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## Terrorism, Drug Trafficking, and the Globalization of Supply

by Joel Hernández

### *Abstract*

*This case study analyzes the diversification of both terrorist groups and drug traffickers and the convergence between the two types of organizations in recent decades. As financial markets have become globalized, so have opportunities for illicit groups to transact with each other. The article builds on the collapse of Lebanese Canadian Bank in 2011 after its designation by the U.S. Treasury Department as a money-laundering financial institution tied to global drug trafficking and to Hezbollah. It follows the trajectory of two Hezbollah-associated drug kingpins: Ayman Joumaa, who facilitated trade between Hezbollah and the Zetas, and Maroun Saade, who was apprehended attempting to connect Hezbollah to the Taliban. In its analysis of the histories, motivations, and relationships among these three groups, the article reflects on relationships currently in existence between terrorist and drug-trafficking organizations, and on the implications of the possible directions these relationships might take in the future.*

2011 was an eventful year for Michele Leonhart, Preet Bharara, and Neil MacBride. Working through the Treasury Department and the U.S. Federal Court system, they took on Hezbollah and its errant banker, and dismantled a US \$329 million money-laundering scheme run out of the ninth-largest bank in Lebanon, and underwriting a global drug trafficking network by means of which Hezbollah transacted with Los Zetas and attempted to transact with the Taliban as well. The legal record that Leonhart, Bharara, and MacBride left behind reveals, in intriguing detail, a few strands of the intricate transactional webs that link together terrorists, drug traffickers, and money launderers, across continents and oceans.

What follows is their story and its context.

### *The Puppeteers: Ayman Joumaa and Maroun Saade*

DEA Investigator Michele Leonhart was ready to go public. Her five year-investigation of a suspicious Lebanese-Colombian hotel owner named Ayman Joumaa had uncovered a network that “coordinated the transportation, distribution, and sale of multi-ton shipments of cocaine from South America... operating in Lebanon, West Africa, Panama, and Colombia.”[1] Acting on her findings, on January 26, 2011, the U.S. Treasury Department’s Office of Foreign Assets Control labeled Joumaa as a Specially Designated Narcotics Trafficker, along with nine individuals and nineteen entities affiliated with him. About two weeks later, on February 10, the Treasury Department tightened the screws on Joumaa by exposing his clients—revealing links between

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Joumaa's network and Hezbollah as well as Los Zetas—as well as his banker—designating Lebanese Canadian Bank and its subsidiaries as a “financial institution of primary money laundering concern.”[2]

A few days later, on Valentine's Day, Leonhart and U.S. Attorney Preet Bharara announced the unsealing of charges against Mr. Maroun Saade and six associates—including an alleged associate of Hezbollah—with “conspiracy to engage in narco-terrorism... conspiracy to provide material support and resources to terrorists—namely, the Taliban... and conspiracy to acquire and transfer anti-aircraft missiles.”[3]

On December 13, 2011, following up on the DEA and Treasury Department's work, U.S. Attorney Neil MacBride formally charged Joumaa with drug trafficking and money laundering.[4] Two days later, to close off the year, Bharara filed a civil complaint against Lebanese Canadian Bank and its affiliates, shedding further light on their money-laundering activities.

The stories of Mr. Saade, Mr. Joumaa, and the erstwhile Lebanese Canadian Bank, present a fascinating view into a global web of illicit activity linking geographically distant and ideologically distinct terrorist groups. This network explains both the extraordinary resilience of Hezbollah and the Taliban, and the meteoric rise of the Zetas. It also provides a convincing explanation why military operations against any of these groups have succeeded only at the tactical level, while failing to strategically defeat them. The Taliban speak disingenuously when they snicker that “you have all the watches, but we have all the time”[5] at their adversary: they enjoy, in fact, much more than a mere chronological advantage over the ISAF. Hezbollah, the Taliban, the Zetas, and a host of other transnational criminal groups play interlocking roles in a global network of mutually supporting commercial exchanges, by means of which they fund and replenish each other's treasuries and armories.

This paper will begin with a historical and ideological background of the two terrorist groups and the drug-trafficking organization cited in its introduction. It will then bore into each group's relationship with drug trafficking, analyzing the practical and ideological foundations for their use of this particular mechanism, and reflect on the relationship between global terrorism and drug trafficking. It will then return to the developing legal actions against Ayman Joumaa, Maroun Saade, and Lebanese Canadian Bank, and close with a brief discussion on to the practice of countering international crime by means of juridical and fiduciary interdiction.

### *The Chameleon: Hezbollah*

Most grievously remembered for the bombing of the American and French Barracks at Beirut International Airport in 1983, which killed 241 U.S. Marines and 58 French paratroopers, Hezbollah has shown a remarkable degree of adaptability in its three decades and counting of simultaneous terrorist, political, and charitable activity. As a traditional terrorist group, Hezbollah is nimble and boasts an impressive tactical reach, having staged attacks as far away from its home

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base as India and Argentina. Among the first modern terrorist organizations to systematically employ suicide bombing,[6] Hezbollah has deployed cells to strike at Israeli—as well as Jewish non-Israeli—targets worldwide, and is also strongly suspected of having carried out the brutal assassination of former Lebanese Prime Minister Rafiq Hariri in 2005. [7] Buenos Aires stands out in its suffering at the hands of Hezbollah, having endured attacks against the Israeli Embassy to Argentina that killed 29 people in 1992,[8] and against the *Asociación Mutua Israelita Argentina* that killed 85 people in 1994.[9] In 2012 alone, active Hezbollah cells surfaced in Thailand, Georgia, India, and Bulgaria, although all but the last cell failed to execute their attack plans.[10]

Hezbollah also operates as a paramilitary force along Lebanon's southern border with Israel. While it keeps a close secret of its force levels, it is believed to currently field between 5,000 and 7,000 part-time soldiers, although recruitment rates have grown significantly since the 2006 war with Israel. Hezbollah is currently believed to be capable of fielding 25,000 soldiers in case of a national emergency.[11] Hezbollah is also believed to possess an arsenal of as many as 50,000 rockets of varying range, allowing them to strike as far south as Eilat;[12] Former Defense Secretary Robert Gates warned in 2010 that Hezbollah's missile arsenal dwarfs that of most states, and that Hezbollah may also possess chemical and biological weapons.[13] Acting in concert with Iran, Hezbollah may have even developed some capability in aerial drone surveillance, and claims to have thus penetrated Israeli air space at least twice in recent years.[14] Hezbollah clashed with Israeli occupation forces in southern Lebanon continually prior to the Israeli withdrawal in 2000, and fought a month-long engagement with the IDF in the summer of 2006. Although Hezbollah simply does not have the capability to defeat the IDF on the field, the moral victory it claimed following its 2006 defeat outsized its material losses; Hezbollah is believed in any case to have replenished its arsenal well beyond its stockpile as of 2006.[15] Lest any doubt remain as to Hezbollah's recuperation from that conflict, the game-changing effect of its 2013 intervention on behalf of the Assad regime in the ongoing Syrian civil war speaks volumes about its capacity in conventional military action.[16]

An influential player in Lebanese politics, Hezbollah currently claims only a small minority of Parliamentary seats, but nonetheless holds two Cabinet Ministries, and controls, through political alliances, eighteen out of thirty Cabinet seats.[17] Hezbollah's entry into mainstream politics is the product of adaptation. In its first manifesto, the Open Letter of 1985, Hezbollah clamored that it was simply "intolerable for Muslims to participate in... a regime which is not predicated upon the prescriptions (ahkam) of religion and upon the basis of the Law (the Shari'a) as laid down by Muhammad,"[18] and called for the "establishment of an Islamic state in Lebanon modeled on Iran's Islamic Republic." [19] In the next half-decade, however, it would come to accept the state apparatus as established by the Taif Agreement, and agree to partake in national elections beginning in 1992, at which time it would secure a foothold in the Lebanese Parliament that it has retained since then. Its 2009 electoral program would go as far as to call for a "state that is

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committed to applying the rule of law on all constituents within a framework of respect for public freedoms, and impartial application of citizens' rights and duties, irrespective of religious sect, home region, or the citizen's views." [20]

Hezbollah also operates as a welfare-state-within-a-state in Lebanon, providing "monthly support and supplemental nutritional, educational, housing and health assistance for the poor... there are also Hizballah-affiliated schools, clinics and low-cost hospitals" [21] The soft power that Hezbollah thus projects finds expression in the words of former Lebanese President Émile Lahoud, a member of Lebanon's Christian community,

*"...for us Lebanese, and I can tell you a majority of Lebanese, Hezbollah is a national resistance movement. If it wasn't for them we couldn't have liberated our land. And because of that, we have a big esteem for the Hezbollah."* [22]

Hezbollah's influence thus rests on the twin pillars of its image as a liberator and salvation army, and on the coercive power it can project, via intimidation as well as outright violence, when moral suasion falls short. Yet welfare is expensive—as are armaments. The portrait of Hezbollah is thus incomplete, without a look at its funding streams—one which will have to wait, another few pages, while we introduce the Taliban and the Zetas.

### *The Purist: The Taliban*

Formed in 1994 in Quetta, Pakistan, after a fratricidal the internal war that followed the Soviet invasion of Afghanistan in 1979 and its withdrawal roughly a decade later, the Taliban are a movement of Afghan and Pakistani Deobandi Muslim, ethnic Pashtuns—although the record reflects that "all Taliban are Pashtuns, but all Pashtuns are not Taliban." [23] Operationally split between an Afghan and a Pakistani wing, the Taliban operate from both sides of the Durand Line. The Afghan Taliban have been fighting for the best part of nearly two decades to establish a fundamentalist Islamic state in Afghanistan, dominated by the Pashtun tribe and governed by *sharia* law, while the Pakistani Taliban fight ferociously to protect their autonomy within Pakistan's Federally Administered Tribal Areas.

Afghan Pashtuns dominated Afghan politics from the formation of the Kingdom of Afghanistan in 1747 until the Soviet invasion of 1979. [24] Secular government based on the Soviet model was universally rejected in Afghanistan, and the country broke down into an orgy of violence. The heavily mechanized Soviet occupation troops killed as many as 1 million Afghans during the course of their ten-year occupation, [25] roughly 7% of the nation's population. By the time of the 1989 Soviet withdrawal, Afghanistan had been reduced to "a state of virtual disintegration... divided into warlord fiefdoms... [where] all the warlords had fought, switched sides and fought again in a bewildering array of alliances, betrayals and bloodshed." [26]

By 1994, Afghanistan was a wasteland begging for a savior. Enter the Taliban: presenting themselves as a pure, uncorrupt alternative to Afghan warlords, and bolstered by crucial support

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from the Pakistani government, the Taliban fought their way across the Durand line and took Qandahar in November of 1994.[27] From there they swept west and north to capture Herat and Mazar-e-Sharif in 1995, and north to capture Kabul in 1996, visiting unspeakable atrocity unto conquered populations and imposing strict *sharia* along their way.[28] Although the Taliban never secured total control of Afghanistan, they ruled roughly 85% of national territory until 2001, when the post-9/11 U.S. invasion relegated the Taliban from the major cities into rural areas and into the tribal areas of Pakistan.[29] After ousting the Taliban, NATO labored to install a plural government in Kabul, led by Pashtun Hamid Karzai but also inclusive of its Tajik and Uzbek allies of the Northern Alliance—a coup in the eyes of tribal Pashtuns.[30] The collapse of the Taliban wrought abject disaster unto Pashtun communities of Northern Afghanistan, visited upon them in the form of “a wave of attacks on Pashtun communities... [resulting] in mass displacement and communal impoverishment... [including] summary executions, rape, denial of access to agricultural land, and widespread looting of livestock and movable property.”[31]

At the present moment, the Taliban form a fearsome insurgent threat to ISAF forces, as well as the Afghan and Pakistani governments. The Taliban had an estimated 36,000 active fighters as of March 2010, supplied mainly with light, general-purpose machine guns and grenade launchers. [32] The Afghan Taliban pose a serious threat to the stability of Afghanistan once the ISAF withdrawal is complete. They are active throughout the tribal areas of both Pakistan and Afghanistan, from which they can easily reach ISAF forces in Afghanistan or stage attacks on the Afghan government. The Pakistani Taliban are no less threatening, and are continually involved “against the wishes of Mullah Omar... in attacks against Pakistani military and security forces inside Pakistan.”[33]

The Taliban’s goals are somewhat more difficult to assess than their capabilities. Both as a response to persecution, and as a function of their tribal (rather than institutional) political structure, the Taliban’s political goals tend toward inscrutability. Taliban pronouncements have oscillated between unambiguous declarations of the movement’s intention to recover the control it once enjoyed over Afghanistan,[34] to conciliatory messages such as Mullah Omar’s August 28, 2011 *Eid-al-Fitr* message, which called for an Afghanistan where “all ethnicities will have participation in the regime and portfolios will be dispensed on the basis of merits... the policy of the Islamic Emirate is not aimed at monopolizing power.”[35] Reputed voices—notably that of eminent Pakistani journalist Ahmed Rashid—surmise that the Taliban have learned from their demise in 2001 that they are simply not capable of administering the whole of Afghanistan, and are ready to cut a power-sharing deal with the government in Kabul,[36] which might at once satisfy some of the human rights and governance concerns of the international community, and the confessional prerogatives of the Taliban, in a post-ISAF, modern form of *cuius regio, eius religio*.

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The prospects for a negotiated power-sharing agreement, however, appear murkier than either Omar's pronouncements or Rashid's speculation. In mid-2012, Taliban representatives dismissed Afghan President Karzai as a puppet and chafed at the "ever-changing position" of American negotiators,[37] while the utter failure of the U.S.-brokered attempt to host talks between the Taliban and the Government of Afghanistan in Qatar in the summer of 2013 reveals in no uncertain terms the former group's contempt for Karzai's government and for the idea of interlocution with it.[38]

### *The Psychopath: Los Zetas*

Although Los Zetas are decidedly not a global terrorist organization in the same sense as Hezbollah and the Taliban, they enter this study by virtue of their association with a terrorist group. Los Zetas came into being in 1997, cherry-picked out of the GAFES—Mexico's elite special operations corps, assembled with the explicit purpose of fighting against Mexican cartels—by Osiel Cárdenas, a rising force within the Gulf Cartel seeking the best bodyguard contingent Mexico could produce.[39] As Cárdenas consolidated his leadership within the Gulf Cartel, Los Zetas expanded from a personal guard to a full-force mercenary army. The capture of Cárdenas in 2003, however, dealt his organization a heavy blow. The Gulf Cartel was able to mitigate this loss with the firepower it gained from its alliance with Los Zetas—but only for as long as Los Zetas consented to their subordinate role. Smelling blood in Gulf's decline, Los Zetas opted for schism with their benefactors in a 2007 internal vote.[40] A cold peace held until early 2009, when the Gulf Cartel's attempt seize the border city of Reynosa from Los Zetas prompted them to turn their firepower—which had served the Gulf Cartel so well in friendship—against their former ally in war.[41]

In the two years following this rupture, Los Zetas arguably became the most powerful drug cartel in Mexico—at very least posing a worthy challenge to the Sinaloa Cartel for primacy in Mexico's criminal underworld.[42] As if tasked with personifying Mexico's Faustian descent into generalized violence, Los Zetas made sadism their trademark. A comprehensive list of Zeta atrocities might stretch into infinity; anecdotes can serve as guide to Los Zetas' use of psychopathic violence as a tactic: the beating to death with a two-by-four of a female police officer in Nuevo Laredo, in front of her stunned colleagues, as a warning against crossing the Zetas;[43] the 2010 San Fernando Massacre, when Zeta elements intercepted a northbound bus near the village on San Fernando, abducted the seventy-five migrants on board to an isolated farmhouse, executing them methodically;[44] or its reprise in 2011, when Zeta members abducted hundreds of travelers from multiple buses to pit them against each other, in gladiator-style fights to the death, and dumped their bodies in mass graves.[45]

The meteoric rise of los Zetas required that they expand their capacity. Expand they did, effectively becoming "the first major crime syndicate to broadly diversify their activities,"[46]

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enriching their portfolio with the addition of kidnapping and extortion; smuggling of humans and contraband; theft of petroleum, vehicles, and human organs; and money laundering.[47] In parallel to their brazen public operations within Mexico, Los Zetas also developed vast underground drug-and-arms trafficking and money-laundering networks within the United States, as far away from the border with Mexico as in Chicago, where authorities arrested twenty people, including five alleged members of a Zeta cell, and seized about US \$12 million in cash and 250 kilograms of cocaine in November of 2011.[48] In March 2013, the ominously-named Tremor Enterprises, an Oklahoma-based corporate breeder and trainer of quarter horses, was revealed to operate as the front for a multi-million dollar scheme laundering dirty Zeta money through the U.S. horse-racing circuit and stallion breeding industry.[49]

If at their peak, Los Zetas controlled nearly the entirety of Mexico's eastern seaboard,[50] as this article goes to press the Zetas may well be facing terminal decline. Zeta capo Heriberto Lazcano Lazacano, the grand strategist atop an otherwise decentralized operation, died in October of 2012 in a shootout with Mexican Marines, depriving the Zetas of his both his organizational skills and his vision.[51] His successor, Miguel Treviño Morales, lives to commit atrocity rather than to command it; under his leadership of Los Zetas retained power by virtue of intimidation, but ceased growing.[52] In any event, Morales was captured by Mexican marines in July of 2013, and while the consequences of his apprehension have yet to play themselves out, the likeliest outcome forecast by Mexican drug war analysts is one of fragmentation and descent.[53] As per security expert Alejandro Hope, of the Mexican Institute for Competitiveness, Treviño's demise could represent "the last nail in the coffin of the Zetas as a cohesive organization at the national level." [54]

Operating in the spaces between Lebanon, Afghanistan, and Mexico, were Ayman Joumaa's and Maroun Saade's networks, acting as proverbial quartermasters for Hezbollah, and Los Zetas, moving their drugs, money, and weapons across the globe in a systematic and highly organized manner, and attempting, although failing, to link up with the Taliban as well. As their respective histories demonstrate, these three organizations are vastly different from each other and operate in distinct—and geographically isolated—theaters. Nonetheless, the international network that each of these organizations has tapped into, by the hands of Ayman Joumaa and Maroun Saade, points at the existence of a problem much larger than either terrorism or drug trafficking on their own: the existence of global illicit exchange markets, and the convergence between transnational drug trafficking and international terrorism that these exchanges have underwritten.

### *The Convergence*

In spite of the significant geographical distance separating Hezbollah and the Taliban, and the distinct environments in which they operate, logistical imperative has guided each group away from theological injunction, and toward the embrace of drug trafficking to complement or replace

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flagging alternative revenue streams. In this process, Hezbollah and the Taliban created sophisticated international distribution networks, expanding their operations far beyond the maintenance of political control and the pursuit of their ideological objectives within their home countries.

By all means, drug cultivation was, and remains, endemic to both Hezbollah's and the Taliban's home regions. Marijuana cultivation was rampant in the Bekaa valley in the late 1970s and early 1980s, at a time when the Lebanese civil war had disrupted most economic activity in the state, and when the Israeli invasion and occupation of southern Lebanon opened a funnel for the trafficking of Lebanese hashish into Israel. Explains Matthew Levitt:

*Following the establishment of Hizbullah in the early-1980s-recruiting heavily from key Bekaa Valley tribes and families - it benefited from a religious edict, or fatwa, issued in the mid-1980s providing religious justification for the otherwise impure and illicit activity of drug trafficking. Presumed to have been issued by Iranian religious leaders, the fatwa reportedly read: "We are making drugs for Satan—America and the Jews. If we cannot kill them with guns, we will kill them with drugs." According to an FBI report declassified in November 2008, "Hizbullah's spiritual leader... has stated that narcotics trafficking is morally acceptable if the drugs are sold to Western infidels as part of the war against the enemies of Islam." [55]*

Fatwa and sales to infidels notwithstanding, the recourse to drug trafficking remains the product of necessity for Hezbollah's cash-hungry operations. Hezbollah General Secretary Hassan Nasrallah unequivocally condemns drugs as a scourge, one which he fought to the length of cooperating with Rafiq Harriri's government—for at least as long as Hezbollah allowed Harriri to live.[56] Yet Nasrallah's discomfort with the drug scourge has not impeded his organization from using it to its immense benefit. Operation Titan, carried out by U.S. and Colombian authorities in 2008, exposed and "dismantled a cocaine-smuggling and money-laundering organization that allegedly helped fund Hezbollah operations... laundering hundreds of millions of dollars of cocaine proceeds a year and paying 12 percent of those profits to Hezbollah." [57] Among those arrested in the sting figured Chekry Harb, a Lebanese kingpin living in Colombia and believed by Colombian officials to keep close telephone contact with Hezbollah officials and to frequently travel to Lebanon, Syria, and Egypt.[58]

In April 2013, the Treasury Department again accused Hezbollah of international drug trafficking and blacklisted Kasseimi Rmeiti & Co. for Exchange and Halawi Exchange Co., two Lebanese money-exchange houses which had effectively taken over the money-laundering operation previously carried out by Lebanese Canadian Bank.[59] At an April 23 press conference announcing the designations, Treasury Department Under Secretary of Terrorism and Financial Intelligence David Cohen unambiguously charged that "Hezbollah is both a full-fledged terrorist organization... and an enterprise that increasingly turns to crime to finance itself." [60] DEA



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special agent Derek Maltz, at the same press conference, accused Hezbollah of operating like a drug cartel, adding that

*Drugs and terrorism coexist across the globe in a marriage of mutual convenience. As state-sponsored terrorism has declined, these dangerous organizations have looked far and wide for resources and revenue to recruit, to corrupt, to train, and to strengthen their regime. Many drug-trafficking groups have stepped up to fill that revenue void.*  
[61]

As did Hezbollah, the Taliban faced an awkward task in “managing the apparent disconnect between their Islamic ideology and the illicit drug trade.”[62] But popular favor was on their side. After all, the Taliban had risen to power “because an exhausted, war-weary population saw them as saviours and peacemakers... they disarmed the population, enforced law and order, imposed strict Sharia law and opened the roads to traffic which resulted in an immediate drop in food prices. These measures were all extremely welcome to the long-suffering population.”[63] This *Pax Talibana* allowed the resumption of poppy cultivation; under Taliban rule a small plot producing just 45 grams of opium per year could earn its owner over a thousand dollars—a fortune in rural Afghanistan.[64] To reconcile Deobandi faith and drug production,

*The Taliban have provided an Islamic sanction for farmers... to grow even more opium, even though the Koran forbids Muslims from producing or imbibing intoxicants. Abdul Rashid, the head of the Taliban’s anti-drugs control force in Kandahar, spelt out the nature of his unique job. He is authorized to impose a strict ban on the growing of hashish, ‘because it is consumed by Afghans and Muslims’. But, Rashid tells me without a hint of sarcasm, ‘Opium is permissible [sic] because it is consumed by kafirs [unbelievers] in the West and not by Muslims or Afghans.’*[65]

The expedient is remarkably similar to that used by Hezbollah, banning (read: wishing away) the consumption, but not the production and trade, of opium and heroin.[66] The abysmal state of Afghan finances at the time of the Taliban ascension to power—not to mention the economic calamity wrought by Talibanization—only magnified the relative value of poppy cultivation and intensified the romance between the Taliban and heroin production: the poppy harvest doubled from 2,248 to 4,565 metric tons between 1996 and 1999. At this point, international pressure against Afghan drug production (as well as the Taliban regime’s dismal human rights record) prompted Mullah Omar to command a one-third reduction in the poppy harvest that would reduce the harvest to 3,276 metric tons in 2000.[67] In spite of this reduction, the harvest still fetched an estimated total value of US \$900 million, dwarfing Afghanistan’s \$130 million in legal exports, and generating more than one third of Afghanistan’s \$2.5 billion GDP, for that same year.  
[68]

Mullah Omar turned the screws in June 2000, prohibiting opium production in all Taliban-controlled areas of Afghanistan. Production plummeted to 185 metric tons in 2001,[69] choking off rural income and inviting starvation to Afghan tables.[70] Neither did the Taliban stop

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puppetteering heroin production after their fall from power; quite the contrary, they continued to “successfully [manipulate] international prices for heroin to their advantage, ordering farmers to grow, or not grow poppies depending on requirements, and stockpiling thousands of tons of opium to hedge the market and insulate themselves from coalition intervention efforts.”[71] The poppy harvest rebounded after the fall of the Taliban—as of 2010, Afghanistan was exporting 900 tons of opium and 375 tons of heroin per year, and had built up a two-year inventory of surplus product [72] awaiting export.

Los Zetas, for their part, came at this convergence from the opposite direction. Born of the drug trade, Los Zetas faced no moral qualms engaging in trafficking. They suffered a stiff challenge, however, early in their institutional life, when President Calderón deployed military force against Mexican drug cartels, to which Los Zetas responded by adopting certain attributes of terrorist groups. Los Zetas, who simply “never looked at themselves as a drug trafficking organization,”[73] were distinctly well-disposed for the challenge of morphing from an assassination force into a “military group whose primary goal is to control territory.”[74] Following their schism with the Gulf Cartel, the Zetas consolidated their control of the state of Tamaulipas, and expanded beyond it into at least sixteen Mexican States.[75] While their presence grew most concentrated along Mexico’s eastern coastline and along the Texas-Mexico border, the Zetas also made efforts at securing intersecting corridors, from north to south and from east to west along the whole of Mexico— identified as the “Zeta Cross” by investigative journalist Samuel Logan.[76] The growth of Los Zetas saw them expand not only onto physical, but also psychological territory: Los Zetas took up the perverse meme of filming the execution of its victims and disseminating the footage to families, when seeking ransom, or broadcasting them more openly to inspire fear and respect.

The convergence here described between drug trafficking and terrorism certainly follows a valid internal logic. Terror organizations generally do “not require massive sums of money for their operations, but must finance training, infrastructure needs, equipping their members, bribing local officials, recruiting, and logistics.”[77] Yet what funds they need they certainly can, and have, raised by means of drug trafficking; the Al-Qaeda-related terrorist cell that carried out the 2004 attack at Atocha Station in Madrid raised a substantial amount of its operating funds through the sale of hashish.[78] As explains former DEA Chief of Operations Michael Braun,

*There are many similarities between a terrorist organization and a global drug cartel. Both oppose nation-state sovereignty, function best in ungoverned spaces, depend on mutual shadow facilitators, have no regard for human rights, rely on the hallmarks of organized crime such as corruption, intimidation, and violence, and are highly sophisticated organizations that operate with the latest technology. Most analysts believe that FTOs copied their decentralized structure of cells and nodes from drug cartels. Both FTOs and drug cartels often rely on the same money launderers and have a capacity to regenerate themselves when dealt a blow, often reemerging in a*

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*new or unrecognizable form. The main difference is motivation; drug cartels are motivated entirely by profit, whereas terrorist organizations have political or ideological motivations.[79]*

Motivation thus emerges as the key wedge between sometimes remarkably similar drug trafficking and terrorist organizations. This wedge merits a close look, as it conditions the strategic environment in which each of these groups operates, and the imperatives they must respect in order to thrive.

The political, geographic, and martial environments in which Hezbollah, the Taliban, and Los Zetas operate have placed distinct requirements on each group's evolution and trajectories. Hezbollah, in its aspiration to moral legitimacy as the vanguard of a millenarian struggle against the state of Israel, has proven willing to leave titular control of Lebanon's political administration, in exchange for which it has obtained a national platform to project its political objectives.[80] While Hezbollah's strategic theater does not extend beyond Lebanon and its neighboring states, its tactical landscape is effectively global.

The Taliban, for their part, aspire to the exercise of a unique theological mandate in Afghanistan—one that fails to translate in any obvious manner into clear political objectives.[81] Unlike Hezbollah, however, the Taliban's capacity for military projection is limited, and their political objectives are at best regional, confining both their strategic and tactical theaters exclusively within Central Asia. They may inveigh against the West, but the Taliban simply lack the capacity to strike against the West in a major way – other than by attacking Western personnel or assets in their home region. Upon completion of the ISAF withdrawal from Afghanistan in 2014, Western nations will thus have withdrawn not only outside the limits of the Taliban's tactical grasp, but also beyond their strategic horizon—so that, notwithstanding the risk of international terrorist groups being provided sanctuary in a re-Talibanized Afghanistan, the West could well just rely on its absence to serve as a bulwark against future Taliban attack. While both Hezbollah and the Taliban depend on drug trafficking for at least part of their revenue, their primary objectives remain broader and far more exalted than any single funding mechanism.

For their part, Los Zetas seek neither Hezbollah's international legitimacy, nor the Taliban's theological supremacy. At the peak of their power, Los Zetas' strategic imperatives were twofold: to retain their capacity to move illicit products across Mexico, and to preserve their markets for drugs and arms within the United States (staving off recent incursions by rivals, notably by the Sinaloa Cartel,[82] has recently become an additional, and increasingly important, objective). In keeping with these interests, Los Zetas' operational expansion south and west of their home base in Tamaulipas was axonal rather than expansive, concentrated on securing corridors rather than entire regions.[83] To the north, moreover, their expansion was clandestine; overt acts of violence by Los Zetas north in the United States have been so few as to appear negligible in comparison to the scourge they have visited upon Mexico. Coming from a group as sadistically violent as Los Zetas, this restraint reflects sound strategic thinking—their admittedly perverse

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entrepreneurialism simply does not allow the deployment of systematic violence within the United States. While Hezbollah and the Taliban harbour deep-seated animosity towards the West, Los Zetas actually benefit considerably from their enterprise in the United States—easily obtaining weapons and reaping astronomic proceeds from drug sales.

To be certain, Los Zetas' motivations for holding their fire against the United States are far from noble, offering no reason from complacency from the part of U.S. authorities. Los Zetas, by every measure, are a violent and dangerous organization whose savagery has destroyed countless lives in Mexico. The amount of firepower at their disposal, the scope of their territorial control, and their use of generalized violence as a tool of psychological war elevate Los Zetas far above the category of a simple organized crime syndicate. Los Zetas, furthermore, have formed ad hoc, transactional relationships with associates of Hezbollah.

It would be an error, however, to confuse this commercial relationship with a strategic alliance. Although the possibility of such an alliance developing would be plausible, there is no conclusive evidence of it having been consummated. The utter failure of a 2011 Iranian plot to have Zeta operatives murder the Saudi ambassador to the United States [84] attests to Los Zetas' unwillingness to buck their own interests when it comes to their presence in the United States. Although illicit markets have certainly become a point of contact for otherwise vastly different criminal groups—one where political terrorism, theocratic ultra-nationalism, and narco-insurgency fund and equip each other—commerce and imitation do not make amalgamation.

Strategic alliance or not, however, the links such as these exist between the Zetas and foreign terrorism, however embryonic, warrant careful consideration. In spite of the vast geographic and ideological chasms that separate Hezbollah and Los Zetas, these groups have deftly identified a mutual interest—as well as lucrative gains to be made—in crossing in order to conduct trade with each other. The attempts of Hezbollah associates to extend this network to the Taliban reflect the seriousness of the threat. The scope, volume, and sophistication of these transactions merit profound study; a study into which the downfall of Lebanese Canadian Bank - to which we now return - opens a fascinating view.

### *See you in Court*

The world into which Leonhart, Bharara, and MacBride peered with their shakedown of Mr. Saade, Mr. Joumaa, and Lebanese Canadian Bank, is a world in which the erstwhile bank's US \$329 million worth of laundered proceeds amounts to pocket change. Although US \$329 million worth of pocket change can still finance hefty arms purchases, the object of interest is not so much the specific amount of money as the network through which it circulated. Among his many money-laundering schemes, Hezbollah associate Ayman Joumaa controlled a web of some 30 Lebanese-owned export firms, shipping used cars from the United States to West Africa and combining the revenue from this trade with the of Colombian cocaine sold in the United States—

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with Los Zetas serving as faithful mules between 2005 and 2007.[85] Another of Joumaa's schemes involved "perhaps the richest land deal in Lebanon's history, the US \$240 million purchase... of more than 740 pristine acres overlooking the Mediterranean." [86]

Hezbollah is uniquely positioned to initiate these kinds of cross-continental drug-and-weapons trafficking schemes for a number of reasons. Its home base provides a propitious environment for international commerce, licit and illicit, as Lebanon sits at the "crossroads for all manner of trade, [owing] much to the flourishing of a worldwide diaspora... through criminal elements in these émigré communities, Hezbollah has gained a deepening foothold in the cocaine business." [87] The depth and sophistication of the Lebanese banking system, quantitatively and qualitatively a positive outlier within the Middle East and North Africa region, and among emerging markets, [88] allows Hezbollah access to a capital base large enough to provide lines of credit to enable large-scale drug and weapons purchases, while also allowing Hezbollah-allied bankers to conceal dirty money behind the appearance of legitimate transactions and clean bank accounts.

Furthermore, as a legitimate political force within Lebanon, Hezbollah enjoys diplomatic advantages usually unavailable to terrorist groups. Why take the risk of crossing borders illegally or falsifying passports when the Government of Lebanon can just as easily provide a legitimate one? Hezbollah members in Europe are able to take advantage of intra-European mobility to direct and plan operations against Israeli people and assets in Europe—as well as European links to the Israeli government to penetrate its enemy. So long as Hezbollah retains its dual identity as a terrorist group and political movement, it will retain the diplomatic cover that makes its ongoing global operations possible. [89]

Los Zetas began transacting with Hezbollah in 2005, by the hand of Ayman Joumaa. As per Preet Bharara's allegations in the complaint against Lebanese Canadian Bank, Joumaa coordinated the shipment from Colombia to Mexico of no less than 85 metric tons of cocaine sold to Los Zetas between 2005 and 2007. [90] Los Zetas moved approximately US \$850 million through Joumaa's money-laundering network in that same time period. [91] Joumaa's dealings with Los Zetas saw them collude across the whole of Central America, "[coordinating] the shipment of multi-thousand kilogram quantities of cocaine from Colombia to Guatemala, Honduras, and Mexico... whose ultimate destination... was the United States." [92] Although the 85 million tons of cocaine and US \$850 million they circulated through Ayman Joumaa's network are no small amounts, neither did they ever comprise a majority of Los Zetas' total operations or revenues. The total yearly income of Mexican and Colombian drug cartels is estimated between US \$18 and \$39 billion; [93] Los Zetas themselves raise only 50% of their operating budget from cocaine trafficking—complementing it with income from "extortion (10-15 percent), methamphetamines and heroin (5-10 percent), immigrant smuggling (5 percent), contraband, (5 percent), and miscellaneous activities (10-15 percent)." [94]

Although Maroun Saade did not succeed at engaging the Taliban in commerce with Hezbollah, the intent behind his failure warrants consideration. James Motto, investigator for the U.S. Attorney's office for the Southern District of New York, provided a rich description of Mr. Saade's weapons-for-heroin bartering network in his deposition for Saade's indictment. In November and December 2010, a DEA operative masquerading as a Taliban associate held a series of meetings with Saade and his associates in West Africa and the Ukraine to negotiate the exchange of a multi-ton shipment of Afghan heroin for a cache of weapons including, but not limited to, pistols, automatic rifles, Stinger and Javelin missiles, and night-vision equipment, to be used against American forces in Afghanistan. Motto further stated for the record that Mr. Saade, and at least one of his associates, had links to Hezbollah and counted on the Lebanese group to supply the weapons to be transacted. [95] Although Saade's misstep in trying to conduct illicit business with undercover agents would ultimately make a farce of his efforts, the record of his deeds raises the ominous possibility that a similar transaction, had it been carried out with veritable Taliban associates, could have led to a successful exchange. The success of Hezbollah's commerce with Los Zetas makes it patently clear that, given the opportunity, it could have likely pulled off such an exchange.

Even though the Taliban did not, in this instance, transact with Hezbollah, they nonetheless rely on numerous other channels to distribute Afghan heroin worldwide. Mired in their respective conflicts against Israel and the United States, Hezbollah and the Taliban have pulled off a brilliant feat in turning their enemies into major sources of funding. So long as there is a market for hashish in Israel, and for heroin in the United States, money will continue accruing to Hezbollah and the Taliban, and fund the planning attacks against American and Israeli citizens and military personnel.

As per Los Zetas, what ultimately spelled their decline was a combination of their excessively de-centralized operating structure [96] and popular revulsion against their sadistic violence,[97] handicaps which no amount of Hezbollah-assisted fundraising could have mitigated. The cautionary tale to be gleaned from the record of Zeta cooperation with Ayman Joumaa's network need not decline along with Los Zetas' fortunes, however. Whereas fears of a strategic alliance between Hezbollah and the decentralized Zetas turned out to be a dud, the much more centralized and hierarchical Sinaloa Federation [98] could well see value, that Los Zetas failed to recognize, in consummating a formal, trans-continental alliance with Hezbollah, or with other terrorist groups.

### *Conclusion*

Neither Hezbollah, the Taliban, nor Los Zetas will be defeated on the battlefield. The millenarian goals of the first two groups, and the operational latitude of the latter (and of other Mexican drug cartels) in Mexico's rule-of-impunity governance, are simply immune to military

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action. The inherent danger posed by any of these groups should thus not be seen as a factor of their ultimately immutable motivations, but rather of their capabilities. If the commercial networks linking these groups together form the foundation of these capabilities, then the interdiction of these exchanges offers a unique, non-military opportunity to degrade the capacity of both terrorist and drug-trafficking organizations.

Although the collapse of Lebanese Canadian Bank offers a promising illustration of the potential impact of juridical action in the fight against global terrorism, one must also acknowledge the fact that the loss of L.C.B. fell short of presenting Hezbollah with a Lehman Brothers moment. There were doubtless dozens of candidates ready to take the place of the shuttered bank—among them, Kasseimi Rmeiti & Co. for Exchange and Halawi Exchange Co., introduced in the opening pages of this article as recent targets of follow-up action from the Treasury Department, and in any event, the US \$102 million settlement that Bharara secured as settlement in his suit against Lebanese Canadian Bank is unlikely to deliver a knockout punch to financial infrastructure of international drug-and-arms trafficking.[99] By the same token, there was likely no shortage of kingpins ready to take over Maroun Saade's operations upon his arrest, and there will likely be just as many ready to perpetuate Ayman Joumaa's operations if he is apprehended as well.

Rommel's adage, whereby "battles are decided by the quartermasters before the first shot is fired,"[100] remains valid today, although in circumstances that have evolved far beyond those surrounding its first iteration seven decades ago. This evolution finds its illustration in the staggering volume of material and monetary exchange described in this article, and in the lead role handed to investigators and prosecutors in containing these groups by means of fiduciary interdiction. Just as illicit trade between terrorist and drug-trafficking organizations has become systematized, so must interdiction efforts be elevated and sustained at the same scope and level.

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