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Time to Confront the Tehran-Caracas Axis

U.S. sanctions can't work as long as trade between Iran and Venezuela remains robust.

By Roger Noriega

As Washington policy makers scramble to craft effective sanctions against Iran, they seem to have completely ignored Mahmoud Ahmadinejad's blossoming relationship with Venezuela's Hugo Chávez. This strategic alliance provides the Iranian regime with a clandestine source of uranium, helps it evade restrictions on trade and financing, and gives Middle Eastern terrorists access to weapons from Mr. Chávez's growing arsenal. So even if the West is able to implement a sanctions plan with bite, Tehran's partnership with Caracas might cancel it out.

Mr. Chávez is a self-declared enemy of the United States who has aided terrorist groups and radical regimes for more than a decade. Though his support of Iran should come as no surprise, it is not clear that the U.S. is prepared to respond to the Caracas-Tehran axis.

In September 2005, Mr. Chávez signaled his sympathies when Venezuela was the only member of the International Atomic Energy Agency (IAEA) board to vote against sanctioning Iran for its illegal uranium enrichment program. Four years later, during Mr. Chávez's eighth visit to Iran, he called that country a "strategic ally." On Sept. 11, 2009, in an interview in the French newspaper *Le Figaro*, he thanked Iran for helping Venezuela develop its own nuclear program. Indeed, the two governments formalized their collaboration "in the field of nuclear technology" in an accord signed in Caracas in November 2008. And, in the midst of a crushing fiscal crisis, last December Mr. Chávez ordered his treasury to channel another \$50 million toward a secret nuclear program, according to a document provided to me by a source in Venezuela.

Although Mr. Chávez has denounced reports of uranium mining as "lies" and part of an "imperialist plan," the Canadian uranium exploration company U308 Corp has recorded a substantial source of uranium in the Roraima Basin, which straddles the border between Guyana and the Venezuelan province of Bolívar. Iranian or other Middle Eastern individuals operate a tractor factory, cement plant and gold mine in this region. Two of these facilities have private ports on the Orinoco River, affording unimpeded access to the Atlantic. One of these operations—the VenIran tractor factory—was the intended recipient of 22 containers intercepted by Turkish customs authorities at the port of Mersin in December 2008. They were carrying an "explosives lab" and nitrate and sulfite chemicals that are used to manufacture explosives.

These industrial operations are only the tip of the iceberg. Joint ventures and other projects totaling at least \$30 billion between Iranian and Venezuelan front companies can be used to conceal multimillion dollar transactions. In addition, Iran has created several major financial institutions in Venezuela that work through local banks to gain access to the global banking system.

Because Venezuela can barely meet its domestic demand for refined petroleum products, some have doubted that Mr. Chávez can make good on his September 2009 pledge to supply Mahmoud Ahmadinejad's regime with 20,000 barrels of gasoline a day to soften the blow of expected sanctions. If the U.S. intelligence community is paying attention, however, it will know what Mr. Chávez told his Iranian counterpart in Caracas last November: Venezuela is already purchasing fuel on the international market for planned shipment to Iran, according to a secret account of the meeting provided to me by Venezuelan sources.

The Iranian relationship has also helped boost Venezuelan support of Middle Eastern radicals. Last November, Israeli navy commandos seized the German cargo vessel *Francop*, which was carrying 36 shipping containers holding 500 tons of Katyusha rockets, mortars, grenades and a half-million rounds of small-arms ammunition en route to Syria, but ultimately bound for Hezbollah in Lebanon. The lethal shipment had left the Venezuelan port of Guanta around the time that

Venezuelan Foreign Minister Nicolas Maduro was visiting Damascus to deliver a message from Mr. Chávez to Bashar al-Assad.

Because the U.S. is determined to ignore what it dismisses as petty provocations, Washington has refused to take any effective action against Mr. Chávez's support for Colombian terrorists and his complicity in drug trafficking. Perhaps his ties with Iran will be a game-changer.

Any serious sanctions program must plug the gaps opened up by the substantial business and banking relationships between Iran and Venezuela. Tehran's support for Mr. Chávez's nuclear ambitions must be brought under the strict scrutiny of the IAEA. Venezuelan officials, the state oil company, and other financial institutions should be investigated and sanctioned for abetting illegal financial transactions. Mr. Chávez's support for terrorist groups in the Americas and beyond should be challenged as a threat to peace and an act of aggression under Chapter 7 of the United Nations Charter.

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