

**TEHRAN'S SHADOW ARMY: ADDRESSING IRAN'S
PROXY NETWORK IN THE MIDDLE EAST**

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

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TEHRAN'S SHADOW ARMY: ADDRESSING IRAN'S PROXY NETWORK IN THE MIDDLE EAST

WEDNESDAY, FEBRUARY 28, 2024

**U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.***

The committee met, pursuant to notice, at 10 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin J. Cardin, chairman of the committee, presiding.

Present: Senators Cardin [presiding], Menendez, Shaheen, Coons, Murphy, Van Hollen, Risch, Romney, Ricketts, Young, Barrasso, Cruz, and Hagerty.

OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

The CHAIRMAN. The Senate Foreign Relations Committee will come to order.

In January an attack by Iranian proxies in Jordan killed three American service members and injured more than 30 others. We mourn with their loved ones this incredible loss.

The Biden administration's response was pragmatic, it was resolute, and given the loss of American life it was entirely justified.

U.S. strikes send a clear message that we will not be pushed out of the region by these attacks. From Syria to Yemen to Iraq to Lebanon, Iranian proxies are a serious lethal threat to our allies globally, to our partners in the region, and to the United States' national security interests.

Hezbollah has as many as 150,000 rockets, some of them highly precise and sophisticated, pointed at Israel. Its elite forces on Israel's border continue to play a dangerous tit for tat game with the IDF.

Iranian proxies have fired drones and rockets at American and coalition facilities more than 180 times since October 17.

The Houthis in Yemen have wreaked havoc on commercial shipping through the Red Sea, using weapons provided by the Iran Islamic Revolutionary Guard.

I want to thank Senator Murphy and Senator Young for the hearing they held yesterday on the subcommittee that dealt with the Houthi issues and at that hearing I expressed my support for Senator Murphy and Senator Kaine's concerns that there needs to be an AUMF in regards to our military operations in the Red Sea.

But while Iran backs these groups, gives them weapons and training, Iran does not have complete command and control of their operations. That makes this a very precarious situation, one that requires careful, clear eyed American leadership.

The risks of miscalculation will not only lead to another deadly attack against U.S. service members, it could lead to a full scale regional war.

The Biden administration has not taken the bait on every attack. Instead, it has focused on significantly degrading proxies' capabilities and interdicting their resupply.

It has made clear that while the United States will do what is necessary to protect our people and interests we do not seek a wider war in the Middle East or a direct confrontation with Iran.

This hearing, I hope, will help us better understand Iran's intentions and how it is using its proxy network. There has been a lull in recent attacks in Syria and Iraq, but not in the Red Sea.

Does Iran want to avoid an escalation, and if so to what extent do its proxies share that sentiment? Or is it laying the groundwork for something else?

As you walk us through the expert assessment of Iran's calculations I would like to hear what might have changed in recent months.

Has the risk to U.S. personnel and facilities changed? Where does it go from here, and importantly, what should we in Congress consider doing as our next steps to respond to these potential shifts over the longer term?

I believe we need to do everything in our power to protect our allies and the United States from the Iranian threat. That means responding to proxy attacks in a way that defends our people and our interests without escalating conflict.

That means fully funding our diplomatic and security efforts with proxy forces—where proxy forces operate, and it means not only imposing sanctions against Iranian proxies but enforcing existing sanctions.

At the same time we need a long term plan to deal with the Iran proxy network. Tehran is playing a long game. Its Supreme Leaders favor strategic patience. Iran thrives on chaos and suffering.

The best way to undermine the Iranian threat in the long term is to offer an alternative, a comprehensive and lasting peace that allows for real regional integration.

I realize this is no easy task, but that does not mean we should not make our efforts, and that is what the President and Administration are doing.

We all know the horrific attack by Hamas in Gaza on Israel. We also know that part of that was to disrupt the normalization in the region.

So the best way to counter these threats is for us to move forward with peace and normalization. It is critical that the United States continue to be a force for security and prosperity in the region.

We cannot let Iran succeed in pushing us out of the Middle East or undermining the hard work of charting a path toward peace.

With that let me turn to my distinguished ranking member, Senator Risch.

**STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Well, thank you very much, Mr. Chairman. Certainly those facts are undeniable and that you have laid out. I want to thank the witnesses for being here. We have two very good witnesses on this subject with somewhat divergent views, but certainly people that know this subject.

Let me start by saying at the beginning of the Biden administration the President's Iran policy was abundantly clear and that was an attempt to rejoin the Iran nuclear deal regardless of the cost.

The Administration chose engagement and appeasement over containment and isolation. Three years later Iran is more emboldened and empowered than before, and the Middle East is in turmoil.

Iran has dramatically expanded operations against the United States. Israel has decisively engaged against Iranian proxies in Gaza, and Lebanese Hezbollah is poised to enter the conflict.

The Houthis are being fueled and directed by the Iranians, and Iran is moving into the Horn of Africa. Iran is building its proxy network in Sudan and backing the Sudanese Armed Forces.

Threats are multiplying, and attacks against Americans are at an all time high. While nuclear negotiations have collapsed the Administration has failed to enforce sanctions, unfrozen Iranian assets in exchange for Americans, allowed Iranian drones and ballistic missiles to fuel Russia's aggression in Ukraine, and stood by while Iran uses its oil and its oil reserves to fund its lifestyle.

As Iran marches across the Middle East the Biden administration has still not articulated a coherent Iran policy outside of the nuclear negotiations. It is time to change course.

Iran is an enduring national security challenge and requires a serious policy that uses all instruments of national power.

First, we must adopt a policy of containment. Iran does not think like the West, and it cannot be talked or charmed into a change of conduct.

While the regime may make tactical concessions we must recognize and accept Iran's longstanding strategic hostility toward the United States.

Second, we must better deny the regime the resources it uses to support terrorism. It is really straightforward. We must enforce existing Iran sanctions to include stopping Chinese purchase of Iranian oil, and we must permanently freeze Iranian assets around the world.

Iran has earned a shocking \$80 billion in oil revenues since 2021. Its once meager exports at the end of the last Administration are now over 2 million barrels a day. Let me say that again—2 million barrels a day—in the face of our sanctions.

Not only does this supercharge Iran's support for terrorists, but the lack of sanctions enforcement provides Iran with greater resources to support Russia's invasion of Ukraine, and China with greater access to oil to pursue its dominance in the Pacific.

Third, we must restore deterrence. There have been, as the chairman noted, at least 170 attacks on U.S. forces in Iraq, Syria, and Jordan since October 7. It is clear the Iranian regime doubts Biden's will to impose serious costs. It is time to do things dif-

ferently. We must dial up deterrence and force the regime to take notice.

Fourth, we must demonstrate American leadership. Iran's support for Russia, quashing of protests at home, and attack against Israel have forced many of our partners to rethink their approaches to Iran. We should be leading those efforts.

Finally, we must better support the aspirations of the Iranian people. The Iranian people are disillusioned and at a breaking point. The lack of concrete response from the Administration has missed an opportunity.

I cannot overstate how bad policy has allowed Iran, Russia, China, and North Korea to move from being transactional partners to strategic allies with each other. This is a failure of American policy that will have consequences for years to come.

This committee has a clear role in shaping Iran policy. We have several pieces of legislation in front of us including my bill to better enforce oil sanctions.

Many of these Iran related bills like the SHIP Act have already passed the House, and I look forward to working with the chairman to push these over the finish line.

In closing, I would particularly like to thank Mr. Hook for being here. The threats against you and your family in connection with your past work as the U.S. Iran envoy are unacceptable and underscore the threat that Iran poses to Americans.

With that, I will turn back to the chair.

The CHAIRMAN. Let me thank Senator Risch.

We are in total agreement that Iran's intentions are against our national security interests, that we need to enforce our sanctions particularly in the energy sector, and the importance of U.S. leadership.

So I look forward to working with Senator Risch and all members of this committee on legislation that addresses those important issues and strengthens our resolve against Iran's nefarious activities.

I also agree with Senator Risch that we have two distinguished witnesses here today, and I want to thank both of them for being with us.

Let me introduce both of you.

First, Suzanne Maloney, who is the vice president and director of the Foreign Policy program at the Brookings Institution where she served as the deputy director of the Foreign Policy program for 5 years. Her research focuses on Iran and Persian Gulf energy.

Ms. Maloney also advised both Democrats and Republican administrations on Iran policy including as an external adviser to senior State Department officials during the Obama administration, and a member of Secretary of State Condoleezza Rice's policy planning staff.

Mr. Brian Hook, who is well familiar with the members of this committee, I appreciate very much the relationship I have had with Mr. Hook when he was part of the Administration, and we had a chance to talk about issues sometimes in this hearing room, sometimes in a classified setting, and I thank him for his service to our country.

He is currently vice chairman of the Cerberus Global Investments and former State Department Special Representative for Iran during the Trump administration.

Prior to his appointment as Special Representative he served as the director of the policy planning staff from 2017 to 2018, and from 2009 to 2017 he managed a international strategic consulting firm based in Washington, DC.

So we will start first with Dr. Maloney.

STATEMENT OF DR. SUZANNE MALONEY, VICE PRESIDENT AND DIRECTOR, FOREIGN POLICY, THE BROOKINGS INSTITUTION, WASHINGTON, DC

Dr. MALONEY. Chairman Cardin, Ranking Member Risch, distinguished members, it is an honor for me to address this committee today.

As noted I am vice president and director of foreign policy at the Brookings Institution but my views today represent only my own.

Iran is a profound and enduring threat to American national security as a result of its nuclear ambitions, its terrorism and hostage taking, its military support to Russia's war in Ukraine, and brutality toward its own people.

One of the most valuable tools in the Iranian arsenal is the network of militias that Tehran has cultivated, coordinated, trained, and supplied with advanced weaponry. This adaptive layered so called axis of resistance extends across the Middle East and around the world.

Through opportunistic and flexible arrangements Tehran has built partnerships of enduring value that provide strategic depth and insulate its government from the full risk of its militancy.

Increasingly Tehran supplies the means of production and modification to enable independent weapons manufacturing as well, providing redundancy, innovation, and deniability.

Iran's leaders have exploited the shocking Hamas massacres on October 7 and the war in Gaza to elevate their own regional status, block normalization between Israel and Saudi Arabia, incapacitate and delegitimize Israel, and test America's spine.

They also seek to precipitate American mistakes. Historically, Iran's most valuable openings have come as a result of strategic missteps by Washington or our regional partners such as the 2003 invasion of Iraq.

[Disturbance in the hearing room.]

Dr. MALONEY. Such as the invasion of Iraq and the withdrawal from the Iran nuclear deal. For Tehran the prospective advantages and rewards of its regional aggression are huge.

Iran does not actually have to achieve anything. Chaos and pressure on Israel and the United States itself constitute a victory for the Islamic Republic.

On that basis the Iranian leadership escalated hostile actions by its proxy militias resulting in at least 186 deaths or injuries to American troops, and the Iran backed Houthis have launched at least 57 attacks on commercial shipping in the Red Sea, prompting the rerouting of international maritime freight traffic with significant delays and costs to the global economy.

Additional threats loom large. Any miscalculation by any of the actors could ignite a wider and much more dangerous war, and in the long run Iran's proxies erode governance and security across the Middle East.

The Biden administration has been resolute and pragmatic in managing these threats. The rapid deployment of American military assets to the region, together with the tireless diplomatic engagement by President Biden and senior U.S. officials, has succeeded in averting the wider war that Hamas hoped to precipitate.

U.S. retaliatory strikes in Iraq, Syria, and Yemen have degraded militia capabilities and leadership and signaled to Tehran's partners that they will pay a price for their militancy.

The calibrated use of force is having a positive effect. The pace and scope of attacks emanating from Iraqi militias has waned. The combination of deterrence and diplomacy has succeeded in preventing the eruption of a wider war.

Still, Iran's militias are tenacious and adaptable with a plentiful and inexpensive arsenal, especially compared with the costs entailed in shooting them down. So we must remain vigilant.

The use of force alone will not eliminate the threat posed by Tehran or its militia network, and overreach or over reliance on military instruments could undermine our objectives in the region, including objectives for stability and good governance in our partners there.

Together with our regional partners Washington must plan meticulously for the day after the war in Gaza. We must ensure that civilian authorities independent of Hamas and other Iran backed militias are resourced for rapid and effective reconstruction and governance.

Getting this right has been a high priority for the White House since October 7, but the obstacles to effective implementation remain staggeringly high. We must also craft and execute a new strategy that addresses the totality of the challenges posed by Tehran to its neighbors and the world.

Contesting and containing the Islamic Republic's most dangerous policies will create time and space for Iran's century old movement for representative democracy to gain strength.

This can and should be a bipartisan effort. As noted, I have had the opportunity, the privilege, to work with both Republican and Democratic administrations on Iran, and I believe there is substantial alignment around both the nature of the threat and the most effective tools for countering Tehran's malign policies across both sides of the aisle.

And we need not go it alone internationally. As noted, the U.S. military response in the Red Sea reminds us that investments in coalition building require time and energy to mature and be effective.

But the crisis in the Middle East has laid bare several hard truths. Like it or not, the United States remains an indispensable player in the region.

No other world power can surge military and diplomatic capability to manage a spiraling conflict and avoid the worst outcomes, and even if Americans are weary of our commitment, they are

standing by our allies, and protecting our interests requires that commitment and readiness.

Thank you very much.

[The prepared statement of Dr. Maloney follows:]

Prepared Statement of Dr. Suzanne Maloney

Chairman Cardin, Ranking Member Risch, and distinguished members, thank you for inviting me to contribute my views on the intensifying threats posed by Iran's proxy network across the Middle East and how U.S. policy might counter these threats most effectively. It is an honor for me to address this committee.

I am Vice President and Director of Foreign Policy at the Brookings Institution, a U.S. nonprofit organization devoted to independent research and policy solutions. Brookings's mission is to conduct high quality, independent research and provide innovative, practical recommendations based on that research for policymakers and the public. My testimony represents solely my personal views and does not reflect the views of Brookings, its other scholars, employees, officers, and/or trustees.

The Islamic Republic of Iran presents a serious and abiding threat to American national security through its decades long bid to achieve nuclear weapons capability, its extensive track record of terrorism, hostage taking, and violent subversion, its deepening involvement in Russia's barbaric and illegal war in Ukraine, and its brutality toward its own citizens. One of the most valuable tools in the Iranian arsenal is the network of militias that its leadership has cultivated, coordinated, trained, and supplied with advanced weaponry. The network extends across the broader Middle East from Lebanon to Pakistan, and these proxies have proven integral to Tehran's security, longevity, and influence. They provide the Islamic Republic with strategic depth and wide regional influence and access while insulating Iran's leadership from the full risk of their actions.

Since the shocking massacres perpetrated by Hamas in Israel on October 7, hostile actions by Iran's proxy militias have dramatically escalated in ways that pose a complex challenge for Washington and the world. Already, militia attacks have resulted in at least 186 injuries or deaths to American troops serving in the Middle East, including 130 who have suffered traumatic brain injuries and the tragic loss of three U.S. service members in Jordan, as well as two U.S. Navy SEALs killed in a mission to interdict illicit Iranian weapons.¹ And the Iran backed Houthi movement in Yemen has launched at least 57 attacks on commercial shipping in the Red Sea, prompting the re-routing of maritime freight traffic with significant delays and additional cost.

The persistence of deadly militia violence augurs even greater risks. A miscalculation by any of the actors involved could ignite a much wider and more intense conflict across the Middle East, with profound damage to regional stability and the global economy. And over the long term, the empowerment of these non-state armed actors contributes to the erosion of governance and security across the region to the advantage of Iran and other bad actors.

Over the past four and a half months, the Biden administration has been resolute and pragmatic in managing the threats posed by Tehran and its self-described "axis of resistance" in the wake of Israel's war in Gaza. The rapid deployment of American military assets to the region, together with tireless diplomatic engagement by President Joe Biden and a host of senior U.S. officials, have thus far succeeded in averting the wider war that Hamas had hoped to precipitate. And a series of U.S. retaliatory strikes in Iraq, Syria, and Yemen since October have degraded militia capabilities and leadership and signaled to Tehran's partners that they will pay a steep price for continued aggression against Americans. Still, the post-October 7 strategic landscape demands more from both the United States and its allies and partners in the Middle East and beyond.

IRAN'S PROXY NETWORK IN THE MIDDLE EAST

One of the most important elements of Iran's regional and international power projection is its deployment of proxy militias. Over decades, and with only limited effective pushback from regional states or the international community, Tehran has assembled an adaptive, layered network of regional militias with discrete organizational structures and leadership and overlapping interests and ties to Iran's security and religious establishments. This proxy infrastructure has enabled the Islamic Republic to wield significant sway and sow instability across the broader Middle East and beyond, while preserving plausible deniability. Although these relationships are often highly opportunistic, that does not invalidate their utility for either side of the equation; in many respects, it reflects shared preferences for autonomy and self-in-

terest. And the evolutionary nature of Iranian investments in its clients has worked to its advantage, enabling Iran's security establishment to build partnerships of enduring strategic value.

Over four decades, militant proxy groups have become a core component of the Islamic Republic's regional and international strategy, which relies on asymmetric warfare to gain leverage against more powerful adversaries, including and especially the United States. In seeking to entrench its own influence at the expense of its adversaries, Iran's power projection via proxies is purposeful rather than wanton, conscious of the balance of costs and benefits, determined to exploit openings or weakness, inventive in its implementation, and wide ranging in scope. Iran's access has been boosted by the elimination of its historic competitors among the radical camp in the Middle East. As deep pocketed dictators with Saddam Hussein and Moammar Gaddafi were eliminated from the scene, the Islamic Republic has become one of the only games in town.

Tehran's operational governance of its proxies has proven versatile and dynamic, utilizing umbrella groups and joint operation rooms to coalesce and direct diverse factions, while at other times fragmenting existing groups as a means of maintaining its sway.² While Iran's provision of funding as well as materiel support has long been a central dimension of sustaining its relationships with individual militias, increasingly, Tehran is equipped to transfer not just weaponry, but the means of production and modification to enable independent manufacturing as well. Any risks of obsolescence seem to be outweighed by the opportunity to build redundancy of supply, seed innovation, and enhance deniability.³

A brief review of Iran's "shadow army" will focus on its most prominent and effective components—Hezbollah in Lebanon, Palestine Islamic Jihad and Hamas, the panoply of Iraqi Shia militias, and the Houthis in Yemen. These groups have emerged as the most powerful nodes of Iran's militia network, but they represent only a small minority of the multitude of groups across the world that Tehran has patronized over the past 45 years.

Iran's proxy network emerged organically from the transnational operational and ideational networks that facilitated the 1979 revolution. From the inception of the Islamic Republic, its leadership has harbored expansive ambitions. The ideology that shaped Iran's post-revolutionary state was explicitly universalist, and its first leader, Ayatollah Ruhollah Khomeini, maintained that exporting the revolution was necessary for its survival, arguing that "(i)f we remain in an enclosed environment we shall definitely face defeat."⁴ Determined to spark a wider wave of upheavals, its leaders developed an infrastructure dedicated to toppling the status quo across the Muslim world through proxy groups, Islamist propaganda, and instrumental use of extraterritorial violence. To extend the regime's vision of an Islamic order, Tehran sought to subvert its neighbors through attempted coups, assassinations, and bombings.

Despite wide ranging efforts, the anticipated revolutionary wave failed to materialize. Still, the Islamic Republic's early investments yielded one enduring asset—the Lebanese Shia militia Hezbollah. Iran's Islamic Revolutionary Guard Corps (IRGC) played a foundational role in forging the organization after the 1982 Israeli invasion of Lebanon, building on communal and clerical ties between the two states, as well as collaboration among militants during the 1970s. Hezbollah's long and bloody track record includes a devastating series of suicide bombings in 1983 and 1984 that targeted American and French government facilities in Lebanon, as well as kidnappings, hijackings, as well as actions further afield, such as the 1994 bombing of a Jewish cultural center in Argentina and the 2012 suicide bombing that killed 5 Israeli tourists in Bulgaria. It has fought and survived multiple wars with Israel, maintains tens of thousands of active fighters, and with Tehran's help has amassed a massive arsenal estimated to include 150,000 rockets and missiles, mostly short range and unguided, as well as drones, precision missiles, anti-tank, anti-aircraft, and anti-ship missiles.⁵

Through its political wing, Hezbollah has insinuated itself firmly in the fraught Lebanese government, with members serving in parliament and in the cabinet. This political role has not tempered the group's reliance on coercion; several Hezbollah members have been convicted in the 2005 assassination of former Lebanese prime minister Rafiq Hariri.

Today, Hezbollah is the jewel in the crown of the Iranian proxy network; as Maj. Gen. Aharon Haliva, who heads Israeli military intelligence, has noted, "for a while now Hezbollah has not been a proxy of Iran; it is an inseparable part of the decisionmaking process in Tehran ... It is no longer a discussion of whether Hezbollah is the defender of Lebanon, the defender of the Shiites, or the defender of Iran and just one part of the axis. *It is the axis.*"⁶ [Emphasis added.] Its ideological affinity with Tehran is unique, its commitment to "resistance" unyielding, and it proved cen-

tral to the Islamic Republic's existential struggle to sustain Bashar Assad's regime after the eruption of the Syrian civil war. That conflict elevated Hezbollah to first among equals, working closely with the IRGC to provide training and coordination among a wider transnational network of Shia militias from Iraq, Afghanistan, Pakistan, and Yemen.

Tehran's deep involvement in Lebanon also provided the springboard for its patronage of various Palestinian groups, which also built on extensive pre-revolutionary interactions. The Palestinian issue has always loomed large for the Islamic Republic's leadership, but historically, their inroads with Palestinian groups have been limited by sectarian and doctrinal differences, as well as by Yasser Arafat's embrace of Tehran's mortal enemy, Iraqi leader Saddam Hussein. One key exception to that estrangement was Palestine Islamic Jihad (PIJ), a small Sunni group that fused Muslim Brotherhood doctrine with an affinity for the Iranian revolution. Embraced by the IRGC, Islamic Jihad's commitment to militancy made it a valuable partner for Tehran in its efforts to sabotage U.S. led efforts to advance peace between Israelis and Palestinians.

In its outreach to the Palestinians, Tehran has consistently sought to court Hamas, which emerged in the 1980s as the most influential opponent of Palestinian-Israeli peacemaking. With strong roots in the Muslim Brotherhood movement, Hamas leaders traditionally kept Tehran at greater distance than PIJ, although they too were receptive to Iranian funding and arms supplies. But the relationship shifted in the mid-2000s, with the assassination of the group's founder, the fallout from the war in Lebanon, and the Hamas victory in Palestinian parliamentary elections and subsequent seizure of control in Gaza. Munitions, training, and suitcases full of cash began flowing from Tehran to Hamas.

A few years later, as Iran mobilized Shia groups from across the region to fight on behalf of Bashar Assad, its relations with both Hamas and PIJ would once again become strained. But the frictions were soon repaired and by 2018, Hamas leader Yahyah Sinwar lauded Hamas's "strong, powerful and warm" ties with Iran and boasted that "we have excellent relations with our brothers in Hezbollah ... We work together and coordinate and are in touch on an almost daily basis."⁷ In particular, Iranian backing facilitated the very capabilities that enabled the October 7 attacks, as well as Hamas's stockpile of thousands of rockets utilized on that terrible day and persisting still. In turn, both PIJ and Hamas have enabled the proliferation of violent resistance among Palestinians, nurturing smaller affiliated cells of violent rejectionists.

A key factor in the convergence over the past 15 years among a diverse array of Iraqi Shia militias under Iranian coordination was the 2003 U.S. invasion of Iraq, which eliminated its longtime Baathist government and unleashed waves of violent insurgency that mobilized both Shia and Sunni extremists. Tehran was well situated for this transition; since Baghdad's 1980 invasion of the fledgling revolutionary state, Iranian leaders had cultivated Iraqi Shia opponents of Saddam through the Supreme Council for the Islamic Revolution in Iraq and its military wing, the Badr Corps.

The underlying pragmatism of Iran's leadership worked to its advantage, as its initial allies cooperated closely with Washington in the run up to and in the years after the invasion. Still, Iran's partners were steadily eclipsed as a political and military force in post-Saddam Iraq by an array of other paramilitaries. The militias initially flexed their muscles to provide security in the post-war vacuum; many quickly aligned with Iran to undermine U.S. dominance and eventually to contest Sunni extremists, including the Islamic State. Tehran developed powerful operational and financial relationships with a wide variety of Iraqi militias, which continue to have outsized influence on the political, economic, and security trajectory of the state.

The most recent addition to Iran's militia lineup is Ansar Allah, more commonly known as the Houthi movement, in Yemen. The Houthis, a Zaydi Shia group, launched an insurgency against Yemen's government nearly 20 years ago, and have been fighting against internal and regional adversaries ever since. In 2015, Saudi Arabia launched a military intervention, with cooperation from its regional partners in the Gulf as well as the United States. The operation failed to unify the country or restrain the Houthis, but precipitated a horrific humanitarian crisis in Yemen, as well as the deepening of Iranian support to the insurgents. Over subsequent years, it became clear that the Houthis had developed sophisticated capabilities to strike civilian infrastructure. Since the 2022 cease fire, hostilities remained at a low ebb, but a lasting political settlement proved elusive, and Iran continued to provide lethal support to the Houthis, including ballistic and cruise missiles, sea mines, UAVs, and unmanned marine vehicles.

IRAN BACKED MILITIAS AND U.S. RESPONSES SINCE OCTOBER 7

For the Islamic Republic's leadership, the October 7 attacks and the war in Gaza provides an opportunity for to advance its long cherished goal of crippling its most formidable regional foe. Iran's supreme leader, Ayatollah Ali Khamenei, has never wavered in his feverish antagonism toward the United States and Israel. He and those around him are profoundly convinced of American immorality, greed, and wickedness; they revile Israel and clamor for its destruction, as part of the ultimate triumph of the Islamic world over what they see as a declining West and illegitimate Israel.

The attacks on Israel and the subsequent Israeli military campaign in Gaza have served several important Iranian objectives—elevating Tehran's stature as a regional interlocutor and heavyweight; emboldening its proxy network; blocking nascent efforts to achieve formal normalization between Israel and Saudi Arabia, which would have further isolated Iran; and weakening its adversaries, especially Israel which was left with little choice but to embark on a ferocious offensive that has resulted in immense civilian casualties in Gaza and inflicted damage on its international standing. And Tehran and its proxies sensed an opportunity to seize the initiative and test the spine of U.S. leaders in the face of an unanticipated crisis.

The Iranian leadership has exulted in Israelis' terror and grief and exploited the immense suffering of Palestinian civilians trapped in Gaza in a bid to elevate the Islamic regime as a key regional power broker. In October 2023, Saudi Crown Prince Mohammad bin Salman placed his first ever phone call to Iranian president Ibrahim Raisi, who later participated in a regional summit in Riyadh the following month. Other Iranian officials, including Foreign Minister Hossein Amir Abdollahian, have shuttled around the region and the world, posturing as a peacemaker and honest broker even as the regime maintains full-throated support for Hamas and continues to stoke the flames of instability across the region.

At the same time, Iran's network of proxies quickly and significantly ramped up hostile activity targeting Israel directly as well as U.S. presence in the region. Predictably, Hezbollah was the first to join the fight, with a barrage of rockets, missiles, and drones from across the border in Lebanon, aimed at Israeli military and civilian infrastructure. Over the course of subsequent weeks, Iraqi militias began targeting U.S. forces scattered across Iraq, Syria, and Jordan, with at least 170 missiles, rockets, and drone strikes. The third front emerged from Yemen, with initial attempts by the Houthis to strike Israel directly with ballistic and cruise missiles as well as drones. By late November 2023, the group had shifted its focus closer to home, mounting a series of sophisticated attacks against commercial shipping in the Red Sea that have forced more than 540 ships to reroute at considerable additional time and expense.

The Biden administration has engaged in active defense, utilizing both military and diplomatic tools to contain or dissuade the extension of the conflict beyond Gaza. The earliest U.S. steps, including the dispatch of two battle carrier groups to the region and high level official engagement, signaled the strength of American resolve, and together with a steady tempo of Israeli airstrikes in Lebanon, prevented the expansion of a full-fledged conflict on Israel's northern front. The administration's intense efforts to secure an agreement that would enforce the terms of past United Nations Security Council resolutions and ensure the redeployment of Hezbollah north of the Litani River remain a critical aspect of averting further escalation and enabling some semblance of normal life to resume in northern Israel.

To counter Iran-backed militias, the U.S. has struck more than 100 targets in Iraq and Syria associated with the Revolutionary Guard and its assets in those countries since late October. And to address the ongoing threats posed by the Houthis in the Red Sea, the Pentagon has stepped up efforts to intercept Iran's supplies of advanced weapons to the Houthis and launched two new initiatives aimed at blunting the region—Operation Prosperity Guardian,⁸ a multinational security mission intended to protect safe transit through the Red Sea, and Operation Poseidon Archer, an operation led by U.S. Central Command to degrade the Houthis' strike capabilities. The administration has also resumed the designation of the Houthis as a Specially Designated Global Terrorist Organization, and reportedly launched a cyberattack against Iranian ships that have helped facilitate the Houthi attacks.

THE PATH FORWARD ON IRAN AND ITS PROXIES

The Biden administration's use of force against Iran's proxies appears to be having a salutary effect on the crisis, with some early evidence that individual militias may have been weakened and that attacks emanating from Iraq have slowed and/or halted altogether.⁹ And more broadly, deterrence is working, at least in fore-

stalling the eruption of a wider war. Still, the tenacity and adaptability of Iran's various militias is prodigious and time tested, and the weapons at their disposal are relatively plentiful and inexpensive, especially as compared to the costs entailed in shooting them down. So Washington must remain vigilant.

But it is also clear that the use of force alone will not eliminate the threat posed by Tehran or its militia network, and overreach or overreliance on military instruments could undermine the ultimate objectives of U.S. policy in the region and elsewhere. Even a spectacular U.S. strike, such as the January 2020 assassination of Qods Force commander Qasem Soleimani along with a key Shia militia leader in Iraq, has had relatively limited long term impact on the strength, durability, or efficacy of Iran's "axis of resistance."

For Tehran, the prospective advantages for its regional aggression are huge. Iran doesn't actually have to achieve anything; chaos and pressure on Israel and the United States will itself constitute a victory. By contrast, the stakes for American success are high. With their attacks, Iranian leaders seek to precipitate U.S. mistakes. Historically, its most valuable openings have come as a result of missteps by the United States and our regional partners, such as the 2003 U.S. invasion of Iraq and the 2018 withdrawal from the Joint Comprehensive Plan of Action.

Together with our regional partners, Washington must begin planning meticulously for the day after the war in Gaza. It will be critical to ensuring that civilian authorities that are independent of Hamas and other Iran backed militias are resourced to undertake the reconstruction effort effectively and quickly. In the aftermath of the 2006 war in Lebanon, Iranian aid enabled Hezbollah to snatch victory from the jaws of defeat and outmaneuver the Lebanese government with almost instantaneous compensation and rebuilding programs.¹⁰ While U.S. led diplomatic efforts to coalesce leaders in the Gulf around post-war plans for Gaza's governance and reconstruction have been underway for some time, the obstacles to effective implementation remain staggeringly high.

In addition, the United States must craft and execute a new strategy that addresses the totality of the challenges Iran poses to its neighbors and the world. The assumptions underlying Obama era diplomacy toward Tehran—a conviction that the Islamic Republic could be persuaded to accept pragmatic compromises that served its country's interests—are no longer credible. Today's Iranian leaders have assessed that the strategic landscape incentivizes a more aggressive posture and an embrace of the authoritarian alternatives to the West. In turn, they have reverted to the regime's foundational premise, a determination to upend the regional order by any means necessary. We can contest and contain the Islamic Republic's most dangerous policies, and in doing so create time and space for Iran's century old movement for representative democracy to gain strength.

This can and should be a bipartisan effort. The past decade has witnessed an immensely problematic polarization of the debate around Iran policy, both here in Washington and around the country. I've had the privilege to work with Republican and Democratic administrations on Iran, and there is substantial alignment around the nature of the Iranian threat and the most effective tools for countering Tehran's malign policies among the American people and their representatives and leaders across both sides of the aisle. Unfortunately, it is also evident that the fierce disagreements in Washington have at times stymied opportunities to enhance our deterrence.

We need not go it alone, and the U.S. military response in the Red Sea is a reminder that investments in coalition building require time and energy to germinate and mature. But the crisis in the Middle East has laid bare several hard truths. Like it or not, the United States remains an indispensable player in the Middle East, despite a dubious track record of limited success in the region over the past several decades. However, no other world power can surge military and diplomatic capacity to help manage a spiraling conflict to avoid the worst outcomes. And even if Americans are weary of the military, economic, and human toll of our commitment there, standing by our allies—even when that requires a careful balance of support and restraint—and preserving access to the energy that, at least for now, remains vital to the world economy requires that commitment and readiness. Several American Presidents have hoped to downsize our role in the Middle East on the cheap in order to focus on Russia's urgent threat and China's pacing challenge. Instead, Americans will have generate the fortitude to lead on both, while also endeavoring to extinguish a dangerous fire in the Middle East and construct the diplomatic pathway that can enable the region to navigate toward a more peaceful and prosperous future.

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The CHAIRMAN. Thank you for your testimony.
Mr. Hook.

STATEMENT OF THE HON. BRIAN H. HOOK, FORMER SPECIAL REPRESENTATIVE FOR IRAN AND SENIOR POLICY ADVISOR TO THE SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. HOOK. Chairman Cardin and Ranking Member Risch, distinguished members of this committee, thank you for inviting me to testify.

I was last here in 2019, as Senator Cardin noted, and here we are 5 years later, and so this is a good opportunity to share some reflections on where we are.

In 2019 I explained that our Iran strategy had three objectives, and that is to deny the regime the revenue it needs to fund its proxies. We did that through oil and banking sanctions principally.

We defended our interests with the credible threat of defensive military force, but we also kept the lines open for diplomacy and engagement. To achieve that first objective of denying Iran the revenue it needs to fund its proxies, we vigorously enforced the oil

sanctions, and we reduced Iran's oil exports by more than 80 percent.

We did that while holding energy prices steady for American families. My office created an interagency team that tracked and countered Iran's oil sanctions evasion, and Secretary Pompeo and I tracked these numbers on a daily basis.

The regime lost \$30 billion per year as a result. President Rouhani said that our sanctions cost the regime over \$200 billion.

Now, why does Iran's oil matter? Iran spends its oil revenue on proxies who then kill and terrorize American troops. As Iran's funds dried up during our Administration, so too did the money to its proxies.

In 2019 Hezbollah's leader, Hassan Nasrallah, publicly appealed for donations for the first time ever. Hezbollah officials told the *Washington Post* that their fighters are being furloughed, withdrawn from Syria, and having their pay cut.

In 2019 Iran proposed a 28 percent cut to its defense budget—a 28 percent cut to its defense budget—because of our sanctions. During the Iran nuclear deal, Iran's defense budget achieved record highs.

I believe that an Iran strategy without the goal of zero oil exports is not an effective strategy. The proxies that are the subject of this hearing all bank at the same address. It is in Tehran.

That bank's deposits depend on oil revenue, and as the leader of Hezbollah said in 2016, as long as Iran has money, we have money.

So to achieve our second objective of deterrence when American interests abroad were threatened by Iran and its proxies, and we did not make a distinction between Iran and its proxies, we responded with targeted force.

President Trump, supported by a unanimous national security cabinet, took Iran's most dangerous terrorist off the battlefield, Qasem Soleimani, when he was plotting to kill Americans in the region.

The regime understood very clearly that we would always take decisive action when we are faced with credible threats to American lives.

Now, looking to the present I think this Administration has shown how quickly deterrence can be lost, and how rapidly diplomatic leverage can be lost, and how swiftly a region can slide from stability into chaos.

Part of this is because the U.S. sanctions on oil are, largely, unenforced. Exports have increased—oil exports have increased by almost 80 percent.

This has netted the regime, as Senator Risch mentioned, this has netted the regime as much as \$90 billion in revenue. That is since February 2021.

On top of this, some of the deals that the Biden administration has negotiated with Iran have unfrozen billions more with \$6 billion in funds sitting in Qatari banks, and as much as \$10 billion in accessible funds sitting in Oman.

A recent poll shows that a plurality of the American people believe that President Biden has not been aggressive enough in his dealings with Iran.

I believe that Iran knows that it can safely expand its axis of resistance because of the Biden administration's deep aversion to defensive military action.

The Biden administration deescalates to deescalate. The Iranian regime thrives under this strategy. American troops do not. They have been attacked 165 times by Iranian proxies since October, and the United States has responded 11 times.

This imbalance is untenable. Directly or indirectly through its proxies Iran has attacked the United States, Israel, Saudi Arabia, UAE, Pakistan, Jordan, Bahrain, and Iraq.

In the Red Sea the Houthis are using Iranian missiles, rockets, and training and intelligence to bring international shipping to a grind. Our military response to 45 Houthi attacks has failed to achieve deterrence.

The Iran policy of the United States over many administrations has a lot of facets. It should not be over simplified. I think people can be very dogmatic on this subject. A lot of slogans do not get us very far.

I have tried to present a respectful critique of the Biden administration's approach to Iran. I think that we share a lot if not all of the same objectives, but I do not think the Administration has calibrated its means to achieve its ends, and I think members of this committee can help lead the way in regime accountability.

There are several good bills before this committee to accomplish this. The bipartisan SHIP Act has more than 36 bipartisan co-sponsors. This bill would target Iran's illicit oil trade with new sanctions on foreign ports and refineries.

There was a companion bill that passed the House in November with 133 Democrats voting in favor. There is another measure, the End Iranian Terrorism Act, which was recently introduced by Senator Risch.

I think it is a smart approach to target Iran's illegal oil smuggling to China. That is, Chinese imports make up the majority of Iran's illicit exports, a number that was as high as 1.5 million barrels per day. It will creep up to 2 million.

I think on the subject of Iran both sides of the aisle agree on more than they disagree. Listening to Chairman Cardin and Ranking Member Risch, there is so much that we agree on, and I think that is the foundation of a very good and sound Iran policy.

I think Republicans and Democrats are very clear eyed about the threats that we face, and I think Congress uniting to send a very clear message and helping the Biden administration match its means and ends is the right and responsible course of action on our foreign policy.

Thank you.

[The prepared statement of Mr. Hook follows:]

Prepared Statement of Mr. Brian H. Hook

Chairman Cardin, Ranking Member Risch, distinguished members of the committee, thank you for inviting me to testify. I previously spoke before this committee in 2019 as the U.S. Special Representative for Iran, and I am honored by the opportunity today to share my reflections more than 5 years later.

In 2019, I explained our Iran strategy had three objectives: Deny the regime revenue for its proxies through oil and banking sanctions, defend our interests with the credible threat of military force, and keep the lines open for diplomacy.

To achieve our first objective, we vigorously enforced oil sanctions and reduced Iran's oil exports by more than 80 percent, while holding energy prices steady for American families. My office created an interagency team to counter Iran's sanctions evasion. Secretary Pompeo and I tracked oil sanctions metrics on a daily basis. The regime lost well over \$30 billion per year as a result. President Rouhani said that our sanctions cost the regime \$200 billion.

Why does Iran's oil matter? Iran spends its oil revenue on its proxies who then kill and terrorize American troops. As Iran's funds dried up under our Administration, so too did the money to its proxies. One fighter in Syria complained to the New York Times, that "the golden days are gone and will never return—Iran doesn't have enough money to give us," he said. In 2019, Iran proposed a 28 percent cut to its defense budget because of our sanctions.

An Iran strategy without a goal of zero oil exports is fundamentally unserious. The proxies that are the subject of this hearing all bank at the same address: Tehran. That bank's deposits depend on oil revenue.

To achieve our second objective of deterrence, when American interests abroad were threatened by Iran and its proxies, we responded with targeted force. President Trump, supported by his national security cabinet, took Iran's most dangerous terrorist off the battlefield, stopping Qassem Soleimani as he plotted to kill Americans in the region. The regime understood we would always take decisive action when faced with credible threats to American lives.

Turning to the present, the Biden administration has shown how quickly deterrence can be lost, how rapidly diplomatic leverage can be squandered, and how swiftly a region can slide from stability into chaos.

Today, U.S. sanctions on Iran's oil exports are largely unenforced. Exports have increased by more than 80 percent. This has netted the regime as much as \$100 billion in revenue since February 2021. Lobsided deals negotiated by the Biden administration with Iran have unfrozen billions more, with \$6 billion in funds now sitting in Qatari banks and as much as \$10 billion in accessible funds in Oman.

It is obvious to me and to a plurality of the American people that President Biden has not been aggressive enough in his dealings with Iran. Iran knows it can safely expand its axis of resistance because of the Biden administration's immense aversion to defensive military action. The Biden administration deescalates to deescalate. The Iranian regime thrives under this strategy. American troops do not. They have been attacked over 200 times by Iranian proxies during the Biden presidency.

Directly or indirectly through its proxies, Iran has attacked the United States, Israel, Saudi Arabia, UAE, Pakistan, Jordan, Bahrain, and Iraq.

In the Red Sea, the Houthis are using Iranian missiles, rockets, training, and intelligence to bring international shipping through the Bab-Al-Mandeb to a grind. Their latest adventure at our expense is cutting subsea cables. Our military response to 45 Houthi attacks has failed to achieve deterrence.

The Biden administration's policy of diplomacy without pressure, of talks without the credible threat of military force is failing. We simply cannot lower the costs of Iran's violent extremism and expect to see less of it—we will only get more.

Admittedly, Iran policy has many facets and should not be oversimplified. Dogma and tired slogans will not get us anywhere. I have endeavored to present a respectful critique of this Administration's approach to Iran. Members of this committee can help lead the way in restoring accountability to the Iranian regime.

There are several good bills before this committee to accomplish this. The bipartisan SHIP Act, introduced by Senators Rubio and Hassan, has more than 36 bipartisan cosponsors. This bill would target Iran's illicit oil trade with a raft of new sanctions on foreign ports and refineries. A companion bill passed the House in November. 133 Democrats joined 209 Republicans to pass the bill. America's Iran policy can truly be bipartisan.

Another measure, the End Iranian Terrorism Act, was recently introduced by Senator Risch. It is a smart approach to target Iran's illegal oil smuggling to China, which today makes up the majority of Iran's illicit exports, a number that was as high as 1.5 million barrels per day in 2023.

When it comes to Iran, both sides of the aisle agree on more than they disagree. Republicans and Democrats are clear eyed about the threats we and our allies face. Congress should unite to send a message to Tehran that its terrorism comes at a significant cost. This is the right and responsible course of action.

I thank you again for the opportunity to testify before you, and I look forward to your questions.

The CHAIRMAN. Thank you for your testimony.
We will now have 5-minute rounds.

Dr. Maloney, I want to start with your assessment as to what Iran's strategies are about in regards to its proxies and whether there has been a shift during the last 4 months on the Iranian strategies.

We saw the loss of U.S. servicemen in regards to the proxy attacks. The U.S. responded and that response has resulted in a significant reduction in the militias' attacks against U.S. interests.

My question to you is we see concerns with this tit for tat in the northern border of Israel with Hezbollah, but it has prevented the civilian populations from being able to live safely in that region on both sides of the border.

How much control does Iran have over the activities of Hezbollah in regards to these attacks that are preventing the civilian populations from being able to live in that region?

Yes, they have not invaded Israel but it is certainly disruptive to the civilian population. We know that the Houthis in the Red Sea are creating havoc with the commercial shipping.

We have a international coalition that is—the targets are not Israel. The targets are international, and we have an international coalition that is responding to that. How much is Iran encouraging those types of activities, and has their strategy changed during the last 4 months?

So I would like to get an understanding as to what Iran's game plan is here. We have been told they do not want to get into direct conflict, but they certainly are enabling a significant amount of challenges in the region that could escalate the conflict.

Dr. MALONEY. Thank you, Mr. Chairman.

I think you have characterized Iran's behavior and its motivations very accurately. Ultimately, what the Iranians are looking to do is to try to drive the United States out of the region. That has been their goal since 1979, and it has not wavered.

But they adapt over time, they look for opportunities, and they often try to test the resolve of the American leadership, and so what we have seen since October 7 is the Iranians stepping up the tempo in hopes of creating more pressure from within the United States to pull American troops out of those places where they are currently stationed.

They have also sought to try to further delegitimize Israel and to put additional pressure on Israel and to create doubt within the Israeli public.

They watch very closely the domestic politics, and they are seeking to take advantage of that as well. I think they recognize that they are outmatched by the United States and by Israel and so that they are very hesitant to get into a direct conflict.

But they will push the envelope because they presume that our willingness to push back is less than theirs, and our willingness to take risks is less than theirs.

With respect to Hezbollah and the Houthis they have very long-standing and organic relationships. They are not puppets of Iran by any stretch of the imagination.

They have a considerable amount of strategic autonomy, but they also have shared interests, and I think that there is nothing that Hezbollah nor the Houthis have done that is in any way opposed to what the Iranians would like them to be doing.

It has been successful to date. I think in terms of how to secure the northern border of Israel the diplomacy that Amos Hochstein is engaged in is the best prospect that we have to try to enforce the U.N. Security Council resolutions.

The CHAIRMAN. In regards to that, that is an area of immediate interest because he is trying to get Hezbollah to pull back and have a safe zone so that the civilian populations can return to the border areas.

How much is Iran influencing those decisions by Hezbollah as to whether to respond to the actions to get them to move off the border, recognizing that Israel at any time could be taking kinetic action on their own?

Dr. MALONEY. Well, Iran has an interest in trying to preserve Hezbollah as a deterrent against any future Israeli action against Iran's nuclear program, and so I think that is why Hezbollah has been both reluctant to get too far into the fight as well as at least somewhat open to diplomacy under the current circumstances.

Pulling Hezbollah back from the border has been a requirement since the 2006 war. They have not respected it. The international community has not enforced it, and if we are able to do so through diplomacy then we have a better prospect of ensuring that Israel does not face the same level of devastating attacks from the north.

The CHAIRMAN. Thank you.

Senator Risch.

Senator RISCH. Thank you very much, Mr. Chairman.

Mr. Hook, first of all, let me say yours and Secretary Pompeo's efforts against Iran are legendary, and of course, thus you are suffering the consequences of it today with threats against you and your family.

It is hard for me to sit here and believe that a country all the way around the world and the nature Iran is that they can actually deliver threats to you and your family here in the United States, which is just a despicable act. So thank you for your service, and thank you for what you have done.

Let me ask, as you pointed out things have changed dramatically in the last 3 years, and with all of the money that is flowing into Iran now, are you surprised at all that they are firing up the proxies to do the kinds of things that they are doing?

Mr. HOOK. I had hoped in light of the hand that the Biden administration inherited that there would be sort of a greater continuity of peace. In the last 4 months of the Administration we negotiated—in the last 5 months we negotiated four peace deals between Israel and Arab nations.

I think that we had put Iran in a very defensive position, and we were a very good friend to our partners, and we were very tough on the Iranian regime.

I think that is a winning formula for the region, and I think that the United States over the last 20 something years has struggled to find the right calibration, the right—get the pendulum somewhere in the right place, and I think this Administration inherited a pretty good hand.

I think they put all of their focus on getting back into the Iran nuclear deal, and as a consequence of that they wanted to create,

I think, positive negotiating atmospherics for that, and that meant relaxing all of the oil sanctions that we had so vigorously enforced.

And I think it also meant looking the other way on a lot of Iranian aggression. In light of the understandable objective to deal with the nuclear problem, that is number one. That is the biggest problem that we face.

Proxies are secondary. I think my view on the Iranian regime is that you are more likely to get the deal you want with crippling sanctions, and that if you create this sort of positive environment Iran is going to play cat and mouse with you for as long as you will let them.

And then I think at some point the Administration sort of figured out that they were not going to be able to get back into the Iran deal. There has been some increase in sanctions.

I think the Administration should have announced that talks are dead. By always leaving that door open I think it prevents them from doing the necessary things on oil and banking sanctions that would dry up the revenue for Iran and its proxies.

Hamas receives 93 percent of its finances from Iran. Hezbollah receives 70 percent. Iran is—the first check that Hamas was written was in 1992 when Yasser Arafat said that the Iranian regime gave them \$30 million. In a very short time that number went up to \$100 million, then to \$300 million.

And they have trained thousands of fighters. The IRGC has done that. Money is the sinews of war. Iran understands that. If you do not go after the money, it is just not a serious strategy.

Senator RISCH. Well, I appreciate that. Has anybody from the current Administration consulted with you after you left, your thoughts as to how we might achieve what I think is the goal, as you noted, of everybody on this committee and should be everybody in this Administration and the last Administration?

Has anybody talked to you about how they could ratchet up their efforts to match what you guys were doing in the last Administration?

Mr. HOOK. There was one meeting I had that was suggested by a friend, and I do not want to say who that was but it was a senior person in the Administration, and we got together and had dinner and talked about it. So there was one occasion.

Senator RISCH. Thank you.

My time is almost up.

But Ms. Maloney, I wanted to touch bases with you on something. On your website there is a quote from you saying that we have a rare opportunity with Iran and that is an Iranian consensus on the benefits of engagement with the U.S.

My feeling is your thoughts have evolved on this to maybe a little different position than what is stated there, but it does not indicate when you had those thoughts. Has your thinking evolved on this?

Dr. MALONEY. Yes. I think that there was a period in time in which negotiations with Iran proved that they could be fruitful in terms of getting concessions on real security risks that we have with respect to the regime.

I think that time is now firmly over. The current leadership within Iran has no interest in making concessions to the United States.

Much of that has to do with the changes in the international environment since that time, their very close relationship with Russia, and the increasing reliance on China as an economic partner.

Those were not the conditions that were in place at the time of the negotiation of the 2015 nuclear deal. At that time we had consensus from both the Russians and the Chinese as well as the wider international community on the need to apply pressure to Iran in order to achieve these concessions.

We no longer have that international consensus. It is a much harder row to hoe.

Senator RISCH. So are you now in agreement with those of us who believe that we need to turn the screw really, really tight if we are going to get something done?

Dr. MALONEY. I believe that pressure will achieve results with respect to Iran. I think that it is more difficult because it does invoke other interests.

We should be working with the Chinese to try to persuade them that it is not in their interest to see a wider conflict in the Middle East, and that Iran is a bad actor and not a useful partner.

But we have many other interests with respect to the Chinese, and I understand why the Biden administration was reluctant to try to go after Chinese firms as aggressively as it should have in order to try to achieve those results.

I think, again, in the situation that we are in today it makes very good sense to try to continue to reduce Iran's oil exports and its revenues.

Senator RISCH. Thank you.

My time is up.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator—

Senator RISCH. Before we do that, I would ask unanimous consent to—we have a letter from a group, United Against a Nuclear Iran, which I think is pretty instructive. I would like to include that.

The CHAIRMAN. Without objection, that will be included in the record.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

The CHAIRMAN. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Would it be fair to say that without Iran's financing, without its missile supplies, without its strategic support, that Iran's proxies either would not exist, at least not as they are today, or would not have the reach and ability that they have today?

Mr. HOOK. Who would you like—

Senator MENENDEZ. Both of you, actually.

Mr. HOOK. Suzanne.

Dr. MALONEY. Absolutely yes.

Mr. HOOK. Yes.

Senator MENENDEZ. OK. So then if that is the case and reading from Dr. Maloney's written testimony where she says the assumptions underlying Obama era diplomacy toward Tehran, a conviction that the Islamic Republic could be persuaded to accept pragmatic

compromises that served its country's interests, are no longer credible.

And if that is the case, and I believe I agree with your assessment, then the question of the financing, which has been a big part of Mr. Hook's testimony, I think is incredibly important.

The reality is that if Iran is dramatically curtailed in its flow of revenue, it has domestic consequences in terms of those who wish to see a change in their own country, and we have seen elements of that which had been snuffed out and which the world has largely not embraced to try to create such peaceful change, and at the same time it fuels its missile technology with the end of U.N. Security Council resolutions this past October and it provides the resources and the missiles to its proxies, and of course, of late providing drone technology to the Russians in the war in Ukraine as well as continues to fuel its nuclear program for which it has failed to meet to the IAEA safeguards and standards and inspection requirements.

We know less today, at least through the IAEA, than we did before. So all of that brings to my mind, and taking the last point you made, Dr. Maloney, about China, I think the Chinese have shown that they are happy to see conflict in the world, because if they did not, they would do something differently in supporting Russia in Ukraine.

Conflict for the Chinese, especially when the West is involved in that conflict, inures to their benefit, and I wish that they saw it as a global power to be part of an international order that would seek to avoid conflict.

But I believe the Chinese—I believe Xi Jinping—has a different view. If that is the case is it not time to do two things, one, internationalize—get our allies who were resistant to joining us on a sanctions regime to now multilateralize those sanctions, and two, to ratchet up those sanctions dramatically in terms of enforcement including—including—toward the Chinese? Because that is the biggest spigot by which Iran is receiving huge amounts of money.

Mr. Hook.

Mr. HOOK. Senator, I fully agree with everything you said.

Senator MENENDEZ. You can stop there.

[Laughter.]

Senator MENENDEZ. I am just kidding. We have to have a little humor here at times. Go ahead. I am sorry.

Mr. HOOK. It would be good if we could multilateralize the sanctions. The problem is that if we go to New York to the U.N. Security Council, China and Russia will veto that.

Senator MENENDEZ. Without looking through U.N. because that is not going to fly.

Mr. HOOK. Right. So I think it has to be done bilaterally, and that is something that was a huge focus for me. When I was in office building a coalition of people, we were able to get a number of countries to designate Hezbollah as a foreign terrorist organization.

We worked with Treasury under Secretary Mnuchin. We worked a lot with the Financial Action Task Force in Paris and FATF-imposed sanctions on Iran. We worked with SWIFT. SWIFT de-SWIFTed 33 Iranian banks.

Mahan Air and Iranian Air, they fly all over the world. We worked with airports and governments to stop Iranian planes from landing in other countries.

Senator MENENDEZ. Those are all examples of how you ultimately bite off the flow of money.

Mr. HOOK. I think so. But it has got to be—

Senator MENENDEZ. I would like to get in my last few seconds Dr. Maloney's view on this.

Dr. MALONEY. I think there is far more that we could be doing to enforce our existing sanctions, especially with respect to the oil that flows to China. That is the lifeblood for the Iranian regime, and it has been what has enabled Iran to have the resources to provide to its proxies around the region.

Senator MENENDEZ. And finally, Mr. Chairman, with the expiration of Security Council Resolution 2231 this past October, new restrictions on Iran's ballistic missiles and drones have to be implemented, which is why I introduced the MISSILES Act, and I hope that as the chairman and the ranking member work toward, develop a mutual Iran legislation that the chair will consider that.

Thank you very much.

The CHAIRMAN. Senator Hagerty.

Senator HAGERTY. Thank you, Chairman Cardin.

Mr. Hook, I would like to start with you, and first, I would like to echo the sentiment that was reflected by Ranking Member Risch.

Your service as special envoy was exceptional, and I think a mark of that, unfortunately, is the fact that you have extraordinary threats against your life and your family's life right now.

In fact, I just received reports from the State Department that there remains serious and credible threats against Mr. Hook and his family.

I regret you have to live through this, but I would take it as a badge of honor in terms of the effectiveness of the role that you played.

And I want to talk about the role that you played, and the role that was played in the Trump administration because we took a very different approach than what has been undertaken today.

We moved our embassy to Jerusalem. No war. We acknowledged Israeli sovereignty over the Golan Heights. No war. We withdrew from the JCPOA. No war. We entered the Abraham Accords. No war.

In fact, what happened? Iran felt the pressure. We kept their enrichment below 4 percent. We took the pallets of cash delivered by the Obama administration and Jack Lew himself—we took those pallets of cash to a reserve level below \$8 billion.

Hamas and Hezbollah were widely reported as broke. You mentioned the connection there. Somehow the strategy changed. Three years into this new strategy, where are we? Iran is enriching now greater than 60 percent. Sudan falling into civil war. Israel, on October 7, saw the greatest loss of Jewish lives since the Holocaust.

The Houthis have taken control over shipping in the Red Sea, driving up inflation here, endangering lives around the world, disrupting supply chains. And we have a situation right now where

Iran backed terrorists in Iraq and Syria are attacking U.S. personnel, and they killed three U.S. heroes.

So, Mr. Hook, I would like to ask you what has changed? What has changed in these 3 years?

Mr. HOOK. I think what has changed is a return to the sort of the Obama administration focus on the Iran nuclear deal at the expense of regional stability, and I understand the premise that you need to focus on the biggest threat which is the nuclear piece.

But you cannot relax your vigilance and your deterrence against this regime, and you are more likely to get the deal you want if you take a very strong approach as we did around financial sanctions, credible threat of military force, diplomatic isolation.

And earlier when Senator Menendez asked about alliance building, Senator, when you were our Ambassador to Japan we worked closely—you worked closely with Prime Minister Abe to—Japan has a 60 year relationship history with Iran.

Senator HAGERTY. They were tough discussions, I will tell you.

Mr. HOOK. And while Prime Minister Abe was in Iran, they blew up Iranian oil tankers, and I think that was a wakeup call for the regime—I mean, for the Japanese.

They then started to get on their front foot and impose sanctions, and so I think it is vital to do alliance building in this regard. An Iranian regime with a nuclear weapon dominating the Middle East is in the interest of almost no country in the world.

Senator HAGERTY. I cannot agree with you more. I can tell you the conversations with Prime Minister Abe were quite difficult. He talked about the length—the decades long relationship.

But it was a simple question. You can do business with the United States, or you can do business with Iran, but you cannot do business with both.

And as tough as it was, we got to the right solution, and we did isolate Iran, and we brought their revenues down—their cash reserves down to below \$8 billion. We brought their production down to below 300,000 barrels a day.

And now with another person taking the job, a guy named Rob Malley who is now under Federal investigation, stopped enforcing the sanctions wholeheartedly. What we see now is an Iranian regime with over \$100 billion that have flowed back in.

You mentioned Rouhani talking about the \$200 billion impact that we had with our sanctions. They have gotten more than half of that back with Malley forcing the Administration to look the other way.

It is a disgrace. We have seen the results in the Middle East. We have got to bring Iran back under maximum pressure. I agree with what Senator Menendez said, too. We need to get our allies on board with this.

Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Coons.

Senator COONS. Thank you, Chairman Cardin, Ranking Member Risch, and thank you to our witnesses today.

I have just returned from Lebanon, Jordan, Iraq, Oman, and Israel, where I spent the last week in a variety of meetings. Senator Blumenthal joined me in Israel, Lebanon, and Jordan.

I am very concerned about the increasing malign influence of Iran throughout the region. I think this has been a steadily growing challenge for decades, and more recently the attacks by Iranian proxies throughout the region, again, the Houthis in the Red Sea, Hezbollah into the north of Israel, obviously, the brutal terrorist attack by Hamas and the attacks by militias in Iraq. There have been no more attacks in the last 3 weeks since we took a fairly aggressive and forceful set of strikes against Iranian interests in Iraq and Syria.

But I am concerned by the meetings that I had throughout the region with partners and allies, almost all of whom uniformly said, even those who are gravely concerned, alarmed about the humanitarian crisis in Gaza, still did not want the United States to leave the region.

So we are at a key point in Lebanon. As referenced by the chairman, there is some possibility for a resolution to the Hezbollah challenge in the south of Lebanon. In Iraq there is active negotiations in the higher military commission about the future of the U.S. military presence in Iraq.

Even in Oman, the Switzerland of the Middle East, there is boycotts of American businesses and products and protests in the streets.

If you would both, please, talk to what you think should be our path forward in Iraq. We have been there since 2014 as the leader in many ways of Operation Inherent Resolve, the counter ISIS mission.

There is an active debate following our forceful strikes about our future in Iraq, and I would be interested in your thinking on that and how we can most effectively contain Iran in Iraq.

And I would be interested in how you view the prospects for a better future in Jordan and in Lebanon if we continue to support Israel in its campaign in Gaza, and if there is no change in the current trajectory of the prime minister's strategy with regards to Rafah.

Please, Dr. Maloney first, and then if you would, Mr. Hook.

Dr. MALONEY. I think it is very important that we maintain our presence in Iraq. Obviously, it has come under significant pressure and we have to work closely with the government and ensure that we are not taking steps that in any way undermine the stability of either the government or the overall social and political environment in Iraq.

But we have important interests there in preventing the resurgence of ISIS and in ensuring that we are able to protect both our broader interests across the Middle East by having small force presence in a variety of countries.

So I think it is quite important that we do stay, but that we do it in cooperation with Prime Minister Sudani and with the government there.

In terms of how we look to the future in the region I think that the Biden administration has, in fact, invested an enormous amount of effort in taking forward the Abraham Accords which the prior Administration actually produced and really bringing them to the fruition of seeing a Saudi-Israeli normalization.

That would be an absolute game changer for the region. It would be fundamentally transformative for the politics, for the economy, and for the security scenario. And I think it is a critical piece of the puzzle of moving beyond this terrible conflict that is currently underway in Gaza.

There can be no future unless there is a political and economic horizon for the Palestinian and the Israeli people, one that is based—grounded in real security and opportunity and the only way to achieve that is through this kind of a breakthrough moment.

Senator COONS. Thank you, Dr. Maloney.

Mr. Hook.

Mr. HOOK. I think on the subject of Iraq I mentioned in my testimony the number of attacks since October, but I think you also note, Senator, during this Administration there have been over 250 attacks in Iraq and Syria against American troops, and since October we have responded 11 times.

I think the attacks that we have done are necessary but insufficient. This is defensive military action.

Senator COONS. How would you account for the lack of any attacks in the last 3 weeks?

Mr. HOOK. It is a positive development, but I just think that there is—

Senator COONS. What do you think caused that?

Mr. HOOK. Well, certainly, our attacks, but I think that if we had established deterrence sooner, three Americans who were killed in Jordan may be alive today.

Senator COONS. Having been briefed on the underlying facts of the Tower 22 attack I will simply say it is a little more complicated.

But I am very concerned about the vulnerability of our forces in Iraq and Syria, and I will more broadly agree that I think we have to restore a deterrence against Iran.

Iran is one of the leading human rights violators in the world. The people of Iran deserve a positive path forward, and to Dr. Maloney's point, in conclusion, I could not agree more that if we can find a path toward Israeli-Saudi reconciliation, recognition, that is the most important strategic advance building on the Abraham Accords that we could make.

But the Saudi—the Crown Prince is very clear, there has to be an end to fighting in Gaza and there has to be a path toward Palestinian self-determination. I only hope that the Israeli government can recognize the historic moment that we are at.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Senator Romney.

Senator ROMNEY. Thank you, Mr. Chairman, and thank you to the witnesses for your testimony. It has been most instructive, and I want to join my words with those of others with regards to the threats against Mr. Hook and against others in the prior Administration as a result of taking a brave action to protect American lives by taking out General Soleimani.

It is outrageous, in my view, that the fatwa continues to be heralded by Iran, and how we can have anything other than a most hostile relationship with Iran when that continues is beyond me.

I find it unfortunate that we do not have a member of the Administration here. I would like to understand the logic for their current position, how it may have changed, what their views are for going forward.

It is helpful to hear from experts such as yourselves but you raise questions that really need to be responded to by the current Administration.

I do understand—Mr. Hook, you made the point that given the Administration's interest in getting a renewed discussion on the JCPOA that they want to create a friendly environment, and therefore, soften the oil sanctions to create that environment.

But surely at this point, given what is going on in the Middle East and the attacks by these various proxy groups, the Administration is no longer trying to have a friendly environment with Iran.

But what do you imagine accounts for the fact that we have not dramatically tightened our oil sanctions? I do not understand what the logic could be for not engaging now in crippling sanctions against Iran and their oil revenue.

And I will ask you, Ms. Maloney, first and then—Dr. Maloney, rather—and then Mr. Hook.

Dr. Maloney.

Dr. MALONEY. We do have in place ostensibly crippling sanctions on Iran's oil exports, and as Mr. Hook noted at the outset, they were respected by the international community because of the recognition that it would complicate doing business in the United States.

So it is the power of the reach of the U.S. dollar. Over time the Chinese began to test that resolve, to test those opportunities. They also worked with the Iranians in a very sophisticated set of smuggling and evasion tactics.

The Chinese have companies that are not banked—in any way connected to the U.S. financial system, and so they are less vulnerable to American financial pressure, and over time this has created a vast network that has enabled Iran to export illicitly in violation of current U.S. sanctions without a very easy way for us to impose severe costs on the companies that are in fact importing.

Senator ROMNEY. Thank you.

Mr. Hook.

Mr. HOOK. I had this sort of conversation with countries around the world and is what Senator Hagerty mentioned earlier.

I said that you can either do business with Iran and buy their oil and buy their metals and buy their petrochem, or you can do business with the United States. And any country faced with that choice, it will be the easiest decision they have ever made.

They are going to side with the United States. That is the economic leverage we have that Dr. Maloney mentioned.

I think the Biden administration hesitated to enforce the oil sanctions at a level that they should be until like the summer of 2022 when it became clear that the Iranians were toying with our negotiators.

I think since then, the Biden administration has done some sanctions against WMD proliferators and human rights violators but they have not done it against oil.

They have shown an interest in energy sanctions in the context of Russia, but they need that sort of level of sort of vigor and enforcement in Iran, and that is going to—I mean, look, Iran represents about 3 percent of the world's oil supply, and they—maximum around 2.5 million barrels.

We took them down to 300,000 barrels of oil in about 12 months. Now, China, China is most of it. You have to drive up the costs in the bilateral relationship with China to get that number lower.

That will impose an economic crisis on Iran, and it causes them to start changing their thinking around their proxies and their nuclear program.

Senator ROMNEY. You make the point that China is the major provider of the funds in purchasing the oil from Iran. Cutting off a relationship with China, and saying to China, hey, it is either Iran or us is that what you are proposing saying to China, we will shut you off?

The challenge, of course, is that our economy depends on a lot of things coming from China. So this is—it is one thing to say that to Lebanon or other countries, but to say that to China is a very different matter.

Mr. HOOK. Well, Senator, I remember when I was in office. When we started our oil sanctions after we got out of the Iran nuclear deal—I will just mention when you are in the Iran nuclear deal you cannot touch the oil, and that is an enormous handicap.

And so getting out of the Iran nuclear deal allowed us then to go after the oil revenue, which funds their proxies. And so when we were looking at China and its imports, we did sanction a lot of Chinese banks, but it was not enough, and I think that you can have—there are many aspects to our bilateral relationship with China.

This has to be a big part of it. When we started our oil sanctions the price of Brent crude was 74. We lowered it to 72, even after taking off almost 3 percent of the world's oil supply.

And I worked with oil ministers around the world to increase production to offset the loss of Iranian crude on the global energy markets.

So you can zero out Iran's oil exports and still not have an energy shock if you work with other oil ministers to increase production.

Senator ROMNEY. Mr. Chairman.

The CHAIRMAN. Let me just point out that we did have a classified briefing with the Administration on Iran not too long ago, and we also had the Secretary before the Senate on the Middle East—Secretary of State. So we have had opportunities to hear from the Administration. Admittedly, they were in classified settings.

And let me also point out that there has been no sanctions removal since the Biden administration took office. In fact, there has been additional sanctions that have been imposed. There is an enforcement issue. There is no question about it.

But I do not want to give the impression that there has been any sanction relief given to Iran during the Biden administration.

With that, let me recognize Senator Murphy.

Senator MURPHY. We also had two Administration witnesses before the subcommittee yesterday on this exact topic.

Mr. Hook, I appreciate your service to the country. I believe you are a deep patriot. But frankly, I thought your opening remarks sounded a lot more like a campaign speech for Donald Trump's re-election than a sober analysis of the situation on the ground in the region.

Charitably, they were an attempt to rehabilitate President Trump's Iran policy that was a complete, total failure by every available metric.

I was not coming to this hearing to rehash our policy toward Iran from 2017 to 2020, but I think it is really important to set the record straight. Because if this committee or the American public gets the impression that what President Trump was doing was working and should be brought back as policy going into the future, we are in real trouble.

Here are the facts. When Donald Trump came into office, Iran was over a year from being able to achieve a nuclear weapon. By the time President Trump left office, that breakout time had dropped to months.

When President Trump came to office, proxies of Iran were strong. When he left office, they were just as strong if not stronger.

This idea that Iran stopped sending money to Hezbollah during Trump's presidency is just wrong. Seven hundred million was the annual amount of support delivered to Iran in the middle of Trump's presidency. That is what was being delivered at the end of the presidency.

[EDITOR'S NOTE.—We endeavor to publish accurately the spoken and written words of Senators and witnesses in each hearing published. The paragraph above reflects what Senator Murphy said. The Senator intended to say, "Seven hundred million was the annual amount of support delivered *from* Iran in the middle of Trump's presidency."]

Senator MURPHY. There were no attacks on U.S. forces in Iraq when Donald Trump became President. From 2019 to 2020 attacks on U.S. forces in Iraq increased by 400 percent. It got so bad that Secretary Pompeo started to close down the embassy in Baghdad because it had become so dangerous.

Attacks on U.S. forces raised to epidemic levels from the beginning of Trump's presidency to the end. The anti-Iran coalition was not strengthened. It was shattered.

We had Russia and Iran on board with the JCPOA. By the end of the Trump presidency Europe was not supporting our Iran policy, they were undermining it.

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Senator MURPHY. President Trump's policy toward Iran was a disaster. They got closer to a nuclear weapon. Their proxies did not get any weaker. U.S. troops came under attack in a way that they were not prior to Trump's presidency. And our coalition that had been carefully built around the nuclear agreement but ready to be used to go after Iran's ballistic missile program or their support for proxies had vanished.

And so, Mr. Hook, let me just ask you about these metrics, and I will give you a chance to respond and tell me why I am wrong.

I mean, let me just give you four and just tell me why I am wrong about this. Iran was closer to a nuclear weapon at the end of Trump's presidency than at the beginning. Iran's proxies were at least just as strong if not stronger.

Here is another stat. In 2016 there were five Houthi attacks against Saudi Arabia and UAE. By 2020 those attacks were averaging 25 a year.

Third, Iran was threatening U.S. troops in the region by the end of Trump's presidency in a way that did not exist in 2016, and fourth, the anti-Iran coalition was weaker, not stronger.

Am I wrong about any of those things? I do not think I am.

Mr. HOOK. I would say—I can go through these four points. On the 1 year breakout when we left the deal Iran then did what it is allowed to do when the deal expires, and we pulled forward the expiration date of the Iran deal because Iran was getting stronger financially during the deal.

They were expanding their missile proliferation during the deal. They were increasing their aggression during the deal, and I think Iran understood that under the Iran nuclear deal they had a green light to be expansive in the region as long as they complied with modest and temporary nonproliferation benefits.

And so whether we did it in our Administration, or another Administration did it later, or we waited to expire Iran is going to start enriching at that level.

And what I would say is what does it say about the Iran nuclear deal that it is able to achieve the purity that it did when we left the deal? I think the Obama administration went into the deal with the goal of no enrichment but they gave that away. And the right standard is no enrichment.

Anytime we are talking about how close Iran is to nuclear breakout is the problem because as long as they are allowed to enrich we are going to have this discussion.

UAE has a civil nuclear program. They do not enrich. That should be the standard. And unfortunately, as soon as you concede on enrichment, you are going to have other countries that are going to say, we would like the same deal you gave the Iranians; we would like to enrich.

And so I think that is the problem.

On the proxies being as strong, we never claimed that we solved the proxy problem. But there is no question—I would refer you to the *New York Times* and the *Washington Post*.

These are articles that said Hezbollah is weaker because of our sanctions. The *Washington Post* ran it. There were fighters in Syria saying to the *Washington Post* the golden days are over. Iran does not have the money that it used to.

Fighters were being furloughed. You had a massive—Hezbollah had to undertake a fundraising drive for the first time in its history because Iran did not have the money that it used to.

And so I think the historical record presents a different picture of much weaker proxies.

The CHAIRMAN. Senator Ricketts.

Senator RICKETTS. Thank you, Mr. Chairman.

Iran's proxies are a threat to American national security, and yet the Biden administration's appeasement first foreign policy has emboldened Iran, not only emboldened them but enriched them as well.

The world's leading sponsor of state terrorism has more money now in its coffers than it did before, and I think that is what you were talking about. I think the payments, for example, to Hezbollah have gone up from—or Hamas have gone up from \$100 million to \$350 million, and that is the point you were just making there, Mr. Hook, around the amount of money and why it is so important that we enforce these sanctions.

I want to hit a topic, though, that we have not talked about, but Iran is a theocracy. Is that correct?

Mr. HOOK. Yes. Iran has been a theocratic regime since 1979.

Senator RICKETTS. And so do you think it follows then that they do not necessarily share the same goals we would in, say, a republic like the United States where we elect our officials? This is an administration and regime that is based on religious philosophy. Is that accurate?

Mr. HOOK. Yes, that is accurate.

Senator RICKETTS. And so they do not think like us?

Mr. HOOK. They do not think like us. They are a revolutionary expansive regime that is committed by its constitution to death to the United States, death to Israel, and overthrowing Sunni governments in the Middle East.

Senator RICKETTS. So is it naive to think there is any amount of money we can give Iran, and they are going to be nice to us?

Mr. HOOK. I do not think that money or talking nicely is going to get us anywhere with Iran.

Senator RICKETTS. Right.

And I think, Dr. Maloney, you said their goal since 1979 has been to kick us out of the Middle East. Is that correct?

Dr. MALONEY. Yes, it is.

Senator RICKETTS. Right. So we have a regime that wants us out of the Middle East, that thinks differently than we do. There is no amount of money that we can give them and they are going to play nice with us.

So let us change topics here a little bit. In Gaza—since the war in Gaza began, Houthis have attacked—I think you referenced 45 attacks. The military has shot down 95 drones and missiles, and of course, we have also seen the attacks on U.S. forces in Iraq and Syria have tapered off recently, but certainly that had been a big increase.

In January, President Biden when asked whether the strikes are working responded, "When you say working, are they stopping the Houthis? No." That was his quote. And then he said, "Are they going to continue? Yes."

If this is not emblematic of a failed exercise in deterrence and failed Iran policy, I do not know what is. It is also unsustainable. The defense munitions the U.S. is expending to interdict the Houthi attacks are costly, more so than the cheap drones the Houthis are using, and to make matters worse the Biden administration has overturned the Trump administration's designation of

the Houthis as a foreign terrorist organization and recently made a specially designated terrorist organization.

It is only partially reversing course to designate it SDTG, and let us not forget the Iran support that is going on with them.

Mr. Hook, why did the Trump administration designate the Houthis as an FTO, and do you believe the Biden administration should relist them as such?

Mr. HOOK. We listed the Houthis as a foreign terrorist organization because they met the definition under almost every criteria according to the lawyers in the State Department.

I thought it was a mistake for the Biden administration to delist them very early on. It was one of the—sort of the early policy decisions of the Administration.

They have since done a redesignation of the Houthis. That is necessary. It is important to do. You need to do other things. I am very happy that we did, because they are a foreign terrorist organization.

Senator RICKETTS. So when it comes to deterring the Houthis, clearly, the strikes we have been doing have not been doing that. They continue to attack the shipping, as you point out, in the Red Sea.

What can we do to deter or establish credible deterrence? Do we need to start targeting Houthi leaders? Do we need to start providing direct military support to the anti-Houthi faction in Yemen? What should we be doing?

Mr. HOOK. The Houthis are a tribal militia that are fighting at a level entirely beyond their natural capability. And Iran has organized, trained, and equipped the Houthis for many years now, I am not privy to the intelligence that would drive decisions like targeting in terms of assets or individuals that enable the Houthis to have shut down international shipping.

The Houthis did not shut down international shipping when we were in office. We worked very closely with our partners to put the Houthis in a defensive position. It is not—it was not perfect but it is much better than what we have today.

So I would strongly encourage the Biden administration to do the defensive military measures that will achieve deterrence. I do not think we are there yet.

Senator RICKETTS. Great. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman, and thank you to each of our witnesses for being here.

Iran continues to stage proxy attacks on U.S. forces from Syria. It is also emerging as a new front in the Israel-Hamas war.

So should we have a more comprehensive strategy to address the threats that are stemming from Syria and to look at the long term status of Syria and the continued opportunity that it presents for Iranian proxies to attack the U.S. from there?

Dr. Maloney, I will ask you to go first, and then Mr. Hook.

Dr. MALONEY. We absolutely need a real Syria policy. We have not had one for about a decade now under several Administrations, and that is because it is a pretty hard issue to deal with.

Senator SHAHEEN. So talk, if you would, about what that Syria policy ought to look like.

Dr. MALONEY. I think we have to be working much more closely with the region. There has been an effort by some of our partners in the region to try to normalize with Bashar Assad, essentially overlook a decade of just horrific abuse of his own people, and we have not really been able to manage that process.

We have not really been able to shape a better alternative to that process. Our approach has been to kind of see no evil, hear no evil, and that has left us in a position where Bashar Assad has been able to commit unspeakable evil.

Senator SHAHEEN. Never mind Iran and Russia there as well.

Dr. MALONEY. It has been a very useful staging ground for both the Iranians and the Russians, and it really provided the seeds of the strategic partnership between them that is now being played out in an even more horrific way on the Ukrainians.

Senator SHAHEEN. I just came back with Senator Murphy from a visit to Turkey, and we had a chance to meet with President Erdogan and talked a little bit about the potential to work together in the future in Syria where, obviously, Turkey has interests as well.

Mr. HOOK, can you speak to what that kind of coordination might look like and whether you believe there is an opportunity to work more closely with Turkey on the future of Syria?

Mr. HOOK. All of our options in Syria are bad, and it is a matter of choosing between the best of worst options. I mean, we are so late into this.

I think what is, unfortunately, missing, as Dr. Maloney said, it is unclear what the Syria strategy is. But the Syria strategy needs to nest within a larger Middle East strategy, and I wish President Biden coming into office had given a major speech with a Middle East policy and how everything fits together.

I wish he had appointed an envoy for the Middle East like President Obama did, like President Trump did. I also wish that he had put forward an economic and political vision between Israel and Palestine.

Senator SHAHEEN. Well, can you—

Mr. HOOK. But these two things have not been done, and until you have a broader strategy it is reactive.

Senator SHAHEEN. Right. I understand that.

But I guess what I am asking you is what do you think that kind of policy should look like. What should it include, and how does Syria fit into that?

Mr. HOOK. Yes. It fits into it, Senator—and it is the right question to ask. It fits into it—I remember during the Syria civil war Qasem Soleimani was overseeing 10,000 fighters in Syria, and that same network of fighters, many of them, are still available to be part of an attack against Israel, as you mentioned.

And so I am very glad that we recognized Israeli sovereignty over the Golan Heights. There are other things that we need to be doing to—the subject of this hearing is relevant because the proxies that Iran commands in Syria need to lose their banker, and they also need to—I think our military can play a bigger role in driving the risk of miscalculation on the part of all these proxies. I think right

now the proxies in Syria feel like it is a very permissive environment. Same in Iraq.

Senator SHAHEEN. Yes. I was among those who was very disappointed when we withdrew our forces from northeastern Syria.

Dr. Maloney, do you have anything to add to that in terms of a broader strategy that would recognize addressing Syria and the problems that it presents?

Dr. MALONEY. I just did want to take the opportunity to point out that I do not think the problem of our Middle East policy is the lack of a presidential speech, and I am not really convinced that success or failure rests on that particular barometer, nor could one point to one coherent speech during the Trump administration that would have set forward a coherent policy and effective policy toward the region.

I think, in fact, the Biden administration and the President's visits to Israel with the Jerusalem declaration has in fact put forward a vision that is one that builds on some of the few positives that the Trump administration actually achieved during his time in office, which were the Abraham Accords, and if we can in fact continue to make progress toward normalization between Israel and Saudi Arabia, then we are in a much better position to deal with the challenge of a country like Syria.

Senator SHAHEEN. Thank you both.

The CHAIRMAN. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman.

As this hearing attests there is no doubt that Iran exerts its malign influence throughout the Middle East by supporting various proxies. It is also true that these proxies have different origin stories and have different relationships with Tehran.

One of them is Hamas, the terror group responsible for the horrific October 7 massacre in Israel. Now, Iran, of course, did not create Hamas nor does it exercise command and control over Hamas, but they do provide support to Hamas primarily because of Hamas's despicable goal of destroying Israel and the overall goal of Iran of weakening U.S. influence in the region.

I am one who believes that we should have been doing more all along to weaken Hamas. We have talked about Iran today. We have not discussed the inconvenient truth of the fact that Prime Minister Netanyahu himself saw it in his interest to keep Hamas in control in Gaza.

Do not take my word for it. He told us this back in 2019 at a Likud party meeting where he said, and I quote, "Anyone who wants to prevent the creation of a Palestinian state needs to support strengthening Hamas. This is part of our strategy to divide the Palestinians between those in Gaza and those in Judea and Samaria." End quote. Netanyahu.

After all, so long as Hamas was in control in Gaza, how could anybody ask Israel to accept a Palestinian state that included Gaza and the West Bank? Good question.

So Prime Minister Netanyahu and his extreme right wing partners have embarked on a concerted strategy to weaken the Palestinian Authority, which recognizes Israel's right to exist, and to strengthen Hamas, which does not.

Mr. Chairman, I would like to enter into the record a piece that appeared in *Haaretz* in October of last year, "A brief history of the Netanyahu-Hamas alliance."

The CHAIRMAN. Without objection it will be included in the record.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator VAN HOLLEN. We also have heard a lot of talk since October 7th about Qatari funds going to Hamas.

Ms. Maloney, is it not true that those funds flowed with the concurrence of Prime Minister Netanyahu and Israel?

Dr. MALONEY. Yes, that is true.

Senator VAN HOLLEN. That is true. So when I hear all my colleagues talk about this Qatari money, please recognize that this was done with the consent and encouragement of Prime Minister Netanyahu.

Mr. Chairman, I would like to enter into the record a CNN article, "Qatar sent millions to Gaza for years—with Israel's backing."

The CHAIRMAN. Without objection it will be included in the record.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator VAN HOLLEN. And Mr. Chairman, I would also like to enter into the record a *New York Times* article from December of last year entitled "Buying quiet: Inside the Israeli plan that propped up Hamas," subheadline "Prime Minister Netanyahu gambled that a strong Hamas (but not too strong) would keep the peace and reduce pressure for a Palestinian state."

The CHAIRMAN. Without objection it will be included in the record.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator VAN HOLLEN. And Ms. Maloney, have you also seen the reports about how Prime Minister Netanyahu was informed about various sources of Hamas's moneys kept overseas including some in Turkey and decided to ignore those warnings?

Dr. MALONEY. I have seen those reports.

Senator VAN HOLLEN. Mr. Chairman, I would like to enter into the record a *New York Times* piece, again from December of last year, headline, "Israel found Hamas money machine years ago. Nobody turned it off."

The CHAIRMAN. Without objection.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator VAN HOLLEN. And I want just to quote from Mr. Levy, who was the Mossad chief in charge of economic policy, who says, and I quote, "I can tell you for sure that I talked to him"—referring to Prime Minister Netanyahu—"about this," unquote, quote, "but he did not care that much about it."

The article goes on to point out that Mr. Netanyahu's Mossad chief shut down Mr. Levy's team, the Task Force Harpoon that focused on disrupting the money flowing to groups including Hamas.

So, Mr. Chairman, as we watch what is happening in Gaza in the aftermath of the terrible Hamas attacks of October 7 and we try to bring that conflict to an end and President Biden talks about the importance about providing some light at the end of this very dark tunnel by creating a two state solution to provide security for Israel including normalization, ultimately, from Saudi Arabia and Arab states but also a state for Palestinians to live in dignity of their own, let us remember the lengths that Prime Minister Netanyahu has gone to try to prevent that from happening including—as all of these articles in fact attest, including going to the lengths of strengthening Hamas to try to in turn weaken the Palestinian Authority and prevent those negotiations from going forward.

It is well documented. He always opposed the Oslo Accords. He has always been opposed to a two state solution. His coalition right now, and it is in their founding documents, want the entire West Bank effectively annexed by Israel.

So we need to go into this with clear eyes as to all the factors that are at play here, Iranian influence and malign efforts certainly being a factor across the Middle East. But it is a complicated story, and if we are going to find a way out that brings any hope to anybody in the Middle East and more stability, we need to look at this full story.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thanks so much, Mr. Chairman.

Thank you both for being here today.

Mr. Hook, so the Trump administration pursued a maximum pressure campaign designed to choke off revenues that the Iranian regime used to fund terrorist activities. We now learned last week from the *New York Times* that a lot of the oil has now been moving from Iran to China—I think 59 million barrels worth over—almost close to \$3 billion.

The tankers ended up in China, the money ended up in Iran, and the Biden administration said they are doing everything they can. I think they have looked the other way and completely been outplayed.

So the Biden administration decided to pursue what I describe as a maximum concession campaign as opposed to a maximum pressure campaign, and it was aimed at appeasing Iran, letting Iran do more and more.

So we have the crippling sanctions from the Trump administration, Joe Biden lifting sanctions. Do you believe the Biden administration's approach to Iran has worked or has failed?

Mr. HOOK. I think they relaxed enforcement in order to try to get back into the Iran nuclear deal, and I think that that was probably a bad gamble because this—the Iran nuclear deal started to expire when I was in office, and it is going to keep expiring in successive years.

And so I know there was talk about a longer and stronger deal and a number of things like that, but they should not have relaxed their enforcement as a tactical negotiating matter.

They would have been more likely to achieve their results by continuing maximum pressure than by relaxing it.

Senator BARRASSO. So along that line, and you used the word tactical negotiating approach, what lessons will other adversaries around the world learn about the U.S. in the light of Biden's concessions campaign toward Iran?

Mr. HOOK. What happens in places like Iran is a teaching moment in places like North Korea and Venezuela and Cuba and other governments around the world, and so I think that if we show weakness and unnecessary concessions to the world's leading state sponsor of terrorism it has ripple effects around the world.

It certainly, I think, could signal to somebody like President Xi after Afghanistan, after another war in the Middle East, that the United States does not have the stomach to do what is necessary to maintain deterrence.

And so I would have much rather seen them continue the deterrence that we—when we came into office it is clear from talking with our partners—with our Sunni Gulf partners and with the Israelis—that we had lost deterrence against Iran, largely because of the Iran nuclear deal.

It took a while to regain it. It is hard to restore deterrence. You can lose it very quickly. And so I think the Biden administration was in a great position to pursue its nuclear objectives, but they needed to continue the maximum pressure campaign.

Senator BARRASSO. So you mentioned President Xi by name, and there is talk of the concerns of, perhaps, China's involvement with an invasion at some point potentially of Taiwan.

Does this also send a message that makes that more likely that they view weakness on behalf of the United States as an invitation for a time to go after something that they have been wanting for a long time?

Mr. HOOK. In a similar way of not enforcing our red lines in Syria, it just sends the wrong message to tyrannical regimes, autocratic regimes, that would like to displace us and our allies whether that is in Asia, Europe, or the Middle East or Africa.

And so I think it is very important for the United States to be, as the old saying in the military goes, no better friend and no worse enemy.

Senator BARRASSO. So then following up on that, talk a little bit about the extent that the maximum pressure campaign previously actually worked, succeeded in achieving the stated objectives regarding Iran's nuclear program.

Mr. HOOK. I think on the nuclear piece there was—the Iran nuclear deal was going to expire, and as I said earlier we pulled forward the expiration date, and then we put in place what we thought were the standards for a new and better deal.

I think if given more time, given the political and economic pressure we were putting on the regime, I think eventually we would have created an atmosphere to get a much better deal than was negotiated under the Iran nuclear deal.

I know for a fact that we dried up enormous amounts of funding for the Iranian regime and its proxies, and it worked.

Senator BARRASSO. Let me ask a final question. September 2023 the President's National Security Adviser, Jake Sullivan, said the Middle East region is quieter today than it had been in two decades.

A few days later we see Hamas terrorists, Iran backed financially, coming in to Israel. How has the Biden administration's Iran strategy led to chaos and instability throughout the Middle East?

Mr. HOOK. I think it would have been much better off for the Administration to not delist the Houthis, to have better relations with our Sunni partners. It is very—when I was in office we worked to organize not only our Sunni partners and Israel against the common threat of Iran, but we also did it in Europe and other parts of the world.

And so I think when you come in to office, and you alienate your Sunni partners and Israel, and you then relax your sanctions against Iran that is exactly the kind of environment that Iran thrives in, and you need to be doing the opposite.

Senator BARRASSO. Thank you. Thank you, Mr. Hook. I understand your family and you have all been subjected to threats because of the role that you have taken previously in the previous Administration, your willingness to continue to speak out forcefully and truthfully.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Risch.

Senator RISCH. Thank you.

Mr. Hook, you and I sat here and listened to Senator Murphy attempt to muddy the water here using some unrelated statistics, and for those who he may have confused, let us you and I try to clear this up a little bit.

Would you agree with me that the central cause of difficulties in the Middle East today is Iran?

Mr. HOOK. Iran is the principal driver.

Senator RISCH. Number two, would you agree with me that Iran's ability to do that is totally related to its oil revenues?

Mr. HOOK. Yes.

Senator RISCH. Number three, what did you have—when you left office after your attempts to constrain the flow of oil from Iran, what did you have it to when you left office?

Mr. HOOK. We took it from about 2.2 million barrels down to 300,000.

Senator RISCH. What is it today? Since you left office, and the Biden administration has taken over, what is their flow today?

Mr. HOOK. I think it is between 1.5 and 2.

Senator RISCH. And that cash is being used to do what we have all been talking about all day in the Middle East. Is that a fair statement?

Mr. HOOK. Yes. The oil revenue goes to the IRGC and Quds Force, and then they use that money to spend on its proxies to kill and terrorize American soldiers.

Senator RISCH. Thank you.

The CHAIRMAN. Senator Young.

Senator YOUNG. Thank you, Chairman.

Dr. Maloney, you said that Iran is using the war in Gaza to weaken Israel's international standing. I noted in yesterday's Foreign Relations subcommittee hearing that Iran's bloody fingertips are all over the region, both before October 7 and even more so on that day and since then.

From your perspective, Doctor, is the Administration doing enough to engage with partners and skeptical nations to remind the world about Iran's destabilizing efforts in the region?

Dr. MALONEY. I think the Administration has become more vocal on that issue over the past several months for obvious reasons. I think that Iran's behavior is well known to many partners in the region and elsewhere, and I think that it is absolutely critical for us to continue to shine a light on Iranian aggression.

Senator YOUNG. What about emphasizing Iran's support for Hamas? Is this something where the Administration is doing enough communicating that?

Dr. MALONEY. I believe that, again, it is very well known that Iran is the primary financial backer, that Iran has provided absolutely critical access to rockets and missiles and the means of production to Hamas, that Iranian support has essentially helped to build the tunnel structure that has enabled Hamas to survive.

Senator YOUNG. Mr. Hook, I would ask you basically the same questions. How would you grade the Administration's efforts to demonstrate to the world Iran's malign actions and intentions?

Mr. HOOK. Well, Senator, as I mentioned earlier the leader of Hezbollah has said publicly as long as Iran has money we have money, and that is the same for Hamas. Hamas—93 percent of its money comes from Iran, and we have to get serious about oil sanctions, banking sanctions, petrochemical sanctions, metals, all of it.

And if you undertake a focused, sustained effort in that regard you are going to dry up funding for Hamas and Hezbollah, and you are going to make Iran choose between guns in Damascus or butter in Tehran. That is the choice that we have to have them make.

Senator YOUNG. So it sounds as though right now that the grade would be for pass/fail. It might be failing, but it is incomplete.

So tell me what can the U.S. be doing to better demonstrate to Iran's proxies, many of whom thirst for international legitimacy, that no such reward will come as long as they willingly refrain in Iran's orbit, perpetrate attacks, and sow unrest?

Mr. HOOK. I think it is a combination of maximum economic pressure, political isolation. I think we need to improve our military cadence to restore deterrence, which we have lost.

As I was talking earlier with one of the Senators, we have not had any attacks in the last 3 weeks. That is good. But we are going to need to keep up this tempo and increase it if we are going to protect the 30,000 American troops that are in the Middle East today.

Senator YOUNG. So hit our adversaries more frequently?

Mr. HOOK. As a defensive military action, yes.

Senator YOUNG. As a defensive military action.

Mr. HOOK. Yes. Our troops are very exposed. As I was saying earlier, since I think November you have had 165 attacks against American troops in Iraq and Syria, and we have responded 11 times.

Senator YOUNG. Yes.

Mr. HOOK. It is insufficient. That imbalance is untenable.

Senator YOUNG. Well, I think we are also going to have to wrestle with the legal implications of some of the military actions that are occurring and are being contemplated.

This was a focus of the subcommittee hearing that we held yesterday as well. So when you are attacking Houthis, for example, in response to attacks they have made on partner nation commercial shipping, I think there are legitimate questions to be asked about whether or not congressional authorization is required.

Mr. Hook, I believe that imposing costs on Iran's terrorist proxies is just one necessary response to their continued attacks across the region against the U.S. and our interests.

We have to also actively seek to break their network. This in part requires the U.S. to force the leadership of these groups to question the risks they individually and collectively are willing to take, and sow doubt that either their partners of convenience or their masters in Tehran are going to leave them holding the bag if they choose further escalation, whether it be in Lebanon, Syria, Iraq, Yemen, or elsewhere.

Mr. Hook, how might you suggest that we act in this area?

Mr. HOOK. Iran has for its 42 something year history operated in the gray zone, and they let the proxies do the dying for them, and they have been very effective at building out this Shi'a crescent, this axis of resistance that has imposed massive costs on the United States, Israel, and our Sunni partners.

And so I think that if we are going to degrade and disrupt these networks in the gray zone, the Biden administration should announce that they make no distinction between Iran and its proxies, and anything that a proxy does we will attribute agency to the Iranian regime, and they will be held accountable as if it were a direct attack.

And I do not think that Iran itself has endured sufficient costs directly. We have gone after things like—the Biden administration has gone after Hezbollah and some other proxies.

But Iran is not feeling any of the pain and until the regime starts feeling it, they are going to continue to operate with impunity in the gray zone.

The CHAIRMAN. Senator Cruz.

Senator CRUZ. Thank you, Mr. Chairman.

Mr. Hook, I am deeply concerned that the Biden administration systematically downplays Iran's aggression against America and against Americans. Sometimes they do it by downplaying the aggression. They act, essentially, as Iran's lawyers. Other times they simply hide information from Congress or the public.

For instance, as Senator Risch mentioned in his opening remarks, you are personally threatened by this regime. As anyone here can see you have a security detail because the Iranian regime is targeting you for the service that you have provided our country.

It is not just you. Former Secretary of State Pompeo, former National Security Adviser Bolton, are also being targeted for assassination, as are other former officials.

What Americans do not know is that the Biden administration has gone to great lengths to hide the extent and persistence of

those threats, including abusing the classification system. They find public discussion of Iran's aggression politically inconvenient because it gets in the way of their appeasement of the regime.

Americans understandably do not like their government sending billions of dollars to theocratic thugs trying to murder fellow Americans. For instance, the Administration is required to regularly notify Congress of threats to former U.S. officials such as yourself.

But when they were negotiating their \$6 billion ransom deal last summer, they took the unprecedented step for the first time before or after of classifying their notification to limit who could see it and who could discuss it.

I would like to give you the opportunity to comment on the significance of these threats.

Mr. HOOK. Senator, I do not have access to the intelligence anymore. I also do not have any visibility into the process whereby the persistent threat determination is made.

What I can say is that I am grateful to the committee and to the Senate and to the Congress for its funding that provides protection for me and my family.

I am grateful to the Office of Diplomatic Security at the State Department that provides that protection. I wish we were in a place that it was not necessary, but that is where we are, and again, I am grateful to this committee for its support on that matter.

Senator CRUZ. Well, let me say, Mr. Hook, I want to say to you and your family, thank you. You should not have to endure this as the price of public service. And I think it is completely unacceptable that the current Administration has flowed \$100 billion to a regime that is actively trying to murder former senior U.S. officials.

I want to turn—you were saying a moment ago about how Iran has not felt any of the pain despite its actively directing and funding proxies.

I want to talk about how the Iranian regime funds the proxies that are attacking Americans, that are attacking Israel, that are attacking our allies.

During the Trump administration you were part of the team responsible for imposing a maximum pressure campaign against the Iranian regime. That was the right strategy.

That is how you deal with enemies that are trying to kill you, and you specifically targeted Iran's energy exports. That was very successful.

The Trump administration, through focusing sanctions, was able to reduce their exports from a million barrels a day down to approximately 300,000 barrels a day.

However, when the Biden administration came into office they dismantled that pressure. Today Iran's oil exports are, roughly, 2 million barrels a day, largely sold to communist China, and uncountable billions of those dollars have flowed toward the Ayatollah to be used for terrorism to murder Americans and murder our allies.

Biden administration officials say they are doing their best, but they simply cannot do anything at all about this, that they are helpless to stop the billions from flowing to Iran to be used to attack our country.

Is that your assessment? Are they in fact helpless? Is there nothing they can do to impose costs on Iran and to cut off their cash?

Mr. HOOK. Senator, the Biden administration is in a perfect position to announce zero oil exports of Iranian crude. And I would also say they should do the same thing on petrochemicals and industrial metals, and that would have a measurable impact on Iran's funding for its proxies.

We have proven that it can be done. Secretary Pompeo and I announced the goal of zero, right. Even if you do not meet that goal, and we had metrics every day that—

Senator CRUZ. And can you explain from a foreign policy perspective is there any national security justification for the Biden administration hating oil and gas production in America and relentlessly assaulting domestic energy production, but at the same time giving a theocratic lunatic a green light to mint money and refusing to act against their energy exports?

Mr. HOOK. I think there is a way to impose crippling oil sanctions on the Iranian regime without driving up the price of oil for American families at the gasoline pump.

We have done it. We did it. It can be done again, and it can be done—

Senator CRUZ. So what specifically should they do? And my time has expired so but please explain specifically if the Biden administration wanted to cut off the cash and impose zero oil on Iran how would they do it?

Mr. HOOK. They would explain to every country that imports Iranian crude oil that they would be cut off from the international financial system because of our sanctions.

Now, China has ways to circumvent that, but you have to look for other pressure points in the bilateral relationship with China so that you drive up the costs of their importing of Iranian crude.

Then you bring that down, and if you can deal with China and some other imports that are leaking—ship to ship transfers—we set up an interagency team that monitored every single act of Iranian sanctions evasion on oil, and we countered it.

And so we were very aggressive, and we were very successful. It can be done again.

Senator CRUZ. Thank you.

The CHAIRMAN. Let me thank—Senator Risch.

Senator RISCH. Very briefly.

We never talked about it, and I am not going to get into the details here but one of the real things that we really need to focus on is not a drop of oil moves without it going into a ship, and that ship has to have insurance or the ship does not move, and those insurance companies are all international companies.

Do you agree that that is a focus that we really ought to have as far as trying to enforce the sanctions?

Mr. HOOK. Yes, we did that. We made clear to every company that was insuring Iranian oil tankers that they need to get out of that business, and we had a dramatic reduction in that.

What we did is we did a systematic analysis from production to export, and we looked for every single node in that process, and then we put pressure on it. And insurance is a big part of this.

Senator RISCH. Thank you.

Thank you, Mr. Chair.

The CHAIRMAN. So let me make just one or two observations.

First, yes, we have to enforce our sanctions, particularly on the energy sector, and I think there is going to be consensus in this committee to strengthen those tools, and China is going to clearly be a focus of our attention as to how we can better enforce the energy sector sanctions in China.

But let me just make an observation. Iran will find ways to finance its proxies to the detriment of its own people. The first priority of their budget is this terrorist activities and their military to the detriment of the welfare of the people of Iran.

And then, second, let me point out that what Iran's proxy Hamas was about was to stop normalization in the region, the expansion of the Abraham Accords, and that anything we can do to strengthen normalization in the region by giving hope for the Palestinians and Israelis for peace, to deal with the moderate Arab states that we have relationships in the region, particularly the Saudis in regards to normalization with Israel, all that will undermine the capacity of Iran to have influence and its proxies to have influence in the region.

So these are areas I think we need to work on in addition to cutting off the support for Iran through the enforcement of sanctions.

So I thank our witnesses. I see—

Mr. HOOK. Senator, I love that observation, tying this all together back to normalization. When Jared Kushner was leading our efforts on the Abraham Accords—what became the Abraham Accords—we were working on the Middle East peace plan.

It was very clear to us in hindsight, and even at the present time that unifying our Sunni partners in Israel against the common threat of Israel, against Iran, created the conditions—it was part of the conditions that enabled the Abraham Accords.

And if your Sunni partners and Israel understand what you are doing on Iran, it increases trust and confidence. But if you have the wrong Iran strategy it makes normalization very hard.

The CHAIRMAN. That is the reason why we are having this hearing on Iran to be—

Dr. MALONEY. Might I say one very brief—

The CHAIRMAN. Absolutely.

Dr. MALONEY [continuing]. Remark as well, which is that maximum pressure has had a lot of attention in today's conversation, and it is true that the Trump administration was very successful in bringing down Iran's oil revenues and exports for a period of time.

However, part of the price of that strategy was an increase in Iran's attacks across the region, shipping, and an increase in Iran's nuclear malfeasance. And we are closer today to an Iranian nuclear weapons capability as a result of the decision to walk away from the deal.

Even though the Trump administration actually had an opportunity to strengthen the deal, the decision was to simply scuttle it, walk away, and leave us with no real way to impose those kinds of constraints and restrictions on Iran's nuclear activities.

The CHAIRMAN. I whispered to Senator Risch that I thought we had two outstanding witnesses here for this presentation. Not that

I agreed with either of your total observations; in some cases, I have some strong disagreements.

But I think you have really added to the debate, and your commitment to these policies and your commitment to public service is incredible. So we thank you.

Mr. Hook, I also want to add my deep concern for your safety and for your courage in what you have been able to do in public service. We will stand by you and make sure that you have adequate resources in that regard.

Mr. HOOK. Thank you, Senator.

The CHAIRMAN. The committee record will remain open until close of business tomorrow for questions for the record. We would ask that if members submit questions that you would respond in a timely way so that we can have the benefit of your knowledge as we go forward with this subject matter.

With that, the hearing stands adjourned.

[Whereupon, at 11:53 a.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Submitted by Senator James E. Risch

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February 28, 2024

The Honorable Benjamin L. Cardin
Chairman

The Honorable James E. Risch
Ranking Member

U.S. Senate Foreign Relations Committee
423 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Cardin and Ranking Member Risch,

Today the U.S. Senate Foreign Relations Committee will hold an important hearing on “Tehran’s Shadow Army: Addressing Iran’s Proxy Network in the Middle East.” Given the gravity of this issue, which I study closely, I am submitting a letter that I hope you will be able to publish in the record analyzing the current threat the Islamic Revolutionary Guard Corps (IRGC) poses to the United States and its allies as well as policy recommendations on how to protect U.S. interests.

The Islamic Republic of Iran remains an enduring threat to U.S. interests and values. Its supreme leader, Ayatollah Ali Khamenei, has held his post since 1989, outlasting both Democratic and Republican presidents. His strategic goals include pushing the United States out of the Middle East and challenging the U.S.-led security architecture; destroying the State of Israel; and dominating the region.

The Modus Operandi of the IRGC

The Iranian regime’s grand strategy is first and foremost centered on nurturing proxies and partners—known collectively as the “Axis of Resistance”—to export the Islamic Revolution beyond its borders so as to achieve regional hegemony and its ideological objectives. These ideological objectives are centered around [facilitating](#) the return of the so-called messianic Shia Hidden Imam, which, according to the [regime’s doctrine](#), will be achieved through Israel’s destruction. While working towards these grand ideological objectives, Iran’s militia network simultaneously provides the regime with a layer of deterrence to help guarantee its survival.

The IRGC manages and develops this militia network. More specifically, the IRGC’s Quds (Jerusalem) Force, formed after Khamenei became supreme leader, has established an infrastructure across the Middle East to arm, train, and finance its proxies and partners.

The legacy of the late Commander of the Quds Force Qassem Soleimani was [defined](#) by the formation and expansion of the Axis of Resistance (the Axis). However, his successor Esmail Ghaani’s legacy is the Axis’s coordination. After Soleimani’s demise, there was much speculation as to whether Ghaani would be able to fill his predecessor’s shoes in managing and

manipulating this sprawling apparatus. Ghaani's expertise was in Afghanistan, and he did not speak Arabic fluently, like Soleimani did. Additionally, unlike Soleimani, who held the rank of major general in the IRGC, Ghaani has a lower rank of brigadier general. This raised questions about his standing in Iran's system compared to Soleimani.

Yet Ghaani has proven himself in mounting the first large-scale implementation of the IRGC's doctrine of unification of the fronts against Israel in the aftermath of the Hamas massacre on October 7, 2023. [In previous Gaza conflicts](#), other members of the Axis of Resistance—like Hezbollah in Lebanon—only sporadically fired at Israel as it faced off against Palestinian militants. After October 7, however, the Axis's response was comprehensive. Hezbollah has fired a regular volley of missiles and drones at Israel; the IRGC's proxies in Iraq and Syria have attacked U.S. forces; and the Houthis have unprecedentedly disrupted international shipping and launched missiles at Israel. The Houthis were never a significant factor during previous Israeli operations in Gaza, like Cast Lead in 2008-09, Pillar of Defense in 2012, Protective Edge in 2014, and Guardian of the Walls in 2021. Likewise, Ghaani has further institutionalized joint war rooms throughout the region where Axis of Resistance militias coordinate their efforts with the IRGC.

This shows Ghaani has coordinated and mobilized the IRGC's militia network against Israel and the United States to new levels and, in doing so, has achieved the Khamenei's long held ambition to create a region-wide "Islamic" army. After October 7, Ghaani is no longer in Soleimani's shadow. In turn, we can expect him to rise in prominence in the elite structures of the Islamic Republic—something that will result in the Quds Force commander becoming even more dangerous.

Soleimani's death also triggered changes in the IRGC's oversight of the Axis of Resistance. Under Ghaani, the Axis's operations have become more decentralized. As the U.S. Defense Intelligence Agency [assessed](#) in 2021, "Ghaani is more likely than Soleimani to delegate responsibilities." This has resulted in an increased role for Hezbollah, the IRGC's proxy 'gold standard,' in supervising and leading the array of militias. Additionally, other elements of the Islamic Republic have become increasingly visible in this space, including the Ministry of Intelligence and Security (MOIS) and the IRGC's Intelligence Organization. In fact, In July 2021, months after the targeted killing of Soleimani, the then-head of the IRGC's Intelligence Organization, Hossein Taeb, visited Iraq for the [first time](#) in his post, which he had held since 2009.

However, this diffusion in IRGC management of the Axis should not be conflated with a loss of control by the Islamic Republic. It has command and control over those militias the IRGC has directly created, like Hezbollah, Kataib Hezbollah, and the Fatemiyoun and Zainabiyoun Brigades. In the spectrum of the groups that make up Iran's militia network, this category of proxy—known as IRGC-manufactured militias—are the deadliest. This is because the IRGC not only arms, trains, and funds these groups; it also spends significant time and resources to indoctrinate their militants, who are ideologically compliant to Iran's supreme leader. It should be noted that as sanctions were eased on Iran, first as part of the interim nuclear deal in 2013, then as part of the 2015 Joint Comprehensive Plan of Action (JCPOA), the number of IRGC-manufactured militias [significantly increased](#), as did their access to resources.

The IRGC has established a regional infrastructure to maintain and consolidate command and control over its militia network. As documented by the Combating Terrorism Center at West Point, the IRGC maintains representatives, or jihad assistants, on the [Houthi's Jihad Council](#) and on [Kataib Hezbollah's Shura Council](#). There is also an extensive IRGC Quds Force regional apparatus, with the permanent presence of Quds Force officers in Lebanon, Iraq, Syria, and Yemen. Mohammad Reza Zahedi leads the Quds Force's Department 2000, which oversees Levant operations. Saeed Izadi heads the Quds Force's Palestinian Office in Beirut. Abdolreza Mesgarian leads the IRGC's Ramadan Headquarters, which is responsible for liaising with militias in Iraq. And Abdolreza Shahlaei commands the Quds Force in Yemen. This structure provides Tehran with considerable influence and oversight of the Axis of Resistance across the region.

The Islamic Republic's attempts to shield itself from accountability through plausible deniability can sometimes be seen in the absence of an "order" to strike an American, Arab, European, or Israeli target. While Tehran's local proxies and partners may take the operational decision on targeting, Iran retains strategic direction into how the campaign serves its regional interests by virtue of the manpower, money, and materiel it provides to its clients. If the Islamic Republic wishes for its Axis of Resistance to deescalate tactically, these points of leverage provide it with the ability to rein in its militia array. This can be seen in Ghaani's visit to Iraq in the leadup to the U.S. airstrikes in Iraq and Syria on February 2 following the deaths of three American forces on January 28 in Jordan. It [coincided](#) with Kataib Hezbollah's announcement that it was suspending operations. Likewise, the relative quiet across the region during the humanitarian pause to release the first tranche of Israeli hostages from Gaza is another example of Tehran's dominating role.

Weaknesses in U.S. Policy

One weakness of U.S. policy on Iran since 1979 has been Washington's unwillingness to use military force against Iran directly in response to Tehran's destabilizing behavior and terrorism. This has morphed into a dangerous U.S. self-deterrence that has only validated Iran's gray zone warfare and proxy playbook—specifically, that the benefits of such a modus operandi outweigh the costs, which have been absorbable for Tehran in that the U.S. government has mostly aimed at its proxies and partners rather than IRGC assets inside Iran.

On the handful of occasions where the United States has used military force against the Islamic Republic directly, it forced Iran to deescalate. For example, Operation Praying Mantis in 1988, during which the U.S. military destroyed a considerable chunk of the Islamic Republic's Navy, [reduced](#) maritime provocations and contributed to the end of the Iran-Iraq War. Regime survival forms the core of the supreme leader's decision-making calculus. To date, the U.S. government has not been able to durably tip the balance of costs and benefits in its favor because of a fear of escalation. However, the history of Iranian reprisals to a decisive U.S. application of military force suggests that the Iranian regime becomes more risk-averse afterwards.

Recommendations

What to do? The United States should consider a new Iran policy founded on three main pillars: multilateral sanctions with aggressive enforcement; diplomatic and economic isolation; and a credible military threat.

For years, the paradigm of the now-defunct JCPOA of 2015 has served as the centerpiece of U.S. policy on Iran. But the desire to preserve the JCPOA has often paralyzed American and European decision-makers into not taking more forceful action to hold Tehran accountable. Iranian unwillingness to revive the agreement on reasonable terms; a lack of American consensus across the political spectrum about the contours of an acceptable Iran strategy; Tehran's deeply threatening non-nuclear malign behavior; and divisions within the P5+1 over Iran, make attempts to revive that framework look misguided.

First, the U.S. government could support its E3 allies in invoking the snapback sanctions mechanism under U.N. Security Council Resolution 2231. Resolution 2231's arms embargo and missile restrictions on Iran have lapsed, and this has provided legal cover for Tehran to export drones to Russia for use against an EU candidate country, Ukraine. That is not to mention reports about actively advancing conversations regarding a deal for the Islamic Republic to export missiles to Moscow as well. The snapback sanctions provision itself expires in October 2025—only months after the next president takes office. Invoking snapback would lull the Iranian regime out of its sense of security that it can engage in cost-free escalation on its nuclear program while preserving the shell of the JCPOA, and sharpen Tehran's choices.

Second, the United States could fully enforce U.S. sanctions on Iran. United Against Nuclear Iran (UANI) [estimates](#) that Iran has generated approximately \$90 billion in revenue from oil sales since the Biden administration took office in 2021, despite U.S. sanctions remaining on the books. Approximately 80% of these purchases are made by China. As UANI has [detailed](#), Chinese “teapots,” small semi-independent petrochemical refiners, import virtually all Iranian oil coming into China instead of major state firms. This insulates large Chinese state entities, which are more susceptible to sanctions.

UANI has deep experience in this area. Our tanker tracking [resulted](#) in the U.S. Justice Department’s first-ever criminal resolution involving a company that violated sanctions by facilitating the illicit sale and transport of Iranian oil aboard the M/T SUEZ RAJAN in September 2023.

This laxness appears to be a policy choice by the U.S. government, which has not fully enforced oil, petroleum products, and petrochemical sanctions as a part of its diplomatic engagement with the Islamic Republic. Such an influx in funding to Tehran may explain the publicly reported increases in Iranian funding to Hamas over the last year, which enabled the October 7 massacre. An Israeli security source told [Reuters](#) in October 2023 that Iran raised its funding for Hamas’ military wing over the last year from \$100 million to around \$350 million per year.

UANI has [compiled](#) a list of foreign vessels it suspects of involvement in the illicit transfer of Iranian crude oil and/or petroleum products. UANI’s list has grown to 389 vessels. This

suspected ghost armada, which is distinct from but complements Iran's own National Iranian Tanker Company (NITC) fleet, has skirted U.S. sanctions, and exploited regulatory loopholes to ship millions of barrels of Iranian oil. It is time for the U.S. government to fully sanction these vessels, their owners, and their operators.

Third, the U.S. government could be leading an international campaign to recruit as many countries around the world as possible to join in a sanctions campaign against the Islamic Republic because of the wide-ranging threats it poses. This would especially include persuading the European Union (EU) and the United Kingdom (U.K.) to sanction the IRGC as a terrorist organization, just as the United States did in 2019. The EU and U.K. have both designated IRGC satellites, like Hezbollah, Hamas, and Palestinian Islamic Jihad, as terrorist organizations. But they have yet to designate their mothership, the IRGC, as one.

The IRGC is [active](#) across Europe not only in conducting direct terror plots, but also in nurturing homegrown Islamist radicalization and terrorism, using methods identical to that of ISIS and al-Qaeda. However, unlike ISIS and al-Qaeda, the existing sanctions regime on the IRGC in Europe does not prohibit its ability to propagate and spread jihadi propaganda. The IRGC's proscription as a terrorist organization would fundamentally change this dynamic. While IRGC commanders spread terror inside and outside of Iran, their families—the *aghazadehs* (or noble born)—frequently travel to, and live lavish lifestyles in, Europe. As an Iranian businessman told *Le Monde* last year, “former Revolutionary Guards who have been out of uniform for years and travel to Europe, as well as their children, are the ones who keep the Iranian economy going. It is precisely this category that will be affected by” the IRGC being designated as a terrorist organization.

As a part of this campaign, the U.S. government could also work with its allies to isolate Iran diplomatically, using the model of the Islamic Republic being ousted from the U.N. Commission on the Status of Women in 2022. Given Iran's recent election to the U.N. Committee on Disarmament and National Security, there is more work to be done in this space. Additional components of this effort would also persuade U.S. allies to downgrade diplomatic relations with the Islamic Republic. Reducing the presence of Iran's diplomats on Western soil and restricting their movements will be critical. These steps would matter, as the Iranian leadership is particularly sensitive to its image and perceived legitimacy on the world stage. It also views its access to Western countries as a platform to propagandize, recruit, and radicalize.

UANI has done much work in this area. After UANI leadership sent a letter to the organizers of the Munich Security Conference this year recommending they decline to invite Iranian government representatives, the conference announced that regime officials would not be included this year. Following UANI's [uncovering](#) of evidence showcasing IRGC radicalization taking place at the Al-Tawheed Charitable Trust in London and sharing it with authorities, the U.K. Charity Commission recently [announced](#) a statutory inquiry to investigate the matter. In Germany, a [UANI investigation](#) revealed, for the first time, that five German universities had partnerships with Iran's University of Religions and Denominations (URD), which is extensively affiliated with terrorist groups like the IRGC and Hezbollah and has endorsed and advocated for attacks on Israel. This led to some universities pledging not to partner with URD again, and the Federal Ministry of Education and Research [stated](#) that “the UANI warning is being taken

seriously.” Furthermore, UANI offered [new evidence](#) of deep ties between the Islamic Center of Hamburg and URD to German authorities, and it prompted a law enforcement raid on 54 locations connected to the Islamic Center of Hamburg, which has reported ties to Hezbollah. Europe is fertile ground for deeply problematic IRGC activity, and the U.S. government could be working to press its allies to crack down on such behavior, as it endangers American interests as well.

Fourth, sanctions and diplomatic isolation alone will not counter the Islamic Republic effectively. They could be paired with a credible military threat. Iran’s regime knows the United States has the capability to cripple its military, but Tehran doubts Washington has the will to do so. This doubt has shaped the IRGC’s current calculus. Unless and until the Islamic Republic fears a kinetic response from the United States against IRGC targets on Iranian soil, decision-makers and shapers in Tehran will continue to conclude that the benefits of its escalation in the region, shrouded in plausible deniability via proxy warfare, will outweigh the costs.

Taking more aggressive action now against the IRGC in response to its variety of provocations is also a way to prevent war. The IRGC and its Axis of Resistance need to only have a catastrophic success once against U.S. forces, and this could trigger an armed conflict with the United States.

The U.S. non-responses and underwhelming responses targeting mostly proxy actors only normalize the current level of IRGC and Axis of Resistance activity, which brings us closer to the edge of war. Precision strikes on IRGC assets in Iran—for example, bases where proxies are trained—offshore oil platforms, Iranian naval assets, and senior IRGC commanders are a way to shock the Iranian leadership out of its complacency and restore credible deterrence. Washington can learn from Israel’s experience in removing from the battlefield key commanders from the IRGC without necessarily triggering a war—striking at the head of the IRGC octopus, not merely its proxy tentacles.

This is why UANI suggests Congress and the Biden administration consider crafting an Authorization for Use of Military Force (AUMF) against the Islamic Republic and its proxies and partners. The primary destabilizing force in the Middle East today is the Islamic Republic and its Axis of Resistance. Having an AUMF on the books geared specifically towards this threat will change the perception of the Iranian regime leadership as to U.S. readiness to hold it accountable. That, coupled with a robust sanctions campaign and diplomatic isolation, will contribute to a changed calculus in Tehran and ultimately save lives.

Lastly, and certainly not least, the Biden administration should consider changing its public messaging towards the Islamic Republic. Senior administration officials’ constant refrain that the United States does not seek conflict with Tehran and is committed to diplomacy over the nuclear file has contributed to the Iranian leadership’s readiness to escalate since 2021. The President should consider ways to instill fear in the Iranian leadership and make clear publicly that attacks on the IRGC in Iran are on the table if they threaten U.S. interests.

What About Diplomacy?

The over eight years since the JCPOA came into being in 2015 have shown that there is no sustainable American political constituency for a diplomatic deal with the Islamic Republic using the JCPOA framework of temporary nuclear restrictions in exchange for significant sanctions relief. Iran's supreme leader has viewed this kind of agreement as the ceiling—and not the floor—of its engagement with the West, whereas the United States and its allies have viewed a JCPOA as the floor—and not the ceiling—of its engagement with Iran as it seeks to tackle its non-nuclear malign conduct. This mismatch in objectives and the lack of bipartisan consensus on Iran policy make the prospects for durable diplomacy with the Islamic Republic seem fanciful.

The elements of the U.S. strategy to tackle Iran's proxy network that I outline above are not incompatible with diplomacy. The failure of diplomacy with Iran since 2021 is in large part due to the absence of an international consensus against the Islamic Republic's nuclear program; the lack of enforcement and implementation of multilateral sanctions; Iran's growing integration rather than diplomatic isolation in the international community; and the absence of a credible military threat. Those drivers were in place to a greater degree than they are today during the leadup to the Joint Plan of Action of 2013 and JCPOA of 2015. They made diplomatic efforts more fruitful back then.

But in the end, Iran's regime requires the United States to remain an adversary to justify the continuation of its rule. This necessitates a realization in Washington that sustainable diplomacy with the Islamic Republic does not appear possible as long as it remains the Islamic Republic. A more comprehensive and assertive policy should be considered to prevent war and protect Americans.

Sincerely,



Jason M. Brodsky
Policy Director
United Against Nuclear Iran (UANI)

Submitted by Senator Chris Van Hollen

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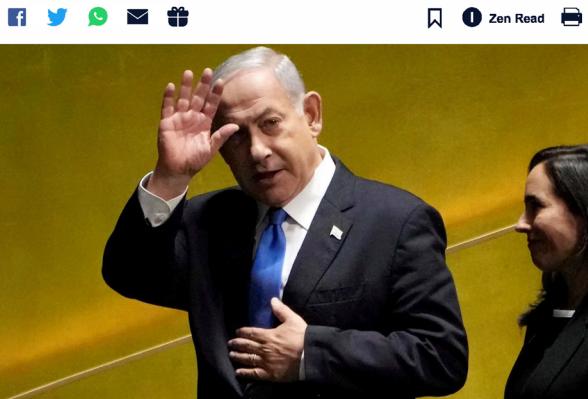
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Opinion | A Brief History of the Netanyahu-Hamas Alliance

For 14 years, Netanyahu's policy was to keep Hamas in power; the pogrom of October 7, 2023, helps the Israeli prime minister preserve his own rule

Adam Raz Oct 20, 2023



Benjamin Netanyahu. "The pogrom of October 7, 2023, helps Netanyahu, and not for the first time, to preserve his rule." Credit: Richard Drew / AP



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Much ink has been spilled describing the longtime relationship – rather, alliance – between Benjamin Netanyahu and Hamas. And still, the very fact that there has been close cooperation between the Israeli prime minister (with the support of many on the right) and the fundamentalist organization seemingly evaporated from most of the current analyses – everyone's talking about "failures," "mistakes" and "contzeptziot" (fixed conceptions). Given this, there is a need not only to review the history of cooperation but also to conclude unequivocally: The pogrom of October 7, 2023, helps Netanyahu, and not for the first time, to preserve his rule, certainly in the short term.

The MO of Netanyahu's policy since his return to the Prime Minister's Office in 2009 has and continues to be, on the one hand, bolstering the rule of Hamas in the Gaza Strip, and, on the other, weakening the Palestinian Authority.

His return to power was accompanied by a complete turnaround from the policy of his predecessor, Ehud Olmert, who sought to end the conflict through a peace treaty with the most moderate Palestinian leader – PA President Mahmoud Abbas.

For the last 14 years, while implementing a divide-and-conquer policy vis-a-vis the West Bank and Gaza, “Abu Yair” (“Yair’s father,” in Arabic, as Netanyahu called himself while campaigning in the Arab community before one recent election) has resisted any attempt, military or diplomatic, that might bring an end to the Hamas regime.

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In practice, since the Cast Lead operation in late 2008 and early 2009, during the Olmert era, Hamas’ rule has not faced any genuine military threat. On the contrary: The group has been supported by the Israeli prime minister, and funded with his assistance.

When Netanyahu declared in April 2019, as he has after every other round of fighting, that “we have restored deterrence with Hamas” and that “we have blocked the main supply routes,” he was lying through his teeth.

For over a decade, Netanyahu has lent a hand, in various ways, to the growing military and political power of Hamas. Netanyahu is the one who turned Hamas from a terror organization with few resources into a semi-state body.

Releasing Palestinian prisoners, allowing cash transfers, as the Qatari envoy comes and goes to Gaza as he pleases, agreeing to the import of a broad array of goods, construction materials in particular, with the knowledge that much of the material will be designated for terrorism and not for building civilian infrastructure, increasing the number of work permits in Israel for Palestinian workers from Gaza, and more. All these developments created symbiosis between the flowering of fundamentalist terrorism and preservation of Netanyahu’s rule.

Take note: It would be a mistake to assume that Netanyahu thought about the well-being of the poor and oppressed Gazans – who are also victims of Hamas – when allowing the transfer of funds (some of which, as noted, didn’t go to building infrastructure but rather military armament). His goal was to

hurt Abbas and prevent division of the Land of Israel into two states.

The shame that will follow Netanyahu will be far greater than one he attempted to escape

Israelis need more than a vague demand to ‘destroy Hamas’

Is Hamas really like ISIS? Experts explain

It's important to remember that without those funds from Qatar (and Iran), Hamas would not have had the money to maintain its reign of terror, and its regime would have been dependent on restraint.

In practice, the injection of cash (as opposed to bank deposits, which are far more accountable) from Qatar, a practice that Netanyahu supported and approved, has served to strengthen the military arm of Hamas since 2012.

Thus, Netanyahu indirectly funded Hamas after Abbas decided to stop providing it with funds that he knew would end up being used for terrorism against him, his policies and his people. It's important not to ignore that Hamas used this money to buy the means through which Israelis have been murdered for years.

In parallel, from a security standpoint, since Operation Protective Edge in 2014, Netanyahu has been guided by a policy that almost completely ignored the terrorism of the rockets and the incendiary kites and balloons. Occasionally, the media has been exposed to a dog-and-pony show, when such weapons were captured, but not more than that.

It's worth reminding that last year, the "government of change" (the short-lived coalition led by Naftali Bennett and Yair Lapid) exercised a different policy, one of whose expressions was the halting of funding for Hamas arriving via suitcases full of cash. When Netanyahu tweeted, on May 30, 2022, that "Hamas is interested in the existence of the weak Bennett government," he was lying to the public. The government of change was a disaster for Hamas.

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Netanyahu's nightmare was the collapse of the Hamas regime – something that Israel could have expedited, albeit for a difficult price. One of the proofs for this claim was given during Operation Protective Edge.

At the time, Netanyahu leaked to the media the contents of a presentation that the military had made to the security cabinet laying out the potential repercussions of conquering Gaza. The premier knew that the secret document, which noted that occupying Gaza would cost the lives of hundreds of soldiers, would create an atmosphere of opposition to a widespread ground invasion.



Palestinians ride on an Israeli military vehicle taken by Hamas militants during its coordinated attack on October 7, near the Gaza Strip fence. Credit: Abed Abu Reash / AP

In March 2019, Naftali Bennett told the Channel 13 program Hamakor: “Someone took care to leak that to the media to create an excuse for not taking action... it’s one of the gravest leaks in Israeli history.” Of course, the leak was not investigated, despite many demands from members of the Knesset. In closed-door conversations, Benny Gantz said then, when he was the IDF’s chief of staff, “Bibi leaked this.”

Let this sink in. Netanyahu leaked a “top secret” document in order to thwart the military and diplomatic position of the cabinet, which sought to defeat Hamas with various means. We should heed what Avigdor Lieberman told Yedioth Achronoth, in an interview published just before the October 7 assault, that Netanyahu “continuously thwarted all the targeted assassinations.”

It should be stressed that Netanyahu’s policy of keeping Hamas in charge in Gaza didn’t find expression only through opposition to physical occupation of Gaza and to assassinations of key Hamas players, but also in his determination to thwart any political reconciliation between the PA – Fatah in particular – and Hamas. A prominent example is Netanyahu’s behavior in late 2017, when talks between Fatah and Hamas were actually taking place.

A fundamental disagreement between Abbas and Hamas concerned the question of the Islamist group's military being subordinate to the PA. Hamas agreed that the PA would return to running all civilian matters in Gaza but refused to yield its arms.

Egypt and the United States supported reconciliation and worked to achieve it. Netanyahu totally opposed the idea, asserting repeatedly that "reconciliation between Hamas and the PLO makes achieving peace harder." Of course, Netanyahu didn't pursue peace, which wasn't on the agenda in any way back then. His position only served Hamas.

Over the years, from time to time, various figures on both sides of the political spectrum repeatedly pointed to the axis of cooperation between Netanyahu and Hamas. On the one hand, for example, Yuval Diskin, head of the Shin Bet security service from 2005 to 2011, told Yedioth Ahronoth in January 2013, "If we look at it over the years, one of the main people contributing to Hamas's strengthening has been Bibi Netanyahu, since his first term as prime minister."

In August 2019, former prime minister Ehud Barak told Army Radio that people who believed that Netanyahu had no strategy were mistaken. "His strategy is to keep Hamas alive and kicking... even at the price of abandoning the citizens [of the south] ... in order to weaken the PA in Ramallah."

And former IDF chief of staff Gadi Eisenkot told Maariv in January 2022 that Netanyahu acted "in total opposition to the national assessment of the National Security Council, which determined that there was a need to disconnect from the Palestinians and establish two states." Israel moved in the exact opposition direction, weakening the PA and strengthening Hamas.

Shin Bet head Nadav Argaman spoke about this when he finished his term in 2021. He warned explicitly that the lack of dialogue between Israel and the PA had the effect of weakening the latter while bolstering Hamas.

He warned that the relative quiet in the West Bank at the time was deceptive, and that "Israel must find a way to cooperate with the PA and to strengthen it." Eisenkot commented, in that same 2022 interview, that Argaman was right. "This is what's happening, and it's dangerous," he added.

People on the right said similar things. One of the mantras being repeated was that of newly elected MK Bezalel Smotrich, who in

2015 told the Knesset Channel that “Hamas is an asset and Abu Mazen is a burden,” referring to Abbas by his nom de guerre.

In April 2019, Jonatan Urich, one of Netanyahu’s media advisers and a Likud spokesman, told Makor Rishon that one of Netanyahu’s achievements was separating Gaza (both politically and conceptually) from the West Bank. Netanyahu “basically smashed the vision of the Palestinian state in these two places,” he boasted. “Some of the achievement is related to the Qatari money reaching Hamas each month.”



Palestinian President Mahmoud Abbas meets with the Chairman of the Hamas Political Bureau, Khaled Mashal and the vice Chairman of the Hamas Political Bureau, Ismail Haniyeh in Doha, Qatar on October 28, 2016. Credit: Handout / Palestinian Presidency

Around the same time in 2019, Likud MK Galit Distel Atbaryan wrote in an effusively complimentary Facebook post: “We must say this honestly – Netanyahu wants Hamas on its feet, and he is ready to pay almost any incomprehensible price for this. Half the country is paralyzed, children and parents are suffering from post-trauma, homes are blown up, people are killed, a street cat holds a nuclear tiger by the balls.” Read it but don’t believe it? It’s worth believing, because this is exactly the policy by which Netanyahu comported himself.

The prime minister himself spoke briefly at times about his position regarding Hamas. In March 2019, he said during a meeting of Likud MKs, at which the subject of transfer of funds to Hamas was under discussion, that, “Whoever opposes a Palestinian state must support delivery of funds to Gaza because maintaining separation between the PA in the West Bank and Hamas in Gaza will prevent the establishment of a Palestinian state.”

In a tweet two months later, Channel 13 quoted former Egyptian President Hosni Mubarak as telling a Kuwaiti newspaper:

"Netanyahu isn't interested in a two-state solution. Rather, he wants to separate Gaza from the West Bank, as he told me at the end of 2010."

Gen. (Res.) Gershon Hacohen, a prominent right winger, made things crystal clear in an interview with the online magazine Mida in May 2019. "When Netanyahu didn't go to war in Gaza to defeat the Hamas regime, he basically prevented Abu Mazen from establishing a united Palestinian state," he recalled at the time. "We need to exploit the situation of separation created between Gaza and Ramallah. It's an Israeli interest of the highest level, and you can't understand the situation in Gaza without understanding this context."

Netanyahu's entire policy since 2009 has sought to destroy any possibility of a diplomatic agreement with the Palestinians. It's the theme of his rule, which depends on the continuation of the conflict. Destroying democracy is an additional aspect of his continuing rule, something that has brought many of us out to the streets during the past year.

In that same 2019 interview with Army Radio, Barak said that Netanyahu was keeping the south "on a constant low flame." One should pay particular attention to his assertion that the security establishment laid on the cabinet table several times plans "to drain the swamp" of Hamas in Gaza, but the cabinet never discussed them.

Netanyahu knew, Barak added, "that it's easier with Hamas to explain to Israelis that there is no one to sit with and no one to talk to. If the PA strengthens... then there will be someone to talk to."

Back to Distel Atbaryan: "Mark my words – Benjamin Netanyahu keeps Hamas on its feet so that the entire State of Israel won't become the 'Gaza envelope.'" She warned of disaster "if Hamas collapses," in which case, "Abu Mazen is liable to control Gaza. If he will control it, voices from the left will arise advocating negotiations and a diplomatic settlement and a Palestinian state, including in Judea and Samaria." Netanyahu's mouthpieces are incessantly pumping out such messages.

Benjamin Netanyahu and Hamas have an unspoken political alliance against their common enemy – the Palestinian Authority. In other words, Netanyahu has cooperation and agreement with a group whose goal is the destruction of the State of Israel and the murder of Jews.

New York Times columnist Thomas Friedman was on the mark when he wrote in May 2021, at the time of the establishment of the government of change, that Netanyahu and Hamas were scared of the possibility of a diplomatic breakthrough. He wrote that the premier and Hamas both “wanted to destroy the possibility of political change before it could destroy them politically.”

He then explained that they didn’t need to talk or have an agreement between them. “They each understand what the other needs to stay in power and consciously or unconsciously behave in ways to ensure that they deliver it.”

I could go on and on expanding on the subject of this cooperation, but the preceding examples speak for themselves. The 2023 pogrom is a result of Netanyahu’s policy. It is not “a failure of the concept” – rather, this is the concept: Netanyahu and Hamas are political partners, and both sides have fulfilled their side of the bargain.

In the future, more details will emerge that will shed additional light on that mutual understanding. Don’t make the mistake of thinking – even now – that as long as Netanyahu and his present government are responsible for making decisions, the Hamas regime will collapse. There will be a lot of talk and pyrotechnics about the current “war against terror,” but sustaining Hamas is more important to Netanyahu than a few dead kibbutzniks.

Adam Raz is a historian, and author, most recently, of “The Demagogue: The Mechanics of Political Power” (in Hebrew).

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Qatar sent millions to Gaza for years – with Israel's backing. Here's what we know about the controversial deal

By Nima Elbagir, Barbara Arvanitis, Alex Platt, Raja Razek, Nadeen Ebrahim, CNN and Uri Blau, Shomrim
 © 8 minute read · Updated 4:16 AM EST, Tue December 12, 2023



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This is how Israel enabled Qatar to send millions to Gaza

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(CNN) — Since the October 7 Hamas attack on Israel, the Gulf state of Qatar has come under fire by Israeli officials, American politicians and media outlets for sending hundreds of millions of dollars in aid to Gaza, which is governed by the Palestinian militant group.

But all that happened with Israel's blessing.



How the tiny Arab state of Qatar became indispensable in talks with Hamas

In a series of interviews with key Israeli players conducted in collaboration with Israeli investigative journalism organization Shomrim, CNN was told Prime Minister Benjamin Netanyahu continued the cash flow to Hamas, despite concerns raised from within his own government.

Qatar has vowed not to stop those payments. Qatari minister of state for foreign affairs Mohammed bin Abdulaziz Al-Khulaifi told CNN's Becky Anderson on Monday that his government will continue to make payments to Gaza to support the enclave, as it has been doing for years.

"We're not going to change our mandate. Our mandate is our continuous help and support for our brothers and sisters of Palestine. We will continue to do it systematically as we did it before," Al-Khulaifi said.

Israeli sources responded by pointing out that successive governments had facilitated the transfer of money to Gaza for humanitarian reasons and that Netanyahu had acted decisively against Hamas after the October 7 attacks.

Here's what we know about those payments and Israel's role in facilitating them.

When did the Qatari payments start?

In 2018, Qatar began making monthly payments to the Gaza Strip. Some \$15 million were sent into Gaza in cash-filled suitcases – delivered by the Qataris through Israeli territory after months of negotiation with Israel.

The payments started after the Palestinian Authority (PA), the Palestinian government in the Israeli occupied West Bank that is a rival of Hamas, decided to cut salaries of government employees in Gaza in 2017, an Israeli government source with knowledge of the matter told CNN at the time.



What did Israel know about Hamas' October 7 attack?

The PA opposed the Qatari funding at the time, which Hamas said was meant for the payment of public salaries as well as medical purposes.

Israel approved the deal in a security cabinet meeting in August 2018, when Netanyahu was serving his previous tenure as premier.

Even then, Netanyahu was criticized by his coalition partners for the deal and for being too soft on Hamas.

5

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The prime minister defended the initiative at the time, saying the deal was made "in coordination with security experts to return calm to (Israeli) villages of the south, but also to prevent a humanitarian disaster (in Gaza)."

Ahmad Majdalani, an Executive Committee member at the Palestine Liberation Organization in the West Bank, accused the United States of orchestrating the payment.

The US was aware of the Qatari payments to Hamas, a former senior State Department official involved in the region told CNN on condition of anonymity due to the sensitivity of the matter.

Qatar was prepared to provide funds to the Gaza Strip through Hamas as early as the 2014 Israel-Hamas war to alleviate the humanitarian crisis there, the official said, and the US at the time left it up to the Israelis to decide whether they would permit this.

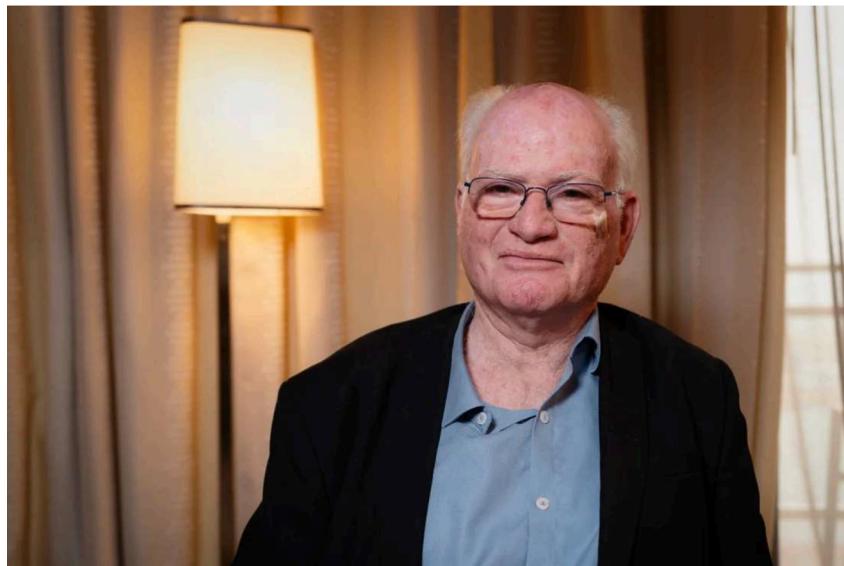
"We deferred completely to the Israelis as to whether this was something they wanted to do or not," the official said.

Why did Israel back the payments?

Israeli and international media have reported that Netanyahu's plan to continue allowing aid to reach Gaza through Qatar was in the hope that it might make Hamas an effective counterweight to the PA and prevent the establishment of a Palestinian state.

PA officials said at the time the cash transfers encouraged division between Palestinian factions.

Major General Amos Gilad, a former senior Israeli Defense Ministry official, told CNN the plan was backed by the prime minister, but not by the Israeli intelligence community. There was also some belief that it would "weaken Palestinian sovereignty," he said. There was also an illusion, he added, that "If you fed them (Hamas) with money, they would be tamed."



Major General Amos Gilad, a former senior Israeli Defense Ministry official, speaks to CNN in Tel Aviv on December 5. Alex Platoff/CNN

Shlomo Brom, a former deputy to Israel's national security adviser, told the New York Times that an empowered Hamas helped Netanyahu avoid negotiating over a Palestinian state, saying the division of the Palestinians helped him make the case that he had no partner for peace in the Palestinians, thus avoiding pressure for peace talks that could lead to the establishment of an independent Palestinian state.

The former State Department official said that after the 2014 war, Israel felt it was better off with Hamas controlling Gaza as opposed to multiple Islamist groups, or leaving it in a political vacuum.

"It was our impression that the Israelis were comfortable with keeping Hamas in power in a weakened form," the official said. "Our understanding was that Hamas was the lesser of a whole bunch of bad options in Gaza," the official added, noting that at least the competing PA could keep Hamas out of the West Bank.

government when he was minister of education, he stopped the suitcase cash transfers when he became prime minister in 2021.

"I stopped the cash suitcases because I believe that horrendous mistake – to allow Hamas to have all these suitcases full of cash, that goes directly to reordering themselves against Israelis. Why would we feed them cash to kill us?" Bennett asked.

The cash payments stopped, but the transfer of funds to Gaza continued under Bennett's leadership, according to the New York Times.

An Israeli official told CNN that any suggestion that Netanyahu wanted to maintain a "moderately weakened" Hamas was "utterly false" and that he had acted to weaken Hamas "significantly."

"He led three powerful military operations against Hamas which killed thousands of terrorists and senior Hamas commanders," the official said. "Successive Israeli governments before, during and after Netanyahu's governments enabled money to go to Gaza. Not in order to strengthen Hamas but to prevent a humanitarian crisis by supporting critical infrastructure, including water and sewage systems to prevent the spread of disease and enable daily life."

Has Netanyahu faced a backlash?

Netanyahu has come under increasing criticism as the depth of his government's involvement in the move, as well as the motivations for it, come to light again.

The funding deal is one reason why many Israelis today place part of the blame for the October 7 Hamas terror attack on Netanyahu personally. Numerous people told CNN they believed that allowing the payments made Hamas stronger and, ultimately, made the brutal attacks worse.

"The premier's policy of treating the terror group as a partner, at the expense of (Palestinian Authority President Mahmoud) Abbas and Palestinian statehood, has resulted in wounds that will take Israel years to heal from," wrote Tal Schneider in an opinion piece in the Times of Israel on October 8, a day after Hamas' devastating attack.



Aviv on November 10. Alex Platt/CNN

Gilad, the former Israeli defense official, said he was among those to argue against allowing money to reach Hamas, saying the permitted cash flow over the years was a "dramatic, tragic mistake."

With the funds, "they could take care of the population. They could take care of the military enhancement, and build up their capabilities," Gilad said last week.

Criticism of Netanyahu among Israelis soared after the attack, with many blaming the prime minister for failing to prevent it.

What backlash has Qatar faced?

Qatar maintains close ties with both Hamas and Western states, including the United States. It has come under harsh criticism for allowing the Iran-backed group to establish a political office in Doha, which has been operative since 2012.

But it has also proven useful to Israel, having played a leading role in the release of hostages kidnapped on October 7 and held by Hamas in Gaza.

But some Israeli officials have pointed to Qatar as among those responsible for the attack, saying the Gulf Arab state is supporting Hamas.

Israeli Foreign Minister Eli Cohen accused Qatar of financing Hamas and harboring its leaders in October.

"Qatar, which finance and harbor of Hamas' leaders, could influence and enable the immediate and unconditional release of all, of all hostages held by the terrorists. You, members of the international community should demand Qatar to do just that," Cohen said at a high-level UN meeting.



Who is Yahya Sinwar, the Hamas leader Israel has called a 'dead man walking'

Qatar has rejected accusations made by Israeli officials, warning that "these provocative statements" could undermine mediation efforts and even "endanger lives."

Gilad also blamed Qatar, saying the Gulf state "gave Hamas 1 billion shekels per year (\$30 million per month)... and they have used it to enhance, to cement their grip on Gaza "For them (Hamas), it was like a relief. It was like oxygen," he told CNN.

Qatar denies that those funds were intended for Hamas, saying they are meant as aid to pay salaries of workers in the besieged enclave.

The State Department official said that while the US has always been wary of Qatar's ties with Hamas, as well as with the criticism from both inside and outside the US about sending money to Gaza through the militant group, it was clear that Qatar had "the most leverage" with the group.

The Gulf nation, which hosts a major US airbase, has also come under pressure in Congress. A bipartisan group of 113 US lawmakers sent a letter to President Joe Biden on October 16 asking him to put pressure on countries who support Hamas, including Qatar.

Al-Khulaifi, the Qatari minister who leads his country's mediation in the Israel-Hamas war, said that his country "will continue to engage with regional and international partners to make sure that those funds reach out could have the most vulnerable and to the important and vital infrastructure."

CNN's Adam Pourahmadi, Tamar Michaelis, Pallabi Munsi and Ivana Kottasova contributed to this report.

■ ■ ■

Submitted by Senator Chris Van Hollen

'Buying Quiet': Inside the Israeli Plan That Propped Up Hamas

Prime Minister Benjamin Netanyahu gambled that a strong Hamas (but not too strong) would keep the peace and reduce pressure for a Palestinian state.



By Mark Mazzetti and Ronen Bergman
Reporting from Tel Aviv and Jerusalem

Dec. 10, 2023

Just weeks before Hamas launched the deadly Oct. 7 attacks on Israel, the head of Mossad arrived in Doha, Qatar, for a meeting with Qatari officials.

For years, the Qatari government had been sending millions of dollars a month into the Gaza Strip — money that helped prop up the Hamas government there. Prime Minister Benjamin Netanyahu of Israel not only tolerated those payments, he had encouraged them.

During his meetings in September with the Qatari officials, according to several people familiar with the secret discussions, the Mossad chief, David Barnea, was asked a question that had not been on the agenda: Did Israel want the payments to continue?

Mr. Netanyahu's government had recently decided to continue the policy, so Mr. Barnea said yes. The Israeli government still welcomed the money from Doha.

Allowing the payments — billions of dollars over roughly a decade — was a gamble by Mr. Netanyahu that a steady flow of money would maintain peace in Gaza, the eventual launching point of the Oct. 7 attacks, and keep Hamas focused on governing, not fighting.

The Qatari payments, while ostensibly a secret, have been widely known and discussed in the Israeli news media for years. Mr. Netanyahu's critics disparage them as part of a strategy of "buying quiet," and the policy is in the middle of a ruthless reassessment following the attacks. Mr. Netanyahu has lashed back at that criticism, calling the suggestion that he tried to empower Hamas "ridiculous."



A house in Kibbutz Be'eri, in Israel, that was overrun by Hamas fighters on Oct. 7. Avishag Shaar-Yashuv for The New York Times

In interviews with more than two dozen current and former Israeli, American and Qatari officials, and officials from other Middle Eastern governments, The New York Times unearthed new details about the origins of the policy, the controversies that erupted inside the Israeli government and the lengths that Mr. Netanyahu went to in order to shield the Qataris from criticism and keep the money flowing.

The payments were part of a string of decisions by Israeli political leaders, military officers and intelligence officials — all based on the fundamentally flawed assessment that Hamas was neither interested in nor capable of a large-scale attack. The Times has previously reported on intelligence failures and other faulty assumptions that preceded the attacks.

Even as the Israeli military obtained battle plans for a Hamas invasion and analysts observed significant terrorism exercises just over the border in Gaza, the payments continued. For years, Israeli intelligence officers even escorted a Qatari official into Gaza, where he doled out money from suitcases filled with millions of dollars.

The money from Qatar had humanitarian goals like paying government salaries in Gaza and buying fuel to keep a power plant running. But Israeli intelligence officials now believe that the money had a role in the success of the Oct. 7 attacks, if only because the donations allowed Hamas to divert some of its own budget toward military operations. Separately, Israeli intelligence has long assessed that Qatar uses other channels to secretly fund Hamas' military wing, an accusation that Qatar's government has denied.

"Any attempt to cast a shadow of uncertainty about the civilian and humanitarian nature of Qatar's contributions and their positive impact is baseless," a Qatari official said in a statement.

Multiple Israeli governments enabled money to go to Gaza for humanitarian reasons, not to strengthen Hamas, an official in Mr. Netanyahu's office said in a statement. He added: "Prime Minister Netanyahu acted to weaken Hamas significantly. He led three powerful military operations against Hamas which killed thousands of terrorists and senior Hamas commanders."

Hamas has always publicly stated its commitment to eliminating the state of Israel. But each payout was a testament to the Israeli government's view that Hamas was a low-level nuisance, and even a political asset.

As far back as December 2012, Mr. Netanyahu told the prominent Israeli journalist Dan Margalit that it was important to keep Hamas strong, as a counterweight to the Palestinian Authority in the West Bank. Mr. Margalit, in an interview, said that Mr. Netanyahu told him that having two strong rivals, including Hamas, would lessen pressure on him to negotiate toward a Palestinian state.

The official in the prime minister's office said Mr. Netanyahu never made this statement. But the prime minister would articulate this idea to others over the years.



Prime Minister Benjamin Netanyahu's critics disparage the payments as "buying quiet." Alexi J. Rosenfeld/Getty Images

While Israeli military and intelligence leaders have acknowledged failings leading up to the Hamas attack, Mr. Netanyahu has refused to address such questions. And with a war waging in Gaza, a political reckoning for the man who has served as prime minister for 13 of the last 15 years, is, for the moment, on hold.

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But Mr. Netanyahu's critics say that his approach to Hamas had, at its core, a cynical political agenda: to keep Gaza quiet as a means of staying in office without addressing the threat of Hamas or simmering Palestinian discontent.

"The conception of Netanyahu over a decade and a half was that if we buy quiet and pretend the problem isn't there, we can wait it out and it will fade away," said Eyal Hulata, Israel's national security adviser from July 2021 until the beginning of this year.

Seeking Equilibrium

Mr. Netanyahu and his security aides slowly began reconsidering their strategy toward the Gaza Strip after several bloody and inconclusive military conflicts there against Hamas.

"Everyone was sick and tired of Gaza," said Zohar Palti, a former director of intelligence for Mossad. "We all said, 'Let's forget about Gaza,' because we knew it was a deadlock."

After one of the conflicts, in 2014, Mr. Netanyahu charted a new course — emphasizing a strategy of trying to "contain" Hamas while Israel focused on Iran's nuclear program and its proxy armies like Hezbollah.

This strategy was buttressed by repeated intelligence assessments that Hamas was neither interested in nor capable of launching a significant attack inside Israel.



Destruction in Rafah, in the southern Gaza Strip, in 2014. Sergey Ponomarev for The New York Times
 Qatar, during this period, became a key financier for reconstruction and government operations in Gaza. One of the world's wealthiest nations, Qatar has long championed the Palestinian cause and, of all its neighbors, has cultivated the closest ties to Hamas. These relationships have proved valuable in recent weeks as Qatari officials have helped negotiate for the release of Israeli hostages in Gaza.

Qatar's work in Gaza during this period was blessed by the Israeli government. And Mr. Netanyahu even lobbied Washington on Qatar's behalf. In 2017, as Republicans pushed to impose financial sanctions on Qatar over its support for Hamas, he dispatched senior defense officials to Washington. The Israelis told American lawmakers that Qatar had played a positive role in the Gaza Strip, according to three people familiar with the trip.

Yossi Kuperwasser, a former head of research for Israel's military intelligence, said that some officials saw the benefits of maintaining an "equilibrium" in the Gaza Strip. "The logic of Israel was that Hamas should be strong enough to rule Gaza," he said, "but weak enough to be deterred by Israel."

The administrations of three American presidents — Barack Obama, Donald J. Trump and Joseph R. Biden Jr. — broadly supported having the Qatars playing a direct role in funding Gaza operations.

But not everyone was on board.

Avigdor Lieberman, months after becoming defense minister in 2016, wrote a secret memo to Mr. Netanyahu and the Israeli military chief of staff. He said Hamas was slowly building its military abilities to attack Israel, and he argued that Israel should strike first.



Avigdor Lieberman, second from left, pictured in 2019, raised concerns that Hamas was slowly building its military abilities to attack Israel. Dan Balilty for The New York Times

Israel's goal is "to ensure that the next confrontation between Israel and Hamas will be the final showdown," he wrote in the memo, dated Dec. 21, 2016, a copy of which was reviewed by The Times. A pre-emptive strike, he said, could remove most of the "leadership of the military wing of Hamas."

Mr. Netanyahu rejected the plan, preferring containment to confrontation.

Hamas as 'an Asset'

Among the team of Mossad agents that tracked terrorism financing, some came to believe that — even beyond the money from Qatar — Mr. Netanyahu was not very concerned about stopping money going to Hamas.

Uzi Shaya, for example, made several trips to China to try to shut down what Israeli intelligence had assessed was a money-laundering operation for Hamas run through the Bank of China.

After his retirement, he was called to testify against the Bank of China in an American lawsuit brought by the family of a victim of a Hamas terrorist attack.

At first, the head of Mossad encouraged him to testify, saying it could increase financial pressure on Hamas, Mr. Shaya recalled in a recent interview.

Then, the Chinese offered Mr. Netanyahu a state visit. Suddenly, Mr. Shaya recalled, he got different orders from his former bosses: He was not to testify.

Mr. Netanyahu visited Beijing in May 2013, part of an effort to strengthen economic and diplomatic ties between Israel and China. Mr. Shaya said he would have liked to have testified.

"Unfortunately," he said, "there were other considerations."

While the reasons for the decision were never confirmed, the change in tack left him suspicious. Especially because politicians at times talked openly about the value of a strong Hamas.

Shlomo Brom, a retired general and former deputy to Israel's national security adviser, said an empowered Hamas helped Mr. Netanyahu avoid negotiating over a Palestinian state.



Fighters from the Ezzedine al-Qassam Brigades, Hamas's military wing, moving toward the Erez crossing between Israel and the northern Gaza Strip on Oct. 7. Mohammed Abed/Agence France-Presse — Getty Images

"One effective way to prevent a two-state solution is to divide between the Gaza Strip and the West Bank," he said in an interview. The division gives Mr. Netanyahu an excuse to disengage from peace talks, Mr. Brom said, adding that he can say, "I have no partner."

Mr. Netanyahu did not articulate this strategy publicly, but some on the Israeli political right had no such hesitation.

Bezalel Smotrich, a far-right politician who is now Mr. Netanyahu's finance minister, put it bluntly in 2015, the year he was elected to Parliament.

"The Palestinian Authority is a burden," he said. "Hamas is an asset."

Suitcases Full of Cash

During a 2018 cabinet meeting, Mr. Netanyahu's aides presented a new plan: Every month, the Qatari government would make millions of dollars in cash payments directly to people in Gaza as part of a cease-fire agreement with Hamas.

Shin Bet, the country's domestic security service, would monitor the list of recipients to try to ensure that members of Hamas's military wing would not directly benefit.

Despite those assurances, dissent boiled over. Mr. Lieberman saw the plan as a capitulation and resigned in November 2018. He publicly accused Mr. Netanyahu of “buying short-term peace at the price of serious damage to long-term national security.” In the years that followed, Mr. Lieberman would become one of Mr. Netanyahu’s fiercest critics.

During an interview last month in his office, Mr. Lieberman said the decisions in 2018 directly led to the Oct. 7 attacks.

“For Netanyahu, there is only one thing that is really important: to be in power at any cost,” he said. “To stay in power, he preferred to pay for tranquillity.”

Suitcases filled with cash soon began crossing the border into Gaza.

Each month, Israeli security officials met Mohammed al-Emadi, a Qatari diplomat, at the border between Israel and Jordan. From there, they drove him to the Kerem Shalom border crossing and into Gaza.

At first, Mr. Emadi brought with him \$15 million to distribute, with \$100 handed out at designated locations to each family approved by the Israeli government, according to former Israeli and American officials.



Mohammed al-Emadi, a Qatari diplomat, left, and Hamas's security chief Tawfiq Abu Naim, second left, during a visit in Gaza City in 2019. Mohammed Abed/Agence France-Presse — Getty Images

The funds were intended to pay salaries and other expenses, but one senior Western diplomat who was based in Israel until last year said that Western governments had long assessed that Hamas was skimming from the cash disbursements.

"Money is fungible," said Chip Usher, a senior Middle East analyst at the C.I.A. until his retirement this year. "Anything that Hamas didn't have to use out of its own budget freed up money for other things."

Naftali Bennett, who was Israel's education minister in 2018 when the payments began and later became the defense minister, was among members of Mr. Netanyahu's government who criticized the payments. He called them "protection money."

And yet, when Mr. Bennett began his one-year stint as prime minister in June 2021, he continued the policy. By then, Qatar was spending roughly \$30 million a month in Gaza.

Mr. Bennett and his aides, though, decided that the cash disbursements were a monthly embarrassment for his government. During meetings with security officials, Mr. Barnea, the Mossad chief, expressed opposition to continuing the payments — certain that some of the money was being diverted to Hamas's military activities.

For their part, Qatari officials wanted a more stable, reliable way to get money to Gaza for the long-term.

All sides reached a compromise: United Nations agencies would distribute the Qatari money rather than Mr. Emadi. Some of the money went directly to buy fuel for the power plant in Gaza.

Mr. Hulata, the national security adviser to Mr. Bennett, recalls the tension: Israel was blessing these Qatari payments, even as Mossad intelligence assessments concluded that Qatar was using other channels to secretly finance Hamas's military arm.

It was hard to stop these military payments, he said, when Israel had become so reliant on Qatar.

Yossi Cohen, who managed the Qatari file for many years as the Mossad chief, came to question Israel's policy toward the Gaza money. During his final year running the spy service, he believed there was little oversight over where the money was going.

In June 2021, Mr. Cohen gave his first public speech after retiring from the spy service. He said that the Qatari money to the Gaza Strip had gotten "out of control."



Vehicles donated by Qatar to the civil defense and fire brigade crossing through the Kerem Shalom border crossing into Gaza in 2019. Said Khatib/Agence France-Presse — Getty Images

Maria Abi-Habib and Justin Scheck contributed reporting from London, and Adam Sella from Tel Aviv.

Mark Mazzetti is an investigative reporter based in Washington, D.C., focusing on national security, intelligence, and foreign affairs. He has written a book about the C.I.A. More about Mark Mazzetti

Ronen Bergman is a staff writer for The New York Times Magazine, based in Tel Aviv. His latest book is "Rise and Kill First: The Secret History of Israel's Targeted Assassinations," published by Random House. More about Ronen Bergman

A version of this article appears in print on , Section A, Page 1 of the New York edition with the headline: Israel Long Let Cash From Qatar Prop Up Hamas

Submitted by Senator Chris Van Hollen

Israel Found the Hamas Money Machine Years Ago. Nobody Turned It Off.

Agents worried as millions poured in. Hamas bought weapons and plotted an attack. The authorities now say the money helped lay the groundwork for the Oct. 7 assault on Israel.

By Jo Becker and Justin Scheck

Jo Becker reported from Tel Aviv, and Justin Scheck from Istanbul and Ankara, Turkey.

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Israeli security officials scored a major intelligence coup in 2018: secret documents that laid out, in intricate detail, what amounted to a private equity fund that Hamas used to finance its operations.

The ledgers, pilfered from the computer of a senior Hamas official, listed assets worth hundreds of millions of dollars. Hamas controlled mining, chicken farming and road building companies in Sudan, twin skyscrapers in the United Arab Emirates, a property developer in Algeria, and a real estate firm listed on the Turkish stock exchange.

The documents, which The New York Times reviewed, were a potential road map for choking off Hamas's money and thwarting its plans. The agents who obtained the records shared them inside their own government and in Washington.

Nothing happened.

For years, none of the companies named in the ledgers faced sanctions from the United States or Israel. Nobody publicly called out the companies or pressured Turkey, the hub of the financial network, to shut it down.

A Times investigation found that both senior Israeli and American officials failed to prioritize financial intelligence — which they had in hand — showing that tens of millions of dollars flowed from the companies to Hamas at the exact moment that it was buying new weapons and preparing an attack.

That money, American and Israeli officials now say, helped Hamas build up its military infrastructure and helped lay the groundwork for the Oct. 7 attacks.

"Everyone is talking about failures of intelligence on Oct. 7, but no one is talking about the failure to stop the money," said Udi Levy, a former chief of Mossad's economic warfare division. "It's the money — the money — that allowed this."

At its peak, Israeli and American officials now say, the portfolio had a value of roughly half a billion dollars.

Even after the Treasury Department finally levied sanctions against the network in 2022, records show, Hamas-linked figures were able to obtain millions of dollars by selling shares in a blacklisted company. The Treasury Department now fears that such money flows will allow Hamas to finance its continuing war with Israel and to rebuild when it is over.

"It's something we are deeply worried about and expect to see given the financial stress Hamas is under," said Brian Nelson, the Treasury Department's under secretary for terrorism and financial intelligence. "What we are trying to do is disrupt that."

That was what Israel's terrorism-finance investigators hoped to do with their 2018 discovery. But at the top echelons of the Israeli and American governments, officials focused on putting together a series of financial sanctions against Iran. Neither country prioritized Hamas.

Israeli leaders believed that Hamas was more interested in governing than fighting. By the time the agents discovered the ledgers in 2018, the prime minister, Benjamin Netanyahu, was encouraging the government of Qatar to deliver millions of dollars to the Gaza Strip. He gambled that the money would buy stability and peace.

Mr. Levy recalled briefing Mr. Netanyahu personally in 2015 about the Hamas portfolio.

"I can tell you for sure that I talked to him about this," Mr. Levy said. "But he didn't care that much about it."

Mr. Netanyahu's Mossad chief shut down Mr. Levy's team, Task Force Harpoon, that focused on disrupting the money flowing to groups including Hamas.

Former Harpoon agents grew so frustrated with the inaction that they uploaded some documents to Facebook, hoping that companies and investors would find them and stop doing business with Hamas-linked companies.



Members of the Qassam Brigades, Hamas's military wing, next to a model of an Ababil drone in 2022 during a rally in Khan Younis, in the southern Gaza Strip. Said Khatib/Agence France-Presse — Getty Images

In the years that followed the 2018 discovery, Hamas's money network burrowed deeper into the mainstream financial system, records show.

The Turkish company at the heart of the operation had such a sheen of legitimacy that major American and European banks managed shares on behalf of clients. The Church of Jesus Christ of Latter-day Saints invested tens of thousands of dollars before the company was placed under sanction.

The Times reviewed previously undisclosed intelligence documents and corporate records and interviewed dozens of current officials from the United States, Israel, Turkey and Hamas's financial network. Some spoke on the condition of anonymity to discuss intelligence matters.

Israeli intelligence and security agencies have apologized for the failings that led up to the Oct. 7 attacks.

Mr. Netanyahu has acknowledged that his government failed to protect its people and said that he would face, and answer, tough questions after the war. He has denied, though, that he took his eye off Hamas. But he declined to answer questions from The Times about the ledgers or the hunt for Hamas's money.

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2015: Task Force Harpoon

Israeli security and intelligence officials, working from a secure compound outside Tel Aviv, spent years tracking Hamas's money. By 2015, they were on to what they called Hamas's "secret investment portfolio."

Terrorist organizations like Al Qaeda and the Islamic State often use front companies to launder money. But here, Israeli agents saw something different, more ambitious: a multinational network of real businesses churning out real profits.

On paper, they looked like unrelated companies. But over and over, the Israelis said they identified the same Hamas-linked figures as shareholders, executives and board members.

There were people like Hisham Qafisheh, a white-goated Jordanian who studied in Saudi Arabia and had a knack for finding political support. One of his companies won a \$500 million highway contract in Sudan.



Hisham Qafisheh

Then there was Amer Al-Shawa, a Turkish man of Palestinian descent who studied electrical engineering in Ohio and more recently spent five months under interrogation in an Emirati jail on suspicion of funding Hamas.

At the top was Ahmed Odeh, a heavyset Jordanian businessman with years of experience in Saudi Arabia. The Israelis learned — and the Americans now say much of this publicly — that Hamas's governing Shura Council had given Mr. Odeh seed money to build and manage a portfolio of companies.

Hamas, the de facto governing body of Gaza, relied principally on Iran to fund its military wing. But Hamas wanted its own funding stream, too.

The Israeli security services operated a terrorism-finance investigative team at the time called Task Force Harpoon. It put people from across counterterrorism — spies, soldiers, police officers, accountants, lawyers — under the same umbrella and gave them a direct report to the prime minister. The task force even had an economic warfare unit within the Mossad intelligence agency that could covertly act on the intelligence it had gathered.

"We didn't have any rivalries," Tamir Pardo, the Mossad chief at the time, said in an interview. "No one got credit for any one operation. It just worked."

Harpoon, he said, was "one of the most important tools the Mossad had." It churned out intelligence to financial regulators, law enforcement agencies, politicians and allies in Washington, helping Israel win financial sanctions targeting Iran and its proxy, Hezbollah.

Mr. Levy, who ran Harpoon and its dedicated economic warfare unit, recalled the first time he heard about Hamas's portfolio.



Amer Al-Shawa

"One of the guys on my team, a Mossad guy, showed it to me," Mr. Levy said. "What we understood then was that they had these companies to make a little bit of money and to use them as a legal platform to transfer money from place to place."

Back then, the consensus among Israeli officials was that Iran was the bigger threat. It had nuclear ambitions and armed both Hamas and the Hezbollah militia in Lebanon. So the bulk of the task force's attention remained focused there.

Still, Mr. Levy said the discovery was enough of a "red flag" that he told Mr. Netanyahu about it.

2016: Shut Down

A 2014 war between Israel and Hamas had left Hamas's fortifications in ruins and its arsenal depleted.

Hamas, though, was able to rebuild. In 2016, Israeli intelligence officials noted that the group was obtaining GPS jammers, drones and precision weapons, according to a military document reviewed by The Times.

Hamas had added about 6,000 operatives to its ranks since the war ended, and the military had learned that Hamas was developing plans to storm Israeli communities and take hostages.

By 2016, Mr. Netanyahu's government had begun pursuing a strategy to contain Hamas by allowing the Qataris to send money to Gaza. Mr. Netanyahu says that money was humanitarian aid. Privately, he told others that stabilizing Hamas would lessen pressure on him to negotiate toward a Palestinian state.

That same year, the new Mossad chief, Yossi Cohen, dismantled Harpoon as part of an agency reorganization, according to Mr. Levy and others.

Mr. Levy left government that year. A new group of intelligence agents and specialists from a few other agencies kept chasing the money, only without the organizational structure and direct access to senior policymakers.

This new group soon made another alarming discovery.

Up until that point, members of the team told The Times, they had estimated that Hamas was taking about \$10 million to \$15 million annually from their companies' profits.

Then they learned, based on sources and other intelligence, that Hamas had sold off some of the secret portfolio's assets, raising more than \$75 million. That money, according to an Israeli intelligence assessment, was sent to Gaza, where it was used to rebuild Hamas's military infrastructure.



Tamir Pardo, a former head of Mossad, in September in Herzliya, Israel. The Harpoon Task Force, he said, was “one of the most important tools the Mossad had.” Ariel Schalit/Associated Press

The Israeli authorities have now concluded that this influx of money not only helped Hamas prepare for the Oct. 7 attacks, but gave leaders confidence that they would have the money to rebuild afterward, according to five Israeli security officials.

Exactly how significant that money was to the Oct. 7 attacks is unknown. Israeli officials have promised an inquiry into the intelligence failures that led up to the attacks, and new details may emerge.

But what is clear is that the Israeli government took no public action against the Hamas-linked companies. Instead, it decided to build a case to get the United States government to shut the companies off from the global financial system. But that would take time, and more evidence.

2018: The Big Break

Exactly how Israeli intelligence obtained the ledgers — whether from an informant or a computer hack — remains unclear. But in 2018, the team got the proof it had been seeking.



Residents in 2014 outside their destroyed homes in Beit Lahia, in the Gaza Strip. Sergey Ponomarev for The New York Times

The documents were created by Mahmoud Ghazal, a man whom the Israelis had identified as the Hamas portfolio's bookkeeper.

The ledgers spanned 2012 to 2018 and contained entries and valuations for companies that the agents had been monitoring in Saudi Arabia, Sudan, Turkey and elsewhere. The records also contained familiar names, including Mr. Qafisheh and Mr. Al-Shawa.

The documents were hard evidence of what the Israelis had long suspected: Despite what public records said, Hamas was in control.

"It was a big breakthrough," said one official involved in the investigation. "Hamas could hide behind frontmen and shareholders, but the money always talks."

The ledgers also contained coded entries that puzzled investigators, but one document was a sort of Rosetta Stone: “QG” for instance, referred to Qitaa Ghaza, or the Gaza Strip. “D” referred to Daffa, or the West Bank. Beside each was a large dollar figure. From this, the Israelis deduced where Hamas was sending its money.

This discovery was quickly bolstered by intelligence from Saudi Arabia. In mid-2018, the Saudis arrested Mr. Ghazal, the Hamas accountant, and two other men who corporate records show held positions in 18 companies in the portfolio.

Under interrogation, Mr. Ghazal confessed that the portfolio existed to transfer money to Hamas, according to records related to the three men’s arrests that were viewed by The Times. He also said that, just as the Israelis had long suspected, Mr. Odeh directed where the money went.

The two other men told their interrogators that they were shareholders in name only. Their stakes were actually owned by Mr. Qafisheh, the goateed Jordanian who had also been on the Israeli radar screen for years. Mr. Qafisheh, the men said, was a Hamas operative.



Yossi Cohen in 2019 in Tel Aviv. As chief of Mossad in 2016, he dismantled Harpoon. Corinna Kern/Reuters

The documents do not say what the Saudis did to elicit the confessions. The kingdom’s harsh interrogation techniques have earned it international condemnation.

The Saudis shared the materials with Washington, according to officials with direct knowledge of the matter, knowing that Washington would share them with its close ally Israel. The Saudi monarchy has no tolerance for Hamas and hoped that Washington would blacklist the companies, the officials said.

The Israeli team shared the ledgers and its intelligence with American officials in early 2019, hoping to encourage financial sanctions.

But then, nothing.

The Trump administration did not act. Treasury Department officials said that they did not delay any decisions. Issuing sanctions, they said, is a complicated process. And Israel, which was more focused on getting the Americans to issue Iranian sanctions, did not press for more urgent actions, both Israeli and American officials say.

“We have great people still who are trying to do this work,” Mr. Levy said. “But if no one at a high level is putting this as a priority, what can they do?”

2019: Turkey

Though the investment portfolio spanned many countries, Turkey was key.



In a photograph provided by state media, President Recep Tayyip Erdogan of Turkey, right, is seen meeting with Ismail Haniyeh, Hamas's political chief, in 2020 in Istanbul. Murat Kula/Anadolu Agency, via Getty Images

The Saudis had made clear with their arrests that Hamas was not welcome. And the financiers had lost much of their Sudanese income with the fall of the autocratic leader Omar al-Bashir.

Turkey under President Recep Tayyip Erdogan, however, has not criminalized Hamas nor has it clearly restricted Hamas's activities in Turkey.

By 2019, Mr. Odeh was in Turkey, as was Mr. Qafisheh.

Mr. Al-Shawa, the Ohio-educated engineer who had been in Israel's sights for years, spent 135 days in Emirati jails before being released in 2015 — without explanation “and without breakfast,” he told The Times in an interview. He returned to Turkey.

Mr. Erdogan was a major proponent of the nation’s building industry, which was good news for the company at the center of the Hamas portfolio: a real estate developer named Trend GYO.

Trend took advantage of Mr. Erdogan's building boom. It brought in an investor, Hamid Al Ahmar, with ties to the president. And it reorganized itself as a real estate investment trust, which had Turkish tax advantages, and went public.

Trend's general manager, Mr. Al-Shawa, said he had no real power at the company. The board, he said, made all of the decisions. He denied being involved with Hamas, but he said that he suspected others at Trend were.



Hamid Al Ahmar
Yahya Arhab/European Pressphoto Agency

"Do I have proof? No. But sometimes you just have a feeling," he said. "I really didn't care. Why should I? I was there to make money."

Mr. Odeh and Mr. Al Ahmar declined to comment through intermediaries. Trend would not pass messages seeking comment to Mr. Qafisheh, and a spokeswoman said he and Mr. Al Ahmar were no longer involved with the company. The spokeswoman said the question of whether Hamas owned the company was "ridiculous and meaningless." She said Trend was appealing its Treasury designation. Hamas, through its media office in Lebanon, declined to comment.

Foreign investors piled in. In 2019, while Washington sat on the ledgers, American and European banks held more than 3 percent of the company's publicly traded shares on behalf of clients, Turkish financial records show. The Church of Jesus Christ of Latter-day Saints's investment arm, Ensign Peak Advisors, bought more than 200,000 shares.

There is no indication that the church or the Western banks knew about any Hamas ties at the time. A church spokesman said that a U.S.-based investment adviser, Acadian Asset Management, bought the shares on its behalf. An Acadian spokesman said the company had "complied with all relevant laws."

While the sanctions proposal languished, Israeli and American officials now say, Hamas appointed a new investment chief, Musa Dudin. Unlike his predecessors, he was a well-known Hamas military operative who had spent 18 years in an Israeli prison for his role in deadly attacks.

Mr. Dudin, too, has resettled in Turkey. Mr. Dudin declined to comment through an intermediary.

Meanwhile, Hamas-linked owners began cashing out. In 2019, Mr. Qafisheh sold more than \$500,000 worth of stock, corporate filings show. In 2020, Mr. Al Ahmar sold shares worth \$1.6 million.

The company's owners got money out of the company another way, too. Mr. Al-Shawa, in his interview, said that the board pushed him to award Trend contracts to a construction company that Mr. Qafisheh owned with two other Trend shareholders.

Company records show that Trend paid that company more than \$7.5 million from 2018 to 2022 — one example of how Hamas-linked figures pulled cash from the portfolio.

Trend, in a written statement, said it had paid the construction company “in accordance with commercial practices and legal rules” and no longer has a relationship with the company.

The Israeli agents understood that Iranian sanctions would take precedence over Hamas but were frustrated by the delays. At their wits’ end, former Task Force Harpoon members took a desperate step. In June 2021, they uploaded some of the Hamas financial records to Facebook. The documents revealed a few nodes of the secret network, including Trend. It is unclear whether that was authorized.

The goal was to create a trail of online breadcrumbs for journalists, financial investigators and others to follow. The Facebook post generated a smattering of news coverage.



The Trend GYO headquarters in
Istanbul.
Justin Scheck/The New York Times

“There wasn’t any way to use the intelligence we had,” said Uzi Shaya, a former Mossad agent and Harpoon member. “It was almost done as a last resort.”

Finally, in May 2022, the Treasury Department announced financial sanctions against what it called an expansive Hamas funding network. Mr. Odeh and Mr. Qafisheh were named as financiers.

“The United States is committed to denying Hamas the ability to generate and move funds and to holding Hamas accountable for its role in promoting and carrying out violence,” the department said.

Trend was financially blacklisted, as were several other associated companies.

All had been named in the ledgers that the Israeli team had given the Americans three years earlier.

2023: Aftermath



Musa Dudin
via Facebook

Late last month, Mr. Nelson, the Treasury Department official, flew to Turkey to urge the Turkish government to stop sheltering Hamas's money.

"It's the highest priority in our building," he said in an interview this month. The department recently added Mr. Dudin, Mr. Al-Shawa and others to the financial blacklist. Mr. Al-Shawa said he was appealing the decision.

Mr. Erdogan has given no indication that he intends to recognize those sanctions. After the Oct. 7 attacks, he declared that Hamas was not a terrorist organization, but a "liberation group."

Americans "are the only ones who set the law in the world and all others follow," Hasan Turan, a member of Parliament from Mr. Erdogan's governing party, said in a recent interview. "It is not acceptable."

Mr. Turan even met with Mr. Al Ahmar, the former Trend investor, last month to discuss ways to support the Palestinians.

The value of Trend's stock, which is still traded on the Istanbul exchange, has more than doubled since it was added to the sanctions list. During that same period, two Trend shareholders now under sanction sold \$4.3 million in stock, corporate filings show. Asked if that money went to Hamas, the company's chairman said he did not know and it would be inappropriate to ask.

And as recently as this year, Hamas-tied companies and people under sanction were still able to hold Turkish bank accounts in U.S. dollars, banking records reviewed by The Times show, despite ostensibly being cut off from the American financial system.

Mr. Pardo, the former Mossad chief, said he did not know what happened after he left in 2016. But "from the results," he said, "you can judge that they had a lot of money."

"I believe that if someone would have chased the money and stopped it," he added, "we wouldn't be seeing the results of what we see today."

Mr. Levy, the former Harpoon deputy, grows emotional when he talks about the Hamas money. "I want to do everything we can to prevent war," he said. "I really believed that we could do that by going after the financial infrastructure of terrorist groups. But we have to be serious."

Ronen Bergman contributed reporting from Tel Aviv, and Patrick Kingsley from Jerusalem.

A correction was made on Dec. 17, 2023: An earlier version of this article misstated the title of the Turkish official Hasan Turan. He is a member of Parliament, not a minister.

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at nytnews@nytimes.com. [Learn more](#)

Jo Becker is a reporter in the investigative unit and a three-time Pulitzer Prize winner. She is the author of “Forcing the Spring: Inside the Fight for Marriage Equality.” [More about Jo Becker](#)

Justin Scheck is a reporter for The Times working on international investigations. [More about Justin Scheck](#)

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