

# Treasury Labels Bank Providing Financial Services to Hizballah as Specially Designated Global Terrorist

August 29, 2019

**Washington** – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned Jammal Trust Bank SAL (Jammal Trust), a Lebanon-based financial institution that knowingly facilitates banking activities for Hizballah. Specifically, OFAC designated Jammal Trust as a Specially Designated Global Terrorist (SDGT) pursuant to Executive Order (E.O.) 13224 for assisting in, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, Hizballah. Jammal Trust has a longstanding relationship with a key Hizballah financial entity and provides financial services to Hizballah’s Executive Council and the Iran-based Martyrs Foundation. As part of today’s action, OFAC also designated Jammal Trust’s Lebanon-based subsidiaries Trust Insurance S.A.L., Trust Insurance Services S.A.L., and Trust Life Insurance Company S.A.L., for being owned or controlled by Jammal Trust.

“Treasury is targeting Jammal Trust Bank and its subsidiaries for brazenly enabling Hizballah’s financial activities. Corrupt financial institutions like Jammal Trust are a direct threat to the integrity of the Lebanese financial system. Jammal Trust provides support and services to Hizballah’s Executive Council and the Martyrs Foundation, which funnels money to the families of suicide bombers,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “The U.S. will continue to work with the Central Bank of Lebanon to deny Hizballah access to the international financial system. This action is a warning to all who provide services to this terrorist group.”

Today’s action highlights how Hizballah continues to prioritize its interests, and those of its chief sponsor, Iran, over the welfare of Lebanese citizens and Lebanon’s economy. We regret that Hizballah has brought hardship to the Shia community, in particular, and call upon the Lebanese Government to exert every effort to mitigate the impacts on innocent account holders who did not realize Hizballah was putting their savings at risk. The United States is confident that the Central Bank of Lebanon and other Lebanese institutions, through their legal and

regulatory policies and oversight functions, will continue to work to protect the stability and soundness of Lebanon's financial system, which is critical to supporting a stable and prosperous economy.

The Department of State designated Hizballah as a Foreign Terrorist Organization in October 1997 and as a Specially Designated Global Terrorist (SDGT) pursuant to E.O. 13224 in October 2001. Hizballah was first listed in January 1995 in the Annex to E.O. 12947, which targets terrorists who threaten to disrupt the Middle East peace process, and also designated in August 2012 pursuant to E.O. 13582, which targets the Government of Syria and its supporters.

### **JAMMAL TRUST BANK SAL**

Jammal Trust assists in, sponsors, or provides financial, material, or technological support for, or financial or other services to or in support of, Hizballah.

Jammal Trust knowingly facilitates the banking activities of U.S.-designated entities openly affiliated with Hizballah, Al-Qard al-Hassan and the Martyrs Foundation, in addition to services it provides to Hizballah's Executive Council. Hizballah has used accounts at Jammal Trust to pay its operatives and their families, and Jammal Trust has actively attempted to conceal its banking relationship with numerous wholly owned Martyrs Foundation subsidiaries. When opening purportedly "personal accounts" at Jammal Trust, Al-Qard al-Hassan officials clearly identified themselves to Jammal Trust as senior members of the terrorist group. Jammal Trust then facilitated these accounts to be used to conduct business on Al-Qard al-Hassan's behalf. Such a scheme is representative of the deep coordination between Hizballah and Jammal Trust, which dates back to at least the mid-2000s and which spans many of the bank's branches in Lebanon. Also, Hizballah Member of Parliament Amin Sherri coordinates Hizballah's financial activity at Jammal Trust with the bank's management. OFAC designated Amin Sherri in July 2019 for acting for or on behalf of Hizballah pursuant to E.O. 13224.

The Treasury Department designated the Martyrs Foundation, including its U.S. branch, and Al-Qard al-Hassan, under E.O. 13224 in July 2007. The Martyrs Foundation is an Iranian parastatal organization that channels financial support from Iran to several terrorist organizations in the Levant, including Hizballah and the Palestinian Islamic Jihad (PIJ). Martyrs Foundation branches in Lebanon have also provided financial support to the families of killed or imprisoned Hizballah and PIJ members, including suicide bombers in the Palestinian territories.

Additionally, Hizballah used Al-Qard al-Hassan as a cover to manage its financial activity, and it has assumed a prominent role in Hizballah's financial infrastructure.

### **TRUST INSURANCE S.A.L.**

OFAC designated Trust Insurance S.A.L. (Trust Insurance) for being owned or controlled by Jammal Trust.

In 2001, Trust Insurance and Trust Life Insurance Company S.A.L. became members of the Jammal Trust group, to provide standard insurance products to individuals and institutional clients. Trust Insurance, which was established in 1996, is a subsidiary of Jammal Trust and is 99.42% owned by the bank.

### **TRUST INSURANCE SERVICES S.A.L.**

OFAC designated Trust Insurance Services S.A.L. (Trust Insurance Services) for being owned or controlled by Jammal Trust.

Trust Insurance Services, which was established in 2012, is a subsidiary of Jammal Trust and is 90% owned by the bank.

### **TRUST LIFE INSURANCE COMPANY S.A.L.**

OFAC designated Trust Life Insurance Company S.A.L. (Trust Life) for being owned or controlled by Jammal Trust.

Trust Life, which provides life insurance services, was established in 2001. Trust Life and Trust Insurance products are backed by Jammal Trust. Moreover, Trust Life is a subsidiary of Jammal Trust and is 99.56% owned by the bank.

### **SANCTIONS IMPLICATIONS**

The Treasury Department continues to prioritize disruption of the full range of Hizballah's illicit financial activity. With this action, OFAC has designated over 50 Hizballah-affiliated individuals and entities since 2017.

As a result of today's sanctions, all property and interests in property of these targets that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons. In addition, persons that engage in certain transactions with the individuals and entities designated today may themselves be exposed to sanctions or subject to an enforcement action.

The four entities designated today are further subject to secondary sanctions pursuant to the Hizballah Financial Sanctions Regulations, which implements the Hizballah International Financing Prevention Act of 2015, as amended by the Hizballah International Financing Prevention Amendments Act of 2018. Pursuant to this authority, OFAC can prohibit or impose strict conditions on the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that knowingly facilitates a significant transaction for Hizballah, or a person acting on behalf of or at the direction of, or owned or controlled by, Hizballah.

View identifying information related to today's action [here](#).

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