

Treasury Targets Hizballah Executive Council Companies and Official



September 17, 2020

Washington – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned two Lebanon-based companies, Arch Consulting and Meamar Construction, for being owned, controlled, or directed by Hizballah. Additionally, OFAC designated Sultan Khalifah As’ad, a Hizballah Executive Council official, who is closely associated with both companies.

“Through Hizballah’s exploitation of the Lebanese economy and manipulation of corrupt Lebanese officials, companies associated with the terrorist organization are awarded government contracts,” said Secretary of the Treasury Steven T. Mnuchin. “The United States remains committed to targeting Hizballah and its supporters as they corruptly abuse Lebanese resources to enrich their leaders while the Lebanese people suffer from inadequate services.”

Hizballah’s activities permeate all aspects of the Lebanese economy, including the construction and infrastructure sectors. Hizballah leverages Arch and Meamar to conceal money transfers to Hizballah’s own accounts, further enriching Hizballah’s leadership and supporters, and depriving the Lebanese people of much-needed funds. Hizballah conspires with Lebanese officials, including the recently designated former Minister of Public Works and Transportation, Yusuf Finyanus, to direct government contracts worth millions of dollars to these companies, which are overseen by Hizballah’s Executive Council. The Council also receives the corrupt profits from these companies.

This action builds on previous Treasury actions against Hizballah Executive Council companies, including Atlas Holdings, which was designated in February 2020, as well as the recent designations earlier this month of corrupt former Lebanese Ministers Yusuf Finyaus and Ali Hassan Khalil for supporting Hizballah.

These entities and individual are being designated pursuant to Executive Order (E.O.) 13224, as amended by E.O. 13886.

ARCH CONSULTING AND MEAMAR CONSTRUCTION

Arch Consulting (Arch) and Meamar Construction (Meamar) are owned, controlled, or directed by Hizballah, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

Arch and Meamar are two of several companies subordinate to Hizballah's Executive Council. Hizballah takes advantage of these entities' privately owned appearance to conceal money transfers for Hizballah and evade U.S. sanctions. As of 2019, Hizballah worked with U.S.-designated former Lebanese Minister Yusuf Finyanus to ensure that Arch and Meamar won bids for Lebanese government contracts worth millions of dollars. Both companies in turn sent some profits from these contracts to Hizballah's Executive Council.

Since their inception, Arch and Meamar have been associated with Hizballah. According to publicly available information, several senior officials have ties to Hizballah; Sultan Khalifah As'ad is publicly listed as a founder of Meamar, and several individuals included in the company's registration documents also have public ties to Hizballah. Arch is registered under the name of a Hizballah-supported candidate in the 2004 municipal elections. Moreover, Arch was previously part of the U.S.-designated Jihad al-Bina company, Hizballah's main construction company. Despite becoming independent in 2005, it remains an important source of funding for Jihad al-Bina. OFAC designated Jihad al-Bina pursuant to E.O. 13224 in February 2007.

SULTAN KHALIFAH AS'AD

Sultan Khalifah As'ad (As'ad) is an official of Hizballah, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

As'ad is a senior Hizballah Executive Council official who serves as the deputy to Executive Council Chairman Hashim Safi al-Din, who was designated pursuant to E.O. 13224 in May 2017. In addition to serving as Hashim Safi al-Din's deputy, As'ad serves as the senior official for Hizballah's central municipal portfolio, a position he has held since at least 2011, and for which he appears regularly at public events. As of early 2019, As'ad was responsible for dozens of companies subordinate to the Executive Council, including Arch and Meamar. He provided project guidance to these companies and was involved in their financial and legal issues. He reported to and received guidance from Hashim Safi al-Din about the companies and passed instructions to the companies' directors and Hizballah's Finance Committee.

SANCTIONS IMPLICATIONS

The Treasury Department continues to prioritize disruption of the full range of Hizballah's illicit financial activity, and with this action has designated over 90 Hizballah-affiliated individuals and entities since 2017. OFAC took this action pursuant to E.O. 13224, as amended, which targets terrorists and those providing support to terrorists or acts of terrorism. Hizballah was designated by the Department of State as a Foreign Terrorist Organization in October 1997 and as a Specially Designated Global Terrorist (SDGT) pursuant to E.O. 13224 in October 2001.

As a result of today's action, all property and interests in property of the individuals named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, that are in the United States or in the possession or control of U.S. persons, are blocked and must be reported to OFAC. Unless authorized by a general or specific license issued by OFAC or otherwise exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any blocked person or the receipt of any contribution or provision of funds, goods or services from any such person.

Furthermore, engaging in certain transactions with the entities and individual designated today entails risk of secondary sanctions pursuant to E.O. 13224, as amended, and the Hizballah Financial Sanctions Regulations, which implement the Hizballah International Financing Prevention Act of 2015, as amended by the Hizballah International Financing Prevention Amendments Act of 2018. Pursuant to these authorities, 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 a terrorist group like Hizballah, or a person acting on behalf of or at the direction of, or owned or controlled by, an SDGT such as Hizballah.

[View identifying information on the entities and individual designated today.](#)

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