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# U.S. Seizes \$150 Million in Alleged Hezbollah-Linked Cash

By Samuel Rubinfeld

## Correction below

U.S. officials said Monday they seized \$150 million connected to a scheme in which entities linked to Hezbollah allegedly used the U.S. financial system to launder money through West Africa and back to the group's base of Lebanon.

The seizure stems from a civil lawsuit [filed last year](#) by federal prosecutors in Manhattan against defunct Lebanese Canadian Bank, or LCB, and two Lebanese exchange houses seeking more than \$480 million in funds allegedly derived from drug trafficking and other criminal activity passing through the U.S. financial system.

The seizure was [reported](#) by The Wall Street Journal, and there's more [here](#).

Hezbollah is a U.S.-designated foreign terrorist organization. The group's leadership has [denied engaging in money laundering](#) to finance its activity.

Prosecutors said Monday they seized \$150 million from a New York correspondent account of Lebanon's Banque Libano Francaise SAL, or BLF. Société Générale de Banque au Liban, which bought LCB in September 2011 for \$580 million, paid for part of the transaction through BLF. The seized funds are substitutes for the money in the LCB account in escrow at BLF, prosecutors said.

The warrants to seize the funds were issued August 15, but made public Monday. Neither BLF nor Société Générale de Banque au Liban were accused of wrongdoing, prosecutors said.

"Money is the lifeblood of terrorist and narcotics organizations, and while banks which launder money for terrorists and narco-traffickers may be located abroad, today's announcement demonstrates that those banks and their assets are not beyond our reach," said Manhattan U.S. Attorney Preet Bharara [in a statement](#).

A lawyer for LCB declined to comment to the Journal.



Sharif Karim/Reuters

Lebanon's Hezbollah leader Sayyed Hassan Nasrallah addresses his supporters via a screen during a rally in the southern suburbs of Beirut on Aug. 17, 2012.

The U.S. Treasury Department [designated LCB](#) as a “primary money-laundering concern” under the Patriot Act in February 2011, accusing it at the time of facilitating money laundering by a network of drug traffickers spanning South America, Europe, the Middle East and West Africa.

Société Générale de Banque au Liban acquired LCB’s assets and liabilities following the Treasury’s finding.

According to the civil complaint filed last year, the alleged scheme involved cash sent from Lebanon to the U.S. between January 2007 and early 2011 to buy used cars that were later sold in West Africa for cash.

The money from from the car sales was then allegedly transferred back to Lebanon with proceeds from narcotics trafficking and other crimes, prosecutors said in the complaint.

**Correction:** The seized funds came from the New York correspondent account of Lebanon’s Banque Libano Francaise SAL, not from a U.S. account at Société Générale de Banque au Liban.