcement and a testament to the hard work done every day by the men and women at these two agencies to keep our country safe from terrorists with a global reach.

As you all know, in recent years, Iran has repeatedly worked against the interests of the United States and the international community. In addition to this most recent plot—Iran's holdest but also most poorly executed effort to harm the United States and its allies—Iran is a known sponsor of terrorism and has pursued an illicit nuclear program in defiance of the international community. For example, just last spring, the Treasury Department announced it had uncovered evidence that Iran was funneling money and recruits to al-Qaeda in Afghanistan and Pakistan. Additionally, Iran's decision to enrich uranium to 20 percent—far more than the 3.5 percent necessary to produce nuclear energy—as well as its decision to store this fuel in an underground bunker suggests that its nuclear program is not designed

solely for peaceful purposes. In short, the planned assassination of the Saudi ambassador is merely the latest example of hostile behavior by Iran.

The question now facing the United States is how best to respond. Over the past 2 weeks, it has been gratifying to hear warnings from both sides of the aisle about the perils of reckless military action. Political leaders from Sen. John McCain (R-AZ), Ranking Member of the Senate Armed Services Committee, to Sen. Diane Feinstein (D-CA), Chairman of the Senate Intelligence Committee, to Sen. Joe Lieberman (I-CT), Chairman of the Senate Homeland Security and Governmental Affairs Committee, have urged restraint.

In the past, unthinking military action by the United States has strengthened Iran's hand. Iran is perhaps the clearest winner from our mindless, needless, senseless invasion and occupation of Iraq. The war allowed Iran to capitalize on the overwhelming anti-American sentiment generated throughout the Arab and Muslim world by our invasion of Iraq under false pretenses.

Moreover, because Iran owns one of the strongest militaries in the Middle East, any conflict with Iran would likely be drawn-out and costly in both blood and treasure, even greater than the wars in Iraq and Afghanistan.

On the surface, the Iranian plot to conduct a terrorist attack on American soil may give the illusion of a strengthened, emboldened Iran. In reality, the opposite is true. Iran has been tremendously weakened over the past 2 years by the Obama administration's successful efforts to muster international support for increased sanctions against the country. The Iranian government is divided, widely viewed as illegitimate by its people, and isolated internationally. Moreover, Iran's economy is in shambles and its nuclear program has stalled, partly as a result of the sanctions.

The clumsy and, frankly, bizarre plot to assassinate the Saudi ambassador is a symptom of Iran's desperation. It shows a country resorting to asymmetrical methods because it has been weakened economically and militarily and divided politically.

While the United States should not take any options off the table in responding to Iranian aggression, a military strike would likely be counterproductive. Iran is plagued by internal unrest, and an American attack would no doubt unify the country.

Instead, the United States should further focus its energy on the initiatives that have so successfully defrayed Iranian power and influence over the past 2 years:

1. Assembling a unified international coalition that condemns Iranian bad behavior, imposes sanctions, and isolates the country internationally;
2. And as Admiral Mullen recently noted, reaching out to engage the Iranian government in order to deny Iran's leaders their most effective method of uniting their people: The specter of an "evil America."

#### A WEAKENED IRAN

##### *Sanctions*

Numerous nations and multinational entities have imposed sanctions against Iran including the United Nations, the European Union, Canada, Australia, South Korea, Japan, Switzerland, India, Israel, and the United States. The sanctions have had significant adverse effects on the Iranian nuclear program as well as the Iranian economy. More specifically, the sanctions have resulted in many oil companies withdrawing from Iran as well as a decline in oil production and reduced access to technologies needed to improve their efficiency. Additionally, many international companies have been reluctant to do business with Iran for fear of losing access to larger Western markets.

Last June, the U.N. Security Council adopted its toughest set of sanctions yet and the United States, European Union, Australia, Japan, South Korea, and Norway followed up with sanctions of their own. The goal is to restrict Iran's access to the global financial system, especially major banks. There are provisions in the resolution that prohibit any financial services—meaning banking, insurance, re-insurance—to Iran if there is reason to believe that those services could assist Iran's nuclear missile firms. The implementation of the financial provisions contained within the Security Council resolution has been very powerful—more so than people expected. The sanctions have had particularly tangible effects on Iran's oil industry and associated sectors.

##### *Economic Turmoil*

Iran's economy has stagnated in recent months, partly because of the country's growing isolation from the world economy, partly as a result of dipping oil prices, and partly because of the Government's statist policies that limit private enterprise.

The Islamic Republic is beset by high levels of inflation (17.3 percent) and unemployment (13.5 percent) and low levels of foreign investment.

Iran cut energy and food subsidies in 2010 which resulted in a four-fold rise in the price of petrol and reduced subsidies for bread. Subsidy cuts threaten strikes and civil unrest (in 2007 protestors set dozens of fuel stations on fire after the system for fuel rationing was implemented). Frustration over a lack of economic opportunities—especially jobs for young people—is widespread among the population.

#### *Domestic political unrest and the 2009 election*

The Iranian ruling elite are widely viewed as corrupt by the populace, a dangerous situation given the Arab Spring protests that have deposed dictators across the Middle East.

The 2009 Presidential election ignited popular frustrations about government corruption and led to the Iranian Green Movement. The official election results had President Mahmoud Ahmadinejad winning with a large majority, but opposition candidates challenged that result as fraudulent. Street protests erupted as voter skepticism rose in response to Ahmadinejad's declared victory. Supporters of opposition candidate Mir Hussein Moussavi took to the street in protest over the election results, and other countries around the world including the United States and Canada voiced concern over claims of voter irregularities and human rights abuses as the government put down the protests. The Ahmadinejad government was able to stay in power only by violently cracking down on its own people.

#### *Intra-government tensions*

The Iranian political elite are divided by internal strife between President Ahmadinejad and Supreme Leader Ayatollah Ali Khamenei. For months the ruling theocracy has been clashing with Ahmadinejad and his allies for attempting to challenge the near-absolute authority of the cleric-ruled system that has controlled Iran since the 1979 revolution. Khamenei and his supporters are expected to continue their attempts to push the president further into the political margins by undermining his attempts to reach out to the United States and have begun assembling a caretaker cabinet in case Ahmadinejad resigns or has to be removed. This internal power struggle dilutes Iran's influence internationally and calls into question the long-term survivability of the regime.

#### *The Arab Awakening*

The Arab uprisings threaten Iran's strongest ally, Syria, and its leader Bashar al-Assad. Syria is Tehran's only ally and its partner in backing and strengthening the terrorist groups Hezbollah and Hamas. If Assad loses control over Syria, new forms of less fundamentalist Muslim political expression may emerge into the greater Middle East, making the Iranian model less attractive. In Syria, the political balance between the minority Alawi Shia regime in Damascus and the Sunni majority has shifted irreversibly to Iran's disadvantage. Additionally, if Assad is toppled, Syria is likely to be ruled by a Sunni-dominated regime that will not be friendly with Iran.

#### *Iran's nuclear program*

Iran enriches its uranium to 20 percent purity, far more than is necessary for nuclear energy production, and stores this fuel in an underground bunker. These facts suggest that Iran's nuclear ambitions are not purely peaceful in nature.

Last spring, a U.N. report found that the international sanctions pushed through in 2010 by the Obama administration were significantly hindering the progress of Iran's nuclear program. An article last week in the *Washington Post* echoed these findings, noting that even in the wake of the Stuxnet virus Iran's nuclear program continues to be stymied by equipment shortages.

#### THE U.S. RESPONSE

Let me be clear: I do not believe that the United States should do nothing and simply wait for Iran to implode. An attempted terrorist attack on U.S. soil, no matter how clumsy, cannot be tolerated, and the United States should respond strongly and effectively. In responding, however, the United States should keep in mind what has made its efforts to contain Iran so effective over the past 2 years: International consensus.

The Obama administration should use the Iranian plot to convince our allies to recommit themselves to enforcing the current sanctions on Iran. This plot provides evidence of continued hostile Iranian behavior, evidence that should be used to bolster the international coalition against Iran.

Moreover, the United States should strengthen its own sanctions regime and press for stronger international sanctions that can garner the support of our allies in this coalition. The sanctions on Iran draw legitimacy from the fact that they have been approved by the United Nations and even involve some of Iran's former allies, such as Russia and China. Maintaining the support of this robust coalition should be one of the primary goals of the U.S. response.

Simultaneously, the United States should continue its efforts to engage with the Iranian government. As Admiral Michael Mullen, the former Chairman of the Joint Chiefs of Staff, noted last month, "even in the darkest days of the Cold War, we had links to the Soviet Union. We are not talking to Iran, so we don't understand each other." Talking to Iran promotes stability in the U.S.-Iran relationship and, to the greatest extent possible, denies the Iranian government the ability to use the specter of "evil America" as a means of unifying the Iranian people.

Following the Iranian assassination plot against the Saudi ambassador, President Obama vowed for the "toughest sanctions" yet against the Islamic Republic. Thus far, the administration has frozen the U.S. assets of Iran's Mahan Air and barred U.S. firms from doing business with the airline. In a statement released by the Treasury, Mahan Air is accused of closely coordinating with Iran's Qods Force, which allegedly was behind the planned assassination. This is a wise and measured response by the administration, and the United States should continue to press for sanctions on companies that aid Iran's nuclear or military ambitions.

The administration is also said to be "actively" considering sanctioning Iran's Bank Markazi, or central bank, limiting Iran's ability to sell its crude oil and thereby isolating it from the world economic system. The success of this endeavor will depend on garnering the support of other countries, a challenging but not impossible task given the potential that such restrictive sanctions on the central bank could harm ordinary Iranians and negatively affect the oil market. I applaud the overwhelming support in the Senate for this measure, with 90 Senators calling for sanctions on the central bank this past August, including Senators Feinstein (D-CA) and Kirk (R-IL) in recent days.

Iranian aggression towards the United States cannot be tolerated. But it is important that the U.S. response to the Iranian plot furthers our long-term goals: Detering Iranian aggression and protecting U.S. National security. Doing so will require us to work multilaterally with our allies. Military action would be counter-productive.

Mr. MCCAUL. Thank you, Dr. Korb.  
Colonel Geraghty is recognized.

**STATEMENT OF TIMOTHY J. GERAGHTY, UNITED STATES  
MARINE CORPS (RETIRED)**

Colonel GERAGHTY. Last Sunday was the 20th anniversary, as mentioned previously, of the beginning of an asymmetrical war raised by radical Islamists against the United States and our allies. It was on that day where this coordinated suicide truck bombing killed 241 peacekeepers under my command, as well as 58 French peacekeepers. Those atrocities lead to the withdrawal of the U.S. National peacekeeping force from Lebanon, and major changes in U.S. National policy.

Since then, radical Islamism has evolved into the major National security threat of the 21st Century. Perhaps the most significant development that came out of the Beirut mission was the ascent of Iran as a major player not only in the region, but globally. Since Iran does not have a border with Lebanon or Israel, in the early 1980s it deployed, through Syria, through Damascus, a contingent of the Revolutionary Guard into Lebanon's Bekaa Valley.

I might add that that was during the height of the Iranian-Iraqi War. The Iranians established an operational and training base, which remains an active hub of activity today. They founded, financed, and trained Hezbollah, as mentioned previously, and used those Shiite surrogates to attack the peacekeepers that Sunday morning in Beirut.

We can see today that Iran's entry into Lebanon was a game-changer and continues to destabilize Lebanon, attack Israel indirectly, while raising its stature and popularity and influence throughout the Arab world. Iran has the capability today, and uses it to cause havoc on several fronts, on its own schedule, that provides convenient distractions while its nuclear centrifuges spin.

The Iranian mullahs waging a radical war, an aggressive campaign, support al-Qaeda, Hamas, Hezbollah, Palestinian Islamic Jihad, three of whom are Sunni. They support the Taliban, as mentioned previously by the general, in Afghanistan against NATO forces, and use the Qods Force in Iraq to finance and equip both Sunni and Shia militias.

Some key leaders who are implementing the Iranian mullahs' policies are worthy of closer scrutiny, and harken back to the Beirut days. Mostafa Mohammad-Najjar, veteran commander of the IRGC, the 150,000-man IRGC, was named minister of defense in 2005. In 1983, he was the commander of the IRGC Lebanon contingent, and was directly responsible for the Beirut truck bombing.

Today, he is the minister of interior in Iran, and they have redeployed IRGC forces around the major capitols in there, and why you are not hearing any of the protests coming out of Iran with the Arab Spring protests throughout the Middle East.

Ahmadinejad's fiercely-disputed re-election in 2009 reveals another connection with Lebanon. His selection—incidentally, to put down that those protests in Iran at that time—they imported some of his Falah thugs from Lebanon that they had trained. His selection as the new defense minister, and current, is General Ahmad Vahidi, who also participated in the 1983 peacekeepers bombings and later succeeded Najjar as the commander of the Lebanon contingent.

He is the one who founded the Qods Force, serving as its first commander. He is currently on Interpol's most-wanted list, the Red Notices, for the bombings in Buenos Aires of the Israeli Embassy in 1992, killing 29, and the Jewish Community Cultural Center in 1994, killing 86.

Vahidi was linked by the European Union in 2008 for Iran's nuclear activities and the development of nuclear weapons delivery systems, while overseeing the research and development of weapons of mass destruction. Vahidi's assignment and background is why Iran retains the dubious distinction, for over a quarter of a century, of being the world's leading state sponsor of terrorism.

The expanding relationship between Iran President Ahmadinejad and Venezuela President Hugo Chavez requires closer vigilance by the United States and our allies. Their open boast to oppose world hegemony is clear propaganda to provide cover for other activities. Plans include Russia building an arms plant in Venezuela to produce AK-103 automatic weapons and to send 53 helicopters, military helicopters.

Besides having major operating bases in the tri-border regions of Argentina, Brazil, and Paraguay, they have also established another one on Venezuela's Margarita Island.

Mentioned previously, the weekly flights from Iran to Venezuela are not monitored, which bring back memories of my multinational peacekeeping headquarters in Beirut at Beirut International Air-

port, which later evolved, in the late 1980s, as a terrorist hub. The U.S. Southern Command has expressed concern on the growing connections between Iran and Hezbollah. All this is happening—is not happening without a purpose.

The DEA chief of operations has confirmed Hezbollah operations have formed a partnership with major Mexican drug cartels. They have been using the smuggling routes to smuggle both people and contraband into the United States. These developments should cause red flags to fly, and I know a lot of attention is being paid across the intelligence, defense, diplomatic, and home security communities.

We have to presume that Hezbollah cells are in the United States and being fortified, awaiting Iranian orders. To discount this threat and their capabilities would be an invitation to disaster. Reports from the Homeland Security documents, that earlier revealed that over 180,000 illegal aliens from countries “Other Than Mexico” were apprehended between 2007 and 2010, question how many we missed.

The recent Iranian-backed plot to assassinate Saudi Arabia’s ambassador to the United States involving a key Qods Force commander linked to the killing of U.S. troops in Iraq should come again as no surprise. The leader of that group operated within the Iraqi militia of cleric Sadr, dressed as U.S. and Iraqi soldiers in assault in Karbala, which killed five Americans. According to a Treasury report, he supplied Sadr’s group also with the weaponries.

The cousin that was arrested is a co-conspirator with Manssor Arbabsiar, an Iranian-American living in Texas. The bizarre plot involving using Mexican drug traffickers to bomb the restaurant in Washington which the ambassador frequented, when you stop and realize using that bizarre plot—that is like, in sales lingo, not a cold call—why you would use that link unless there is a lot of previous activity.

The uniqueness of the plot provides some insight to the nature of the asymmetrical threat we face. The plotters also discussed bombing Saudi and Israeli embassies in Washington. My question is the modus operandi that was considered: Did it involve a Beirut truck-bombing model used by them against the U.S. Embassy in Beirut and the peacekeepers in 1983, or the two U.S. embassies in West Africa, Tanzania, and Kenya in 1998, or the Israeli embassy in Buenos Aires in 1992?

In closing, I believe Iran is intent on attacking us in the homeland. All one needs to do is to review their strategy, their behavior, their attacks and their targets of the past 3 decades. Their ideology, mixed with their obsessive hatred of America, makes us a prime target. The use of proxies have proven to be successful, while avoiding any retribution for the carnage they have wrought as the leading state sponsor of terrorism.

One of the questions we should ponder in our timid response to Iranian carnage in the last 3 decades is if they feel they could go nuclear with impunity. The commendable work being performed daily across the defense, intelligence, and domestic law enforcement agencies is a matter of record. Our National unity and eternal vigilance is required now more than ever.

Thank you.  
[The statement of Colonel Geraghty follows:]

PREPARED STATEMENT OF COLONEL TIMOTHY J. GERAGHTY

OCTOBER 26, 2011

October 23, 2011 marked the twenty-eighth anniversary of the beginning of an asymmetrical war waged by radical Islamists against the United States and its allies. It was on that day in 1983 during the Lebanese civil war that coordinated suicide truck bombings in Beirut, killed 241 American peacekeepers under my command, as well as 58 French peacekeepers. These atrocities led to the withdrawal of the Multinational Force from Lebanon and to major changes in U.S. National policy. Since then, radical Islamism has evolved into the major National security threat to Western civilization.

Perhaps the most significant development that grew out of the Beirut peacekeeping mission was the ascent of Iran into becoming a major player, not only in the region but also globally. Since Iran does not share a border with Lebanon (or Israel), in the early 1980's it deployed through Syria a contingent of its Islamic Revolutionary Guard Corps (IRGC) into Lebanon's Bekaa Valley. The Iranians established an operational and training base that remains active to this day. They founded, financed, trained, and equipped Hezbollah to operate as a proxy army and used these Shiite surrogates to attack the U.S. and French peacekeepers early that October morning. We can see today that Iran's entry into Lebanon was a game-changer while continuing to destabilize Lebanon and attack Israel indirectly, which raises its stature, popularity, and influence throughout the Arab region and globally. Iran's capability to cause havoc on several fronts and on its own schedule provides convenient distractions while its nuclear centrifuges continue to spin.

Iranian mullahs, while waging a radically aggressive campaign, support al-Qaeda, Hamas, Hezbollah, and Palestinian Islamic Jihad, three of whom are Sunni. They also support the Taliban in Afghanistan against NATO forces and use the IRGC's elite Qods Force to train, finance, and equip Sunni and Shiite militias in Iraq.

Some of the key leaders who are implementing the Iranian mullahs' aggressive policies are worth closer scrutiny. Mostafa Mohammad-Najjar, a veteran commander of the 150,000-man IRGC, was named minister of defense in August 2005. In 1983, he was commander of the IRGC contingent in Lebanon and was directly responsible for the Beirut truck bombings.

Ahmadinejad's fiercely disputed reelection in 2009 also reveals another connection with IRGC in Lebanon. His selection as the new minister of defense, Gen. Ahmad Vahidi, also participated in the 1983 Beirut bombings and later succeeded Najjar as commander of the IRGC contingent. He founded the elite Qods Force of the IRGC, serving as its first commander. He currently is on Interpol's most-wanted list, the Red Notices, for the bombings in Buenos Aires of the Israeli Embassy in 1992 killing 29 and the Jewish Community Cultural Center in 1994 killing 86. Vahidi was linked by the European Union to Iran's nuclear activities and its development of nuclear weapons delivery systems while overseeing the research and development of WMDs. Vahidi's assignment and background lays out a bloody roadmap of Iranian intentions. It also provides a deeper understanding as to why Iran has retained the dubious distinction for over a quarter-century of being the world's leading state-sponsor of terrorism.

The expanding relationship between Iranian President Mahmoud Ahmadinejad and Venezuelan President Hugo Chavez requires close vigilance by the United States and our allies. Their open boast to "oppose world hegemony" is clear propaganda to provide cover for other activities. Plans include Russia to build an arms plant in Venezuela to produce AK-103 automatic rifles and to send 53 military helicopters. Besides having a major operating base in the tri-border areas of Argentina, Brazil, and Paraguay, they have also established another one on Venezuela's Margarita Island. Weekly flights between Iran and Venezuela are not monitored which brings back memories of my U.S. Multinational Peacekeepers headquarters at Beirut International Airport in 1983 and which evolved into a terrorist hub in the late 1980's. The U.S. Southern Command has expressed concern of the connections between state sponsor of terrorism Iran and Hezbollah. All this is not happening without a purpose.

The former Drug Enforcement Agency Chief of Operations Mike Braun, confirmed that Hezbollah operatives have formed a partnership with the Mexican drug cartels. They have been using cartel smuggling routes to get people and contraband into the United States. These developments should cause many red flags to fly for the intelligence, defense, diplomatic, and Homeland Security communities. We have to pre-



sume that Hezbollah cells are present and being fortified while awaiting orders from Iran. To discount this threat and their capabilities would be an invitation to disaster. Reports from DHS documents reveal that over 180,000 illegal aliens from countries Other Than Mexico were apprehended from 2007 and mid-March 2010 which begs the question of how many we missed.

The recent Iranian-backed plot to assassinate Saudi Arabia's Ambassador to the United States involved a key Qods Force commander linked to the killings of U.S. troops in Iraq. This should come as no surprise. Abdul Reza Shahlai led a group of the Qods Force, within the Iraqi militia of cleric Moqtada al Sadr, dressed as U.S. and Iraqi soldiers, in an assault in Karbala which killed 5 Americans. According to a U.S. Treasury report, he supplied Sadr's group with weapons. Shahlai is the cousin of the arrested co-conspirator Manssor Arabsiar, an Iranian American living in Texas. The bizarre plot involved using Mexican drug traffickers to bomb a restaurant in Washington, DC which the Ambassador frequented. The uniqueness of the plot provides some insight to the nature of the asymmetrical threat we face. The plotters also discussed bombing the Saudi and Israeli Embassies in Washington. I wonder if the modus operandi considered involved the Beirut truck-bombing model used against the U.S. Embassy in Beirut and the U.S. and French Peacekeepers headquarters (both 1983); the two U.S. Embassies in Tanzania and Kenya (1998) and the Israeli Embassy in Buenos Aires (1992).

In closing, I believe that Iran is intent in attacking us in our homeland. All one needs to do is review their strategy, behavior, attacks, and targets the past 3 decades. Their ideology mixed with their obsessive hatred of America makes us a prime target. Their use of proxies has proven successful while avoiding any retribution for the carnage they have wrought as the leading state-sponsor of terrorism. The commendable work performed daily across our defense, intelligence, and domestic law enforcement agencies is a matter of record. Our National unity and eternal vigilance is needed more than ever.

Mr. McCAUL. Thank you, Colonel. Let me thank you again for your service, particularly on that tragic day in Beirut.

The Chairman now recognizes himself for 5 minutes for questions. Colonel, I agree with you that we have had a timid response to Iran since 1979.

General Keane, you outlined, I thought, very masterfully all the attacks and attempted attacks on the interests of the United States since 1979. The failure of both parties, either parties and administrations prior, to adequately respond to the threat. Now we have an attempted assassination attempt on a foreign official in our Nation's Capitol.

Fortunately, it was foiled. But according to your testimony, General Keane, this goes to the highest levels, when you said that the Ayatollah Khomeini, at a minimum, approved the plan and may have directed it. That is very bold and, if true, I think deserves a proper response. You mentioned our policy has failed. We have had sanctions on and off since 1979. That we are still faced with this threat that continues.

I think you mentioned we need to treat Iran as a strategic enemy. I agree with that. So to both the general and the colonel, what do you think should be the proper response to deal with Iran?

General KEANE. Well, as I said in my remarks, step one is to recognize them as our strategic enemy, and therefore, use only elements of National power, as such, to push against that enemy. I am not suggesting that the first push should be a military one—quite the contrary.

But let us face it, I mean, even the sanctions we use have never had any major impact on these guys because they are not tough enough. Lay down every single interest that they have, and then counter that interest. We know that when they took power they took all the shah's business interests around the world, many of

them in Europe and some of them in the Middle East. They have those business interests. They are billionaires because of it. Let us go get them. Why do we tolerate that?

There are so many other things that we can do, and people on this panel have outlined those things. Let us not wring our hands. If the international community does not want to step up to it we go without them. If we do not take measures, serious measures, and introduce fear to them, they are going to keep killing us until they eventually get a weapon that can truly hurt us. So I am suggesting that we get comprehensive and holistic about what we are doing.

I am not suggesting for a minute that we start with some small things and then lead up to larger things. I am saying we put our hand around that throat right now in every interest that they have. We have a significant offensive cyber capability in this country that no one else in the world has. Some are close. We can do limited cyber attacks. That takes a Presidential finding. But why are we not doing that? That would have a rather dramatic impact.

Why are we permitting the Qods Force leaders who have been organized in this killing of us for 30 years to go around, still walking around? Why do we not kill them? We kill other people who are running terrorist organizations against the United States. These guys have killed almost a thousand of us. Why do not we kill them? Why do we not conduct espionage against them?

We have people in our Government who know how to do this. I am not suggesting a military action. I am suggesting covert action that has a degree of deniability to it. My partner to my left here knows more about this than I could possibly ever know, but I am suggesting that—

Mr. McCAUL. Unfortunately, I only have a minute left. Let me just say this. I agree. I do not think anybody wants to go to war with Iran. But I do think we need a tougher response, particularly in light of this assassination attempt, you know, in the Nation's capitol.

Colonel, I want to give you the last word in my little bit of time left. You discussed quite extensively a connection between Tehran and Caracas, between Iran and Venezuela—and Latin America, the fact that Hezbollah forces are in Latin America, the fact that Hezbollah forces may actually be working with drug cartels. I think, in your words, this probably was not a “cold call.” They may have been connected with them previously.

Could you expand upon that?

Colonel GERAGHTY. Well, it is almost like a play I have seen before, establishing a base in Lebanon and using that. Look what they have expanded that to today, where really it is preventing any kind of the larger issues, preventing any kind of accommodation, between the Palestinian and the Israelis that went to Hamas. They have expanded that. They have become a major player and a major threat that they never had before that.

That is why I say the Iranian Revolutionary Guard moving to Lebanon at the time we were there on a peacekeeping mission was a game-changer. Because they brought capabilities with them that certainly were not there before. I mean, the bomb that we faced was not put together by any Shias. It was not put together, you

know, in a weekend over a garage. It was the largest non-nuclear explosion ever recorded, still retains that. The magnitude of the bomb really predetermined mass casualties, and the removal, really the destruction, of the mission at the same time.

Moving that to Venezuela and so on, I would state that the Qods commander connection with the assassination plot here is the fellow that I pin, has to be, one of the key guys in the planning and control of the Qods Force, is the founder that was in Beirut, is the current minister of defense, Vahidi.

He is the one that founded it. Just look at the jobs he has had before he has been the minister of defense. It is all key jobs that lays out, like I mentioned, a roadmap. He was in Venezuela earlier this year. He was expelled from Bolivia after Interpol came because he is on their Red Notice, too. But he travels under diplomatic cover.

The point is, he is probably the key guy that is orchestrating all this, not only the use of the Qods Force but specific missions, I would think, and has that kind of influence with the mullahs.

Mr. MCCAUL. Thank you, Colonel.

Let me also echo Dr. Levitt's testimony. The Qods should be designated as a foreign terrorist organization. I think that would be helpful. These flights going between Caracas and Tehran, they cannot be checked by Interpol. The international community cannot check these flights. I have had Bolivian lawmakers tell me that there is uranium on these flights going to Iran. I think it is time, as General Keane mentioned, to start stepping up to the plate and responding.

So with that, I now recognize the gentlelady from California, Ms. Speier.

Ms. SPEIER. Thank you, Mr. Chairman.

Thank you again to all of our witnesses. I do not think we could say often enough to General Keane and Colonel Geraghty the great service that you have provided to our country. It is very commendable.

Let me start with you, Dr. Korb. You testified about a few of the successes the various sanction programs have achieved. Can you describe the U.N. sanctions that are designed to restrict Iran's access to global financial systems?

Dr. KORB. Last June, the U.N. Security Council adopted its toughest set of sanctions. The United States, the European Union, Australia, Japan, South Korea, and Norway followed up with sanctions of their own. The goal is to restrict Iran's access to the global financial system, especially major banks. There are provisions in the resolution that prohibit any financial services, meaning banking, insurance, reinsurance to Iran if there is reason to believe those services could assist Iran's nuclear firms.

These sanctions have been very powerful, I think more powerful than most people expected. They have had particularly tangible effects on Iran's oil industry and associated sectors. That is why I mentioned what President Regan used to call the misery index is beginning to create problems for Iran internally.

Ms. SPEIER. You referenced in your comments, as well, that the plots may indeed be a sign of Iran's weakness and desperation. Can you expand upon that a little bit for us?

Dr. KORB. Well, I think if you take a look at the fact that the government now is in chaos, they are concerned about the Arab Spring. Because this is undermining the Iranian narrative, you know, that the Islamic Republic should be the future of the Arab and Muslim world. We know that when President Ahmadinejad accepted some of our offers about enriching nuclear energy, and asked for us giving him nuclear materials that they could use for additional purposes, he was undermined by the ruling clerics.

As I mentioned this morning, the ruling clerics are now basically saying that they do not want to have a president anymore. We know what happened, of course, in the 2009 election. So with their influence declining, with them having economic problems, this was—as some people talked about if, in fact, it is true—a potential game-changer to show that they are still relevant.

I think the very fact that they allowed this renegade—I mean, this was the Keystone Kops if you take a look at the way this was done—the very fact that they would allow that to happen shows that the country is in disarray and they are becoming desperate.

Ms. SPEIER. The movement of the money is something that still kind of perplexes me. Do any of you have any knowledge of how this money could have been moved and masked so that we would not know about it?

Dr. LEVITT. None of us know exactly how it happened. It has not been made public yet. But when I was deputy assistant secretary for intelligence at Treasury, this is the type of thing we looked at very closely. Clearly, it could not be sent directly from an Iranian account directly to an American account.

But there are many, many ways it could have been sent and masked either through formal banking channels, through informal banking channels, or a combination of both—meaning bank transfers, Hawala deals. But bottom line is, it probably was sent—and the indictment says it came from Iran—in some way that was able to be traced through at least one other third country.

But with one cut-out you can pretty easily send those funds.

Ms. SPEIER. Dr. Korb, back to you. You said the nuclear program is not working. Can you elaborate on that somewhat?

Dr. KORB. Yes. As you mentioned in your opening statement here, the report in the *Washington Post* quoted high-level Government officials in the intelligence community—and also David Albright, who had monitored this closely—saying that as a result of the so-called computer virus, Stuxnet, and also with the sanctions that have happened, that their nuclear program is not where they would like it to be.

They do not have access to all the materials that they would like in order to move in the direction that they would like. So what has happened is, this program has stalled. You know, it is very interesting. You can go back, and I can show you statements from people going back to 2004, saying in 6 months they are going to have a nuclear weapon, then 6 months and 6 months.

They do not have it yet. I think what has happened is, this shows that the international community, acting together, has made it difficult for them. You know, we talk about Russia actually backed off a deal they had made to send them, you know, missiles

as a result of these sanctions. So I think what has happened is, they are no further along than they were a couple of years ago.

Ms. SPEIER. Thank you, Mr. Chairman. My time has expired.

Mr. MCCAUL. The Chairman now recognizes Mr. Meehan.

Mr. MEEHAN. Thank you, Mr. Chairman. Thank you for this distinguished panel, who has really opened our eyes.

I go back again to the commentary that I made at the beginning about what we have been through before. Colonel, you discussed this. We are looking at the past, and when we had analyzed the past after 9/11 we talked about the failure of imagination. Today, each of you has identified, at various points, the concept of red flags.

Now, our committee has worked on the issue of this. We are aware of the Iranian nuclear ambitions. We are aware of their animosity towards Israel. What we begin to study more is the use of these proxies outside of the Middle East and now increasingly closer to our homeland.

We have heard testimony today about the activity inside the Margarita Islands, where Chavez has worked and created a stepping-off point. We have now seen the creation of relationships with Mexican drug cartels. But the significance to me there is the reality that this cartel could create the opening, or opportunity, for terrorists to get into our country much easier than we may perhaps anticipate.

We have heard testimony today about an Iranian presence in Canada. My real question here is: Is this a red-flag moment? Have we seen a time in which we have seen Iran cross the line? We have a window, Dr. Korb, as you have said, perhaps right now. We have got some desperation on the part—and this is showing a sense of inability.

But we have also heard testimony about persistence, and sloppiness, but still having results. It is clear in everybody's mind that the game remarkably changes if Iran ever gets a nuclear weapon.

As a result, this appears to be a remarkable moment of opportunity. Should we be concerned about the ability, however, of Iranian influence, proxies or otherwise, to use the groundwork that they have laid as the ability to penetrate our homeland and to use that as leverage against any kind of more proactive stands against Iran?

We have discussed a series of sanctions, but we also see the realistic capability for Iran to strike back. What are the implications of our continuing efforts to try to tighten the screws on Iran? I ask the panel, each of you, to answer that particular question. What should we be doing next?

Mr. GERECHT. I guess I could go first there. I mean, again, I have nothing against sanctions. I think there are lots of sanctions the United States should tighten. I am in favor of most of what we might call Central Bank sanctions, the Iran oil-free zone. There are lots of different things you can do.

But again, I just emphasize. The people who rule Iran rose up essentially through killing people. All right? They have maintained a coercive system. It has become more coercive with time, not less. They do not respond in the same rational economic ways that we

do. Iran would not look like the country than it is today if they were concerned about the bottom line.

So I do not think that you are going to really intimidate these people, get their attention, unless you shoot somebody. I do not know. It is pretty blunt, but I do not think you get to get around it. I think, for example, if we believe that the Guard Corps is responsible for this operation, then you should hold Qassem Soleimani responsible. Qassem Soleimani travels a lot. He is all over the place. Go get him. Either try to capture him or kill him.

But I think you have to send a pretty powerful message to those who have undertaken this, or I think down the road you are asking for it. They will read this not as a response of someone who is strong, but as a response of someone who is—

Mr. MEEHAN. There has been a totality of things identified today that could be pretty significant. Do we have to get to the point of some kind of an actual aggressive military response to still be able to accomplish significant inroads in interfering with Iran's ability to carry out this proxy terrorism, as well as move towards a nuclear capability?

Mr. GERECHT. Well, you could aggressively harass many of their operations overseas. There is no doubt about that. But you would have to have a consensus to do that. I mean, needless to say, the White House, the CIA would have to be on-board to do that. You would have to have the approval to do that. We all know it is Washington, DC. These things are difficult to do.

So, you may find out that this type of covert action is actually much more difficult to do than going after, say, Qassem Soleimani when he travels.

Dr. LEVITT. If I may add, and I agree, there has to be something clear that is done. You know, in 1987, referring back to the 1983 and 1984 Beirut bombings, the CIA reported that many Iranian leaders, and I am quoting—"use this precedent as proof that terrorism can break U.S. resolve, and the use of sabotage and terrorism is an important option in its confrontation with the United States in the Persian Gulf."

I agree that something like this really is a red flag, in the sense that they have decided to carry out an operation in the United States. The question is how to respond. I do not think we necessarily have to put a bullet in someone's head. I do think that if we are not—and I hope we are already—that there should be a significant covert action program in place to deal with these types of things, sometimes sophisticated, sometimes not so much.

In fact, sometimes the Iranians, just to make sure that we know that they know what is going on, would surveil our diplomats in different places using Iranian diplomatic vehicles with tags just so that we know they are there. Even just that type of thing, together with other things, can be very effective. I have listed out a bunch.

I just want to say one thing about sanctions, as someone who is a Treasury official at one point. I said this was in Government, I say it all the time now. I think the sanctions have been tremendously, tremendously effective. But let us be clear, they were never intended, and they never will, solve your problem—not the counter-terrorism sanctions, not the North Korea sanctions, not the Iran sanctions.

Where they are most effective, and where they have been effective and will continue to be effective, though there is a lot more that could be done, is in disruption. They have slowed down the program. They have not ended it. Iran is actually much further along than it was. But, you know, if every 6 months we think they are about to get a bomb and they do not—if 10 years from now we are still having this conversation—that is a level of victory, but it is not a policy.

It does not get us where we want to be. So it has to be used in tandem with other things. Military options, diplomatic options, covert action, customs enforcement, enforcements of current sanctions, all of these have to be done in a way that will send a message to Iran that we are serious about this. But these one-off designations do not help.

I will give you one recent example. Right after this plot was revealed, Treasury designated several individuals to reveal a little more information, clearly based on intelligence, about the nature of the plot, including re-designating Qassem Soleimani, the head of the Qods Force, this time on a terrorism basis.

He had already been designated twice—once in a proliferation executive order, once in a human rights executive order for his actions supporting the Syrian regime’s suppression of its people there. On the one hand, that is great because we use this as a vehicle to get out to the public that we believe that this was not a rogue operation. That this was done at the very highest levels of the Qods Force.

But in the other hand, if I am Qassem Soleimani and I am sitting at my desk and I say, “Okay, so the U.S. Government designated me a third time,” now I am worried.

So there are different reasons to use these tools, but I do not think we are using them enough, in tandem with others, aggressively enough to make Iran care. We are risk-averse, and frankly afraid of our shadow, when it comes to dealing with Iran. They are extremely aggressive. It is not a combination that is going to work for us.

Dr. KORB. Let me say something I think is very important.

Mr. MCCAUL. I am sorry—

Dr. KORB. We—

Mr. MCCAUL. Well, I will let you respond, but we are running over the time. I want the other Members to ask questions.

Dr. KORB. No, go ahead.

Ms. SPEIER. Mr. Chairman, in fairness to Dr. Korb he did not use his entire 5 minutes. So maybe we can give him a minute.

Mr. MCCAUL. Okay, fair enough.

Dr. KORB. Thank you. Okay. I think we Americans like to solve problems right away. But I think we have to be patient. In the long run, time is on our side. If we overreact, you know, by using military force, this will unite them. I think if we are patient and we continue to do these things, some of which have been mentioned by my colleagues, eventually this regime is going to have to change its character.

If you had told Americans back when President Truman came up with the Marshall Plan that the Cold War was going to last another 40 years or something, the people would say, “No, we can’t

wait that long.” You had President Eisenhower have to stop people from the Rollback Strategy.

I think you need to be patient, need to keep taking the steps. The more contentious you get from the international community, the more effective they are going to be.

Mr. MCCAUL. Thanks, Dr. Korb.

The Chairman now recognizes Mr. Keating.

Mr. KEATING. Thank you, Mr. Chairman. I am going to try something because my time is limited. I am going to give a comment, and then ask three different questions and ask you all to just jump in.

First the comment. Is my recollection—correct me if I am wrong—that the President of the United States has not ruled out military action in terms of Iran? I have heard his statements. So my comment is: What more can he do in terms of what he says?

Now the three questions. One of them, a little real provocative, I think. I was in Pakistan fairly recently, and I was astounded when I saw three different officials in Pakistan tell me that they did not believe the United States killed Osama bin Laden.

I asked them how they came to that conclusion. I was incredulous actually. Even al-Qaeda admitted that. I asked them where they came to that conclusion, and they all cited the information and propaganda coming from Iran. So my question is: I think that their propaganda machine is being pretty effective if they could ever come to that conclusion—what can we do to conquer it?

No. 2, I think it has been touched on, but it is a common thread. Mr. Gerecht mentioned, I think, Canada. Dr. Levitt mentioned Latin America. Colonel Geraghty mentioned the homeland threat. What are the threats in the Western Hemisphere that we should be really vigilant about? Because I find that to be a common thread.

The third thing, there is an axiom about the enemy of your enemy is your friend. It is my belief that within Iran there is an internal conflict historically, and I think it still exists with the Ayatollah and Ahmadinejad. There is a conflict with them. Is the United States, non-intentionally, acting in a way that we are inhibiting that internal conflict that is there from incubating and maybe causing problems within Iran itself?

So those are the three questions, and I will throw it open to anyone that wants to answer those things. First being propaganda, second being Western Hemisphere threat, third is are we doing things unintentionally to maybe not let the percolation of their internal conflict grow?

Dr. KORB. If you take the first one, the propaganda, I think we have to recognize that because we invaded Iraq under false pretenses people do not trust a lot of the things that we say in that part of the world. Also, during the 1990s we cut back what I call our U.S. information agency and we really have not got it up to where it stands now.

I think one thing that has been missing here in terms of Iran’s internal conflict, remember, they had a democracy. We overthrew it. We allowed the shah to begin developing nuclear weapons. So when we say you cannot do it they say, “Well, wait a second. You did not mind when the shah had it.”



Basically, after they helped us in Afghanistan, okay, and got the Northern Alliance, which is their allies, to support the Karzai government, President Bush put him on the Axis of Evil. You know, they said, "Well, what do you expect from us?" Therefore, they went back to some of their, you know, aggressive behavior.

Mr. GERECHT. Yes, I am going to let pass Larry's odd rendition of history and go to the discussion of internal events. I just say this. I mean, when President Obama came into office—and he had a very aggressive policy of engagement, he was writing letters to Khomeini—that did have a profound effect, I think. It spooked the hell out of Khomeini.

It did the opposite of what the President thought would happen. He sends that letter, and Khomeini gives a speech later, very shortly thereafter, and he refers to the United States as Sheik Tanti Mujasem, Satan incarnate.

President Obama actually fed his fear of the United States, of the Western cultural invasion. When the pro-democracy dissidents in the Green Movement started shouting in Persian, "Ooh-ba-ma," which is a shortened version of "he is with us," that had a catalytic effect, actually, I think, on demonstrations. Because the people in the streets actually thought that Obama was standing with them with the pro-democracy movement.

Now the President actually was not. He was actually trying to have a dialogue directly with Khomeini and his focus was on them, not on what was to come later with the Green Movement. But the United States can have an internal effect. I would suggest, and argue, that that incident should tell you that if the United States actually does talk about democracy in Iran, if it actually uses its bully pulpit to challenge the regime, to challenge the regime on its internal oppression, it actually can encourage dissent, it can encourage change, and it reinforces the people inside psychologically.

When we do not do that, I think we send signals to the regime that we do not really care. Some Iranian diplomats who defected have made it crystal clear to folks that, you know, when they would write their cables back home to Tehran the Americans and Europeans would come and see them. They talk only about one thing. They talk about the nuclear program.

So what did those diplomats write back home? They do not care about anything else. That is a mistake.

General KEANE. The thing that I would add is, we know how to do this propaganda. We have got a history of having done it effectively. We did it somewhat effectively with Soviet Union propaganda. But it does take authorities, it takes resources, and perseverance to do it.

Mr. KEATING. May I suggest it is easier these days because of social networking to even be more effective.

General KEANE. Very much so. In my statement I said that we certainly should be targeting Iran with this kind of effort in terms of making an impact on those people. I think one of the low points of American history, when over a million people were in the streets of Tehran in 2009 in July, we had no moral response to that movement.

This is one of the most repressive regimes that we have, and we did not respond and side with them, much as we have responded

to the Polish movement, to the Ukrainian movement, and to others around the world when people get in to the streets fighting against a dictatorship.

So yes, we can. There is much that we can do. It should be one of the other things in our kit bag.

Mr. KEATING. The final comment I have, and then I will have to relinquish my time, it is over.

But let me just say this. That there are things we cannot talk about that are classified, obviously. But many of the things you have suggested that this Government should be doing, I would suggest that perhaps we are already doing those things but we just cannot talk about them.

Thank you.

Mr. MCCAUL. The Chairman now recognizes the gentleman from Florida, Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it. Thank you, gentlemen, for your testimony today. I have a couple of questions.

This is with regard to the cartels, and this is for the general and also colonel. Does it stand to reason that the Iranians would not have approached the cartels, for the first time, with a task as delicate, important, and sensitive as assassinating an ambassador? Does it not suggest a level of trust indicative of a pre-existing relationship?

Whoever would like to address that, the general or the colonel.

Colonel GERAGHTY. After you, General.

[Laughter.]

General KEANE. Well, I think the answer is obvious that, from my perspective of course it suggests to take on something as vital as conducting an attack inside the United States there has got to be a relationship there. There has got to be some trust in that relationship.

Let me just say something. I want to associate my remarks with Reuel, and totally disagree with Dr. Korb that this is somehow an act of desperation. That a strategic decision is made to attack the United States because of a sense of frustration and they are involved in chaos. I totally dismiss that theory that they would come to the United States.

They came to the United States to do this because they believe it is going to advantage them in their part of the world. They are trying to get the influence of the United States and the West out of their region. They fundamentally believe, and Reuel is totally right about this, that they would get away with it.

When bin Laden took the two embassies down in Africa in 1998, we lost 400 people dead. I think bin Laden makes the decision. What we did in terms of our response to that is, we threw some missiles up into their training base in Afghanistan. I think bin Laden concludes, "I just killed 400 of them, and they won't even come for us. I think we can come for them because they are weak."

That is why they are here, because we are weak. That is what they believe. They are here because they believe we are weak and we are not going to respond.

Mr. BILIRAKIS. Thank you.

This question is for Mr. Gerecht: Is it true that some of the car bombs recently being used by the cartels in Mexico are technically very similar to the car bomb designs used in Iraq by Iran's terrorist proxies there? Does this indicate possible collusion or training between the cartels and the terror groups?

Mr. GERECHT. Oh, I am not a wiring expert. I doubt it. I mean, I think the knowledge of bombs sort of gets around. I mean, proliferation not only occurs with high technology, it also occurs with low technology. So, I am not sure that you need to see links in car bombs to suggest that you got active engagement.

You might. I am not denying it. I am just saying that this type of knowledge is fairly ubiquitous, and it spreads easily.

Mr. BILIRAKIS. Anyone else want to comment on that?

Dr. LEVITT. I will just add generally that we should be wary of jumping too quickly to the conclusion that in order for there to have been this type of cooperation it has to be institutionalized with lots of trust. DEA has found, many times, that what you have are the same types of facilitators, a gray area of people who work in the illicit industries, and for money they will work with all types.

That is clearly happening in Mexico, where the same people who will move things will move guns or money or people. Sometimes it is just an opportunity. If, in fact, Arbabsiar, as is reported, had all kinds of business in Mexico, maybe some illicit business—apparently had a contact with this individual who we thought was a member of the drug cartel, it turns out to have been a source of ours—it may just have been that.

That a relative in the Qods Force sees an opportunity to leverage a relative who is living here, who has connections south of the border and might be able to do this just for money. Sometimes it really is just that simple. It is still telling, because there are these opportunities to leverage those types of relationships. But it does not necessarily mean that these are institutionalized.

We are just going to have to wait to see how the investigation pans out, and as information is made public, to really draw firm conclusions.

Mr. BILIRAKIS. Thank you.

I yield back my time. Thank you.

Mr. MCCAUL. Thank you.

The Chairman now recognizes the Ranking Member, Mr. Thompson.

Mr. THOMPSON. Thank you very much, Mr. Chairman. Let me say from the beginning that while there might have been some acts perpetrated before the last 3 years of this administration, it might have been characterized, from a response standpoint, as weak.

I am very comfortable that under the Obama administration we have taken some very, very bad people out. There is no question about it, the record is clear. So this notion that somehow as a country we are weak, from my standpoint, I want to make sure that there is some who disagree with that.

But that being said, given the situation we face now with the drawdown in Iraq and the situation with Iran, I want to ask unanimous consent, Mr. Chairman, to enter into the record an article about U.S. Ambassador Susan Rice.

[The information follows:]

ARTICLE SUBMITTED BY RANKING MEMBER BENNIE G. THOMPSON

DIPLOMACY, NOT MILITARY FORCE, SHOULD BE OUR TRACK WITH IRAN, CONSERVATIVES  
BEAT THE WAR DRUM HARDER AFTER ASSASSINATION ATTEMPT

By *Matthew Duss*—October 20, 2011.

Questions remain about the Iranian government's alleged plot to assassinate the Saudi ambassador to the United States in Washington, DC. Still, it clearly augurs even greater tension between Iran and the United States in the immediate future. But while the plot as described might create the illusion of an emboldened Iran, the reality is that Iran is much weaker and more isolated now than when President Barack Obama took office.

First, the administration's successful efforts to constrain Iran's nuclear development are undeniable. According to an article in Tuesday's *Washington Post*, "Iran's nuclear program, which stumbled badly after a reported cyber attack last year, appears beset by poorly performing equipment, shortages of parts and other woes as global sanctions exert a mounting toll."

This echoes the findings of a special panel of U.N. experts, which reported in May that the multilateral sanctions adopted under June 2010's U.N. Security Council Resolution 1929—sanctions that the Obama administration worked hard to pass—were having a significant impact on Iran's ability to proceed with its nuclear program.

According to the report, those measures were "constraining Iran's procurement of items related to prohibited nuclear and ballistic missile activity and thus slowing development of these programs."

This isn't all, however. Last month, Reuters reported that China, one of Iran's most important backers, "has put the brakes on oil and gas investments in Iran, drawing ire from Tehran over a pullback that officials and executives said reflected Beijing's efforts to appease Washington and avoid U.S. sanctions on its big energy firms."

Israeli Iran analyst Meir Javedanfar wrote, "The Chinese government has made it much more difficult and expensive for Iran to extract and export its oil and gas, meaning less of such commodities to sell at a higher production cost in the future." This "should be particularly worrisome for Iran's leaders."

In addition to the costs to Iran's economy and the significantly greater constraints on Iran's nuclear program, the Obama administration's diplomacy also resulted in increased international pressure over Iran's human rights abuses, including the creation of a United Nations Special Rapporteur on Human Rights in Iran. The Iranian regime itself certainly doesn't regard these measures lightly as demonstrated both by their public statements and by their intensive U.N. lobbying efforts to defeat these efforts.

It's worth remembering that Iran was on a roll when President Obama took office. This was thanks to precisely the sort of military solutions that many of the President's conservative critics are now calling for again.

Iran was the biggest strategic beneficiary of the Iraq war. It capitalized effectively on the removal of its greatest enemy, Saddam Hussein, and it successfully exploited the massive anti-American sentiment that resulted in the Middle East from the U.S. invasion and occupation of Iraq.

Iran looks far worse 2½ years later. The Arab awakening sidelined Iran's efforts to sell itself as the standard bearer of resistance against the West. Its key ally Syria is on the edge of collapse.

Iran itself is also in a state of significant internal turmoil. President Obama's efforts to reach out to the Iranian people damaged the Iranian leadership's ability to rally the country around the United States as an enemy, and it exposed the regime to popular protest and regime in-fighting.

But though the United States today faces a weaker Iran, the revelation last week predictably resulted in the usual calls for war against Iran—from the same people who brought us the war in Iraq.

Writing in the *Weekly Standard*, Bill Kristol—who has been calling for war with Iran since 2006—wrote, "It's long since been time for the United States to speak to this regime in the language it understands—force. And now we have an engraved invitation to do so."

Reuel Marc Gerecht, another long-time fan of bombing Iran, wrote in *The Wall Street Journal*, "The White House needs to respond militarily to this outrage. If we don't, we are asking for it."

The neoconservative Foreign Policy Initiative's Jamie Fly also wrote in *National Review* that "Developments this week make abundantly clear, our disgraceful attempts to 'engage' the despotic regime in Tehran . . . have failed."

Fly concluded, "It is time to take military action against the Iranian government elements that support terrorism and its nuclear program. More diplomacy is not an adequate response."

Such calls for a military option may be emotionally satisfying to their authors and attractive as a quick fix to a complex problem. But they dramatically fail to understand the way the Obama administration successfully used diplomacy to isolate the Iranian government and undercut its influence.

This inability to understand American power in terms other than military strength is a key reason why conservative foreign policy is in such a shambles these days.

After surveying the foreign policy positions of the current Republican primary candidates, the *Philadelphia Inquirer's* Trudy Rubin remarked, "We're left with a GOP pack that insists on American superiority and saber-rattling while our country is crumbling internally. From such self-delusion, the next American century won't grow."

The impressively clumsy assassination plot—if in fact it did originate inside the Iranian regime—should be seen as a sign of just how much weaker and desperate Iran is today than it was in 2008. The Obama administration put Iran on its back foot, diminished its regional importance, and severely curtailed its options through the skillful and effective use of American diplomacy and leadership—not through saber rattling.

In conclusion, the revelation of the Iranian assassination plot should bolster the international consensus against Iran's behavior rather than serve as an excuse for another needless war. And it should strengthen the U.S. effort to constrain and change that behavior through a variety of methods. Given that the American people clearly have no interest in undertaking yet another costly and counterproductive military adventure in the Middle East, the administration would be wise to ignore the calls for one.

Mr. McCAUL. Without objection, so ordered.

Mr. THOMPSON. Going forward, Dr. Korb. Can you give some of us on the committee how you think diplomacy, from the U.S. standpoint going forward, would be important? Some have talked about expelling any Iranian official from this country and going to other levels.

But I would like you—and I will ask a couple of the other gentlemen also—where does diplomacy fit in this situation where we are today?

Dr. KORB. Well, as I mentioned in my testimony, I support what Admiral Mullen, who recently stepped down as chairman of the joint chiefs of staff, says, you know, "We are not talking to Iran so we don't understand each other." I think you ought to keep the contacts open to the extent that you can.

I agree with the President basically—reaching out to them, wanting to negotiate—that it demonstrates to people in Iran that we are not the enemy and are completely against them. General Keane mentioned, you know, if you go back and take a look, Iraq attacked Iran. We, and I was in Government then, supported Iraq by given them photos that they used to drop chemical weapons on Iran.

So when you say, well, they are terrible people, there are things that we have done that I think by reaching out and talking to them and using diplomatic channels, be willing to negotiate, I think will undermine that narrative of some people in Iran that we are just out to harm them and we do not agree with their role in the world.

So, I am all for, you know, keeping contacts open and talking to them to the extent that we can. As Admiral Mullen mentioned, the darkest days of the Cold War were not just—you know, some U.S.

interests were involved, but U.S. existence was involved. We kept channels open with the Soviet Union.

Mr. THOMPSON. General Keane, given your 37 years of military experience, what role do you see the military having with respect to Iran, where we are today? Dr. Korb talked about diplomacy, but I want to talk a little bit about the military.

General KEANE. Yes, certainly. Let me just respond to something you already said. When I used the term “weak,” I was using Iran’s perception of us. I was not using my perception of our country, just to clarify that. I believe bin Laden, when he believed we were weak, he totally underestimated the United States of America and the character of our people. I think he found that out, obviously.

The role the military plays right now with Iran primarily is planning. I mean, the United States military has been asked to put together a plan to conduct war with this country on a different basis. This is not unusual for us. You know, we have to do that sort of planning in the event we have strategic surprise and the unpredictable takes place.

In this case, we plan for all-out war with them, to include a ground war. Or we deal with very limited action to deal with a violation—mining of the Straits of Hormuz, or to deal with a very limited action against their nuclear capability. So there is a whole scale of response that the United States military has planned, and those plans have been briefed all the way to this President of the United States. They are approved as plans.

So that is what the United States military does. Then it goes out and educates and trains officers and leaders in the military on how to do this, and conducts exercises. I have been participating when I was a division commander and a corps commander in simulation exercises and conducting war in Iran maybe a dozen times.

You would want us to do that. So that if this event happens that we do not want to happen, then we do it professionally and very capably with a minimum loss of life. So that is primarily the function the United States military is serving. Now, they have pushback against the Iranian proxies in Iraq. So we are directly involved in that activity, and still are to some degree today.

But obviously that is going to be minimized dramatically, and we push it back against the proxies that they are using with the Taliban. They are providing the Taliban with ammunition and with resources, and obviously we are pushing back against those. But the primary mission is the one that I just stated.

Mr. THOMPSON. Thank you.

I yield back, Mr. Chairman.

Mr. MCCAUL. Thank you.

The Chairman now recognizes the gentlelady, Ms. Speier, for unanimous consent request.

Ms. SPEIER. Mr. Chairman, thank you. I would like to ask unanimous consent that the gentlelady from Texas, Ms. Jackson Lee, be seated and allowed to ask questions.

Mr. MCCAUL. Without objection, so ordered.

The Chairman now recognizes Mr. Duncan.

Mr. DUNCAN. Thank you, Mr. Chairman. First off, I want to thank the general and the colonel for their service to the United

States military. Specifically I want to thank the colonel for his role, so to speak, in Beirut in 1983.

I would like to enter into the record a friend of mine from high school, from Morrisville, North Carolina, Lance Corporal Timothy “Tim” McNealy, who played football with my brother, who I knew personally, who died in the Marine Corps barracks there in 1983.

It is not lost on a lot of us that have been following this situation that the Qods Force and the terrorist arm of Iran Hezbollah has been involved with the Mexican drug cartel for quite awhile. We have raised awareness, Mr. Chairman, a number of times about this over my short 10 months being in Congress.

I want to encourage the Members of the committee that have not signed on to Resolution 429, which Mr. Higgins and I have sent a “Dear Colleague” letter around on. That resolution basically urges the administration to include the Western Hemisphere in the administration’s 2012 National strategy for counterterrorism area of focus.

Because we are aware of the tri-border region, we are aware of Venezuela, we are now aware of a stronger working relationship between Hezbollah and the Mexican drug cartel and Qods Force and the drug cartels. So I would urge you to co-sponsor that and I appreciate the Members that have.

I ask the colonel, knowing our porous Southern Border—the comments that you made in your testimony, knowing that there is a working relationship that has been revealed—what could we be doing differently as a sovereign nation, on our Southern Border, to keep any infiltration of personnel or weapons into this country? Colonel?

Colonel GERAGHTY. I live in Arizona. It has gotten better, there is no question about it, through the efforts of a lot of dedicated people. But I have to look back, from a historical standpoint, on how these things develop and what we can do and what impact they have. They are all very hard to measure, particularly in real time. There is delayed reaction that usually is after an attack.

I use, as a sample of that from personal history, the mission in Beirut, the blowing up of our embassy, the attacks on the two embassies in East Africa that the general had talked about earlier that essentially went by with no response. Al-Qaeda never had the capability for the suicide, coordinated, attacks that Hezbollah pulled off during the Beirut mission that killed us.

They did not have that expertise. Bin Laden took inspiration from the success of those attacks. Particularly, a part of that was our non-response. Until there was a meeting between him and Ahmad Muneer who was the point man for the Shi’a, who is part of Iranian intelligence, later as the point of attack for us in Beirut. They had a meeting in Sudan in 1996.

Al-Qaeda’s first coordinated simultaneous suicide bombing, first mission, were the two U.S. embassies in East Africa. They expanded that same Beirut model for the four commercial airline hijackings—simultaneous, coordinated attacks—for us here on 9/11. So I use that.

With all the activity that is going on—what we know about and, more importantly, what we do not know about—is building operational bases in Venezuela, in Margarita Island, the contact. Re-

member, too, that Hezbollah has been operating drug trafficking in the tri-border regions for a long time.

So that is what I am saying. When they talk about using drug cartels down there in Mexico and so on, it is not a cold call. They are familiar with this, and I am sure have very good contacts with the different ones. They are shopping, probably, and all this.

So when they say this is sort of a bumbling attack that should not be taken seriously and all this, I think it is at our own risk if we ignore that. That is part of the problem with this. Our freedoms are our vulnerabilities, and they know how to play this every which way.

I could not agree more that when you have a link to an assassination in this country, in our Capitol, of the Saudi ambassador, the chutzpah that they have, and to try, and the Qods commander connection with that—and just walk that back, and the current minister of defense, and what is their background and so on—I would take this threat very seriously.

Again, the whole threat, I think, ties into what we do not know as much as what we do know. I know that the FBI and the intelligence community, there is a lot of great work on one of the reasons that we have not been attacked here.

But I will guarantee you that the Iranians and this current crowd that runs them, they are driven, they are obsessed. It is the ideology and so on. That we are on their schedule, I mean on their target list. Primarily. That when it does happen it will probably be as they have key targets and a spectacular—coast-to-coast or whatever, even a Mumbai-style attack, just to carry it out. Because hate and humiliation go along with their obsession against the Western world, and the United States in particular.

Mr. DUNCAN. Thank you, Mr. Chairman. I yield back.

Mr. MCCAUL. Thank you.

Colonel, I agree with you. I think the potential combination between Iran, Hezbollah, and the drug cartels is very powerful and very dangerous.

With that, the Chairman now recognizes, let us see, Mr. Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman. I want to thank the witnesses for very enlightening discussion.

Mr. Gerecht, let me ask if I understood you to imply, or suggest, that the governance of Iran is such that you do not necessarily get the same response that you might get from the use of sanctions with another country? That maybe there is a distance between the governing bodies and the people, to the extent that sanctions may not play the same role that they play in another country?

Mr. GERECHT. Yes. I mean, I think that sanctions in Iran have been effective in many ways. But if you just take the Guards Corps, for example, the Guards Corps has gotten richer and more powerful as sanctions have gotten tougher. So for them, the last 5 years have been pretty good years.

So I think you always have to try to see it the way they see it. The thing about the Guards Corps, actually, is they have lots of publications. They have their own world. It is actually not that hard to read the Guards Corp. I met a few Guardsmen. In addition to that, it is not hard to actually get a grasp of how they see the world because they are fairly forthright in telling you.



Now there have been nuances and variations between individuals in the bottom of the Guards Corps and individuals at the top of the Guards Corps, family histories, et cetera. All these things come in into play. But I do not think, when Khomeini, the supreme leader, tells you that he is not scared of sanctions he is telling you the truth. He is not.

Now, that is not to say that sanctions have not hurt them, and that the bureaucracy and the business community is not aware of the damage that they have done to Iran. But I think you have to be very, very careful in believing that sanctions that would make us stand up and take notice do the same to them.

I would just make one other little quick comment. It is natural that the Iranians would gravitate to, and not be spooked by, any drug cartels. Because the Revolutionary Guards Corps is responsible for the movement of the vast majority of all opiates that come out of Afghanistan and go to Turkey. It is one of their major income-producers.

So they would gravitate towards that. It is natural. It is not something that would be uncomfortable for them.

Mr. DAVIS. Thank you very much.

Recognizing that sanctions have been used as a diplomatic tool for a long time—I mean, it is kind of a normal reaction, oftentimes ultimately, where we get—Dr. Levitt, how do we make the assessment of how impactful the use of sanctions might be?

I mean, how do we determine whether it is doing what we want it to do, or whether it is something that we are doing but the value is not there and we are not getting the kind of responses that we might be looking for?

Dr. LEVITT. The pithy but most honest answer is, with difficulty. But it comes down to, at its core, determining and admitting—and there is no one answer to this across Government, not this administration nor the prior administration—what is it you are trying to achieve with sanctions.

Again, if you are trying to achieve disruption, sanctions have been tremendously effective. I know nobody who knows anything about them who disrupts that. There are ways that it can be done better. I think there are things that we should be doing more. But it has been tremendously successful there.

Now do you also think or expect or hope, anywhere along that spectrum, that you will put enough sanction and economic misery on either the revolutionary regime or maybe even at some point the people—though the sanctions regimes we have now are mostly affecting those involved in illicit conduct, they are not the kind of shotgun regime-wide sanctions that we have in Iraq that affected people, as well—do you expect that some combination of sanctions like that would alter the calculus of this regime?

Make it decide, for example, that perhaps a nuclear program is not a guarantor of its survival, but perhaps an inhibitor, something that might cost them their survival? I do not think that is the case. I agree with Reuel there. I do not think that we will be able to do that.

But we can do enough sanctions that will be increasingly disruptive, buy us more time. Also do things, as I think a designation of the Central Bank would do, that would have more impact on the

country. I have also argued in the House and the Senate, banking, finance, in and out of Government, that what we need to do now, I believe—and I think I am still a minority on this, but I believe sincerely—what we need to do is get a better mix, the cocktail of sanctions.

For multilateral engagement purposes and other reasons, we have focused on sanctions that are graduated, targeted on those most involved in the illicit conduct. We can target—three times, three more times, a dozen times. It is only going to be so effective.

I think we need to fold into the mix some sanctions that will have some impact on people in the ground, as well. That sends a message through domestic Iranian channels to the regime, and that is a different way of threatening their level of comfort. Ultimately this is a tool, not a policy. It is a tool which, if used in tandem with other tools, can be effective.

But my problem is—and I used to complain about this all the time when I was in Government—that often not because it is the right tool, but because we have no better answers in difficult problems, we want to use this tool so we can say we have done something.

That is the worst time to use the tool. When I was a Treasury official I would argue vehemently against using Treasury authorities just because there is nothing else to do. It can undermine those authorities. I think there are ways that we can target the RGC better. I think we should be pursuing Central Bank of Iran. I would hope that this will be done multilaterally because of the potential impact on the international economy, which is fragile at the moment.

That is not something that I would necessarily say we should do unilaterally, though, because it would have an international impact because of the way banks world-wide react to reputational risk issues. But on the flipside, much more aggressive designations over a period of time targeting all kinds of Qods Force entities. Exposing them, even if it is not seizing assets, is the type of thing we can certainly be doing unilaterally with zero cost.

Mr. DAVIS. Thank you very much.

Thank you, Mr. Chairman for your indulgence.

Mr. MCCAUL. Thank you, Mr. Davis.

The Chairman now recognizes, in the order of appearance before the gavel, Ms. Hahn.

Ms. HAHN. This has been really a fascinating hearing this morning, and I thank the witnesses for being here. Certainly we have a wide range of experience and we certainly have a wide range of opinions on what we need to do, when we need to do it, and how we need to carry it out.

Certainly, you know, I believe that the comments about Iran's hate and obsession for us is really what drives their actions against us, I think, even more than the fact that they might perceive us as being weak. I was interested, a couple of hours ago, in General Keane's testimony and Mr. Gerecht's testimony.

General Keane, you certainly believe that, so far, it sounds like the sanctions which we have been using have been not as effective as they could be. You used the term we ought to, you know, be grabbing them by their throats and really ramping up the sanc-

tions—everything from seizing their assets to denying them entry to ports around the world.

Mr. Gerecht feels that until we shoot somebody they are not going to pay attention.

Sitting here 2 hours later, is that still your view, General Keane, that the ramped-up version of the sanctions is really where we ought to be going now? Or do you feel like the only way to get their attention is to use military action and actually shoot someone?

General KEANE. Yes. I do think the fact that they made this decision to come inside the United States and conduct this attack is something that we should not walk away from. We should not treat it like other terrorist arracks in the region, even though many of those were against us, as well.

I am suggesting that they have been killing us for 30 years, and we all know that. Until we get more effective with the response, they will continue to kill us and they will continue to work against our interests in the region. Remember, their objective is to drive us out of the region. That is clearly what they want.

So to date, on the merits of it, we have not been effective in stopping them from, No. 1, killing us; No. 2, sponsoring terrorism; and No. 3, a continued program to develop nuclear weapons, which I am convinced they have not given up on.

So I want a re-look at the whole issue. No. 1, admit to us that they are our strategic enemy. Use all the elements of National power, hold the military element in check and, as I said, figuratively get our hands around their throat using all those elements of National power. Do it comprehensively and as much near-simultaneous as we possibly can.

I agree with Reuel that yes, we should target them. I mean, my God, we have got other terrorist organizations and the leaders of them who have killed us, and we have targeted them and we have killed them. Why do these guys get a pass? They should not get one. They should feel that kind of pressure.

I am not suggesting that we bring in military forces and conduct operations inside Iran. I am not suggesting that at all. I am suggesting that we conduct covert operations. I am suggesting we conduct espionage that is covert, as well. They have to feel some of this pressure. If we do not recognize that, I am convinced it is just going to continue.

Ms. HAHN. Thank you. Anyone else want to answer that? You are backing down on shooting someone?

You know, obviously, being low on the totem pole here, most of my questions have already been asked and answered. But one of the things that maybe just I will ask the entire panel, none of you really mentioned it or suggested it. But, you know, over the years I think a lot of these attempts have been thwarted thanks in large part to our law enforcement officials on the ground.

Of course, Congress is in the middle of some tough debates on our budget. Our super committee is looking at cuts to our defense. Many of our homeland security grants are looking to be pared down, and some eliminated altogether. I know I have been pushing for our port security grants to continue for another year because I still feel like our ports are a vulnerable entryway into this country.

I would like to hear some thoughts on, you know, the importance of continuing to fund programs that directly help to secure our local law enforcement efforts on the ground as a way to continue to attempt to thwart what we may not be able to stop another way.

Dr. KORB. I think the way that you need to do this is to look at National security in a holistic way. Whatever you decide to spend on the Department of Defense, Homeland Security, State and all of these things, recognize they all contribute.

Now you mentioned the fact that you are concerned about port security. Well, do you realize we spend more on one program in the Department of Defense, missile defense, than we do on the entire Coast Guard? If you looked at it in a holistic way you could say where is it likely that somebody is going to shoot a nuclear weapon at us with a return address or try and smuggle it in. I would say the latter.

So I would give more priority to that. But the reason you cannot is because you have a stovepipe when we do the budgets in the Executive branch and you do it over here. So what I would urge you to the extent that whatever number you decide you are going to have to, you know, reduce to deal with the deficit you look at it in a holistic way.

For years we have been putting out a program called unified National security budget that assesses some of those trade-offs. We take the amount the administration—Bush, and then Obama—has, and we took a look at how you could get, if you will, more bang for the buck.

Ms. HAHN. Any other comments?

Dr. LEVITT. Well, as the former FBI guy here I should probably say that I completely concur this is an amazing example of what we can do. I mentioned earlier a DHS program on customs enforcements—it is not only here, but it is abroad—people, DHS people, in Brussels for example, doing tremendous work.

Sometimes I am concerned that we minimize the importance and the role of law enforcement. It gets politicized sometimes. These are not either/or sanctions, are not an either/or. The military is not an either/or. It is getting the cocktail right, it is getting the mix right.

I think this case just demonstrates that what we are doing at home—and to be perfectly blunt, what we were doing abroad—this plot was not thwarted at home. This was thwarted abroad, in Mexico, because DEA was doing what it does exceptionally well every day.

We need to be able to maintain that vigilance. I think that that is clear. That money needs to be cut is also clear. So I am glad it is you, not me.

Ms. HAHN. Thank you.

I yield my time.

Mr. MCCAUL. Thank you. I agree, Dr. Levitt. As I indicated earlier, meeting with these agents who pulled this thing off and the intelligence community they just did a magnificent job.

With that, the Chairman recognizes Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

In Iranian political and terror ethos, there is the near enemy, Israel. But there is also the far enemy, the United States of Amer-

ica. The topic of this hearing is Iranian terror operations on the American soil. So I commend my colleague, Jeff Duncan, for his bipartisan resolution to include as an area of focus the Western Hemisphere in our Nation's counterterrorism efforts. I think it is very, very important.

Hezbollah, the Party of God, is a Shi'a terrorist group highly committed to violent jihad. Hezbollah acts as a proxy, as a pawn, as a tool for Venezuela, Syria, and Iran. Hezbollah has a presence estimated to be between a few hundred to a few thousand in the 16-country region of Latin America. Hezbollah also has a presence in 15 American cities, including four major cities in Canada.

We were told at previous hearings that while the confirmation of Hezbollah's presence in North America is indisputable, that we should not worry. That they are just here for fundraising activities. Hezbollah, a terror group committed to violent jihad. I do not make the distinction between fundraising and terrorist activity. Fundraising for terrorist activity is a terrorist activity.

I represent Buffalo, New York, and I know from terrorist history terrorist cowards look for high-impact targets. We have the Peace Bridge that connects Buffalo and Southern Ontario—the busiest Northern Border crossing for passenger vehicles in North America, third-busiest for commercial vehicles. We have Niagara Falls, a destination of millions of people every single year.

We have 90 miles away, Toronto, a multicultural, fascinating international city. We also have, in close proximity, the Niagara Power Project, which produces the cheapest, cleanest, and most electricity in all of New York State.

I would like you to comment, consistent with the hearing's topic, "Iranian Terror Operations on the American Soil"—be it Iran directly, or their proxies who do their dirty work for them: What more can we be doing about their presence, their direct presence, in 15 American cities and four major Canadian cities generally in North America?

Dr. LEVITT. Well I, in particular, am grateful for the question because I am completing a book on Hezbollah's global presence which has several chapters on Hezbollah in South America and North America. So I know at least one person will now read it.

[Laughter.]

Dr. LEVITT. I am going to take that giggle as a—now you got to buy it too. It is more than 15 cities in the United States and more than four in Canada.

Several years ago, in written answers to follow-up questions in Congressional testimony, FBI officials conceded that they see Hezbollah doing more than fundraising in this country. They see Hezbollah doing pre-operational surveillance in this country. They believe that that is primarily done for the purpose of vetting new recruits.

But if I were a terrorist mastermind vetting a new recruit here whose primary responsibility would be fundraising and logistics, there would be other ways to make sure that this person was a capable fundraiser other than having them surveil U.S. Federal buildings.

I think one of the greatest surprises about this Arbabsiar plot is that the Qods Force was doing this apparently on their own,

whereas usually they are doing things together with Lebanese Hezbollah. That certainly has been the M.O. in the Western Hemisphere, in Argentina. It was the M.O. earlier in 1994, a few months before the AMIA bombing in Thailand in an attempted bombing of the Israeli embassy there that was thwarted, not because of anything counterterrorism officials did, but because the bomber got into a car accident, and in many, many other cases.

That may suggest that their current capabilities here are not so high. Again, as I noted in my testimony, Qods Force and Hezbollah both have faced a series of failures since 2008 when they tried to resurrect Hezbollah. That is, tried to resurrect what had been a nascent foreign terrorist operations capability in the wake of the assassination of Imad Mugniyah.

But we do need to be concerned about this, and we do need to be concerned about the crossings not just to our self but to our north. In one case we know of, Kurani, a Hezbollah guy who had actual training who was smuggled across the border from Mexico, then had connections in Canada as well—Fauzi Ayu, who was arrested trying to carry out a bombing in Israel had Canadian citizenship and traveled on a false U.S. passport, married an American woman. An indictment was recently released for him, in the Dearborn area, which was his last known address.

There is a lot of movement across the bridges, more in the Michigan area but, I am sure, in yours as well. This is something we need to be cognizant of. The good news is—and I say this not just because I came originally, when I came to this town, working for FBI, but based on the research I have done for the book—I have been tremendously impressed.

I have gone out and met with field offices and local police and others—FBI, DEA, JTTS. The work that they are doing, focused in Hezbollah in particular, is impressive.

Mr. GERECHT. I will just make a very quick comment. The Hezbollah is vastly more comfortable with the expatriate Lebanese Shi'a population than the Iranians are with their expatriate population.

The interesting exception to that might be in Canada. Because in Canada you have what I would call the second generation of Iranian immigration. You have much more devout communities, communities which are much closer to the folks back home. They exist almost in ghettos in Canada, which is something you do not see almost anywhere else with the Iranian expatriate communities.

So, the Iranians are naturally going there. That is why they sent someone like Sadech Larijani, one of the brothers of perhaps the most famous family in Iran, there to be, “a cultural attaché.” The Hezbollah, and there is no way around it, has had a certain prestige amongst the Lebanese Shi'a community. Even with Lebanese Shi'a who, ideologically, are not in sympathy with the Hezbollah.

It is a problem, and it is just a problem that you have to be aware of. That is why the Hezbollah is much more effective maneuvering overseas than Iranians are.

Mr. HIGGINS. Thank you.

Mr. MCCAUL. The Chairman now recognizes the gentlelady from Texas, Ms. Sheila Jackson Lee.

Ms. JACKSON LEE. Mr. Chairman, thank you to all of the Chairpersons and Ranking Members. Thank you for your courtesy but, more importantly, let me congratulate you for the topic of this hearing. I think if there is ever a time of unanimity on perspectives dealing with Iran it is certainly on the point that they never stop and that we have concerns that need to be addressed.

So let me start with you, Dr. Korb, on a maybe far-stretched inquiry. Since my time runs quickly, why did the Arab Spring miss Iran? Even though I think it was about a year ago they even might have proceeded, but they did not succeed.

But I remember Iranian/Americans in great emotion when the people of Iran rose up, stood on mountains. We will never forget that insightful picture of a young woman bleeding. Dr. Korb?

Dr. KORB. I think the reason it had not is very similar to what has happened in Syria, Bahrain. That, in fact, people use force or the threat of force to make sure it does not happen. Remember, in Egypt the Arab Spring succeeded because the military refused to continue to back the Mubarak government—

Ms. JACKSON LEE. Right.

Dr. KORB. Of course in Libya, once the rebels got a stronghold, the international community was able to come in. You just do not have those circumstances. People like General Zinni, Admiral Mullen, the former head of Mossad, all said the last thing you want to do is, you know put military involvement.

Ms. JACKSON LEE. Why would they say that?

Dr. KORB. Well, basically because it will be counterproductive. It would unify the country against, you know, the threat from outside. Also, basically, then they would step up, I think, the activities that have been described here in other parts of the region.

But I cannot emphasize too much, in my own personal view time is on our side. They cannot keep on doing what they are doing. Whatever happens in Syria, they are no longer going to be able to use the Syrians the way that they used to.

Ms. JACKSON LEE. Well, let me put on the record before I ask Colonel—is it Geraghty? Am I almost—

Colonel GERAGHTY. Geraghty.

Ms. JACKSON LEE. Geraghty. Thank you, sir, very much.

Colonel GERAGHTY. Yes, ma'am.

Ms. JACKSON LEE. I have no friendship for the Iranian government. I do believe the people there—there is a body politic who want freedom. I am also concerned as, in reference to a war that I did oppose—and though I respect all of those who served ably in Iraq. Because I fear that we have left Malawki in the hands of the Iranian government. He seems to not have not the ability to be independent.

But I would like to build on what Dr. Korb said. Do you agree that terrorism today is franchised to a certain extent, meaning individual actors are engaged in terrorism?

Colonel GERAGHTY. Yes.

Ms. JACKSON LEE. Did you make a point that we were preparing for war against Iran? Was that your comment that I heard. That military makes plans?

Colonel GERAGHTY. No. My comment was talking about the sanctions and so on, and the sanctions that we have had for what, 25

years against Iran. As sanctions are increased and so on, one of the major purposes for the sanctions are what is the response of the one you are sanctioning against, which is Iran.

We have seen a steady pattern that continues of them expanding their terrorist activities. When we just step back—not that the sanctions have not had some effect—they are very hard to have any kind of measurements of effectiveness. They have some and all this, but as Dr. Levitt said they are more a tool than a policy.

But the point that I was getting with the sanctions is that you look back and what have they accomplished. Iran, throughout this whole period, has not only retained but expanded their terrorist activities as the No. 1 world-sponsored terrorism.

Then the question is, right in the middle of that, when you look, they decided to go nuclear in open defiance against a united world against this, not only in the region but world-wide. How they are fighting that in your face and continuing that. Yes, the current sanctions are disrupting that.

But at some point in time, are these going to be effective enough in order to have Iran change the behavior? So that is constantly being looked at. It is not going to war with them. But the other thing in Iran is, I refer people to read the book by the Iranian—it is a pseudonym, Kahlili—called “A Time to Betray” that was a CIA agent inside the IRGC during this whole period for the CIA.

It gives insights of the mindset and how brutal they are in suppressing any kind of protesting within Iran. You saw it bubble up at the 2009 election, re-election, of Ahmadinejad. But the focus was just so severe. The fellow that is doing that is the minister of interior that is suppressing all that. So that is why you do not hear a lot or any of the protest within Iran.

Ms. JACKSON LEE. Dr. Levitt, I wanted to ask you a question. But thank you, Colonel. I just want to follow up on this point.

Following on the colonel, I think he clarified that as we accelerate in the frustration with Iran, obviously as it might be with any country, the military in the United States always are engaged in planning and preparation. It does not mean they are engaged in moving on a country. I think that is the interpretation.

But I noticed in your testimony, you indicated that the Saudis had, at one point, asked that the head of the snake should be cut off. My question to you on this whole issue of terrorism as it circulates around this horrific and horrendous potential assassination that wrapped the United States and Iran—excuse me, Iran and Saudi—in the mix, we have the responsibility, I believe, that if we act in any way, one, it should be collaborative, one it should be based on facts.

We should be very consistent with protecting the homeland. So do you have a response on how you generate those three points that is something short of saying that we are going to allegedly attack this sovereign nation that potentially has nuclear capacity?

Dr. LEVITT. Thank you for the question. I think that it is important, as you have heard basically everyone on the panel describe in one way or another, that this be an all elements of national power approach. It is not sanctions or something else, it is not law enforcement or something else, it is not covert action or something else.



It is all of these things in tandem at the same time. I think that it is at the same time in tandem, in a concerted effort, over a relatively short period of time that would be what is new. We have done a lot of these things, then we pause and we wait. What we need, I think, in response to this is a clear message.

The clear message need not be military action. It should be a lot of different types of action now, at the same time, that can send a clear message. Someone earlier asked something about creating or promoting or undermining fissures within the regime. As you were asking about the Arab Spring, this came to mind. One of the things that Treasury I know has tried to do is to try and target sanctions, when it is doing sanctions, in ways when it can that will promote fissures within the regime.

That is one of the reasons that the administration came up with human rights executive orders. It is the Qods Force, again, and the besieged militia that are responsible for cracking down on peaceful protests. It is the Qods Force that is in large part responsible for the missile program. Of course, with responses to terrorism it is often the very same people.

In that sense, the re-designation of Qassem Soleimani three times does send a message. We can be targeting these to have multiple end-purposes, not only in terms of trying to shut down the next Qods Force front that is trying to procure some material or prevent somebody from traveling, but also send messages to the Iranian people that we are promoting their efforts at peaceful protest. I think that is really important.

If you do all these things in tandem you can send your message. We talked much earlier—much, much earlier—about messaging. You can promote security in the homeland. You can even disrupt their activities abroad. I think we need to be doing all these things.

Mr. MCCAUL. Thank you, Dr. Levitt.

The Chairman now recognizes Mr. Meehan for his closing comments.

Mr. MEEHAN. I want to thank the panel for a remarkable presentation to us today, in addition to the response to the questions. We have heard everything from bumbling and disarray, but we also hear lethal and persistent. I think the one consistent thing we hear is that they are here and, as a result, we have to come together with some appropriate response.

I want to thank you for taking the time to raise the red flags that we have discussed have not been seen or watched before. I certainly hope that that failure of imagination that was discussed at the end of the 9/11 report, clearly, your kind of study of this current moment allows us to anticipate. I hope that we are able to respond in an appropriate fashion.

Thank you for the work that you do, what you have done and what you continue to do, to help us protect our country.

Mr. MCCAUL. The Chairman now recognizes Ms. Speier for her closing comments.

Ms. SPEIER. I would like to associate myself with the comments made by my Chairman. I also want to say thank you, again, for your presentations.

I want to underscore the fact that many of you, in further questioning, recognized that immediate military action is not what we

should be looking at. But it is very clear that anything we do look at needs to be multilateral, that our vigilance needs to be heightened, and that we need to do everything we can to nurture the Arab Spring that is percolating within Iran as well.

So I thank you again for your testimony.

Ms. JACKSON LEE. Mr. Chairman, may I—

Mr. MCCAUL. It is getting late.

Ms. JACKSON LEE. May I put a question on the record, please?

Mr. MCCAUL. You can pose it on the record.

Ms. JACKSON LEE. At least pose the question to you?

Mr. MCCAUL. Okay.

Ms. JACKSON LEE. This will be in the record? You might not answer it, and I appreciate that.

But I think one of our difficulties for those of us who have engaged with the Iranian resistance that is here in the United States and in Europe is that we need to delineate and declare whether this group can move forward in a non-terrorist label.

They may be, in fact, individuals that could encourage the democratic movement in Iran. They have been in limbo. They are here in the United States. They are viewed as good citizens. They are asking this Nation to address the question.

This hearing asks about terrorist activities that generate from Iran. I hope that we can get an answer from Iranian-Americans who are supporting the Iranian resistance once and for all, including a response to Cam Ashraf which I know you are familiar with.

I yield back.

Mr. MCCAUL. The gentlelady raises an excellent point.

In closing, let me thank the witnesses for being here today. I think it was very compelling testimony. Particularly the fact that this assassination attempt in this country, in Washington, was sanctioned at the highest levels of the Iranian government. I think that sends a message to us. But we need to send a clear message to Iran, and we need to respond effectively to Iran. But we have failed to do that since 1979.

I think the takeaways I get, all elements of National power we treat Iran as a strategic enemy. We need to seize their financial assets. We need an offensive cyber campaign against them. We need sanctions, for the first time, to enforce the sanctions against their Central Bank.

We need more aggressive designations. We need the expulsion of Iranian and Hezbollah operatives in this country. We need a significant covert action against Iran. Finally, we need to support this resistance of movement within Iran, this youthful secular movement to finally overthrow the Ayatollah Khomeini.

So with that, Mr. Meehan and I are going to submit a letter, a letter to the President, with the findings of this hearing. I would hope that our Ranking Members would also join us in that letter to the President. This had been a very, very productive hearing. Thank you for being here.

This hearing is now adjourned.

[Whereupon, at 12:47 p.m., the subcommittees were adjourned.]

