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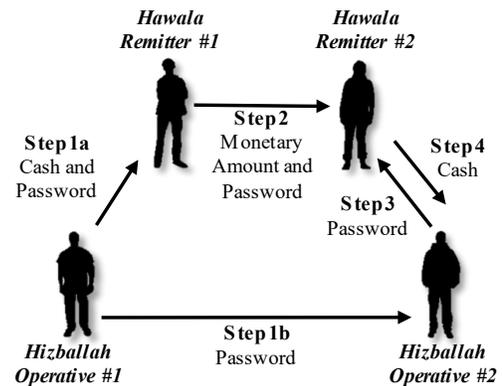
## INTELLIGENCE NOTE

MAY 23, 2016

### Hizballah: Interwoven Money Laundering and Smuggling Systems

*Hizballah's profits from narcotics and other criminal activity are transferred via multiple forms of money laundering and illicit enterprises, including hawala money exchanges, the Black Market Peso Exchange (BMPE), and bulk cash smuggling.* In March, the Director of the Stein Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy reported to Congress that despite receiving up to \$200 million from Iran each year, Hizballah uses various criminal methods to generate additional revenue and fund its involvement in Syria.

- Hizballah operatives can transfer cash quickly and without an audit trail by using the *hawala* remittance system, an informal currency transfer system operating outside or parallel to traditional banking and financial channels.
- In February, the Drug Enforcement Administration revealed—as part of its Project Cassandra investigation—Hizballah leverages the BMPE, which uses trade-based money laundering to disguise proceeds from illegal activity.
- Hizballah smuggles large sums of money from the United States, South America, and Europe via couriers and airport employees. The arrest of a ground services coordinator at Chicago's O'Hare International Airport in 2007 demonstrates Hizballah supporters have bypassed airport security to transport packages of cash—in this case up to \$100,000—intended to finance Hizballah operations in Lebanon.



#### Contact Information

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