

DERSHOWITZ: Good afternoon, ladies and gentlemen. I'm Toby Dershowitz, Senior Vice President for Government Relations and Strategy at the Foundation for Defensive Democracies. Welcome.

FDD is a non-partisan research institute exclusively focused on national security and foreign policy. We have three centers of excellence in the areas of military and political power, economics and financial power, and cyber and technology innovation. We do not accept funds from foreign governments.

Iranian penetration into Latin America has been a challenge for decades for those concerned about regional stability, financial integrity, rule of law, human rights issues, and our own national security. It's also challenged those in the region who want to see democratic institutions as the foundation for their societies. This goes beyond voting booths and extends to issues that are addressed in everyday life like transparency and accountability.

FDD is pleased to host today's event that looks at the Islamic Republic of Iran's malign activities in the region. For reasons that will become even more clear as the event unfolds, it could not be more timely of a conversation. Our panelists today have unique vantage points that will help us delve into the challenges. They will talk about where our respective governments have done well and where they have fallen short. I want to mention that FDD does not take a position on electoral politics, but we hope today's conversation will shed light on important issues posed by Iran's malign activity in the region.

Our first speaker is the Honorable Carlos Paparoni. Mr. Paparoni served as the Presidential Commissioner Against Corruption and Terrorism for the Venezuelan government. Today, he is the leader of Primero Justicia or Justice First, a Venezuelan political party. He is a member of the Venezuelan Parliament's National Assembly. Mr. Paparoni was one of the State Department's 2021 Anti-Corruption Champion awardees. The State Department said Paparoni produced financial intelligence and analysis that proved essential to constricting the illicit financial flows of the Venezuelan regime.

He is known for his outspokenness when it comes to corruption and as a lawmaker who has had led several investigations into corruption and organized crime tied to the Nicolás Maduro regime. He has done this at great personal risk to himself and to his family. And while he could not be with us in person today, it's a real honor to have him share his thoughts with us on this topic today.

PAPARONI: To understand the relationship between Iran and Venezuela it is necessary to understand that this relationship has been much more than a diplomatic alliance than what was woven during the government of President Hugo Chávez. It [Iranian and Venezuelan relations] has been more than logistical support to subversive and terrorist groups like Hezbollah, where one of the key operators was the chargé d'affaires at the Venezuelan embassy in Syria, Ghazi Nasr Al-Din, who today is designated by OFAC, as a member of this terrorist group.

It is important to emphasize that it is not only these military agreements for unmanned armed drones that have been under construction in Venezuela and that more and more of them have been. We see images of these drones in Nicolás Maduro's military parades. It is important to emphasize that it is not only the oil exchange operation and violation of sanctions through this exchange, but what we have seen and what it shows us is that the plane was detained in Argentina on June 6.

The relationship between Iran and Venezuela logistically has become much tighter. We are talking about an airline where part of its crew members, not the Iranians, but the Venezuelans, have an important connection in terms of the trust they enjoyed from the Venezuelan regime. We are talking about a crew that counted more than five members in

the Venezuelan military in which Captain Cornelio Antonio Trujillo Candor appears, who was part of the 1992 coup d'état with President Chávez. Until Chávez's death, he [Candor] was in his main circle of trust.

We are talking about Jorge Gabriel Perez Lopez, who has a diplomatic passport but who took multiple trips to Cuba as well as Santo Domingo, the United States, and of course, to Iran and Russia. We are also talking about Carlos Ramon Anseume Merchan, an official of Nicolás Maduro's security and intelligence services, who held a diplomatic passport, is a member of the PSUV [United Socialist Party of Venezuela] and who surprise, and also took multiple trips to Cuba, Iran, and Nicaragua. He [Anseume Merchan] also flew for Nicolás Maduro's prosecutor.

There's also Tarek William Saab, who went on a trip from Russia to Venezuela, transporting security, the Presidential Honor Guard, who is Nicolás Maduro's security. We are also talking about Emilio Jose Salazar Velasquez, with the Venezuelan Air Force, who is also an elite pilot. We are also talking about Mario Jose Arraga Urdaneta, who has a service passport and who being in the military was for a long time assigned to intelligence functions. There's also Victor Manuel Perez Gomez, with a service passport but who has also made multiple trips to people nationalized as Venezuelans, as well as Syrians, Lebanese, and Iranians.

Today, we see that all of these officials had or have an important condition in this similarity – they are either security or military officials, and two, all of them [crew members] had either service passports or diplomatic passports that accredited them as trustworthy officials of today in the regime of Nicolás Maduro.

Today, what we believe and what it gives us is how to relate the incident between Emtrasur and Mahan Air. It is also worth noting that this is a Boeing 747 aircraft which does not have any transfer of purchase and sale documents. This shows us that Emtrasur or Venezuela begins to be a bulkhead for Iran's logistical activities and related groups throughout our continent.

DERSHOWITZ: Thank you, Deputy Paparoni, and now let me turn to our other three outstanding panelists who are here with us in Washington, DC on our stage.

First, the Honorable Ricardo López Murphy, who is a member of Argentina's parliament. He previously served as Minister of Defense and Minister of Economy and has been instrumental in demanding that Argentina's intelligence services determine why an IRGC, an Iranian Revolutionary Guardsman would be piloting a routine cargo flight into Argentina. More on that later.

We're also pleased to have with us Mariano Federici, a Senior Managing Director at K2 Integrity. Mariano is the leading expert in anti-money laundering and counter-terrorist financing. He's also served as head of Argentina's Financial Intelligence Unit, FIU, during which time he held numerous international positions at global AML and CFT organizations. Mariano has also worked as senior counsel for the International Monetary Fund's legal department.

And finally, I'm very delighted to be joined by my colleague, Emanuele Ottolenghi, a senior fellow here at FDD and an expert at FDD's Center on Economic and Financial Power focused on Hezbollah's illicit activities in Latin America. A warm welcome to all of you.

LOPEZ MURPHY: Thank you.

FEDERICI: Thank you.

DERSHOWITZ: Let me begin with you, Congressman. Mr. Paparoni spelled out how Iran has had nefarious influences in his country. A country, he is hoping will not succumb, as he said, "to having his country turning to a homeland for an Iranian military base." I think he has said that in the past. But before we talk about Iranian penetration into Argentina, I wonder if you could comment a little bit on Mr. Paparoni's remarks, and what concern do you have, first, about having a neighboring country be so influenced by Iran?

LOPEZ MURPHY: The truth is, in Argentina, we have been very worried about this development not only because Venezuela is a country where there is almost a country gangsters in government, in the sense they are linked to organized crime. But also because of the relations of Venezuela with Iran and with other countries that, well, are against the open society, to mean something more than the liberal democracies.

From that point of view, in Argentina, we are very worried because we suffered two of the biggest terrorist attacks that any country in the world suffer from Hezbollah. And Hezbollah, as you know, depends on right now both things and the cooperation with Venezuela. Remember that last time Maduro from Tehran congratulated our President because he's speaking favorably of Venezuela in a Los Angeles meeting.

And, well, for a long period of time, I have been against this type of political organization and political alliance. The risk is not only because of the narrative against open societies, but the risk is also because we suffered two terrorist attacks. I want to point out this because it's explaining, more than any other thing, my behavior. The attacks were in my city. I am Member of the Congress for my city. It's in the neighborhood of my home. I mean, it's something that we suffer deeply in our hearts, and we will be ready to do things that, perhaps, that require a lot of courage to. But it's necessary for our work for our life and for our freedom.

DERSHOWITZ: Are there ways that Iran has used Venezuela to influence Argentina in a way that concerns you?

LOPEZ MURPHY: Well, Venezuela is linked to Cuba, to Iran, and this relationship is very dangerous for the argument I gave before. The case that we are facing now shows you very clearly the cooperation between them. The flight was hiding in Queretaro, Mexico. It has to fly to Argentina but went to Caracas and incorporated more people into the plane. The plane was a cargo plane with 19 people aboard, and that is something that worries me a lot. And the truth is, finally, this type of behavior between Venezuela and Iran and the government of Argentina was worrying me a lot.

DERSHOWITZ: Thank you for that. And we're going to get into the details of the plane, which, as we speak, is grounded. But before we get to that, Mariano, let me ask you, could you reflect on Mr. Paparoni's comments and also the congressman's comments? Zooming out 30,000 feet, what concerns you about Iranian penetration into Latin America?

FEDERICI: Well, thank you very much, and thank you very much for having me. I couldn't agree more with what the Congressman just described. I think we're facing here a threat, not only to the democratic stability of our societies, to our individual freedoms to be open and free societies as the Congressman described it, but also a threat to the national security of our countries and to global peace and security, to be honest as well.

Sometimes the risks that we experience in our part of the world may materialize as dangers and then concrete acts of terror in our latitudes, but sometimes they may also be related and connected with attacks that take place elsewhere. We know that Latin America has been fertile ground for Hezbollah's financing operations and for executing attacks in other parts of the world. That is why what happens in South America should be of deep concern, not only to Latin American countries, but also to the entire world. It's a threat to global peace and security.

I think this alliance between Iran, Cuba, Venezuela, also Nicaragua, let's not forget that in the latest assumption of Ortega and Murillo, we had one of the suspects of the AMIA attacks attending the inauguration. Mr. Rezaei was standing there next to Ortega.

LOPEZ MURPHY: The AMIA attack is the second terrorist attack.

FEDERICI: Second terrorist attack, exactly. So let's not forget that we have here three dictatorships in Latin America that are opening the doors, are opening the gateways for a deeper penetration than we have seen before.

I'm also worried with the inclination of some of Latin American democracies to, our populist, autocratic type of governments that find, let's say, empathy or sympathy towards these dictatorships with deep anti-American sentiments that make it very attractive for Iran also to import the export of its revolution, let's say. Which basically means a serious threat to our nations and to our people.

DERSHOWITZ: And contrasting it with just, say, 20 years ago, post-9/11, you see the trend moving in the wrong direction.

FEDERICI: Correct. Because at the time of 9/11, let's remember, we only had one dictatorship in the region, whereas all the rest were democracies. There were many countries aligned also with the importance of democratic values, free markets, and open society. Unfortunately, the trend in the region is going in the wrong direction, in an opposite direction now. That makes it more attractive for autocratic regimes, for dictatorships to find ways to penetrate deeper into our societies and alter our way of living.

DERSHOWITZ: I think it also makes a compelling case as to why this is such an important issue. It's not something we can just take for granted. I want to just pick up on one thing that you said. When you headed up the Financial Intelligence Unit in Argentina at the time that Hezbollah was designated a terrorist entity, it was actually on the 25th anniversary of the bombing of the AMIA Jewish Community Center in Argentina. Help us understand, what was the reason that Argentina ended up designating Hezbollah? What trends did you see? What was the most important reason that that happened? Why did Argentina think it was so important to do that?

FEDERICI: We promoted that designation. My office promoted that designation, which was supported by the government of President Macri and allowed us to become the first country in Latin America to designate Hezbollah as a terrorist organization. The rationale was, first of all, we assessed that the threat of Hezbollah and Iran in our country had been irresponsibly underestimated by previous governments, particularly by the two previous governments of the Kirchners in Argentina that had even gone as far as entering into a deal with the Iranian government.

So, we began with an assessment of the threat working cooperatively with other countries, particularly with the U.S. government, with whom we entered into a dialogue called the Argentina-U.S. Dialogue on Illicit Finances. This allowed us to conduct fact-finding missions, to conduct deep assessments of the level of the current threat. We identified and confirmed the presence of elements related with Hezbollah, particularly in the Tri-Border area that unites our country with Brazil and Paraguay. So we were faced here with a situation. Not only was Hezbollah and Iran a threat related with the past in Argentina, two terrorist attacks as the Congressman described, but also a current and prospective threat to our national security, our financial integrity, and global peace and security.

So, we felt it was time to act. A lot of years collecting intelligence and collecting information. The intelligence must be collected to act upon at a certain moment. We felt the time had come. We made a proposal to designate this organization because the designations are the modern means of mitigating these risks and preventing these threats to materials. Think of it this way, Toby. Up until the designation, there was nothing, nothing that would turn it illegal for Hezbollah to actually move money from or to Argentina because it was not considered a terrorist organization for our country. Now it is. It is publicly registered as such, along with its leadership, so any transaction connected to it should and would be considered as terrorist financing.

DERSHOWITZ: Emanuele, you have done a tremendous amount of research on Hezbollah's illicit activities in Latin America. And I want to stay with Hezbollah for a minute, and then we'll come back to Iranian activities. But what does it actually look like on the ground? What does Hezbollah's illicit activity look like in the Tri-Border area as Mariano mentioned?

OTTOLENGHI: Hezbollah became the main player within the Shia community in Lebanon very early on during the civil war soon after the establishment of the Islamic Republic. It was an extension really of the Islamic Republic. Its first guards were trained by the Islamic Republic of Iran. The ideology of Hezbollah embraces the ideology of the Islamic Republic and pledges allegiance to the leader.

And one of the ways that they established, cemented, spread their influence in Lebanon over the years was through the building, not just of a powerful, effective militia with a terrorist extension overseas, but also with –

a terrorist extension overseas, but also with cultural religious, social, economic, and health institutions that cater to the community in exchange for loyalty. When you move to South America or other places in the world where you have Shia expatriate communities. Hezbollah basically, from the very start, took the Lebanon model and exported it and reproduced it in miniature fashion, wherever these communities were to be found. Now the Tri-Border area is a perfect example of that. You have a community of Shia Lebanese expatriates. Most of them arrived between the 1970s and the 1980s, so much later than most of the Lebanese immigration to Latin America, which predates actually the establishment of Lebanon, which was mostly Christian. In this case, it's Shias who come out of Lebanon. Many of them come out already during the Civil War. They have already been radicalized and joined either Amal or Hezbollah.

They arrive to the Tri-Border area. They insert themselves into an economy that is driven by illicit activities, contraband, counterfeit merchandise, and so on. Hezbollah arrives and establishes the same very structure it has in Lebanon, mosques schools, Scouts, movements, and charitable organizations. It also inserts, of course, within the community, a small but important number of senior operatives from the external security organization, what some people refer to at the military wing of Hezbollah, who can control the community, who can extort the merchants, and who can cajole people into joining. But over time, the presence of these institutions, the clerics are Hezbollah, the Scouts instructors are Hezbollah, the school curriculum in the school is Hezbollah. You walk into the school and you have the portraits of Khomeini and Khamenei in the schools. The mosque is named after Khomeini, it has his portrait in it, and it is a Hezbollah mosque.

So over time, these structures, which by the way, you find in Maicao, Colombia, another hotspot, Colombia, of Hezbollah presence. You find the Marcory Mosque in Abidjan in the Ivory Coast. So this is a model that they have adopted and exported all over the world, wherever Shia expatriates are to be found, to conquer the communities and their loyalty. Of course, this builds on deeper ties that exist, more primordial, of clan, of village of origin, of marriage, of

kinship, that allow each and every one of these nodes around the world to be connected. These networks are based on all of the above. So that's what Hezbollah has done.

The Tri-Border area, as I said, was already a center of illicit finance, porous borders – one key element. Another key factor, which touches upon what my two colleagues were saying before, the widespread corruption. One of the cancers of Latin America, which has undermined the efforts of democracies to establish themselves and has played into the hands of organized crime and terror financiers, is corruption. These networks thrive on their ability to buy off officials to turn the other way. So these networks have established themselves. They have colonized the communities, they have ensured their loyalties, and then they have built leaders in the community who buy influence and access with local politicians.

In some cases, they themselves run for politics or acquire honorific type such as honorary consuls, with all the diplomatic immunities that come along with them, to be able to engage in illicit activities. The result is that, when they are present in places like the TBA, Colombia, or Venezuela, where you have an enormous amount of illicit financial criminal activities going on with billions of dollars a year, moving and requiring money laundering services, these communities become critical and converge and cooperate with the local criminal syndicates. That's where their strength lies. They're indispensable for crime. They control the community and they are plugged into the political systems. And, that's why they manage to raise funds and they perpetuate the problems that exist in the region as a consequence.

DERSHOWITZ: That was a great description of what's actually happening on the ground, what it actually looks like. The Congressman mentioned that there were two bombings in Argentina – two terrorist attacks. I think it behooves us just to remind our listeners that together, more than a hundred people were killed in both of the attacks, so –

LOPEZ MURPHY: 114.

DERSHOWITZ: Pardon?

LOPEZ MURPHY: 114.

DERSHOWITZ: 114 people. And we're talking about the connection between Hezbollah and Iran, Hezbollah being the sort of proxy of choice for Iran. Alberto Nisman, the special prosecutor who investigated the AMIA bombing for the better part of a decade, issued several exhaustive reports, thousands and thousands of pages long, where he described in quite granular detail how Iran recruited and radicalized the local population. First, Mohsen Rabbani came into Argentina as the representative for the Ministry of Meat. Then he became head of a mosque. Then he became the cultural attaché at the Iranian embassy in Argentina, where he had diplomatic immunity. I mention this because I wanted to sort of pull on that thread. It was people like Mohsen Rabbani who has an Interpol Red Notice in connection with the bombing of the AMIA. It was people like Mohsen Rabbani who they used to radicalize the population.

One of the things that Nisman did is he also described, not only how people like Rabbani radicalized the local population, but how Iran used its own embassy in Argentina and in other places in Latin America to help plan the bombing of the AMIA. With that, Emanuele, you talked about how Hezbollah uses front companies. I want to ask, do we know something about how Iran uses front companies to engage in illicit activity? I just want to touch on that for a moment because I want to tie it to the next question that I have for you.

OTTOLENGHI: Well, that's a great question. And of course, the model that has uses is a model that Iran also developed. You mentioned very correctly, Rabbani, he was kind of the bridgehead, the forefront of this operation. He was the first cleric sent to Latin America by Iran with the specific task of spreading the revolution, as Mariano said, and he did what he did in Argentina. He was not the only one. When you go around Latin America today, you discover that what Rabbani did in Argentina, arrived under the guise of being a meat inspector, then sort of took over a mosque, then started the work of bringing the secularized, Shia Lebanese and others and Syrians to embrace the ideology, become radicalized, and then spread the network to actually convert local Latin American Christians to become Muslims on the basis of a radical ideology. Something that Iran has done pretty much in every country in Latin America.

The two key figures involved in this project, by the way, are an Argentinian Lebanese who came back to religion through Rabbani, trained in Lebanon and then in Iran, and is now responsible for establishing centers and recruiting people, and Rabbani's son-in-law, who is an Iranian cleric. So, you have an operation that today has centers in Colombia, in Brazil, in Ecuador, in Peru, in Chile, in Argentina, in Uruguay, in Panama, in Costa Rica, in Cuba even, a country that is not usually friendly to religious and missionary activities, all sponsored, financed, and supported by Iran.

What we see is that this soft power activity has been used, not just in Argentina, to send, for example, meat inspectors with visas all over the region. The Southern Cone is a great producer of high quality meat that it exports all over the world, the halal market, two billion Muslims wanting halal meat around the world. So there is a good cover to do that, but these are agents oftentimes, that come in under the guise of inspectors. That leads also to the establishment of businesses that ostensibly are just involved in the trade and certification of halal meat, but oftentimes transcend that ostensibly benign purpose and are involved in illicit activities, alongside the charities and the cultural centers that are also conveyor belts, potentially, for illicit financial activities.

DERSHOWITZ: I thought that this would be an important backdrop to talking about the elephant in the room. As we sit here today, there is a Boeing 747 on the tarmac at Buenos Aires's International Airport. As has been sort of mentioned here briefly, but just for the audience's knowledge, this is a plane that seemed to be, or that positioned itself as a regular cargo plane. Talk, Emmanuele, about what was suspicious about this plane and why – what was suspicious about the plane? I'll leave it at that.

OTTOLENGHI: Well, so for most people, the story starts on June 6th when the plane tries to land in Buenos Aires. There is fog, dense fog, can't land, it's diverted to Córdoba, but by the time it comes back to Buenos Aires, the plane has not enough gasoline to continue its onward journey. It's bringing cargo. The plane remains stuck for two days in Buenos Aires, then tries to leave. By then, it is heading to Uruguay to refuel, but the Uruguayan government blocks its airspace. The plane comes back to Buenos Aires, the crew descends for, I think by then the third or fourth time, and checks into a hotel. There are five Iranians and 14 Venezuelans on board, and an investigation begins.

But the back story is that this aircraft arrived in Paraguay on May 13th, 2022, three days after the foremost anti-corruption, anti-organized crime, anti-narcotics prosecutor of Paraguay, Marcelo Pecci, was assassinated during his honeymoon on a beach, in a private resort in Cartagena, Colombia, just in front of his wife. It was a highly sophisticated operation, carried out by a team of hired Colombians and Venezuelans, potentially linked to the *Cártel del Golfo*, an organized crime based there, but commissioned by somebody in Paraguay. So, three days later, the plane arrives and this plane is arriving empty. It belongs to a newly established cargo airline subsidiary of Conviasa, the Venezuelan state airline that is sanctioned by the United States.

The plane used to belong to Mahan Air, the Iranian ostensibly private airline, sanctioned by the United States for over a decade of material support to the IRGC Quds Force, transporting militias and weapons to Syria. More recently managing Fars Qeshm Air, another airline transporting weapons to Syria and to Russia. So, something already is highlighting a cooperation between Venezuela and Iran in a cargo operation that looks anomalous. And why is that? Because in both cases, a plane that should usually be operated by a crew of four or five people had 18 in Paraguay and 19 in Argentina. When they arrived in Paraguay, the 18 members of the crew are flying an empty plane to pick up cigarettes produced by the former president of Paraguay. Perhaps the foremost contraband man of cigarettes in the entire Western hemisphere, just sanctioned recently by United States for being significantly corrupt.

The crew does not stay on the ground just for the time necessary to pick up the cargo and fly, but they stay there for three nights, and nobody knows what they're doing, but they're there three days after the assassination of Pecci. The people on board are not just pilots and mechanics and logistics operators, they're senior members of both the Iranian and the Venezuelan regime. The Paraguayans do nothing. They just leak the information to the press, and that's how we find out initially about this plane.

The plane goes back to Caracas after delivering the cigarettes in Aruba, starts flying around again, but then it shows up in Buenos Aires and it's low on fuel. I think that's where the public story begins because at that point, someone in Argentina realizes, here we have senior Venezuelans and senior Iranian officials. Foremost among them, the captain of the plane, Gholamreza Qasemi, former CEO of Iran Naft Airlines, belonging to the Minister of Petroleum, later named Taban Airlines, member of the board and shareholder of Qeshm Fars Air, involved, implicated in the logistic operation that Iran has been running for years in Syria. So involved in material support for the IRGC, linked to Mahan Air and just too senior to be a pilot, although he is a pilot.

It's a bit like getting Jeff Bezos to drive around Prime Amazon trucks for deliveries for two months. It just makes absolutely no sense. The size of the crew, the quality and value of the cargo, the amount of days that each time the plane stops on the ground, none of it suggests this is a purely commercial operation. The question is still not answered. What are they doing there?

DERSHOWITZ: Yeah. I mean, you gave us a lot of details and there are even more details that you wrote about in a piece in The Dispatch, which I encourage everybody to read. It has a lot of twists and turns. Congressmen, I want to ask you, when was the first time you learned about this suspicious plane? And do you have any reason to believe that Venezuela asked Argentina not to inspect the plane?

LOPEZ MURPHY: First of all, I discovered it like the other Congressmen, after Uruguay rejected the landing of the 747 in the international airport. After that, we discovered the problem. They had been in Argentina for many days. Well, with the information we have, why Uruguay rejected them and the number of people in the plane and all the secrets they did.

The other reason that I paid attention was that all providers were not ready to feed the cargo because they were under sanctions. With all these elements that perhaps were not to miss more, we decided to go to the justice and denounce them. The judge and the prosecutor began to look for information. The explanation of the government officer was not satisfactory, to say the least. They said we're – or they he was teaching how to –

OTTOLENGHI: Fly.

LOPEZ MURPHY: –fly the Venezuelan people.

DERSHOWITZ: That's why he needed an IRGC person. That's what you said, right?

LOPEZ MURPHY: Yeah.

DERSHOWITZ: Just so our audience understands there was an IRGC pilot, and it was his job to train the regular cargo crew how to fly the plane. Okay.

RICARDO LOPEZ: Well, that is unbelievable for us. But we, with other members of our society, make the demand for justice. And the judge and the prosecutor reacted to that right away, and asked maybe who may be taking our services, justice made mistakes in the process but we asked for information on what they are doing. Knowing that where you receive the information, depending on where we received the information about the plane, and about the flight, we cannot have not received a warning. For that reason, we asked the judge to find out what has happened.

The truth is, in a sense, we did not have a lot of information. But if you put together all the thing we know, and as one of the members of the panels t said, "We know the problem in the three countries' border." And we knew that there have been happening things that are not very beneficial for our countries. For all that reason, we went to justice. And the process is going on.

DERSHOWITZ: The process is going on. Mariano, I want to sort of look at this issue of the plane through a slightly different lens. The Wall Street Journal's Mary O'Grady covered the cargo plane crisis about two weeks ago, and O'Grady writes, I'm going to quote from it, O'Grady writes that, "Material used for military cyber-defense operations was found on the plane. Argentina's leaders," she writes, "may be part of the problem. And yet Argentina is strapped for cash and is lobbying hard in Washington for a new \$500 million loan from the Inter-American Development Bank. That's an unconditional loan."

O'Grady continues, "Argentina's lousy debt service record is one reason not to turn over the money. A second, and perhaps greater reason," she says, "is the reason has to do with the Venezuelan-flagged plane parked on the tarmac at a Buenos Aires airport." And she goes on to describe that. And then she writes, "If Argentina is playing footsy with Iran, that ought to be of interest to the U.S. Treasury Department. The U.S. owns 30% of Inter-American Development Bank, and wields power over bank loan disbursements, credit rating agencies, and auditors hold it accountable. It has to absorb losses when borrowers fail to repay."

That looks at this issue really through a whole different lens. Talk a little bit about that. Should something like the plane scandal, or the plane crisis, be a consideration when it comes to loans Argentina is requesting? What, in fact, are requirements that some of the international financial institutions have when loaning money to countries?

FEDERICI: Well, absolutely. I think there is no doubt that international financial institutions have to conduct an analysis on the risks of financial integrity that may be involved in a country that is going to be a recipient of loans. There are policies and there are procedures within mostly all international financial institutions these days, related with governance, with anti-corruption issues, with financial integrity, anti-money laundering, and counter-terrorist financing issues.

So, the case of the plane, which may very likely fit into a potential terrorist or a terrorist financing operation, if we understand terrorist financing as providing material support, any kind of material support, to a terrorist organization. Then we have here clear links that there were people in the plane connected with terrorist organizations, and with terrorist activities. There is a potential for charges related with terrorism financing. I think that's something the prosecutor is exploring seriously in the case.

Well, certainly then, an international financial organization deciding on whether or not to provide a loan has to assess these elements. I frankly think that international financial institutions here in Washington, DC, particularly the IMF and the development banks, have not really lived up to that challenge very seriously up to now. But this week, we had a new precedent, I think, a new development, which was the decision of the IADB's president, Mauricio Claver-Carone, to deny the \$500 million loan to Argentina, on the basis of risks to financial integrity, as Mary O'Grady had anticipated. And I think –

DERSHOWITZ: Is that precedent-setting? Should it be a precedent?

FEDERICI: I think it should be. I think it definitely is. I think it has shaken the IFI community. Many of the bureaucrats may not know how to handle or approach this, in terms of the policies and procedures. But if the policies and procedures do not allow clearly for this to happen at a particular IFI, then there is a problem with the policies and procedures. Because taxpayers' money, the funds that are handled by international organizations, should not be provided to governments that do not take these issues seriously.

This plane, I'd like to go back to the involvement of Argentine authorities in connection with it, was authorized to land in Argentina. When a plane lands in a country, it has to present a flight plan, and it's authorized. It was authorized by the civil aviation authorities of our country to land in our country. The crew was authorized to enter our territory. They were stamped on their passports. They were allowed to run freely for 48 hours in our city, the city of Buenos Aires, and perhaps in other places. We don't know where else they moved around during those 48 hours.

And then they were authorized to leave. All of this was done with official authorizations of the Argentine government, whether the Venezuelans asked the government –

DERSHOWITZ: You say they were allowed to leave. They haven't left yet.

FEDERICI: They were allowed to take off and depart Argentina.

DERSHOWITZ: The plane was allowed to.

FEDERICI: The plane was allowed with the crew. They were not successful in their attempt because the Uruguayan government prevented them to fly into their airspace, and they were not able to refuel, so they did not have the sufficient fuel capacity to make their way back. But had it not been for the issue of the fuel, they would've been able to leave, and the Argentine authorities would have authorized that to happen.

So, I think there is a responsibility that deserves to be assessed there, to hold Argentine officials accountable for this. And I believe, Congressman, in your criminal complaint, you denounced the responsibility of Argentine public officials that allowed these things to happen.

OTTOLENGHI: Mariano, can I ask a follow-up question on this? Forgive me for interrupting.

FEDERICI: Of course, of course.

OTTOLENGHI: In the midst of the airplane saga, the Paraguayan government took credit for alerting other governments in the region, suggesting that it was their alert that led Uruguay to shut the airspace. Actually, just two days ago, a few days ago, the President of Paraguay and his Minister of Intelligence received an award from the U.S. embassy for, "alerting countries in the region about the plane."

Do you think that the Paraguayans alerted Argentina, and the Argentinian government ignored their alert or that the Paraguayans may have alerted only some governments, or are claiming credit for something that they didn't do? In other words, did Argentina know, on June 6th, about the threat this plane potentially posed or they learned it only after Uruguay shut the airspace?

FEDERICI: Well, first of all, let me say, Emanuele, that having worked in the intelligence community, or close to the intelligence community in Argentina, that there is no way on earth the Argentine intelligence community did not know that this plane was coming. Okay? They knew the plane was coming, and they authorized the plane to land. The plane was authorized to land. Contrary to what happened in Europe, where look, you have a contrast there, very clearly.

Uruguay did not authorize the plane to go through their airspace. This plane was authorized to land. These people were authorized to come in. They were stamped in their passports, and they were authorized to leave as well, unsuccessfully, then, at the end of the day, but they were authorized.

I think if the Argentine intelligence community did not know about this, then we have the worst intelligence services in the world, and I don't believe that. I think this situation was known whether or not the Paraguayans informed, they came out very clearly outspokenly afterwards, saying that they had alerted.

OTTOLENGHI: But they let the plane cross their airspace on its way to Argentina.

FEDERICI: True. So, I am just basing it on the facts, then. The fact is that the plane was authorized to land, whether they had a warning from Paraguay or not, it was authorized to land. And look, the Argentine national oil company, YPF, which is run by government officials, by people that work for, are appointed by our government, refused to refuel this plane. They refused to refuel it because they knew the plane was sanctioned. The airline was sanctioned.

OTTOLENGHI: Somebody knew.

FEDERICI: Somebody knew. If the intel community did not know, but the Argentine oil company that is not an expert in intelligence, or should not be knew, there is something wrong there.

I know also there is intelligence suggesting that the Venezuelan government had alerted the Argentine authorities that this was on their way and that it had intentionally requested to able to look the other way. That has yet to be proven, I believe, in the case. I believe your fellow Congressman Gerardo Milman has requested the court to investigate this particular –

RICARDO LOPEZ: And I myself, also.

FEDERICI: And you, yourself, as well.

RICARDO LOPEZ: We accused exactly the member of the intelligence community, and all the people linked to the information of the plane, and to the landing, the takeoff of the plane, and the opportunities. My point is, I discovered that after Uruguay rejected us. I am not a specialist on this. I do not follow the information. I discover the problem. I said, "This cannot be the right procedure."

DERSHOWITZ: Something is –

RICARDO LOPEZ: Something is wrong, and we went to the justice, the secret presentation, under secret, to avoid any problems that it put before criminals the information. But something happened that nobody reacted to that. And because of that, we are going after, week after week, we went to the judge to demand more action on the issue. The truth is, the plane is there on the tarmac and that is enough proof for myself, that something very wrong happened.

Now maybe the international cooperation has not worked exactly perfectly and that explains why the judge has not been able yet to accuse in criminal ways, a member of the crew.

DERSHOWITZ: I wanted to, first of all, let me just summarize. Correct me if I'm wrong, but it seems like there was a mission taking flight, and that the mission, whatever it was, was interrupted sort of mid-flight, if you like. Does anybody want to quickly speculate what the mission could have been that clearly was foiled, anybody?

OTTOLENGHI: Well, what I find most plausible, is that the cargo, the content of the merchandise that the plane carries around the world, is not what we should be focusing on. It doesn't mean that they are not ever carrying anything wrong, but I think we should focus mostly, or first and foremost, on why the crew is composed of such senior people? Why are they there?

The cargo operation allows crews to fly around the world, and get into countries under guise of being pilots, and stewards, and technicians, and so on, and the visa restrictions are waived, basically, for the time they're on the ground. So, it allows them to connect with local people, meet people, to maybe exchange information, or carry funds, materials, equipment, what have you. So, we should look into why they're going around countries.

It's obvious that at least some of the flights that Emtrasur did to Nicaragua, to Cuba, to Myanmar, and to Moscow, are political in nature. They are not making money out of transporting merchandise. They are there for political reasons. So, the question is, what were they doing in Ciudad Del Este three days in mid-May, three days after Pecci was assassinated? What are they doing three weeks later in Buenos Aires?

DERSHOWITZ: Well, we are all going to watch this space. In the remaining time that we have, I want turn to something that had been touched on in the panel and that is the AMIA bombing. The New York Times had a piece recently that made headlines not only in Argentina, but also, not surprisingly, around the world, after all, it's The New York Times. The article, if I may say, had some internal inconsistencies that I think careful readers would have maybe noticed, making them question whether the article was fully accurate, but the headlines are often what grabs people's attention.

As a student of the AMIA bombing myself, I humbly note that I found the article had many gaps and ran counter to the facts at least what I had learned over many years that were shown in the case. I'm not sure what happened with this

particular article. But on July 28th, it was another article that had, I would say, a little bit more fulsome accounting. That was an article in *Infobae*, which is the most widely read Spanish language publication. And essentially, the article said that there apparently is no new information that contradicts what Alberto Nisman's investigations found.

This is my question to the panel. Why, so many years later, are these sorts of things so important to correct? What's at stake here in fully understanding Iran's role in the AMIA? That's why I'm pointing to these stories. Why is it so important to correct the record on things that happened 28 and 30 years ago today? Is it because approximately half of the, I should say, half a dozen or so people indicted in the plot to cover up Iran's role in the AMIA serve in the current government? Or is it just something else?

By the way, I should mention that the people who were indicted have not been convicted. That the case is still going through the courts, and they assert their innocence. I think it's important to say that. But what's the reason that getting clarity on this issue is so important? Mariano?

FEDERICI: I'm happy to take that question. I think it's important because there is no doubt according to the evidence and the facts in the case of Iran's responsibility in these attacks. Prosecutor Nisman conducted serious efforts to collect information that is now incorporated into the case on this involvement.

We talked a little bit about that here. Rabbani's role at the end of the day as an attaché of the Iranian embassy in Argentina, he was responsible for things. For instance, he was responsible for things such as collecting money that was wired from Iran and that touched upon different financial centers landed in Argentine banks days or maybe a couple weeks before the attacks took place. There is absolutely no doubt, I think, from the evidence collected, that Iran masterminded the attacks, coordinated possibly also finance and, in my view, participated in operational aspects as well, receiving money, providing money, buying the van, and purchasing the van that perpetrated the attacks. Aren't those operational aspects of the execution of the attack?

Yes, the suicide bomber was a member of Hezbollah, and it was Hezbollah who executed them, but there is no doubt about Iran's involvement here, and I think it's important to get those facts correct, particularly as the world also discusses the possibility of entering into a new nuclear deal with Iran.

Iran is not only a potential nuclear threat to the world, but it's also a terrorist threat. It's a state sponsor of terrorism. Its malign activities involve threats that are not only related with an intelligence aspect, but also with the terrorist angle, with the threat to global peace and security from the terrorist side. It's important to establish that correctly as we contemplate all the potential concessions that the potential new deal for Iran could involve.

LOPEZ MURPHY: My point there is maybe clarify one point that at least I, myself, have not heard before, is that Hezbollah displays and disseminates all through Lebanon. That was not so clear before. And now, we have clear that fact and the development of cultural and religious action, and then social action. And then the network that goes through families through, friends or other mechanisms is a very dangerous thing for our countries.

And, you have to have in mind that the ideology of an autocratic country, not only an authoritarian country that the relation is identified with the state, it's just impossible—to open a free society, because if the state is in the ownership of a religion, you cannot be against that and that is a key development, because that explains why we have to be so careful. We're not intentional—

We discovered the problem after the Uruguayans rejected the air space to the plane, but when we put together all the things, and we remember what has happened in our countries, we have to act, and that displays why we are demanding the government if they collaborated or not, but the evidence is very clear that something very wrong happened in Argentina and that is what explains our behavior and our position before the judge.

FEDERICI: Toby, if I may just to compliment the – in the AMIA case, you mentioned correctly the defendants have not yet been found guilty, but they are designated as terrorists for the Argentine government. They [Iranian INTERPOL red notice holders] are registered people. The Iranians with the red notices out there, some of whom are members of the current Iranian administration, are designated as terrorists under the public registry of terrorist suspects in Argentina.

That's an important thing to say, and also, in relation with what the Congressman was just saying in the context of the case, I think if we are able to establish that this mission, this transaction, was connected with, in some way or another, the provision of material support to the IRGC, to Hezbollah in particular, because it's a terrorist organization for us, or to any of these terrorists that are designated by our country as such, we have a case there that cannot hold and sustain an accusation for at least for terrorist financing.

And, in my view, the evidence already collected in the case, which could be, of course, supported with further international corporation, but the evidence collected already in the case is very close to being able to establish that.

DERSHOWITZ: I have a closing question. I was in Argentina when the JCPOA was being negotiated, and I was told by an American official in Argentina that Iran did not need to be tried in a court of law in Argentina for the bombing of the AMIA, only in a court of public opinion. Honestly, I gasped because I talk to people who are family members of those who were killed.

And, and here's my question, whatever the merits or pitfalls are of a nuclear deal, does it concern you that the U.S., and perhaps others who want to see a nuclear deal inked with Iran will look the other way when it comes to non-nuclear malign activities? In other words, is Iran sort of testing the world to see whether the passage of time for terrorist attacks it committed in Argentina and for malign activities elsewhere has eroded its commitment to accountability and transparency? Is that what Iran is counting on, that the passage of time will erode our sense of commitment to this?

And, by the way, I should say, you can answer this, or use this as an opportunity to provide a minute of sort of closing comments, things you haven't had a chance to say.

FEDERICI: I'll answer that and close for the rest of the day for my part. It does concern me a lot. It concerns me a lot, because Iran represents different levels of threats. It represents a potential nuclear threat for sure. And, I understand the good intentions behind the idea of a nuclear deal in that respect, but it also represents a terrorist threat. It represents a threat to global peace and security.

It also represents a threat to financial integrity, to the contamination of our global financial markets with money that could be connected with these terrorist activities. It represents a threat to the stability of the democratic order of regions, in this case, of Latin American countries.

So, I think those issues should not be underestimated and should not be left out of the assessment. I am an expert on financial integrity issues, and I've participated in several discussions related with the threat that Iran represents to the

integrity of global financial markets. Our government under the leadership of President Macri interacted with the U.S. administration, the previous one, in working at the FATF, the Financial Action Task Force, to reinsert, to reestablish the countermeasures against Iran.

In other words, to get Iran back on the blacklist of the FATF, because under the previous nuclear deal, one of the consequences of that deal was that Iran had been removed from the blacklist into a sort of gray list type of situation, or some people called it dark gray.

Hopefully, hopefully this will not happen again, because that threat to the financial integrity of our global financial markets is there. Bringing Iran out of the blacklist would allow Iran to regain access to global financial markets, to finance itself and its operations freely without any obstacles, and that would empower also the other threats that the regime represents, particularly on the terrorist side.

So, I think these are issues that should be seriously taken into consideration and assessed comprehensively when we discuss the potential of a new nuclear deal.

DERSHOWITZ: Congressman, and then Emanuele. Closing remarks.

LOPEZ MURPHY: Yes. I want to make three concluding remarks. First of all, it's a problem of national defense for all the countries in Latin America to be careful about all the relations between Iran and Venezuela, as well as Iran and Nicaragua. I have to remind everyone that in the inauguration of the regime of Ortega one of those that does the under investigation in Argentina was in the ceremony.

FEDERICI: Rezai.

LOPEZ MURPHY: Yes. And, unfortunately, our ambassador was present as well. The key for our national defense is, in my view, to think, first of all, to control very well the financial leakage. That is more simple. That is the bottleneck of the terrorist action, and we have to go there to be very careful.

And, second, to control our borders and mainly our trade and in harbors or in airports. That is the main task of our intelligence service, because it's a national defense against a threat that in our case, we suffer to terrorism.

The second point that I want to underline is these ideas of a theological theocratic society link with a very authoritarian and totalitarian ideas in Latin America. I cannot understand why after so many famous, and so terrible performances in Cuba, in Venezuela, in Nicaragua, people in our countries believe that this can be a way for the future.

I cannot understand but it is very clear for us that we have to highlight, in this case, the relationship between this type of threats that's out there.

Third, the fight for freedom is not a fight that you can put aside. You have to fight for freedom every day, and you have to fight for freedom because it's only way to have a real life, and freedom is not only affected by your own government and for your own problems inside the country, but also by terrorist organizations that have linkages with closed societies that are against freedom and against the values that we defend during all our lives.

I am very old now, but I can say for a very long period of time, all through Latin America, I have been fighting for freedom, and freedom is perhaps the main message for modernity. If you look what make the country prosper and develop, it's freedom. Without freedom, it's impossible to be successful. And that is my final word.

DERSHOWITZ: Thank you. And Emanuele, you have the closing word.

OTTOLENGHI: Well, it's hard to match what's just been said by my two colleagues. I can only second what they said. I'd just like to add that if history is prologue, then we do need to worry that under the guise of an agreement that should be narrow and focused only on non-proliferation and arms control, we may actually get a completely different posture by Western governments, vis-a-vis Iran, opening of commerce, opening of trade, loosening up of controls, and a wider tolerance for those aspects of Iran's malign behavior that have nothing to do with the nuclear file.

The nuclear file would make those aspects more dramatic, as one of the foremost experts on non-proliferation, an expert from France, always used to say, "if you like the way Hezbollah behaves now, you're going to love it when Iran has nuclear weapons, because that would give Iran even more deterrence to protect."

But, if we create a tradeoff for Iran where we put some obeyed limited constraints on its nuclear program and allow it to continue with its malign activities, then we're going to end much, much worse off. We need not lose sight of those activities.

We did it in the Cold War. We reached non-proliferation and armed control agreements with the Soviet Union without losing sight of the fact that the Soviet Union was the heart of darkness, was an empire of evil. It had engineered famines and deported millions of people and committed cultural genocide and was supporting oppression all over the world, and we continued to combat its advance while negotiating those treaties and we can do the same with Iran. And that is my hope.

DERSHOWITZ: Thank you very much for those very thoughtful, informative, and compelling remarks. I really appreciate that. Let me just tell our audience that this is what the FDD does throughout the year. I encourage people to visit our website, fdd.org, to learn more about our work on Iran's penetration into Latin America, all aspects really of U.S.-Iran policy. And with that, thanks very much for joining us.