

# THE WAR BETWEEN HAMAS AND ISRAEL

## IRAN IS THE WINNER

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Before the war that began when Hamas brutally attacked Israel on October 7, 2023, Bahrain, Morocco, Sudan, and the United Arab Emirates were on the way of normalizing their diplomatic relations with Israel and Saudi Arabia seemed poised to do so. This has all been derailed. Iran is the clear winner.

The timing of the Hamas attack on Israel was clearly meant to derail the rapprochement between these countries and Israel. What is Hamas? It is an offshoot of the Muslim Brotherhood, which worldwide, claims to have a presence in some eighty countries. Hamas was established in 1987, and could well be considered the Brotherhood's Palestinian chapter. The goals of Hamas are clear from their 1988 Covenant, which states that "the Islamic Resistance Movement [Hamas] aspires to the realisation of Allah's promise" and quotes the Prophet as saying, "The Day of Judgement will not come about until Moslems fight the Jews (killing the Jews). . .".

Tehran long ago devised the strategy of funding proxy militias, Shiite or Suni, to support its goal of sowing chaos in the region thus allowing Iran to advance its interests and influence. With regard to Hamas, without Iran's financial support and the transfer of weapons and intelligence the October 7th attack would not have been possible. It has supported Hamas to the tune of some \$300 million per year and the transfer of drones and missiles as well as other weapons and the material and training for Hamas to build its own weapons. The result is a very large "defense" industry in the Gaza Strip.

All weapons to Hamas do not come directly from Iran or the country of origin. Weapons are easily purchased in the international arms trade market and smuggled from the Gulf of Aqaba through The North Sinai Governate of Egypt or dropped along the Mediterranean shore and moved through the network of tunnels dug by Hamas.

There is only one way to stop Iran's growing influence in the region resulting from taking advantage of the chaos they have introduced: remember the old adage of "follow the money"? The ability of Iran to transfer money to their proxies must be curtailed.

The key question is how is it that Iran transfers funds to its proxies. The answer is that Iran has set up a global network of shell companies, exchange houses, and banks that carry out transactions for them. Many of these companies are based in the United Arab Emirates whose weak regulatory regime allows money-laundering and the financing of terrorist groups. The money itself comes through the Persian Gulf Petrochemical Industry Commercial Co., which facilitates the sale of billions of dollars of petrochemicals from Iran to foreign buyers.

The UAE is a major financial hub for the Middle East and the rest of the world and consequently the U.S. and its Western allies have not placed sanctions on its large financial institutions. This hesitancy must end. Although the UAE has recently taken some steps to address the problems of their regulatory regime, many believe this was not adequate and the country is still not equipped to deal with the problems of money-laundering and the financing of terrorist groups.

The Ranking Member of the Senate Banking Committee Tim Scott (R-S.C.) in an April 11, 2024 letter to Janet Yellen, the Secretary of the Treasury, wrote that "Given the proven track-record Iran has on redirecting so-called humanitarian assistance to 'violent activity,' as characterized by Treasury, we must operate under the assumption that every dollar made available to Iran is another dollar that will be used to put U.S. servicemembers in harm's way or threaten our allies, especially Israel. For example, just this week, reports emerged about Iran smuggling weapons into the West Bank to further foment unrest. We cannot continue to pretend that the Iranian regime is a rational actor."

But Sen. Scott did not define "rational". Iran *is* rational, but in terms of its own interests not ours. For example, the Israel-Hamas war has shifted power in the Middle East away from the U.S. helping provide a regional order that benefits the regime in Iran. The history of the policy of the Islamic Republic in Iran since its inception is well traced in Suzanne Maloney's article in the May/June 2024 issue of *Foreign Affairs*. It concludes with: "In a sense, Iran now has the default advantage over the United States because it does not actually have to achieve anything material in the near term. Chaos itself will constitute a victory. By contrast, the bar for U.S. success is high. Like it or not, however, the United States remains an indispensable player in the region despite its dubious record over the past several decades."