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## Hezbollah's Fundraising Activity in Africa Focus on the Democratic Republic of Congo

Dan Levy (Interdisciplinary Center (IDC) Herzliya)



International Institute for Counter-Terrorism (ICT)
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#### **About the Author:**

**Dan Levy** holds a B.A. in Political Science and recently graduated from the Interdisciplinary Center (IDC) Herzliyawith an M.A. in Homeland Security Studies and Counter-Terrorism. He is currently furthering his studies at the Moshe Dayan Center for Middle Eastern and African Studies, Tel-Aviv University.

#### **Abstract:**

By using the international financial system to move bulk cash and launder money, and by mixing legitimate activity with criminal operations, Hezbollah has raised millions of dollars internationally to finance its activities. In the past few years, as its Latin American and West African financing rings have been unveiled and disrupted, an important hub for the terror group's fundraising network has appeared in the Democratic Republic of Congo. Analyzing how Hezbollah fundraises by collecting donations, extorting money, entertaining ties with local dictatorships, being involved in the blood diamond trade, engaging in trade-based money-laundering, using financial institutions, practicing human trafficking and counterfeiting; this paper will demonstrate that Hezbollah's fundraising in the DRC is just as sophisticated, if not more, to that in other West African nations.

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#### Introduction

Since the attacks of 9/11, counter-terror efforts have been considerably enhanced, targeting diverse sources of terrorism, including the previously overlooked issue of financing.

Prior to 9/11, Reuven Paz<sup>1</sup> stands out as one of the only scholars to have published a report exclusively on terror fundraising and the role of charities in the west. However,

after the September 2001 attacks and the passing of the US PATRIOT Act, scholarly attention has focused extensively on the subject. For instance, Jean-Charles Brisard concentrated on the Saudi roots of Al Qaeda's financing in a report for the UN Security Council<sup>2</sup>, and various "task forces" were established in order to monitor and improve international cooperation against terror financing<sup>3</sup>.

Relatively quickly, the Lebanese Hezbollah movement has been characterized by scholars as one with the most sophisticated and lucrative tactics. By using the international financial system to move bulk cash and launder money, Mathew Levitt reports how this organization has raised millions of dollars to finance itself<sup>4</sup>.

Hezbollah's presence in Latin America (which is not limited to fundraising) has in this respect received the most attention. Due to the organization's cooperation with Venezuela and the Columbian FARC, the group has managed to smuggle hundreds of kilograms of drugs to the US (generally through Mexico) and Europe (most often through West Africa). These drug routes hence represent a valuable asset for Hezbollah, as the group raises money at diverse stages of the route.

This big picture which has emerged in recent years deserves two important reservations. Firstly, Hezbollah also raises money through activities which are not necessarily linked to this precise type of criminal enterprise. For instance, Lebanese individuals working for the group have been raising funds through criminal activity involving blood diamonds or fake money. But fundraising through non-criminal activity has also been an important source of revenue for the group, in particular thanks to private donations from a numerous Shi'a Lebanese diaspora. Secondly, the extensive focus on Latin America occurred somewhat at the expense of Hezbollah's West African activities. This became

apparent in particular when targeted Hezbollah-affiliated individuals in Latin America actually moved to West Africa in order to resume their operations.

While networks of Hezbollah supporters in Africa have been designated by the United States of America as terror-supporters (or by the UN as "illegal exploiters"), another important hub for Hezbollah in Africa has appeared in the center of the continent, most crucially in the Democratic Republic of Congo (hereafter "DRC").

Because no article has focused exclusively on Hezbollah's African fundraising, the aim of this paper will be to investigate the diversity of the group's fundraising activities on the continent and explore if this activity in the DRC is any different from that in other West African countries. The essay's assumption is that due to the unique situation of the country, the DRC represents a major fundraising and money-laundering hub for Hezbollah.

This article will start by a background focusing on the geopolitical penetration of Iran on the African continent, the reasons for this outreach and Hezbollah's role in it. Consecutively, this section will give an overview of the group's history, not forgetting to mention the purpose of its fundraising. It will then scrutinize how and why Hezbollah has been involved in Africa.

Part two of this paper will shed light on Hezbollah's fundraising in West Africa. The approach adopted will be based on the different techniques employed by Hezbollah-affiliated individuals and their businesses in order to make money.

In order to compare Hezbollah's fundraising in West Africa with that in the DRC, part three will adopt the exact same methodology as the previous one, focusing exclusively on this country. A central weakness of these two parts will be their tendency to isolate actors, rather than revealing their inter-connectedness in a transnational network. That is why prior to concluding, an additional section will attempt to remedy this by describing how Hezbollah-affiliated families are active in Africa.

While Congolese nationals residing in Kinshasa were interviewed during the author's research phase, this essay is entirely based on 'open' information such as academic or press articles. Non-traditional sources have also proven their usefulness: for instance, a political pamphlet published in the DRC is cited, where a Hezbollah front company is praised for its support of the local dictatorship<sup>5</sup>. Likewise, online social media have proven useful in order to verify the pro-Hezbollah affiliation of ostentatious Lebanese businesses in the DRC.

#### Hezbollah

Established in 1982 in southern Lebanon, the 'Party of God', has evolved and matured over the years, going from a revolutionary movement, to a more pragmatic hybrid terror organization. From its inception, the Islamic Republic of Iran played an important role in supporting the group<sup>6</sup>.

Over the years, analysts have repeatedly referred to Hezbollah as 'Iran's proxy' at the border of Israel. While it is true that the relationship between the two actors is extremely close, notably due to Hezbollah's claim of leading the 'resistance' against Israel, their cooperation nevertheless extends well beyond the Middle East, into Europe, America and Africa.

As Iran continues to pursue its quest to acquire nuclear weapons, it has responded to increasing international pressure by engaging countries ideologically opposed to the United States of America. An 'African outreach' was even described by leading Iranian diplomats as a 'top priority' for the Islamic Republic<sup>7</sup>, and Iran and Hezbollah have worked hand-in-hand in this enterprise.

The role of Hezbollah in Iran's African outreach is generally seen in less official and more controversial activities such as providing training or weapons to terror or paramilitary groups, or even recruiting individuals for their own operations. In this respect, Ely Karmon concluded in a March 2012 article:

"Iranian and Hezbollah presence and activity in Africa, like the one in Latin America, goes beyond the legitimate political, economic, social and cultural levels and creeps into the dangerous area of terrorism and subversion, threatening not only outside actors and interests but the very stability of the host countries".

Nevertheless, through its fundraising activities on the continent, Hezbollah has also proven to be active in Africa, not necessarily by directly serving Iran's continental strategy.

Empowered by the presence of Lebanese expatriates in several African countries, Hezbollah has recognized the utility of this diaspora as a channel to extend its influence abroad, but also in order to reinforce the movement's main activities in Lebanon. Hezbollah's domestic activities, all directed by the group's Shura Council, need extensive funding in order to operate effectively. As Mathew Levitt argued:

"Hezbollah funds are spent primarily on furthering the group's overall agenda of establishing a Shia entity in Lebanon and radicalizing Muslims against the West. To that end, the majority of its funds finance social welfare and political activities that finance terror in a more indirect fashion".

Recently, Hezbollah operatives have been involved in transporting drugs from Latin America to West Africa, sending them to Europe, and mounting financial plots in order to launder their profits. The Lebanese communities in Africa, thanks to their acquaintance with their countries of residence, and through the use of their numerous and diverse companies, have served Hezbollah's operations in this precise function.

But beyond this advantage, the continent offers Hezbollah with fundraising possibilities for many reasons:

- African countries have tremendous natural and energetic resources, ranging from gold and copper to uranium and oil.
- The lack of rule of law and profound democratic deficiency in most countries enable ill-intentioned actors to avoid state monitoring and repression.
- Because the continent as a whole has a development potential and a desperate need of Foreign Direct Investments, African countries have passed laws to favor the flow of money in and out of their territory.
- Local conflicts, sometimes involving Islamic terror groups, enable Hezbollah to raise money by collaborating closely with such actors, and providing them with weapons and training.

#### Hezbollah's West African Fundraising

#### Donations

Depending on the Lebanese Shi'a Diaspora, the first fundraising method used by Hezbollah in West Africa is the traditional donations system<sup>10</sup>.

These funds can be sent to Lebanon using charities or NGOs, and due to its social welfare activities, Hezbollah has astutely used its schools and hospitals in order to provide a justification for charity. However, once the money is received in Lebanon, it is redistributed by the Shura Council, and researchers do not know what exact proportion of Hezbollah's budget goes to which activities of the group.

An important feature of these donations is that due to the unique environment which prevails in African countries, most of them are made in bulk cash. In order for the money to then reach Lebanon, various channels can be exploited, such as the Hawala system or Lebanese banks (with branches in Africa) which can easily transfer the money. The audacity of Hezbollah in this respect was revealed in 2003 when a UTA plane from Cotonou (Benin) crashed on its way to Beirut. On board were senior Hezbollah operatives, in charge of representing the organization in Africa, and carrying US\$2 million in contributions<sup>11</sup>.

While it is difficult to evaluate the total amount of donations which Hezbollah receives on a yearly basis from its African supporters, the fact that these operatives had the impudence of carrying such an amount of money, in bulk cash, on a commercial airplane, testifies to the groups' assertiveness and boldness.

#### Collaborating with Dictators

The political situation in most African countries is characterized by a lack of democracy, ineffective rule of law and extreme levels of corruption.

Along the years, many relationships between African dictators and wealthy businessmen were revealed, as it seems that for both 'professions', entertaining and strengthening such bonds remain mutually beneficial.

For the Lebanese businessmen in West Africa, working closely with governments enables them to sign multi-million dollar contracts. This can be done for instance by supporting the development of public sector infrastructures or by having politicians provide businessmen with monopolies. For instance, in a CIA document dating back to 1988 but partially approved for release in 1999, the author(s) stated that

"in Sierra Leone, the Lebanese have continued to dominate the country's destitute economy [...]. Throughout the 1970s and 1980s Jamil [Muhammad] helped prop up the regime of then President Stevens by obtaining rice and oil [...]. In return, Stevens turned a blind eye to Jamil's wide-scale business activities, allowing him to exercise relatively unchecked control over the lucrative diamond and fishing industries." 12

More recently, a Hezbollah-affiliated family in Africa, the Tajjedine family, bragged in a magazine it published in Gambia<sup>13</sup> about the warm relationship Hassan Tajjedine (designated in 2010 by the US Department of Treasury as a Specially Designated Global Terrorist) had with the President Yahya Jammeh of Gambia. The two individuals apparently met, and during their encounter, the Gambian Head of State went declared that the local "Lebanese diaspora represent[ed] a pillar" of his country<sup>14</sup>. This same magazine

also revealed how the Interior Minister of Gambia visited Tajjedine's hometown in Southern Lebanon.

#### **Blood Diamonds**

Hezbollah's two money-making plots which we have studied so far, share the feature of not 'necessarily' representing illegal activity. However, illicit fundraising scenarios provide Hezbollah with the opportunity of making more money and faster than through legal means. The traffic of blood diamonds acquired from dictators, warlords or criminal gangs in Africa here stands out as a case in point.

Traditionally, the Lebanese in Africa have been involved in the diamond trade for many generations, most commonly serving as middlemen between the source of the stones and the international markets. Along the years, these individuals have established their own companies in Antwerp, facilitating their transport of stones and enabling them to boost their profits.

But the diamond business has lacked formal regulation, and criminals have managed to infiltrate the market and make tremendous profits by selling blood diamonds. In Africa, Hezbollah-affiliates have exploited this fundraising technique to their advantage.

One major clan which was designated by the United Nations in 2002 as an "illegal exploiter" in Africa is the Ahmad clan. A Shia family from Sierra Leone, this family has been involved in criminal schemes involving blood diamonds for decades. Clan members in Africa would acquire blood diamonds below market price and send them to Antwerp, where another family member would legally set-up a company and sell the stones at market value. In order to make this activity more difficult to trace, numerous front

companies were established in Antwerp, simultaneously involving family members and other individuals. Douglas Farah provides on his website a document from Belgian intelligence dating back to 2001 and listing several of these Antwerp-based companies, all affiliated to the Ahmad clan<sup>15</sup>.

Since now over three decades, the Ahmad clan has come much closer to another Shi'a clan, the Nassour family. According to the pre-cited Belgian intelligence dossier, the most important figure of the Nassour clan, Ibrahim Khalil Nassour is the

"most influential Lebanese in Antwerp. Fanatic shia-muslim, strong supporter of Hezbollah. Important sponsor figure in the Hezbollah structure and leadership. Known by the Lebanese as extremely wealthy" 16

The intermingling of the Ahmad and Nassour clans has surpassed purely 'professional' levels, as Ali Saïd Ahmad married Diana Nassour, daughter of Ibrahim Khalil Nassour. Figure 1 provides the reader with a non-exhaustive mapping of the protagonists in this clan, the companies they are affiliated to, and the various illegal activities they have been involved in.

#### Laundering Money through the International Trade System

In December 2011, probably one of the greatest Trade-Based Money-Laundering (TBML) scenarios<sup>17</sup> deployed to launder drug money was uncovered by US officials. The plot, imagined by Ayman Joumaa, a Lebanese drug kingpin operating in Africa and Latin America, involved the acquisition of used cars in Michigan (home to many Shia Lebanese expatriates) from accomplice firms, transported to West Africa by another

accomplice company (Cybamar Swiss, LLC) and then sold on the African market.

According to US officials, this plan enabled the laundering of around US\$480 million.

While it is not sure if Ayman Joumaa is ideologically close to Hezbollah (he himself is a Sunni Muslim), or if his actions were solely motivated by financial gain, it remains that his plot enabled Hezbollah to launder millions of dollars. Indeed, the overall operation would have been impossible without the involvement of Hezbollah-supporters in Michigan, or the Lebanese Canadian Bank<sup>18</sup>.

Examples of Hezbollah-affiliated companies owned by Lebanese Shia engaging in TBML abound in Africa. These businesses are generally supermarkets or involved in import-export activities, as these two facades are ideal in order to import diverse goods and transfer large sums of money abroad.

For instance, the Kairaba Supermarket in Banjul, Gambia, owned by the Tajjedine clan, was designated in July 2012 by the US Treasury Department for its taking part in "a multinational network that investigators said generated millions of dollars for the Lebanese militant movement Hezbollah" 19. The same individuals were even expelled from Angola, and three of their companies in Luanda (Arosfran, Afribelg and Golfrate), were forced to shut down in 2011, following the US designation of the Tajjedine brothers<sup>20</sup>.

Because the officials in charge of law enforcement in Africa are either too weak to act or corrupt, such criminal activities remain unchallenged. In addition to this, the fact that Lebanese businessmen in different countries monopolize entire sectors of the economy makes it very difficult to monitor their financial operations and recognize which individuals/businesses engage in illicit actions.

Hezbollah's Banks: the Lebanese Canadian Bank (LCB) and Prime Bank

In most of the schemes mounted by Hezbollah to raise money in Africa, banks play a crucial role since their services are the safest and fastest in order to transfer money abroad.

We mentioned previously the LCB for its involvement in a major used-car money-laundering plot, but the same institution has simultaneously engaged in TBML for companies in Africa involving collaborators in Asia for instance<sup>21</sup>.

In February 2011, the US Treasury Department stigmatized the LCB for "primary money laundering concerns" and filed a complaint against it, restricting severely its operations. While the designation and complaint were filed in regards to LCB's complicity in laundering Ayman Joumaa's drug money, the proximity between the bank and Hezbollah was simultaneously underlined by officials<sup>22</sup>.

In the wake of the LCB's designation by the US government, the *New York Times* reported in December 2011 that

"The books offer evidence of an intricate global money-laundering apparatus that, with [LCB] at its hub, appeared to let Hezbollah move huge sums of money into the legitimate financial system, despite sanctions aimed at cutting off its economic lifeblood.

At the same time, the investigation [...] provides new insights into the murky sources of Hezbollah's money. [...] intelligence from several countries points to the direct involvement of high-level Hezbollah officials in the South American cocaine trade. [...] In all, hundreds of millions of dollars a year

sloshed through the accounts, held mainly by Shiite Muslim businessmen in the drug-smuggling nations of West Africa, many of them known Hezbollah supporters, trading in everything from rough-cut diamonds to cosmetics and frozen chicken<sup>23</sup>.

The apparent 'success' of the bank in various West African nations inspired members of the Lebanese diaspora to establish Prime Bank Gambia, a subsidiary of the LCB in Banjul, headed by Hadi Nasser (Executive Manager) and Hassan Haikel (Head of Administrative Council)<sup>24</sup>. Prime Bank not only brands itself as devoted to the economic well-being of the local Lebanese diaspora, it also stresses its capacity to transfer funds to Lebanon in order to heal local "unemployment" by "investing" and "establishing factories"<sup>25</sup>.

Now that this major hub in Hezbollah's fundraising network has been uncovered, one should expect other financial institutions to be established or approached by Hezbollah operatives in order to serve their illicit activities.

Criminal Activity: Extortions and Human Trafficking

Hezbollah does not shy away from resorting to criminal activity in order to raise money and their operatives in Africa have been involved in other illicit fundraising techniques. Mathew Levitt reveals that mafia-style shakedowns are a popular method, where Lebanese businesses are compelled to contribute to Hezbollah. This technique was first used by Hezbollah in Latin America and then copied by their brothers in arms in Africa<sup>26</sup>. This reveals once again the audacity and boldness of the group, as well as its increasing evolution into an international criminal gang.

But over the past few years, more horrific accounts of human rights violations on behalf of affiliates of the group have been denounced in Africa. For instance, a human trafficking ring from Mali to Lebanon was uncovered in 2011 by the local police<sup>27</sup>. While this ring hasn't been directly linked to Hezbollah, a similar scheme was uncovered a month later, in Namibia, this time headed by a suspected Hezbollah strongman:

"Wealthy Namibian businessman Ali Ayoub, a suspected representative of the Lebanon based terrorist group Hezbollah, is involved in human trafficking [...]. Six Namibians [reported] that Ayoub smuggled them to Lebanon last year and accused the close to 40 year-old born Lebanese Muslim of human trafficking and slave driving. [...]

"At the farm he (Ayoub) is always armed and I also saw him wearing a military uniform. He's well respected and feared by everyone in the area, including his parents. They call him commander," says one of the Namibians. Ayoub was apparently even re-elected as Hartun's Hezbollah councilor during their stay."<sup>28</sup>

#### Hezbollah Fundraising in the DRC

#### **Donations**

Hezbollah has naturally turned to the Lebanese diaspora in the DRC for donations. While the numbers of Lebanese living in the Congo are tangibly inferior to that of their fellow countrymen in the Ivory Coast for instance, the DRC Lebanese have been described as "one of the wealthiest, most influential and dynamic Lebanese communities in Africa" 29.

Collaborating with the Mobutu and Kabila Regimes

Since the time of Mobutu's authoritarian rule over Zaïre, Lebanese businessmen have had close relationships with the highest levels of the government. For example, according to the Belgian intelligence report revealed by Douglas Farah, Aziz Nassour (son of Ibrahim Khalil Nassour, mentioned previously):

"is very influential in Africa. President Mobutu was his personal friend, he also had a very good relationship with Kongolo Mobutu, who was involved in criminal activities. [...] Nassour was very loyal until the very end of Mobutu. Later he moved to cooperate with the rebels, through Uganda and Rwanda"<sup>30</sup>

But more recent collaborations between Hezbollah-affiliates and the authoritarian government of the DRC<sup>31</sup> have been unveiled by press reports in March 2012<sup>32</sup>. In August 2011, the DRC government and local authorities awarded the country's largest forestry concession (250'000 ha), for a period of five years, to the company Trans-M, owned and managed by the Tajjedine clan, designated by the US Treasury as terrorist-supporters. This lucrative collaboration contract included intriguing details which deserve to be underlined. For instance, the forestry concessions were awarded by the government under the condition that Trans-M would establish a "Development Fund", directed by a "Local Management Committee" which would be composed of one Trans-M representative and no less than six politicians. This body would be granted an annual budget of over US\$110'000, supposedly in order to build public infrastructures<sup>33</sup>. While it is not known if these institutions were built, it remains that such methods provide the Tajjedine clan with ideal opportunities to corrupt local officials.

When the information of this collaboration between the highest echelons of the DRC government<sup>34</sup> and individuals linked to Hezbollah was revealed, many international newspapers and agencies reported the information, as well as Congolese outlets and websites opposed to the current DRC government<sup>35</sup>.

The Trans-M company was exposed as a subsidiary of Congo Futur, itself involved in many activities such as import-export or construction works, and running various factories around the country. In 2010, Congo Futur was designated by the US Department of Treasury as a Hezbollah front company, established in order to fund the terror organization.

In 2012, as the authoritarian ruler Joseph Kabila Kabange of the DRC prepared his presidential campaign for upcoming 'elections', his staff composed a booklet entitled "On the Road to Modernity", praising the 'successes' of his presidency and presenting his 'ambitious plans' for the future<sup>36</sup>. Compellingly, this pamphlet was funded by the contribution of several businesses close to the Kabila government, including Congo Futur. Three pages were devoted to celebrating how the company headed by Ahmad Tajjedine provided the local market with cheaper and better quality goods, "in order to enable all social classes of the Congolese population to provision themselves at a low price" <sup>37</sup>. Further on, the text acclaims Congo Futur's sense of solidarity with the people of the Congo:

"Always acting with love and with the very strong concern for relieving ever so slightly the misery of the Congolese population in general, and Kinshasa population in particular, the Group Congo Futur works in order to sustain the national economy, promote investments and contribute to the well-being of the Congolese people."<sup>38</sup>

It must be appreciated here that despite the US Treasury's designation of the company as a terror-front, the DRC dictatorship maintains close ties with the business.

#### Congolese Blood Diamonds

In October 2002, the UN Security Council received the "Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of DR Congo". This scathing document provided extensive details on how the politicians in the diamond-rich northern area of the DRC enabled foreign diamond dealers to legally monopolize the market. But it also explained how illegal gangs were active in this market in order to launder their money:

"The controversial "conflict" diamonds from Kisangani are marketed by criminal networks. Proceeds from these criminal sales are laundered by the purchase of large quantities of household goods in Dubai - sugar, soap, cloth and medicine - which are then imported to the Democratic Republic of the Congo and offered to local sellers at attractive prices."

The report cites Aziz Nassour as the first diamond dealer to have benefitted from this state-sponsored monopoly.

This same document recommends imposing sanctions and severe restrictive measures on individuals and businesses who "by contributing to the revenues of the elite networks, [...] contribute to the ongoing conflict and to human rights abuses" in the DRC<sup>40</sup>.

In the report's annex, the panel of experts enumerates companies and individuals which participate in the "illegal exploitation of natural resources and other forms of wealth of DR Congo". In the list of companies, no less than four businesses established by the Ahmad clan in Antwerp are designated, and in the list of persons, seven of their members are directly stigmatized for their activities.

While the report does not intend to underline the role of Hezbollah in these activities, it does remark that:

"three "clans" of Lebanese origin, who operate licensed diamond businesses in Antwerp, purchased diamonds from the Democratic Republic of the Congo worth \$150 million in 2001, [...]. The three "clans" — Ahmad, Nassour and Khanafer — are distinct criminal organizations that operate internationally. [...] Several credible sources have reported that the clans also have ties with Amal and Hezbollah."

In 2003, following the recommendation of the UN Fowler Report, the "Kimberley Process Certification Scheme" (KPCS) was adopted by the UN General Assembly<sup>42</sup>. The KPCS, accepted by major diamond exporters and importers (including the DRC), was seen as the remedy to conflict diamonds entering the legal market.

However, the KPCS received major critiques along the years, and in November 2012, one of the biggest fraud of the KPCS was uncovered in Belgium, when law enforcement authorities discovered that the Ahmad clan "illegally imported some US\$1.7 billion worth of diamonds into Antwerp between 2003 and 2009"<sup>43</sup>. According to an article from *Diamond Intelligence*:

"The investigation had its origin in a 2008 report of state security which links the family of Nazem A., who is the principal of a handful of diamond companies in Antwerp, to illegal trade. The proceeds are suspected to have been channeled to the Lebanese Hezbollah group."

This story made the headlines of the Belgian press, with *Le Soir* entitling its article "Antwerp reveals Hezbollah's diamonds" and writing:

"If the conclusions of the instruction are confirmed, the investigation would establish that the Lebanese Hezbollah finances itself indirectly via Antwerp and the traffic of blood diamonds. [...] The most shocking element of this dossier is the presumed impunity which the [Ahmad] clan benefitted since the end of the 90s. [...] It is the same individuals and the same Belgian companies which have been pointed at from 1998 until today by the Belgian military intelligence, by the UN Security Council, by the Belgian Interior Security Agency, by the American Treasury Department and finally now by the Antwerp justice."

The extraordinary amounts of money involved in this illegal activity testify once again to the audacity of Hezbollah's fundraisers and to the vast financial reserves of the terror organization. It also demonstrates to what extent the international traffic of blood diamonds is mixed with TBML and operates with the complicity of financial institutions.

Hezbollah's Money-Laundering Businesses in Kinshasa

Hezbollah front companies in the DRC are thriving mainly in the capital city of Kinshasa. For instance, the Tajjedine-owned Congo Futur company, which the US designated in

2010 as a front for Hezbollah, is involved in many diverse enterprises across the country, engaging in construction, real estate, import-export, food commerce, oxygen production and even forestry activity. In the propaganda-pamphlet previously cited, Congo Futur's results in the import of consumption goods is praised as follows:

"Importing more than 296 tons of merchandise per month [...], [Congo Futur] has become an uncontested leader in the import and distribution of food products everywhere in the DRC with the largest commercial network in Kinshasa."<sup>47</sup>

Once again, the sums of money involved in such transactions represent huge opportunities for Hezbollah to launder its dirty money.

Congo Futur also relies on a network of small businesses across the country, owned by other Shia Lebanese businessmen close to Hezbollah, in order to distribute the imported merchandise.

Unlike in Gambia, where the Tajjedines own a supermarket (Kairaba Supermarket, see before) in order to directly sell their imports, in the DRC, the family collaborates with a wide range of businesses in the food commerce.

According to the news source "Jeune Afrique":

"Since several years, Kinshasa has seen a multitude of supermarkets and minimarkets blossom [...]. And while the majority of these supermarkets are located in The Gombe, their clients come from all around the city. [...] It is in this popular municipality that are situated embassies, important companies, NGOs, the Monuc and administrations. [...] Created in 1995,

City Market, situated in the heart of the commercial district of The Gombe, is the business of a Lebanese family arrived in the DRC in 1986."<sup>48</sup>

The supermarket here mentioned deserves to be recognized as one of the most popular in Kinshasa as the quality of its products attracts in particular many expatriates including staffs of embassies, NGOs or major corporations. In a few years, City Market went from a minimarket, into one of the biggest and most advanced stores of central Kinshasa. It now provides its clients not only with food products but also household appliances, toys, clothes (including counterfeit) and electronics. The shop even has a fast-food restaurant specialized in pizzas and fried chicken, as well as a playground area for children.

The owner of this shop, Ahmad Beydoun, happens to be a descendent of a very wealthy Shia Lebanese family who moved to the DRC following the Lebanese Civil War with his family. In Lebanon, the Beydoun clan is still a very important family, with members involved in politics, religious affairs and various businesses. The southern city of Bint Jbeil, a Hezbollah stronghold, is nearly entirely controlled by the Beydoun clan and depends heavily on remittances from its expatriates<sup>49</sup>.

Ahmad's son, Salah, now serves as City Market's director and while the Beydouns happen to be very discreet, it appears City Market could serve as one of Hezbollah's many front companies in the country<sup>50</sup>. The radical political opinions of two of their employees (Cellis Hakim<sup>51</sup> and Hassan Bassam<sup>52</sup>) stand out, and their similar backgrounds also point to a striking pattern, as both have in common their recent migration to the DRC, a strong religious Shia practice and support for Hezbollah.

It seems that City Market represents the tip of an iceberg of new Hezbollah-affiliated actors in the DRC: owned by new immigrants, much more discreet, and importing a maximum of diversified goods, fronts like these considerably facilitate TBML activities.

#### The Banque Congolaise and its take-over by Hezbollah

The Lebanese diaspora in the DRC founded several financial institutions such as Solidaire Banque and Sofibanque, which specialized in transaction rather than investment banking. In an interview with Prime Bank officials<sup>53</sup>, the creation of the LCB's subsidiary in Banjul, is said to have been inspired by Sofibanque's establishment in Kinshasa.

In 2011, the famous Banque Congolaise, previously the second-largest privately-owned

bank of the DRC, made the headlines due to its bankruptcy. Originally a state-owned institution, the Banque Congolaise was bought in 1997 by a Lebanese individual, Roger Alfred Yaghi. According to the news source *Le Congolais*: "The Banque Congolaise had a very bad reputation. It was suspected of participating in "laundering" drug money from southern Lebanon, Hezbollah's stronghold"<sup>54</sup>.

Roger Alfred Yaghi was arrested in 2011 for provoking a fraudulent bankruptcy of his establishment, which had a debt of over US\$30 million. Due to the involvement of the national central bank as well as many local politicians in this case (the Banque Centrale du Congo is responsible for the suit against Yaghi) it is not very clear for the moment how this plot was precisely mounted<sup>55</sup>.

However, by operating for over a decade under the appearance of an official Congolese bank, it seems that Hezbollah had an ideal cover in order to launder its money and then transfer it abroad.

Other Illegal Activity: Extortions and Counterfeit

Hezbollah's West African fundraising activities include extortions and this is also the case in the DRC, where the group imposes an illegal "tax" on businesses managed by Lebanese merchants<sup>56</sup>.

In the 90s however, a major scheme was uncovered, testifying to the involvement of Hezbollah operatives in counterfeiting Congolese notes and US dollars. According to Belgian intelligence, several companies playing a central role in this plot were owned by the Ahmad clan, and it also involved the Khanaffer clan<sup>57</sup> (in particular Naïm Khanaffer<sup>58</sup>).

The Khanaffer family was in charge of printing the fake money in Brazil, sending it to the DRC, and from there members of the Ahmad family would use the money to buy gold or illicit stones<sup>59</sup>.

#### **Important Hezbollah Families in Africa**

The Ahmad clan

The Ahmad family's main activity in Africa has been in the diamond business for two generations<sup>60</sup>. According to Belgian intelligence, Ahmad Ali Ahmad was known in the 1980's as "the King of Kinshasa" and in Sierra Leone, he invested his wealth in the diamond trade. Together with other members of his family, he was designated in 2002 as an "illegal exploiter of the Congo" and linked to Hezbollah.

In the US lawsuit against the LCB, one of the accusations the bank had to respond to was its relationship with Nazim Ahmad, Ali Said Ahmad and other members of the clan. Not

only did these protagonists catch the attention of the US authorities for having purchased US\$150 million in diamonds from the DRC, they were simultaneously described as having ties with Hezbollah and being involved in counterfeiting and money-laundering<sup>61</sup>. Nazim Ahmad's cousin, Aziz Nassour ("Mobutu's close friend") was convicted on charges of blood diamond smuggling, in 2004, by a Belgian court for six years in prison<sup>62</sup>.

In general, the Ahmad-Nassour clan "specialized" in diamond smuggling. Its method involved the purchase of stones in Sierra Leone, Liberia and the DRC, their transfer to Belgium where they could be sold, and the laundering of benefits in Lebanon (mostly through real estate acquisitions). Their international ploy made little distinction between the various origins of stones, as long as they could be sold on the official market in Antwerp. Without the complicity of a trans-continental network of banks and companies, this lucrative activity could not have managed to last for the past three decades.

#### The Tajjedine Family

We have seen that the Tajjedine brothers simultaneously own front companies involved in TBML and entertain close ties with various African dictators.

In 2009 and 2010, the US Treasury designated Kassim, Ali and Hassan Tajjedine as "global terrorists" for their fundraising on behalf of Hezbollah<sup>63</sup>. These brothers all play significant and complementary roles in the international network they built.

Kassim, who is probably the oldest of the brothers (born in 1955), was also the first to be designated by the US in 2009. Six years prior to his designation, his Antwerp-based company, Soafrimex, had already caught the attention of the Belgian Economic Crime

Unit. It appeared that behind the cover of an import-export company specialized in providing food to the African continent, Kassim was actually laundering money and trading suspected blood diamonds. After seeing his offices raided by the judicial police, being arrested along with his wife and several employees, the protagonist paid a six-digit euro bail and was released from jail<sup>64</sup>.

From this information, we can sense how diamond smuggling and TBML activities can be mixed in order to raise/launder more money and as a means to make the enterprise less detectable by law enforcement officials.

The second brother, Hassan Tajjedine (born in 1963), was the co-owner of Tajco Ltd., a Banjul-based company which was also designated by the US Treasury for its ties with Hezbollah. The company was linked to the LCB and still has a homonymous company in Lebanon, involved in real estate.

Hassan died in 2010 when his Ethiopian Airlines flight to Beirut crashed in the Mediterranean Sea. The businessman's funeral was attended by hundreds of mourners, as well as Sheikh Nabil Kaouk, Hezbollah's commander in South Lebanon, and Hassan Fadlallah, a Hezbollah parliamentarian<sup>65</sup>.

Ali Tajjedine, the third and probably youngest brother, served as a military commander for Hezbollah in Tyre, and is now a 'businessman'. While it is not sure if he hasn't simply replaced Hassan, Ali is very involved in the real estate and construction markets of Lebanon. When the US Treasury designated in 2007 Jihad al-Bina, Hezbollah's construction company, Ali was already an important figure for the organization. His task for Jihad al-Bina was to acquire land in Southern Lebanon owned by Druze or Christians in order to solidify Hezbollah's control of strategic territories<sup>66</sup>. Five years later, in 2012,

he was involved in a very controversial land acquisition for US\$240 million in the Druze Chouf district: Nazim Ahmad purchased a huge coastal territory thanks to a loan from the LCB, made possible by Ali Tajjedine. And again, according to The *New York Times*:

"[T]he deal fit a pattern, highly controversial in this religiously combustible land, in which entities tied to Hezbollah have been buying up militarily strategic pieces of property in largely Christian areas, helping the movement quietly fortify its geopolitical hegemony."<sup>67</sup>

This deal testifies to two essential elements our research overall seems to confirm. Firstly, Hezbollah's fundraising and money laundering ploys in Africa are not decentralized operations spread throughout the continent and unrelated to one another. On the contrary, these schemes obey one elaborate and concise grand strategy, which also encompasses how the controversial funds should be spent once they reach Lebanon. Secondly, the various actors involved in this master plan, whether it be the banks, individuals, companies or clans, all entertain dynamic relations enabling them to learn from each other and constantly improve their tactics. Figure 3 demonstrates the level of inter-connectedness between all the various actors in this international network, involving companies, banks, individuals and even dictators.

#### Conclusion

In May 2012, a *Reuters* special report entitled "Documents allege HSBC money-laundering lapses" made public that by cooperating with the Islamic Republic of Iran, a Saudi Bank close to Al-Qaeda and Hezbollah since at least 2005, the HSBC "violated the Bank Secrecy Act and other anti-money laundering laws on a massive scale" <sup>68</sup>.

As the US Treasury targeted the bank's complicity with Hezbollah and other terrorist-affiliated entities, an agreement was reached between the two parties. By paying a record US\$1.9 billion settlement, admitting to all the Treasury's accusations, and presenting its highest CEOs in front of a Senate Subcommittee<sup>69</sup>, the HSBC avoided a law suit which could have irreversibly tarnished the image of the bank.

This case however revealed how the Hezbollah fundraising network had similarities with Al-Qaeda and Iran's, as all three coincidentally were linked to the same Western Bank.

Now over a decade after 9/11, international efforts, spearheaded by the US, to thwart global terrorism have reached new levels. It is now possible to map out Hezbollah's international financing network, understand its evolutions and predict future trends.

The aim of this article was to analyze how the Lebanese Shia terror organization laundered and raised funds, and compare the nature of this activity between West Africa and the DRC. It seems that Hezbollah's financing through the DRC is just as sophisticated, if not more, to that in other West African nations.

Hezbollah has deployed all of its fundraising and money laundering techniques in the DRC, whether it be by counting on donations (voluntary or enforced), working with local governments, smuggling blood diamonds, engaging in TBML, cooperating with banking institutions and engaging in other illegal enterprises. In the past decade however, it seems that the Tajjedine clan's proximity with the Kabila government, as well as Yaghi's "take-over" of a former national Congolese bank, outrank any similar activity from Hezbollah operatives in other African countries. The audacity and scope of these activities testify to the fact that the terror group's fundraising in the DRC is as threatening, if not more, than that in the rest of the continent.

While it is true that the terror group's African network has recently received severe blows, analysts cannot afford to under-evaluate the seriousness of its threat. It would in fact seem that one could make a strong case in predicting a thrive in Hezbollah's financial activities in the DRC for the next decades at least, and this for several reasons:

- 1. Kabila's authoritarian regime seems to tolerate Hezbollah's presence as long as high-ranking officials benefit from it.
- 2. As international efforts to thwart Hezbollah's fundraising focus on the lucrative West Africa activities, one can see that the organization's presence in the DRC is increasing.
- 3. The DRC's immense natural resources remain vastly under-exploited and, as the example of the Trans-M company demonstrates, could provide Hezbollah operatives with profitable and 'legitimate' new financing operations.
- 4. It seems that "hegemonic" Hezbollah-affiliated clans are increasingly weakened due to international efforts. As we have seen with the Beydoun family in Kinshasa, it appears that Hezbollah's new actors in Africa are operating much more discreetly, and in a more decentralized manner. This enables them to avoid various forms of repression while continuing to raise and/or launder funds for the group.

Providing suggestions for law enforcement officials goes well beyond the ambition of this article, however if Hezbollah's African network restructures itself, and as we believe it has already started this process, it would be imperative to boost international cooperation in this field of international security.

In February 2012, the Israeli Ambassador Ron Prosor, speaking to the UN Security Council, underlined the links between Hezbollah cells in Africa and local criminal

organizations. In his allocution, the ambassador recommended establishing an international intelligence agency which would dedicate itself to countering the threat of international terrorist activity<sup>70</sup>. While it seems that the State of Israel has understood how the success of Hezbollah's fundraising depends on the ability of security services to join forces, convincing the rest of the international community to embark on such an endeavor has yet to be accomplished.

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Figures

Figure 1

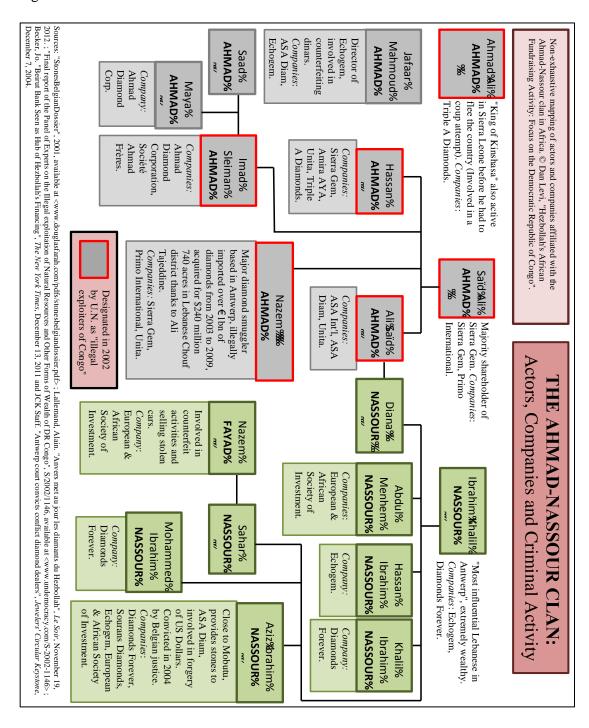


Figure 2

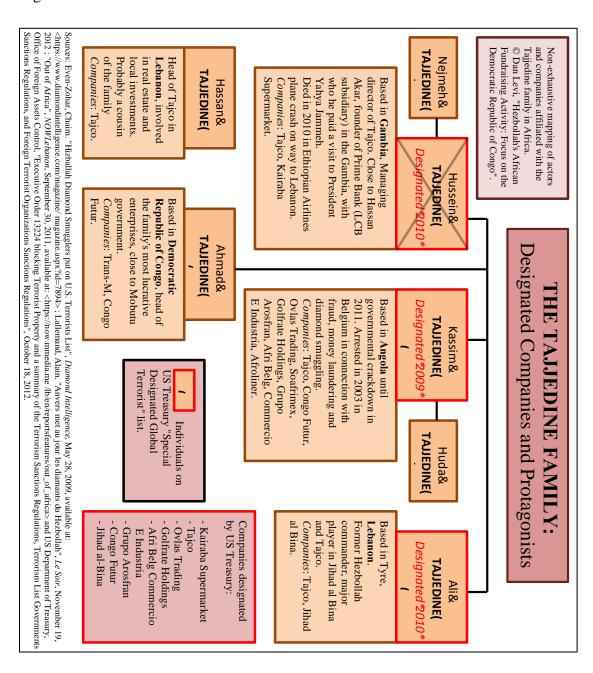
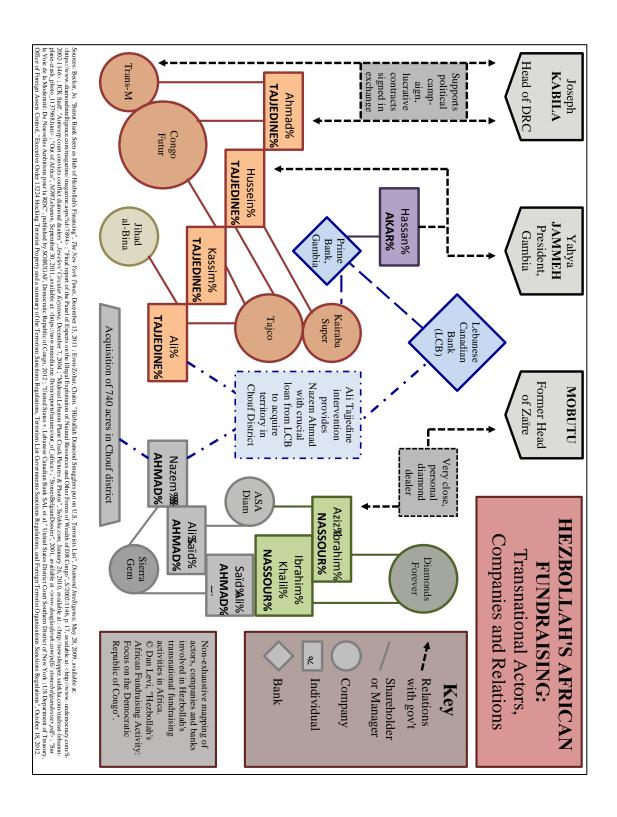


Figure 3



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<sup>&</sup>lt;sup>36</sup> For relevant extracts of the magazine, see Annex 1.

<sup>&</sup>lt;sup>37</sup> "Sur la Voie de la Modernité: De Nouvelles Ambitions pour la RDC", published by SOBUGAF, Democratic Republic of Congo, 2012, p. 74.

<sup>&</sup>lt;sup>38</sup> Ibid. p.131

<sup>&</sup>lt;sup>39</sup> "Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of DR Congo", \$\overline{S}/2002/1146, p. 17, available at:

<sup>&</sup>lt;a href="http://www.undemocracy.com/S-2002-1146">http://www.undemocracy.com/S-2002-1146</a>

<sup>&</sup>lt;sup>40</sup> Ibid. p.32

<sup>&</sup>lt;sup>41</sup> Ibid, p. 9

<sup>42</sup> http://www.kimberleyprocess.com/

<sup>&</sup>lt;sup>43</sup> "New Billion Dollar Fraud in Antwerp Diamond Sector", *Diamond Intelligence*, November 21, 2012, available at: < http://www.diamondintelligence.com/magazine/magazine.aspx?id=11111> 44 Ibid.

<sup>&</sup>lt;sup>45</sup> Lallemand, Alain. "Anvers met au jour les diamants du Hezbollah", *Le Soir*, November 19, 2012.

<sup>46</sup> Ibid.

<sup>&</sup>lt;sup>47</sup> "Sur la Voie de la Modernité: De Nouvelles Ambitions pour la RDC", op. cit. p.75.

<sup>&</sup>lt;sup>48</sup> Devey, Muriel. "Distribution: guerre des enseignes", *Jeune Afrique*, October 29, 2009.

<sup>&</sup>lt;sup>49</sup> Beydoun, Ali. "Bint Jbeil expats give their town American treatment", *The Daily Star*, July 20, 2009, available at: <a href="http://www.dailystar.com.lb/News/Local-News/Jul/20/Bint-Jbeil-expats-2009">http://www.dailystar.com.lb/News/Local-News/Jul/20/Bint-Jbeil-expats-2009</a>, available at: <a href="http://www.dailystar.com">http://www.dailystar.com</a>, available at: <a href="http://www.dailystar.com"> give-their-town-American-treatment.ashx#axzz2GSIhbStR>

50 According to Congolese sources, the supermarket is referred to as "Hezbollah's supermarket".

<sup>51</sup> www.facebook.com/cellis.hakim

<sup>&</sup>lt;sup>52</sup> www.facebook.com/TarotCard.Hassan

<sup>&</sup>lt;sup>53</sup> See Annex 2.

<sup>&</sup>lt;sup>54</sup> "Le siège de l'ex-Banque Congolaise "squatté" par l'ANR?", *Le Congolais*, August 12, 2012.

<sup>&</sup>lt;sup>55</sup> Ibid.

<sup>&</sup>lt;sup>56</sup> Levitt, Mathew. op. cit.

<sup>&</sup>lt;sup>57</sup> "StonesBelgianDossier", op. cit.

<sup>&</sup>lt;sup>58</sup> "Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of DR Congo", op. cit.

<sup>60</sup> See Figure 1 for an incomplete but clarifying mapping of the clan.

61 "United States v. Lebanese Canadian Bank SAL et al.", op. cit.

- <sup>62</sup> JCK Staff. "Antwerp court convicts conflict diamond dealers", *Jewelers' Circular Keystone*, December 7, 2004.
- <sup>63</sup> Figure 2 maps the family's actors, their companies and indicates which of them have been designated by the US as "Special Designated Global Terrorists".
- <sup>64</sup> Even-Zohar, Chaim. "Hizballah Diamond Smugglers put on U.S. Terrorists List", *Diamond Intelligence*, May 28, 2009, available at: <

https://www.diamondintelligence.com/magazine/magazine.aspx?id=7894 >

- 65 "Mideast Lebanon Plane Crash Pictures & Photos", *Sulekha.com*, January 26, 2010, available at : <a href="http://newshopper.sulekha.com/mideast-lebanon-plane-crash">http://newshopper.sulekha.com/mideast-lebanon-plane-crash</a> photo 1137968.htm>
- <sup>66</sup> Levinson, Charles. "Hizbollah buys frontier land to attack Israel", *The Daily Telegraph*, August 7, 2007, available at : <a href="http://www.telegraph.co.uk/news/worldnews/1560119/Hizbollah-buys-frontier-land-to-attack-Israel.html">http://www.telegraph.co.uk/news/worldnews/1560119/Hizbollah-buys-frontier-land-to-attack-Israel.html</a>
- <sup>67</sup> Becker, Jo. "Beirut Bank Seen as Hub of Hezbollah's Financing", op. cit.
- <sup>68</sup> Mollenkamp, Carrick; Wolf, Brett and Grow, Brian. "Special Report: Documents allege HSBC money-laundering lapses". *Reuters*, May 3, 2012.
- <sup>69</sup> Barrett, Devlin and Perez, Evan. "HSBC to Pay Record U.S. Penalty". *The Wall Street Journal*, December 11, 2012.
- <sup>70</sup> Benhorin, Yitzhak. "Hezbollah's powerbase in w. Africa growing", *Yediot Ahronot*, February 22, 2012, available at : <a href="http://www.ynetnews.com/articles/0,7340,L-4193128,00.html">http://www.ynetnews.com/articles/0,7340,L-4193128,00.html</a>