



Funding terrorism: US sanctions imposed on an extensive network of Hezbollah companies supporting its military- terrorist activity

May 10, 2020

Overview

- ▶ On February 26, 2020, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) announced the designation as Specially Designated Global Terrorists (SDGTs) of **three senior officials heading Hezbollah's Martyrs Foundation**. In addition, the OFAC designated **Atlas Holding, a company owned by the Martyrs Foundation, as well as 11 companies affiliated with Atlas Holding** (12 companies in total). According to Treasury Secretary Steven T. Mnuchin, **Hezbollah profits from the sale of goods vital to the Lebanese people's health and economy, such as pharmaceuticals and gasoline, to fund its terrorist activity** (US Department of the Treasury website, February 26, 2020).
- ▶ The announcement of the US Department of the Treasury reflects **the policy of expanding the US sanctions on individuals, institutions and companies related to Hezbollah, affiliated with it or supporting it**. The expansion of sanctions became possible following a series of legislative and law enforcement measures against Hezbollah (November 2018) which enjoyed wide bipartisan support in Congress and were approved by President Donald Trump. As part of these measures, **the US Congress approved two bills entrusting the law enforcement authorities with more extensive powers in the campaign against Hezbollah and the transnational criminal activity in which it is involved¹**.
- ▶ **The Martyrs Foundation**, established by Iran in 1983, **is one of Hezbollah's important institutions**. It extends **social and economic support to the families of shaheeds among the military operatives**, greatly contributing to raising their morale and motivation. In the battle for hearts and minds, **the Martyrs Foundation cultivates the "shaheed culture,"** i.e., glorifying Hezbollah's shaheeds and turning them into role models for the youth to be recruited to the ranks of Hezbollah. Hezbollah receives most of the budget of the Martyrs

¹ See the ITIC's Information Bulletin from November 6, 2018, "The United States recently designated Hezbollah as one of the five leading transnational criminal groups and approved bills intensifying the sanctions imposed on Hezbollah and those supporting it."

Foundation from Iran, and a small portion of it is covered by donations and profits from commercial companies supporting the Martyrs Foundation.



**Logo of the Martyrs Foundation
(Martyrs Foundation's website)**

► Among the commercial companies owned by Hezbollah which were sanctioned by the United States, the most important is **Atlas Holding**. It specializes in **managing pharmaceutical and gasoline companies and projects and owns 11 subsidiaries** (for details, see Appendix C). These companies were established by the Martyrs Foundation, and their profits are used to finance support for the families of shaheeds. According to the announcement by the US Department of the Treasury, it continues to **prioritize disrupting the full range of Hezbollah's illicit financial activity**, including its financial support network (Department of the Treasury website, February 26, 2020).



**Several companies owned by Atlas Holding
(source: video posted on the Martyrs Foundation's website)**

► **In the media**, Hezbollah refrained from directly commenting on the sanctions imposed by the US administration on the companies affiliated with it. The Lebanese media claimed that the sanctions would have only a minor impact on Hezbollah and Lebanon's economy. According to the Lebanese media, this is because the companies included in the list are small

and will continue to conduct themselves as usual, **or Hezbollah will establish new companies instead of them, and it will take a few years until the Americans discover the new companies.** Furthermore, it was claimed that those companies were not importers and did not deal with foreign companies but rather with Lebanese importers. It was also stated that past experience had proved that no Lebanese importer stopped working with companies belonging to Hezbollah or supporting it because they were included on the US sanctions list (Al-Nashra, February 29, 2020).

Appendices

► Following are two appendices:

- ◆ **Appendix A:** The three senior officials running the Martyrs Foundation and Atlas Holding who were sanctioned by the United States
- ◆ **Appendix B:** The Martyrs Foundation and the commercial companies owned by it which were mentioned in the announcement of the Department of the Treasury

Appendix A

The three senior officials running the Martyrs Foundation and Atlas Holding who were sanctioned by the US²

Overview

► In late February 2020, the US Department of the Treasury designated as Specially Designated Global Terrorists (SDGTs) three Lebanon-based officials, two Martyrs Foundation senior officials and the CEO of Atlas Holding:

- ◆ **Jawad Nur al-Din – director general of the Martyrs Foundation**
- ◆ **Sheikh Yusuf Abd al-Rida Aasi – deputy director of the Martyrs Foundation**
- ◆ **Kassem Mohamad Ali Bazzi – CEO of Atlas Holding**

► Following are highlights of the information on the three officials:

Jawad Nur al-Din

► According to the announcement of the Department of the Treasury, **Jawad Nur al-Din serves as the director general of the Lebanon-based Martyrs Foundation**. In this capacity, he oversees payments to the families of Hezbollah fighters who have been killed, and has coordinated these payments with senior Hezbollah officials. As a senior official of the Martyrs Foundation, he works closely with senior Hezbollah officials and publicly represents the Martyrs Foundation alongside senior Hezbollah officials, including Hezbollah leader Hassan Nasrallah. He owns and oversees subsidiaries of Atlas Holding.



Right: This is apparently Jawad Nur al-Din, the director general of the Martyrs Foundation, delivering a speech to families of Hezbollah shaheeds in the city of Tyre during an Ashura day ceremony. Left: The audience at the ceremony where Jawad Nur al-Din made his speech (Ya Sour, September 23, 2017). Photos of Ayatollah Khomeini, Hassan Nasrallah, Imad Mughniyeh, Abbas Mussawi and other senior Hezbollah leaders are visible in the background.

² The appendix is based on the US Department of the Treasury's announcement and the ITIC's information.

Sheikh Yusuf Abd al-Rida Aasi

► Sheikh Yusuf Abd al-Rida Aasi is a co-founder of the Martyrs Foundation and Atlas Holding. He is the deputy director of the Martyrs Foundation (Al-Ahed news website, November 10, 2018). He has held a number of posts in the Martyrs Foundation and companies affiliated with it.



Sheikh Yusuf Abd al-Rida Aasi, deputy director of the Martyrs Foundation (Baqiyatullah Magazine, Issue 326, 2018)

► Following are personal details about **Sheikh Yusuf Abd al-Rida Aasi**:

◆ **Shiite cleric** born in 1962, a former student of **Sheikh Mohammad Abbas Dehaini** (Lebanese Shiite cleric, a former student of **Sayyid Mohammad Hossein Fadlallah**) (Lebanese Gazette, October 4, 2004; official website of cleric Sheikh Mohammad Abbas Dehaini, no date; Mouqawimoun website, no date).

◆ In February 2002, **he co-founded the Al-Maaref al-Hikmiyah Institute**, which disseminates Shiite Islam through research institutes, publishing books etc. (Lebanese Gazette, February 18, 2002; website of the Al-Maaref al-Hikmiyah Institute).

◆ In October 2008, he co-founded the Association for the Revival of Resistance Legacy, a Hezbollah foundation which aims to inculcate jihad and *shahada* (heroic death for the sake of Allah) within Shiite society in Lebanon and commemorate the shaheeds³.

► **Sheikh Yusuf Abd al-Rida Aasi** served in various posts in Hezbollah's Martyrs Foundation:

◆ **In October 2004**, he was the **chairman of Hezbollah's Shaheed Charity Association**⁴ (Lebanese Gazette, October 4, 2004).

³ See the ITIC's Information Bulletin from March 2020, "The Association for the Revival of Resistance Legacy: A Hezbollah foundation intended to inculcate jihad and the shaheed culture within Shiite society in Lebanon"

⁴ For further details, see the ITIC's Information Bulletin from April 2019, "Hezbollah's Martyrs Foundation: purpose, mode of operation and funding methods." He was the chairman of an association representing the Martyrs Foundation – not the director of the Martyrs Foundation itself (which is registered in Lebanon as a commercial company).

- ◆ **In January 2006, he co-founded Atlas Holding SAL**, a company owned by Hezbollah's Martyrs Foundation (profile of Atlas Holding SAL at the Lebanese Registrar of Companies).
- ◆ **In 2010–2015, he was in charge of education and culture in Hezbollah's Martyrs Foundation** (Al-Ahed news website, November 10, 2010; Al-Mustafa International University's website, November 16, 2015).
- ◆ **In November 2018, he reportedly served as deputy director of Hezbollah's Martyrs Foundation** (Al-Ahed news website, November 10, 2018).

Appendix B

The Martyrs Foundation and the commercial companies that it owns⁵

► Hezbollah’s Martyrs Foundation was established in 1982 during the First Lebanon War. It was established **as a branch of the Iranian Martyrs Foundation**, an Iranian foundation established by Imam Khomeini to support the families of those killed in the Iran-Iraq war. The objective of the Lebanese Martyrs Foundation is to care for the families of Hezbollah operatives who were killed during their activity in the ranks of Hezbollah **and to provide them with a range of services that will become part of their daily lives all life long**⁶.

Hezbollah’s Martyrs Foundation has a branch called the **Palestinian Martyrs Foundation**, which aims to support the families of Palestinian shaheeds and to “spread the culture of jihad and *shahada* [heroic death for the sake of Allah] among the Palestinian people.”⁷

► **The Martyrs Foundation pays a monthly stipend to every family of a shaheed killed in the ranks of Hezbollah.** In addition, the Foundation provides the families of shaheeds with a range of services that cover all spheres of life (education, healthcare, housing and the like). The Martyrs Foundation places special emphasis on seeing to the needs of children of shaheeds. Among other things, it finances their education, from elementary school to college graduation. With regard to healthcare, the Foundation covers the costs of medical care for the families of shaheeds. To this end, it owns and operates **an extensive infrastructure of hospitals and medical institutions in Lebanon. The Martyrs Foundation is apparently subordinate to Hezbollah’s Executive Council.**

⁵ The Appendix is based on information published in the US announcement of the sanctions, plus information and photos in the hands of the ITIC.

⁶ See the ITIC’s Information Bulletin from April 2019, “Hezbollah’s Martyrs Foundation: purpose, mode of operation, and funding methods”

⁷ See the ITIC’s Information Bulletin from March 2020, “The Martyrs Foundation – Palestinian branch: a Hezbollah foundation operating in Lebanon, used as a channel for transferring Iranian financial support to families of Palestinian shaheeds”



Hospitals of the Martyrs Foundation. From left to right: Al-Rassoul al-Azam Hospital; St. George Hospital; Al-Rassoul al-Azam Hospital (from a video on the website of the Martyrs Foundation)

- Due to the large scope of activity of the Martyrs Foundation, **its ongoing expenditures are extremely high and are estimated at roughly \$100 million per year.** Part of the Martyrs Foundation's budget is **transferred to Hezbollah from Iran and part of it is raised through an extensive fundraising network, both in Lebanon and abroad.** In addition, **the Martyrs Foundation owns a holding company by the name of Atlas Holding, which owns Lebanese subsidiaries that operate primarily in the areas of pharmaceuticals, commerce, fuel and fuel products.** The profits of these companies help finance the operating expenses of the Martyrs Foundation and thus **constitute part of the civil network that supports Hezbollah's military infrastructure.**

Commercial companies financing the Martyrs Foundation

Atlas Holdings

- In 1990, in order to expand the Martyrs Foundation's financing capability, Hezbollah established **Atlas Holding**, which specializes in managing companies and projects in Lebanon. When the company registered with the Lebanese Registrar of Companies, its initial capital was \$30 million.
- **Atlas Holding is subordinate to Hezbollah's Executive Council.** The company owns **at least 11 subsidiaries** in various sectors: fuel, fuel products and operating gas stations, pharmaceuticals, medical equipment and more. **All the subsidiaries are owned or controlled by Atlas Holding and/or the Martyrs Foundation, which hold a majority of their shares.** In April 2018, the Martyrs Foundation released a video detailing the projects that it is involved in. In addition to projects in the areas of healthcare and education (operating three hospitals and medical and technological training institutes), the video also

covers investments. The video states that **Atlas Holding was founded by the Martyrs Foundation in 1990** and includes several companies operating in the areas of **fuel trading, pharmaceuticals and medical equipment** (Martyrs Foundation website).



**Logo of Atlas Holding
(Atlas Holding website)**

► **The attorney for Atlas Holding and its subsidiaries is Ali Hasan Berro, who is connected with Hezbollah.** In November 2017, he was Hezbollah’s candidate in the elections for the Beirut Bar Association (Al-Liwa, November 20, 2017). In January 2018, he served as adviser to Muhammad Fneish, a senior Hezbollah official who served as youth and sports minister in the Lebanese government. Ali Berro also accompanied Fneish on an official visit to Iraq (Al-Liwa, January 23, 2018).



Attorney Ali Berro, adviser to Youth and Sports Minister Mohammad Fneish (top left). Attorney Berro accompanied him on an official visit to Iraq (Al-Liwa, January 23, 2018).

Jammal Trust Bank, a Lebanese bank that was shut down because it provided services to Hezbollah

► The announcement by the US Department of the Treasury (February 26, 2020) states that **Hezbollah puts the Lebanese banking system at risk** because of its deep coordination with Jammal Trust Bank, which was designated by the United States as an SDGT in August 2019.

Atlas Holding and its subsidiaries have deposited money in the bank, despite their known relationship with Hezbollah. According to the American announcement, Jammal Trust Bank has **transferred hundreds of millions of dollars for** Atlas Holdings and its subsidiaries via the Lebanese banking system.

► **Jammal Trust Bank** was a Lebanese bank established in 1963. In 1971, the bank's shares were purchased by Ali al-Jammal, hence its name (Arabic Wikipedia). **In January 2019, the bank was accused of participating in financing Hezbollah's activity** by opening accounts for operatives and companies belonging to Hezbollah. In January 2009, the Al-Hurra Channel reported that three Hezbollah figures and Hezbollah-affiliated companies had opened accounts at Jammal Trust Bank. One of the companies mentioned was the **International Pharmaceutical and Medical Equipment Company owned by Atlas Holding** (Al-Hurra Channel, January 9, 2019). According to the report, **the Martyrs Foundation and Hezbollah's Al-Qard al-Hasan Association**⁸ had accounts at the bank even before Hezbollah was designated by the United States as a terrorist organization (Al-Modon, September 5, 2019). In late August 2019, **the United States imposed sanctions on the bank**, which ultimately led to **voluntary liquidation and the closure of the bank's 25 branches** (Jammal Trust Bank, Arabic Wikipedia; Jammal Trust Bank website; SKY Arabic News, September 19, 2019).

Companies owned or controlled by Atlas Holding

Shahed Pharm (pharmaceutical company)



**Logo of Shahed Pharm
(Atlas Holding website)**

⁸ See the ITIC's Information Bulletin from May 23, 2019: "Hezbollah's socioeconomic foundations: Al-Qard al-Hasan, a quasi-bank that provides interest-free loans, mainly to members of the Shiite community"

► According to the announcement of the Department of the Treasury, the Shahed Pharm pharmaceutical company is owned or controlled by Atlas Holding. According to the Lebanese Registrar of Companies, it started operating in March 2007. **Jawad Nur-al-Din, the director general of the Martyrs Foundation, was one of its founders.** Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding, is listed as a shareholder, director, and authorized signatory for the company. The attorney of the company is **Ali Hassan Berro**, who connected with Hezbollah (profile of Shahed Pharm on the website of the Lebanese Registrar of Companies).

Al-Amana Fuel Co. (a company dealing in fuel and oil products)



Logo of Al-Amana (Atlas Holding website)

► According to the announcement of the Department of the Treasury, Al-Amana Fuel Co. is **owned or controlled by Atlas Holding.** Atlas Holding controls the majority of shares in the company, and Kassem Mohamad Ali Bazzi (CEO of Atlas Holding) is listed as a founder, director, and authorized signatory for the company. The company has been registered in the Bekaa Governorate as of January 2005.

► Al-Amana Fuel Co. is engaged in dealing in fuel and oil products, as well as import, marketing and distribution of fuel products. It has about 300 employees and operates **42 gas stations**, all of them in **areas with a clear Shiite majority**: 22 stations in **southern Lebanon**, 14 in the Beirut area (mainly in the **southern suburb of Beirut and its vicinity**), and six stations in the **Bekaa Valley** (the Al-Amana website).

Al-Amana Plus Co. (marketing and distribution of fuel and oil products)

► Al-Amana Plus Co., which is related to Al-Amana Co. (they both have the same logo and website), is engaged in marketing and distribution of oil products. According to the announcement of the Department of the Treasury, it is owned or controlled by Atlas Holding. Jawad Nur-al-Din, the director general of the Martyrs Foundation, and Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding, are also listed as company founders, with Bazzi also serving as the director general, chairman, and authorized signatory of the company.

Medic (dealing in pharmaceuticals, medical equipment and cosmetics)



Logo of Medic (Atlas Holding website)

- Medic Medical Equipment & Drugs International Corporation is owned or controlled by Atlas Holding. Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding, who holds fewer shares in Medic, serves as the director general, chairman, and authorized signatory for the company.

Al-Kawthar clothing (manufacture and sales)

- Al-Kawthar was established in May 2006. It is owned or controlled by Atlas Holding. Its address: Al-Sharq al-Awsat Commercial Center, Chiyah neighborhood (in Beirut's southern suburb). The company founders and partners are members of the board of Atlas Holding, Mohamad Ali Bashir and Shawqi Mohamad Shafiq Nur al-Din. The authorized signatory is Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding. The company's attorney is Ali Hassan Berro, who is connected with Hezbollah (Lebanese Registrar of Companies).
- The company has three branches: **the Beirut branch**, Airport Road, behind Al-Rassoul al-Azam Hospital (in Beirut's southern suburb); **the Harat Hreik neighborhood branch** in Beirut's southern suburb, Sheikh Ragheb Harb Street; and the Al-Abbasiyah branch in southern Lebanon. The company may also have a branch in the Bekaa Valley (Baldati, Lebanese Yellow Pages website, July 1, 2016; website of the professional association of store owners in Lebanon).

Global Touristic Services S.A.R.L.

- Global Touristic Services S.A.R.L. was established by Atlas Holding and is owned or controlled by it. Jawad Nur al-Din, the director general of the Martyrs Foundation, and Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding, are members of the company's board of directors. The authorized signatory is Kassem Mohamad Ali Bazzi, who is also a member of the board alongside Jawad Nur al-Din (Lebanon Debate website, February 26, 2020).

Al-Amana Sanitary and Paints Company Ltd.

- The company imports, manufactures and trades in building materials, floor tiles, porcelain, paint, pipes, glass etc. It was established in August 2007 by Jawad Nur al-Din, the director

general of the Martyrs Foundation, and Atlas Holding. The authorized signatory is Atlas Holding and the company's attorney is Ali Hassan Berro, who is connected with Hezbollah (website of the Lebanese Registrar of Companies).

Mirath S.A.L. (media company)

► Mirath was founded in 2012. It is located in the Chiyah neighborhood, in Beirut's southern suburb. Its main fields of operation are **the establishment and operation of radio and television stations via satellite; publishing; producing movies and television and radio programs; advertising services; and the creation of websites**. The company is owned or controlled by Jawad Nur al-Din, the general director of the Martyrs Foundation (website of the Lebanese Registrar of Companies; announcement of the Department of the Treasury).

Sanovera Pharm Company S.A.R.L. (trading in pharmaceuticals and cosmetics)

► Sanovera Pharm was founded in 2013. The company is headquartered on Bechara el-Khoury Street in Beirut (Facebook page of the company). **The company trades in pharmaceuticals, pharmacy products, and cosmetics**. According to the company's Facebook page, it supplies products to pharmacies in Lebanon's Shiite areas (website of the Lebanese Registrar of Companies; Facebook page of Sanovera Cosmetics).



Logo of Sanovera (Facebook page of Sanovera Cosmetics)

Capital (apparently operates gas stations of Al-Amana Fuel Co.)

► According to the company records, Atlas Holding is the major shareholder in the company. Kassem Mohamad Ali Bazzi, the CEO of Atlas Holding, who holds fewer shares, is the company's director general and authorized signatory (website of the Lebanese Registrar of Companies). Mohamad Samaha, a gas station attendant in the Martyrs Foundation's Al-Amana gas station network, posted a photo of a station named Capital located in the Shiite

neighborhood of Al-Ouzai in southern Beirut. According to Samaha, the station belongs to the Al-Amana fuel company (Mohamad Samaha's Twitter account, January 11, 2020).

City Pharma S.A.L. (trading in pharmaceuticals)

- ▶ The company was founded in 2009. It is located in the Burj al-Barajneh neighborhood in Beirut's southern suburb. It was established by Atlas Holding, Mohamad Ali Bazzi (the CEO of Atlas Holding), and other figures. The authorized signatories are Kassem Mohamad Ali Bazzi and Bassem Mohamad Shreim (website of the Lebanese Registrar of Companies). The company's main areas of activity are **importing, exporting and trading in pharmaceuticals and other items sold in pharmacies**.
- ▶ The company's name and the names of its two authorized signatories were mentioned in connection with counterfeiting drugs in Lebanon in 2012. However, in the indictment filed in July 2013, it was decided not to put them on trial because, as it was claimed, they did not commit a criminal offense (Al-Joumhouria, July 31, 2013).