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DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme

7 countries involved in disrupting drug money flow for terror regime

FEB 01 (WASHINGTON) - The United States Drug Enforcement Administration (DEA) today announced significant enforcement activity including arrests targeting Lebanese Hizballah's External Security Organization Business Affairs Component (BAC), which is involved in international criminal activities such as drug trafficking and drug proceed money laundering. These proceeds are used to purchase weapons for Hizballah for its activities in Syria. This ongoing investigation spans the globe and involves numerous international law enforcement agencies in seven countries, and once again highlights the dangerous global nexus between drug trafficking and terrorism.

This effort is part of DEA's Project Cassandra, which targets a global Hizballah network responsible for the movement of large quantities of cocaine in the United States and Europe. This global network, referred to by law enforcement as the Lebanese Hizballah External Security Organization Business Affairs Component (BAC), was founded by deceased Hizballah Senior Leader Imad Mughniyah and currently operates under the control of Abdallah Safieddine and recent U.S.-designated Specially Designated Global Terrorist (SDGT) Adham Tabaja. Members of the Hizballah BAC have established business relationships with South American drug cartels, such as La Oficina de Envigado, responsible for supplying large quantities of cocaine to the European and United States drug markets. Further, the Hizballah BAC continues to launder significant drug proceeds as part of a trade based money laundering scheme known as the Black Market Peso Exchange.

"These drug trafficking and money laundering schemes utilized by the Business Affairs Component provide a revenue and weapons stream for an international terrorist organization responsible for devastating terror attacks around the world," said DEA Acting Deputy Administrator Jack Riley. "DEA and our international partners are relentless in our commitment to disrupt any attempt by terrorists and terrorist organizations to leverage the drug trade against our nations. DEA and our partners will continue to dismantle networks who exploit the nexus between drugs and terror using all available law enforcement mechanisms."

Beginning in February 2015, based on DEA investigative leads, European authorities initiated an operation targeting the network's criminal activities in that region. Since then, law enforcement authorities, closely supported by DEA, have uncovered an intricate network of money couriers who collect and transport millions of euros in drug proceeds from Europe to the Middle East. The currency is then paid in Colombia to drug traffickers using the Hawala disbursement system. A large portion of the drug proceeds was found to transit through Lebanon, and a significant percentage of these proceeds are benefitting terrorist organizations, namely Hizballah.

This investigation is a result of leads developed during the investigation into the Lebanese Canadian Bank.

The combination of aggressive international law enforcement investigations and Treasury's ongoing sanctions (see below) pressure shows the scope of the global commitment to diminish the ability of Hizballah and its financial supporters to move funds worldwide.

Enforcement Action

With DEA and Customs and Border Protection (CBP) working closely with foreign counterparts in France, Germany, Italy and Belgium, authorities arrested top leaders of the European cell of this Lebanese Hizballah External Security Organization BAC last week. The most significant arrest was of the U.S.-designated SDGT Mohamad Nouredine, a Lebanese money launderer who has worked directly with Hizballah's financial apparatus to transfer Hizballah funds via his Lebanon-based company Trade Point International S.A.R.L. and maintained direct ties to Hizballah commercial and terrorist elements in both Lebanon and Iraq.

The CPB National Targeting Center partnered with DEA and international counterparts such as Europol in this investigation. CBP's continued cooperation with the DEA, and European law enforcement counterparts is a vital component in dismantling complex global drug trafficking and money laundering networks as well as enhancing the security of the United States border.

U.S. Treasury Sanctions

Separately, the U.S. Department of the Treasury announced sanctions last week targeted Hizballah's financial support network by designating Hizballah-affiliated money launderers Nouredine and Hamdi Zaher El Dine, as well as Trade Point International S.A.R.L, a company owned or controlled by Nouredine, pursuant to Executive Order 13224. This order targets terrorists and those providing support to terrorists or acts of terrorism. Nouredine and El Dine were designated for providing financial services to or in support of Hizballah, a Specially Designated Global Terrorist. Trade Point International S.A.R.L. was designated for being owned or controlled by Nouredine. As a result of Treasury's action, all assets of the designated individuals or entities that are located in the United States or in the possession or control of U.S. persons are frozen, and U.S. persons are generally prohibited from engaging in transactions with them.

As part of its designation, Adam J. Szubin, Acting Under Secretary for Terrorism and Financial Intelligence, stated that, "Hizballah needs individuals like Mohamad Nouredine and Hamdi Zaher El Dine to launder criminal proceeds for use in terrorism and political destabilization. We will continue to target this vulnerability, and expose and disrupt such enablers of terrorism wherever we find them."

Participating offices and agencies:

DEA Philadelphia, DEA Miami, DEA Newark, DEA New York, DEA Special Operations Division, DEA Bilateral Investigative Unit, DEA country offices in Europe, as well as Bogota and Cartagena

U.S. Customs and Border Protection

U.S. Treasury Financial Crimes Enforcement Network (FinCEN)

U.S. Treasury Office of Foreign Assets Control (OFAC)

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