Arabs remained subject to speculation amid systemic financial irregularities at the border. They remitted money from the border “to relatives in Lebanon,” unduly drawing suspicions of “terrorist” finance among some authorities and pundits, according to Mohamad Barakat. In fact, far larger fortunes had dubiously moved from Brazilian banks to the Paraguayan side of the border and then elsewhere in what became known as the caso Banestado (Paraná State Bank case). After signs of state complicity in the bank scandal, Fouad Fakih asked officials to absolve the “remittances that Arabs sent,” but suspicions nonetheless loomed.

This chapter asks how Arabs performed and were cast in such accounts from the 1990s through the 2010s. Lebanese, Palestinians, Syrians, and others traded in Brazilian and Paraguayan currencies relative to the US dollar, remitting a portion of their livelihoods to Middle Eastern homelands. After 9/11, however, US authorities more vocally conjectured that such remittances could finance terrorism and tried to convince Brazilian and Paraguayan counterparts likewise. In an attempt to neutralize such speculation, Arabs joined the Foz do Iguaçu city government’s lawsuit against the Atlanta-based CNN network that depicted them as terrorist financiers. The US Treasury Department subsequently blocked the assets of some Arabs at the border, a few with reputations as trambiqueiros (tricksters) but not terrorists. Under such circumstances, Arab
charity-giving diminished in Foz do Iguaçu but coalesced around a new mosque in Ciudad del Este, buoyed by sales in upscale imports from East Asia. Arabs tried to offset illiberal security with liberal exchange that neither absolved nor incriminated them. Arabs drew upon and were drawn into a speculative America.

Building on Anna Tsing’s work, I grasp speculative accounts at the border as “economic” and “dramatic,” or as Bill Maurer likewise theorized, “numeric and narrative.” My point of departure is a special account, called the CC5, used at Paraná State Bank agencies to remit tens of billions of dollars from Foz do Iguaçu to Ciudad del Este, and then elsewhere, during the 1990s and 2000s. Much earlier, Brazil’s authoritarian regime created CC5 accounts as exceptional conduits for money sent abroad. However, Brazilian, Paraguayan, Argentine, Mercosur, and US officials debated not this authoritarian-era financial exception but instead whether Arabs at the border could fund terrorism. Likewise lacking a broader understanding of financial exceptions and irregularities, CNN represented border trade as terrorist finance after 9/11, leading the Foz do Iguaçu public prosecutor, a vocal critic of authoritarian rule in his youth, to initiate a lawsuit with Arab witnesses. Taking on economic and dramatic roles, Arabs folded into speculative accounts of a hemispheric America.

The suspicions of economic duplicity that had loomed over Arabs since authoritarian times, as noted previously, morphed into more recent counterterrorist financial conjectures that Marieke de Goede called “speculative security.” This state exception to liberal democratic and market norms purports to identify and interrupt monies that presumably fund terrorist acts not yet conceived or carried out. The resultant “finance-security assemblage,” for de Goede, is a “transnational landscape of laws, institutions, treaties, and private initiatives that play a role in fighting terrorism financing.” In step with de Goede’s emphasis that “speculative security” criminalizes migrant monies and overlooks big capital, I focus on the tactics employed by the accused. At the border, Arabs kept doing business and publicly mobilizing amid Brazilian, Paraguayan, Argentine, Mercosur, and US speculations. Neither freed from suspicions of financial wrong-doing nor formally charged with funneling money
for terrorist ends, Arabs at the border accommodated state exceptions in economic and dramatic ways.

**Not Banking on Scandal and Suspicion**

Arabs at the border sent money to the places they migrated from, such as Baaloul, Kabrikha, Lela, and elsewhere in the Beqaa Valley as well as in South Lebanon, and to a lesser extent, the West Bank, Jordan, and Syria. Their wealth underwrote what geographer Husein Amery called the “remittance economy” of Lela specifically. In 1989, Amery found that “ninety-seven out of 125 sampled households in Lela received remittances” from the Americas. This money financed house construction as well as public works, such as the building of a new mosque, repairs to an electrical grid, and a water well. Remitters thought of new houses not as permanent dwellings but rather as “summer retreats,” which they hoped would “attract and attach migrants’ foreign-born children to their parents’ homeland.” Indeed, veranear (“to pass the summer,” in Spanish and Portuguese) in Lebanon is a common transnational practice that required significant investment. As the largest migrant group at the border, Lebanese remitted most funds, but other Arabs sent monies too. Having been displaced from Palestine to Jordan before settling “in Brazil twenty years ago,” Mustafá Jaber likewise related, “I would send $150, $200, even $300 dollars every month to my family, always with the expectation of returning to my land after the independence of Palestine.” Remittances from the border funded intermittent family vacations or eventual returns to respective homelands.

Multiple state powers monitored such financial flows. In 1992, Brazil’s Federal Revenue Secretariat (RF) expressed concern over “cases of repatriating money without taxation,” in the words of the RF director of Foz do Iguacu, Adonis da Cunha Ramos. At the same time, US Treasury Department authorities met with Paraguayan counterparts to institute “binational mechanisms for the control and prevention of money-laundering” at this and other borders. Six years later, in 1998, central banks from Argentina, Brazil, and Paraguay signed accords to track bank accounts suspected of tax evasion and “money deposited in international accounts in bank agencies at
the border.” In a Mercosur meeting at the border in the same year, the then General Director of Brazil’s Federal Police, Vicente Chelotti, stated that he and his counterparts investigated “money remittances sent outside the region,” finding that they “didn’t have anything to do with money remittances for terrorist groups.”

Meanwhile, liberal democratic governments made exceptions for big capital to traverse this border though an authoritarian-era type of financial account. The account was known by the acronym CC5, after the Carta Circular nº 5 of 1969, issued by the then authoritarian regime. In 1996, the now liberal democratic Brazilian state passed an extraordinary measure for this account to operate specifically in Foz do Iguaçu, so that business owners in Ciudad del Este could continue to “exchange [Brazilian] reais spent in Paraguay for US dollars in Brazil,” as they had done up until that time, mentioned in the first chapter. State officials sought to encourage high-grossing businesses in Ciudad del Este to deposit Brazilian currency from Brazilian customers in CC5 accounts in Foz do Iguaçu, which could then be exchanged for US dollars and remitted back to businesses in Paraguay. For a Brazilian foreign ministerial official, who I call Victor, it was thought that enabling businesses on the Paraguayan side of the border to purchase US dollars on the Brazilian side would stabilize exchange rates as well as “facilitate and make more dynamic commercial relations at the border.” Brazil’s Central Bank selected branches of the Paraná State Bank (Banestado) in Foz do Iguaçu and chose managers in those branches to oversee the accounts. Consequently, traders in Ciudad del Este allegedly remitted “truckloads full of reais,” and later, electronic money transfers, to be exchanged for US dollars in Foz do Iguaçu and then sent back to Ciudad del Este.

Instead of attracting only Brazilian currency disbursed in Ciudad del Este, this state exception enabled domestic Brazilian fortunes to be irregularly sent abroad. “Word spread” about CC5 accounts, according to Victor, and “a lot of people” set them up in order to send money from Brazil to Paraguay, and then elsewhere. Using the names of Paraguayan laranjas (fig., stooges, in Portuguese) to open the accounts in Foz do Iguaçu, Paraná State Bank managers received kickbacks by approving CC5 accounts for clients to
send money first to Paraguay, and then elsewhere. Money transfers through this kind of account in the 1990s and early 2000s were “colossal,” to use the Victor’s expression. One report estimated that some $124 billion US dollars were sent abroad between 1992 and 1998, a staggering amount that persisted in subsequent years.20 “Money was coming from every corner and funneled through Foz,” related a report from Brazil’s Federal Police.21 Victor reflected that “the rising cost of the US dollar between 1997 and 2004 had to do with this hole that opened up in Foz do Iguaçu.”22 As remitters bought US dollars in Brazil and then transferred those US dollars to Paraguay, the US dollar became more expensive and the Brazilian real became cheaper. Though one of the many players was the doleiro ([black-market] money-exchanger) Alberto Youssef, of Lebanese origin, originally from Londrina, a city some seven hours away by car from the border, Arabs in Foz do Iguaçu and Ciudad del Este were not suspects in these financial irregularities.23

Arabs at the border did not bank on state scandal and scrutiny, but they had grown accustomed to subsequent fluctuations in hemispheric currencies. On the Paraguayan side, in 1999, Cherif Hammoud from Monalisa reflected that “the devaluation of the real” curtailed Brazilian buying power that hurt business in Ciudad del Este “because Brazilians make up 80 percent of our sales.”24 Hassan Diab echoed that the weak Brazilian currency would “bankrupt” traders in Ciudad del Este, citing the case of his brother who lost 25 percent of the value of the “thirty thousand reais” he had “in his safe” when he exchanged them “for dollars.”25 An electronics store manager, Hassan el Farras put it simply, “the dollar rose and everything got worse.”26 Meanwhile, on the Brazilian side of the border, Ali Osman noted that Paraguayan clientele hoped for “a greater reduction in the price of Brazilian products” with the ongoing overvaluation of the US dollar.27 His cousin in textiles noted that despite the “uncertainty in exchange rates,” the expensive dollar lowered the prices of Brazilian goods for Paraguayan customers. Akin businesses in the neighborhood of Vila Portes adjacent to the Friendship Bridge, featured in the first and fourth chapters, saw sales slightly improve due to a cheaper Brazilian currency that attracted clientele from the other sides of the border.
Arabs folded transnational projects into these hemispheric exchange rates. Mohamad, a twenty-something Brazilian of Palestinian origins, narrated his family’s relocation in terms of Brazilian currency fluctuations relative to the US dollar. Mohamad was born in Foz do Iguaçu, but when he was five or so, his father moved the family to Jordan, in order for him and his siblings “to learn the language and religion.” With a business at the border, the father converted earnings from the Brazilian real to the US dollar, and then into Jordanian dinars. In the 1990s, the family lived on these money transfers, and “every once in a while” they would visit “friends and relatives” in Foz do Iguaçu as his father oversaw the business at the border. But Mohamad specified that the real’s devaluation and the dollar’s overvaluation in the 1990s and early 2000s “didn’t make it worthwhile,” so the family returned to live in Foz do Iguaçu, where he studied at a nearby university. For Mohamad and others, the value of the Brazilian currency diminished after being remitted to the homeland. With a more expensive US dollar, Arabs themselves narrated the diminishing numeric value of their remittances to Arab homelands.

Consequently, “the Arab community” pagou o pato (fig., took the fall) for the multi-billion-dollar financial irregularities in the Paraná State Bank scandal, according to the Brazilian foreign ministerial official Victor. In his view, US authorities speculated, “Why is there so much money sent” from the border? Mentioned last chapter, the US ambassador to Brazil Cristobál Orozco ostensibly answered the question by presuming “an economic support network of terrorism” around Foz do Iguaçu, though he admitted lacking proof. The US State Department’s counterterrorism coordinator Francis Taylor “worried” about “the darker side of commercial trade” at the border that could shelter “clandestine networks of persons and money” which “support terrorist organizations in the Middle East.” The US Subsecretary of State, Otto Reich, likewise speculated that “financial networks” at the border might garner “terrorist ties” without “necessarily” being “terrorist groups.” Monblatt, Hrinak, and other US diplomats referenced last chapter, having failed to substantiate allegations of actual terrorists, repeated these conjectures concerning terrorist finance at the border.
US suspicions of terrorist finance at the border enabled the Brazilian state to avoid its own entanglement in irregular financial flows. Without any mention of the bank scandal, President FHC acknowledged that he did not know if “international terrorism could be laundering money in South America.” The highest-ranking general, Alberto Cardoso, surmised that the border “remains more conducive for laundered money to finance illegal activity, including terrorism.” FHC’s foreign minister Celso Lafer went on the record that “money laundering” concerned “the Brazilian government,” and “the possibility” of financing terrorism “exists,” but any allegation needed to be investigated by the pertinent authorities. Brazil’s ambassador to Paraguay, Luiz Augusto de Castro, hypothesized that some of the money laundered in Ciudad del Este “could finance Arab terrorism.” But Brazil’s Justice Minister, José Gregori, dismissed “suspicions” of terrorist finance for the lack of evidence, verified by the Federal Police in an “anti-terror” working group under his command. In the group, one officer expressed the hope to find “some financier of terror” while another qualified that the remittances “came from elsewhere” in Brazil. Indeed, looking for terrorist financiers clouded rather than clarified domestic irregularities in state-approved financial conduits.

The drama of terrorist finance ended up rhetorically subsuming state investigations of financial irregularities committed by others with greater sums of wealth. The head of Paraguay’s Secretaría de Prevención de Lavado de Dinero (Money-Laundering Prevention Secretariat), César Arce, looked for but did not find “financial flows” to “terrorists” at the border, having just participated in a seminar on how to track terrorist monies in Washington, DC, after 9/11. Paraguay’s Central Bank president, Raúl Vera Bogado, likewise opined that “there is grounds to suspect possible money-laundering . . . could be connected . . . to terrorist activities.” He added that Paraguay and the US “closely collaborated” in order “to detect suspicious financial operations.” But a Paraguayan economist opined that tycoons, not “terrorists,” remitted fortunes from Brazil to Paraguay and then elsewhere because the Paraguayan state had lacked the technical means to follow monies sent abroad. A Paraguayan journalist echoed that Brazilian moguls undertook
the lion's share of remittances to evade taxes, but the “blame” was placed on Paraguay.41

Under US pressures to pursue terrorist monies and Brazilian concerns with complicity in irregular money-transfers, the Paraguayan state “prevented” Arabs in Ciudad del Este “from sending money remittances abroad” a month after 9/11.42 Paraguay’s Central Bank (BC) “blocked the bank accounts of holders of Arab origin due to suspicions that local traders could be helping to finance terrorist organizations that operate in the Middle East.” The BC allegedly possessed a list of some forty names, mostly of Arab origin, who allegedly “sent more than US$50 million to the Middle East in the last five years.”43 Fouad Fakih condemned the “recent steps to block bank accounts and imprison traders of Arab origin in Ciudad del Este.”44 Having led the Peace without Borders movement in Foz do Iguaçu, Fakih stated that money transfers from the border “pass through the Clearing House of New York and all that is needed is to identify the sender and receiver.”45 Government authorities subsequently failed to find any evidence between the frozen bank accounts and terrorist finance, but established a drama that drew attention away from state complicity in much larger financial irregularities.

From Terrorist-Finance Suspects to Victimized Appellants

Some state authorities tried to cast Arabs at the border as terrorist-finance suspects soon after 9/11. Celso Três, the Brazilian federal prosecutor who investigated CC5 accounts, entertained the possibility of “terrorist participation” in the banking scandal. Três conjectured that perhaps “there were many CC5 [accounts] utilized by persons of Arab origin,” offering no evidence but mentioning Foz do Iguaçu’s “dense population linked to the Arab world” and the “intercepted phone calls” from the border that he claimed were connected to the “terrorist act that occurred in Argentina.”46 Três’s showboating drew little support in Brazil but likely aided the state-supported extortion rackets shaking down Arabs on the Paraguayan side of the border, addressed in Chapters 4 and 5. Mentioned last chapter, Paraguay’s federal prosecutor Carlos Cálcena cited Três to
speculative accounts

claim that Ciudad del Este was one of the “strongholds of the financial support of terror,” before Cálcena was denounced to the Organization of American States and tried for embezzling hundreds of thousands of dollars.47

At the same time, other state authorities cast Arabs at the border as victimized appellants. Ten days after the baseless allegations, Antônio Vanderli Moreira, then public prosecutor of the Foz do Iguaçu government, filed a lawsuit for “compensatory damages” against Três.48 Without stipulating a monetary amount, Moreira reasoned that the claims made by Três would worsen the “prejudice” against Arabs at the border and carry “negative repercussions” for the “imminently touristic” city of Foz do Iguaçu. Moreira implied that Três made the accusations as a self-serving publicity stunt because he took “no measures” to investigate.49 Moreira called on long-time traders to testify, including Fouad Fakih. In his deposition, Fakih stated that Três “was offensive” to not only Foz do Iguaçu but also “Arabs who reside here,” voicing fears of a plummeting economy amid talk of terror. At the time, Fakih criticized similar US speculations that “hurt all commerce in the region,” evident in “flight cancellations” and drops in hotel reservations that would enable the “US to finish off with the Treaty of Mercosur.”50 In this account, Arabs at the border were not suspects but rather litigants in a defamation case.

Arabs at the border were both constrained and enabled by extraordinary measures, not only as suspects of terrorist finance but also as subjects of solidarity. Moreira, the public prosecutor taking up the defense of Arabs and the border, was born into a family of Italian and Portuguese origins in Rio Grande do Sul and moved to Foz do Iguaçu as a young lawyer, penned criticisms of authoritarian rule in the 1970s, and mounted the defense of Juvêncio Mazzarollo and Nosso Tempo in the 1980s, mentioned in the second chapter.51 Moreira explained, “since I arrived here [at the border], I’ve lived with Arabs and I knew that everything that was being published about them was a lie.”52 His defense earned accolades from Rogério Bonato, editor of A Gazeta do Iguaçu, which took up a similar public stance.53 Bonato remembered an anonymous call made to his newspaper after 9/11, claiming that “Muslims were fundraising for
a terrorist organization” at an event hosted by the Omar Ibn al-Khattab mosque. *A Gazeta do Iguaçu* refuted the accusation because a journalist from the newspaper had covered the event, an ‘eid (holy day) marking the end of the fast during Ramadan, annually making headlines since the 1990s, as shown in the third chapter. The journalist stated, “I went to that event and nothing was collected for terrorists!”

Notwithstanding such civic solidarity, Arabs made prime-time news as seemingly rich racketeers on the Atlanta-based CNN. In the broadcast “Terrorists Find Haven in South America,” CNN portrayed the border as one of the world’s “busiest black markets” that sheltered and supplied “terrorists.” The author, Harris Whitbeck, then a CNN correspondent based in Mexico City, twisted Arabs’ economic and political patrimony at the border as suspicious terrorist finance. Whitbeck saw Arab businesses not as a half-century-long investment in real estate and civil society, but rather as a “revolving door for Islamic extremists” and “hundreds of millions of dollars of transactions” that allegedly “support terrorism.” Citing nameless authorities from Paraguay, Argentina, and the US, the CNN reporter ignored the objections of Brazilian officials, who were then investigating CC5 accounts. Attentive not to authoritarian legacies, but rather to counterterrorist liaisons, CNN twisted Arab trade and finance, occulted Brazilian demur, and emphasized Paraguayan and Argentine deference to the US after 9/11.

But Arabs at the border found recourse in the next day’s local news headline that read, “CNN Practices Terrorism against the Border,” which criticized the network for driving away tourists and wreaking “immeasurable” damage to “our economy.” The Foz do Iguaçu mayor Sâmis da Silva characterized the CNN report as “verbal terrorism” and led an official delegation to meet with Brazil’s Justice Minister, José Gregori. With Fouad Fakih by his side, Silva related that tourists cancelled hotel reservations due to the speculative news coverage. Gregori responded that “the entire city” of Foz do Iguaçu “is victim of a defamatory campaign” akin to a “true witch-hunt” and he vowed to take measures to “redress the economic damage already done.” Two weeks later, none other than Brazilian president FHC went on CNN and “guaranteed” that no
evidence of terrorism at the border was found in ongoing investigations.59 Brazilian government and media authorities safeguarded Arabs and the border against what they perceived to be the deleterious repercussions of US speculations.

In efforts to change the dominant narrative, Arabs tried to accommodate foreign correspondents who reported on the border from metropoles like São Paulo, Buenos Aires, or even Mexico City, as in the case of CNN’s Harris Whitbeck.60 In one of several such instances, Magrão recounted his interaction with a US foreign correspondent for the Associated Press (AP) who reported on the border from his base in São Paulo.61 The AP reporter requested a phone interview, but Magrão insisted that he would only speak in person at his store near the Friendship Bridge. As discussed in the first and fourth chapters, the neighborhood of Vila Portes where Magrão opened his store reached prominence in the 1980s and endured Mercosur in the 1990s. Upon meeting Magrão, the AP correspondent admitted that he expected to land on a secret airstrip and travel through the jungle until reaching “Taliban-type soldiers” at the border. Instead, the reporter passed through an international airport, four-lane highways, urban neighborhoods, and more than a dozen and a half military or government posts around the Friendship Bridge. According to Magrão, the correspondent ditched his initial story based on speculation and ended up writing an account actually about this border.

But US media continued to cast Arabs at the border as suspects in a counterterrorist drama. CNN’s Christiane Amanpour found a photograph of what she purported to be the Iguaçu/Iguazú waterfalls while she was embedded with US armed forces in Kabul, Afghanistan in 2001. On camera, Amanpour reported, “while we were scouring this now-abandoned house, we came across this picture on the wall. These are the falls of Iguazu [sic] in Brazil, and this is where US intelligence officials say they’ve identified terrorist cells that they say are linked to Osama bin Laden and the Al Qaeda network.”62 The photograph was not of Iguaçu/Iguazú, but CNN avoided issuing any rectification. A year later, in 2002, another CNN reporter, Mike Boettcher, speculated that a “terrorist meeting” in Ciudad del Este brought together “groups linked to Osama Bin
Laden,” a recurrent charge made some six months before the *Veja* and *Washington Post* reporting, discussed last chapter. Boettcher ignored Brazilian authorities with contrary views and referenced Argentine and Paraguayan counterparts who alleged “an increase of terrorist activity in the region.” Ignoring the multi-billion dollar state bank scandal, Boettcher thickened the plot of a counterterrorist drama, observing that “thousands of dollars move through Lebanese-owned currency exchanges, millions of dollars are spent on telephone bills, and there is an intense transfer of bank funds between the [South American] region and the Middle East.”

Both Brazilian and Paraguayan state authorities rebuked CNN’s vilification of Arabs at the border. As in the previous year, the Foz do Iguaçu mayor characterized media coverage as the “terrorism of CNN.” The mayor called for a “greater monitoring of the media to identify defamatory material” against the border. Likewise, Foz do Iguaçu city councilors unanimously approved a “motion of repudiation against the news story released by the CNN network.” Javier Zacarías Irún, the mayor of Ciudad del Este, echoed that the border was “prejudiced by the irresponsible publication.” Even the city council of Ciudad del Este voted to take legal action “against whoever accuses Ciudad del Este and the tri-border zone of being a nest of terrorists,” but opted for silence after alleged threats ostensibly made by the informant mentioned last chapter. Having witnessed the steady decrease of historically high profits since the mid-1990s, Arabs at the border asked state authorities to “demand explanations” from CNN.

Arabs drew upon an established track record of seeking legal recourse on Brazil’s side of the border. In 2002, then secretary of tourism in Foz do Iguaçu, Neuso Rafagnin, compared “Arabs and Chinese” to “clouds of locusts” because they “devastate everything wherever they pass and afterwards go away.” Arabs threatened to sue the official for “xenophobia, racism, and prejudice and they demanded explanations for such declarations.” This litigious strategy worked. The following year, the same official dismissed US counterterrorist suspicions of Arabs, speculating that the US “began looking for terrorists” only after Arabs at the border bypassed Miami and the US by importing directly from East Asia.
characterized Arab residents as “good people” and the border as “being a victim of the international press.” The point is that Arabs knew and exercised their rights at the border.

Arabs served as testemunhas (legal witnesses) in the lawsuit filed by the Foz do Iguaçu public prosecutor mentioned earlier, Antônio Vanderli Moreira. The lawsuit asked “for the reparation of moral damages” against Turner Internacional do Brasil Ltda., the owner of the now defunct website cnn.com.br, which translated and published Boettcher’s story. Moreira declared that “the US government and its media stations” alleged “terrorism” at the border “due to the concentration of Arab immigrants” and “cannot continue stigmatizing an orderly people who helped shape this border.” Moreira reasoned, “it was the duty of the public prosecutor to defend the people and the region.” He showed that the number of tourists to the border decreased after calumnious reports of sheltering terrorists, and called upon Fouad Fakih, Mohamed Barakat, Mohamad Ismail, and others to provide depositions, narrating their decades long history at the border as well as attesting to the “moral damage” caused by the unfounded reportage.

Through this legal performance, Arab traders were recast by themselves and others as appellants and witnesses, rather than terrorist financiers, in a speculative America. In 2004, the Second District Court of Foz do Iguaçu convened the first judicial conciliation between the Foz do Iguaçu city government and the CNN network. It ended without an agreement because the defendant, Turner Internacional do Brasil Ltda., alleged that it was not “the one responsible for the journalistic content produced by the network’s headquarters’ in the US and reproduced in Brazil.” It argued that the lawsuit would have to be filed against the headquarters, Turner Broadcasting System, Inc., in Atlanta. At the time, Moreira considered this sort of response as “part of big international capital; they don’t want to know anything, they are above it all.” Moreira added that he did not expect to win the case but rather to “show that we didn’t agree with the defamatory campaign that was made” against Arabs and the border.
US Drama of Pursuing Terrorist Finance

Nonetheless, US authorities maintained that Arabs were shady money handlers at the border. In 2004, New York district attorney Robert Morgenthau testified to the US senate that his probe into Manhattan banks uncovered “millions of dollars” being “transmitted on behalf of parties from the tri-border region of Brazil, Argentina, and Paraguay,” with no mention of the authoritarian-era bank accounts being investigated in Brazil. A couple years afterwards, Morgenthau mused that he “broke up” a Middle Eastern terrorist-finance network at the border, though admitting “we know very little about the ultimate recipients and who the transmitters were.” In fact, some named in his report had been already indicted by a Brazilian task-force on the CC5 account scandal. Officials in Foz do Iguaçu and Ciudad del Este considered that more senior US officials invalidated Morgenthau’s claims, having declared that the border showed no signs of terrorism in a previous 3+1 meeting, mentioned last chapter.

But the US government had revised, not relinquished, this drama, which became about pursuing “terrorist finance,” and not just “terrorism.” In this new plot, in 2006, the US Treasury and State departments classified nine residents and two organizations at the border as “Specially Designated Nationals,” an exceptional euphemism for suspected terrorists and narcos. Overseen by the Treasury Department’s Office of Foreign Assets Control (OFAC), this blacklisting was made possible by US president George W. Bush’s Executive Order 13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism,” signed into law soon after 9/11. It aimed to freeze assets of “individuals and entities that commit, or pose a significant risk of committing, acts of terrorism,” including those who knowingly or unknowingly donate to groups denominated as terrorist by the US. The executive order contributed to jurisdictional tensions between the US Treasury Department and the US State Department. In the pursuit of terrorist finance, Treasury and State department officials would have equal discretion over how to designate and block the assets of Specially Designated Nationals. As a brief instance, the
aforementioned case of Assad Ahmed Barakat was particularly complex. As a Specially Designated National, Barakat possessed assets in Paraguay and Brazil, and at the time, Paraguayan officials had requested his extradition from Brazil. US government authorities were conflicted over how to freeze business and residential assets across domains under other sovereign states.

In this drama of pursuing terrorist finance, US embassies in Brasilia and Buenos Aires recommended the Treasury “postpone” the plan to announce the “special designation” of some Arabs at the border. A foreign service officer in Brasilia requested more time to apprise Brazilian officials, who would otherwise “react poorly” and “decline to move forward with any asset freezes” if they were not previously given “evidence” of terror-finance that they “repeatedly questioned.” Referring to the “tri-border area” by the acronym TBA, this officer called for “a strategy on TBA terror finance” that took seriously Brazilian requests for the US to “share . . . evidence of terror finance in the TBA.” To do otherwise would “alienate the decision-makers whose actions are required to freeze any Brazilian assets belonging to these individuals” and “would leave the door wide open to asset flight,” as designees could move their finances elsewhere. An officer in Buenos Aires wrote that he “fully supports AmEmbassy Brasilia arguments” for the need to consider “local sensitivities” and coordinate “with local and regional security and intelligence agencies.” Two years previously, he remembered, the US agreed that no “operational acts of terrorism” existed at the border in the 3 + 1 meeting. So the “public designation” of some residents as terrorist financiers would be understood as a US equivocation. The designation was slightly postponed in a thickening plot.

Intrigue developed between US attorney-general Alberto González and Brazil’s Minister of Justice Márcio Thomaz Bastos, himself of Lebanese origins. In 2007, González stated that “more can be done” about terrorist financing at the border, but Bastos shot back that Brazilian intelligence used the latest technology to “constantly monitor the situation” at the border. Brazilian officials from the ministries of Justice, Defense, and Foreign Relations, moreover, related to US counterparts that “Arab immigrants at the border with Argentina and Paraguay send money to the Middle East
that goes to their families. They’re personal remittances.”

Though “difficult” to differentiate between donations “all immigrants make,” and “supposed actions to finance terrorism,” the ABIN director, Márcio Paulo Buzanelli, mentioned last chapter, affirmed that the “money going there [Lebanon] doesn’t feed terrorism,” but rather charity and social services. He added, “since we [in Brazil] don’t work with terrorist lists,” as the US does, it would be “very difficult to pinpoint if some of this money goes to terrorism,” adding that even the US government permits fundraising among Shia Lebanese in Dearborn, Michigan. Still keeping Arabs under watch, Brazilian authorities rebuked the US.

In an unexpected plot twist, the US Treasury Department’s OFAC issued a press release, publicizing the actual names of nine “special designated nationals” at the border, Muhammad Yusif Abdallah, Hamzi Ahmad Barakat, Hatim Ahmad Barakat, Mohammad Fayez Barakat, Saleh Mahmoud Fayad, Sobhi Mahmoud Fayad, Ali Muhammad Kazan, Farouk Omairi, and Mohamad Tarabain Chamas. It characterized them as members of “Assad Ahmad Barakat’s network in the Tri-Border Area” and a “major financial artery to Hezbollah in Lebanon.” OFAC’s director declared that freezing their assets would “disrupt this channel” and “further unravel Barakat’s financial network.” Over the course of the next year, Brazilian, Argentine, Paraguayan, and US news stories cited this press release from the Treasury Department’s OFAC.

In 2007, Revista Época published an article about these “Muslims settling in Brazil and Paraguay,” noting they “appear in a report of the US Department of Treasury.” According to the document,” wrote Revista Época, they allegedly raised money through “contraband, drugs and arm-trafficking, counterfeiting dollars and passports,” which allegedly “would help bankroll the activities of terrorist groups from the Middle East.” Though noting that “Brazilian authorities complain” of unsubstantiated US claims, Revista Época and big media tended to de facto legitimize US counterterrorist speculations.

In another dramatic twist, some Arabs suspected that counterparts at the border deceptively accused other Arabs as terrorists, similar to the dynamics explored last chapter which fuel and fool counterterrorist measures. The shaykh of the Islamic Benevolent
Society, Mohamad Khalil, pointed out that the nine men on the list of terrorist-financiers não são da mesma massa (fig., are not cut from the same cloth), some are honest while others are unscrupulous. Khalil was born and raised in Lebanon, educated in Qom, and lived in Iran for some thirteen years. In 1998, he arrived in Curitiba to administer the mosque and came to serve the Islamic Benevolent Society in Foz do Iguaçu, whose members often run businesses in Ciudad del Este. After asking about the “specially designated nationals” on each side of the Friendship Bridge, Khalil and others discerned that all were owed money by the same Arab trader in Ciudad del Este, himself suspected of being an informant of Paraguayan law enforcement. The sheikh reasoned that the individual perhaps tried to free himself of debts by listing his Arab creditors as terrorist financiers at the border. Animating this America, Arabs speculated about their own business rivalries at the border in a US-led drama of pursuing terrorist monies.

Hardly upstaged, US government authorities expressed increasing suspicion over Arab donations and remittances. In 2003, Steven Monblatt, then the US head of the Inter-American Committee against Terrorism, called upon Arabs at the border to make more “transparent” their donations to charities in Lebanon and Palestine, in order to prevent such money from being suspected as terrorist finance. In agreement, the US Treasury Department speculated that alleged terrorist financiers at the border may use “corrupt charities” and take advantage of “those who wittingly and unwittingly donate to them.” In a 2006 interview with Brazil’s Folha de S. Paulo, the FBI director of international operations likewise qualified that “the money that was or is being transmitted to the Middle East” from the border is “a grey area,” because Arabs “donate money with good intentions.” But Brazil’s ambassador to Paraguay observed that “Arab community members in the region of Ciudad del Este” make “remittances . . . with the sole objective of financially supporting their families.” Recurrently questioned by Brazilian counterparts, US authorities failed to provide the sort of evidence to consolidate their performance.
Nonetheless, Arab fundraising became emblematic not of civic engagement but rather of its suspension in an exceptional order. In 2010, the US Treasury Department’s press release alleged that Ali Kazan and Sheikh Sayyed Bilal Mohsen Wehbe “raised more than $500,000 for Hizballah from Lebanese businessmen in the TBA [Tri-Border Area]” after Israel bombed Lebanon four years previously. Indeed, the US Treasury had already listed Kazan as one of the Specially Designated Nationals, and later added Wehbe. But at the border, most associated each of them with organizing civic associations and running educational institutions. According to Reda Soueid, Wehbe assisted the Islamic Benevolent Society in Foz do Iguaçu, raising support for the Escola Libanesa Brasileira that opened in Foz do Iguaçu in 2000. As mentioned previously, Wehbe appointed Kazan as director of that school, but the US list of terrorist finances distorted community fundraising that has a long history at the border. In the 1990s, Ziad Fahs, featured in Chapter 3, claimed that on the occasion of ‘Ashura, traders donated some US$800,000 for the Centro Educacional Libanés in Ciudad del Este.

Arabs speculated that government authorities twisted this and other acts of charity in order to validate the drama of terrorist finance. In the 1990s and 2000s, some Lebanese-owned stores at the border made room near cash registers for small donation boxes whose proceeds were destined for war victims in Lebanon and Palestine. In these taken-for-granted containers, customers would place small bills of reais or guaranis, whose worth relative to the US dollar was low, for reasons mentioned earlier. Immediately after 9/11, however, Paraguayan authorities raided the stores in Ciudad del Este and confiscated the boxes, and some storeowners that had the donation boxes on countertops were listed as potential financiers of terrorism. “That’s how they [government authorities] fabricated the connection” between Arab trade and terrorism, explained Khalil, “collecting money in these small boxes for families in Lebanon turned into ‘financing the terrorists of Hizballah and Hamas.’”

Accordingly, public-spirited collections diminished amid fears of what Sociedade Beneficente Muçulmana (SBM) president Jamil Ibrahim Iskandar called Islamophobia, which for him meant
“Muslims becoming synonymous with terrorists.” According to Iskandar, the CNN report in 2001 that associated Islam with terrorism at the border worsened some six years later when *Revista Época* publicized the US Treasury Department allegations. As a result, he reflected, “the community is reluctant in expressing its culture and religion,” especially through charity. This aversion arose when SBM’s religious leader Sheikh Khalil floated the idea of sponsoring a dinner to raise money for victims of the Israeli war on Lebanon in 2006, mentioned at the end of last chapter. He got the idea from a similar event in Curitiba that raised a humble sum of money for war relief in Lebanon. But most at the border feared that any act to raise funds for the homeland would be twisted as “financing Hizbul- lah.” Khalil explained that many lack any sympathy for Hizbullah, despite assumptions to the contrary. Though the SBM president and religious leader concurred that migrants continued remitting “money to family members in the Middle East,” some shied away from fundraising under such surveillance.

The Arab Unity Club in Foz do Iguaçu, the first civic association at the border explored in the first and second chapters, temporarily closed its doors under such circumstances in the 2000s. Previously, the club had made local news for board elections and commemorative galas. Twenty or so traders had served as major patrimonial donors, each contributing R$50,000 to provide the club’s financial basis of some R$1,000,000 “or 500,000 dollars” (then currency exchange estimates). But the club’s regular members stopped giving amid US-derived suspicions of charity donations, exacerbated by *Revista Época* and the widely disseminated US Treasury Department list with names of specially designated Brazilians and Paraguayans of Arab origin. Indeed, Arab Unity Club members failed to raise even a modest sum requested by the board of directors to keep the club’s doors open. Given the fact that Arabs at the border would not even contribute to maintain a non-profit entity with civic ends that was established decades previously, Nasser rhetorically asked, why would they be sending millions of dollars to “terrorists in the Middle East”? Indeed, “The community feels very watched,” emphasized Sheikh Khalil from the Islamic Benevolent Society. Khalil recalled a visit from a young man with Lebanese parents, born in Brazil, who “speaks
The young man gave his card, and asked to be contacted if any questionable activity arose. “If I discover something,” reasoned Khalil, “I’m going directly to the police. Why would I call this man?” With mosques and religious gatherings open to the public, Khalil explained, “I’m not afraid of informants. I’m afraid of the informant who lies, who adds or invents things.” Khalil, and everyday Arabs, drew attention to the role of state authorities and unaccountable informants with vested interests in speculative security.

The Exceptional Rise of the Este

Arabs in Ciudad del Este expanded supply chains through, and not in spite of, state exceptions to democracy and the market. In the mid-1990s, Samir and Ibrahim Jaber, naturalized Paraguayan citizens of Lebanese origin, opened the Centro Pioneer, specializing in car audio and home theatre electronics. Importing from China, Japan, the US, Panama, and elsewhere, their business earned annual profits of over US$100 million by the 2000s. At the same time, the Centro Pioneer and other businesses in Ciudad del Este made headlines for alleged “tax evasion” whereby Paraguayan tax officials initiated and later suspended audits for what ABC Color called “huge” kick-backs. Without referencing state tax irregularities, the Pioneer Corporation in Japan honored Samir Jaber “for the quantities of sales reached” in 2012. A Paraguayan colleague stated that Jaber deserved this “international distinction” for “working in legal, formal, and transparent” ways “that have their costs.” He noted Jaber’s “entrepreneurial spirit” and his leadership in the Chamber of Commerce of Electronics and Appliances of Paraguay (CIEEP) as “summarily positive for Ciudad del Este.”

In Ciudad del Este, Arabs’ own accounts of their trade underscore not Paraguayan or US exceptional pursuits of financial assets but rather the rise of China. Arabs increasingly imported from China in the 2000s, though trade relations between Paraguay and East Asia date back decades. Within the first decade of the twenty-first century, a manager in La Petisquera, Khaled, witnessed Chinese businesses grow seven-fold in trade fairs across Europe, Asia, and elsewhere. Khaled migrated from Lela to Ciudad del Este, like
the Mannah brothers who own the business. As the acquisitions manager in perfumery, Khaled explained that the pump, glass, and packaging of the perfume are produced in China, which now supplies much of the higher-end line in La Petisquera. Matter-of-factly taking note of what anthropologist Arjun Appadurai called “production fetishism,” Khaled explained that “the end-product” is “Made in France” because “the perfume itself,” which “is more difficult to produce,” is “still made in France.” Khaled implied that many in Ciudad del Este share the same understanding in importing luxury brands, such as Armani, Gucci, Louis Vuitton, and others, which are mostly manufactured in China. Having brought in goods from Panama since the 1960s and Miami since the 1990s, as explored previously, La Petisquera and other businesses in Ciudad del Este helped China make up 34 percent of all imports into Paraguay as of 2011. Arab transnational trade at the border, like elsewhere in South America, turned to the Este.

Arabs gave distinct reasons for the border’s turn toward Asian-centered supply chains. Said Taijen reflected that he and others initially shifted away from US free trade zones due to the politics of obtaining a US visa. Arabs experienced difficulty traveling to Miami in the 1990s, as related in Chapter 4, but Taijen explained that, after 9/11, a rumor spread that Arab Paraguayans were asked to become informants when they requested or applied to renew a visa at the US embassy in Asunción. “We want to help you . . . to give you a visa,” US consular officers supposedly told Taijen’s interlocutors, “but you need to help us too.” As this perhaps apocryphal tale spread, Taijen concluded, Arabs started to look for other places to do business, namely in “Popular China, Taiwan, Korea, and India,” as well as in “Singapore, Malaysia, and even Pakistan.” For Fouad Fakih, though, Arab businesses, “as in any other part of the world went to China for the price.” He explained that the turn toward Asian market suppliers has not diminished the power that the US still possesses over patents and intellectual property that underwrite such manufacturing. Taijen and Fakih made distinct speculations about the US in the border’s economic shift toward Asia.

Arabs also led Paraguayan-US joint commercial ventures in order to serve a still predominantly Brazilian clientele. In 2005, Ghassan
Nassar and his brother Hicham brought together Paraguayan and US investors in the group Initial SA. As naturalized Paraguayan citizens of Lebanese origins, the Nassar brothers ran the firm Pioneer Internacional that competed with the Jaber’s, mentioned earlier. Their transnational group acquired property to build a new shopping center one hundred meters from the Friendship Bridge that Brazilians still crisscross to shop in Ciudad del Este. Paraguayan government officials sold this property, once owned by the “deceased dictator Alfredo Stroessner,” at allegedly below-market values, raising suspicions of pay-offs. The construction of the shopping center’s marble-like floors and clear glass windows proceeded and retail space was rented out by 2008. Named Shopping del Este, this “sophisticated side” of Ciudad del Este featured high-end boutiques of clothing and accessories as well as shops for home decoration and design. Imported from mostly Asia, name brands like Calvin Klein, Casa Bella, Nike, and Ralph Lauren “attract consumers with greater buying power,” overwhelmingly from Brazil. Financed by US investors and patronized by Brazilian consumers, the Nassar brothers’ ventures were apparently investigated but never formally charged by Paraguayan fiscal authorities.

Arabs invested profits back into the Paraguayan border city still governed by the same political party of the defunct dictatorship. In 1996, the children of Ali Said Rahal from the Casa de la Amistad, introduced in the first chapter, inaugurated the Grupo Rahal, after their father’s store had expanded into the Galeria Rahal with more than seventy-five retail spaces. Under this group, they opened the Fenix Trading Company, an authorized dealer for Panasonic with distribution rights for Nokia in Paraguay and Bolivia, as well as Anovo, which serviced respective warranties and provided other assistance for East Asian–led electronics companies. Their suppliers and buyers can stay at the Hotel California they also own in Ciudad del Este, which annually receives tens of thousands of visitors. Most importantly, the Grupo Rahal runs the multi-million-dollar Fenix Emprendimientos Inmobiliarios SA (Fenix Real Estate Developments). In 2011, it constructed the Don Alí building, named after the father, in an upper-middle-class part of Ciudad del Este. For the group’s CEO, Maaty Rahal, the technologically integrated
building introduced a new legal model for apartment building ownership and land trusts in Paraguay. The mayor, Sandra MacLeod, whose Colorado Party ruled the Paraguayan border town for more than six decades, stated that the building represents “all the pride of Ciudad del Este.”

Arabs have grown used to doing business at the border under exceptional rule. Next to the Galeria Rahal but across from the Shopping del Este is S.A.X. in the King Fong shopping center, inaugurated by Armando (Ahmad) Nasser in 2008. Featured in the Brazilian Isto É, Armando explained that the store’s insignia stands for “Style, Arts, and Xtras,” in reference to the Saks on Fifth Avenue. Dior, Giorgio Armani, Prada, and Versace brands occupy a retail space as large as a NFL football field that includes a bistro and café too. Nasser reflected, “I wanted to offer Brazilians and Paraguayans the chance to buy quality products, in a sophisticated atmosphere, and without the exorbitant prices like those of São Paulo.” The store’s website shows illustrious clients such as Brazilian Minister of Justice José Eduardo Cardozo and Brazilian senator Álvaro Dias, as well as the Paraguayan minister and vice-minister of Industry and Commerce. Today, Nasser noted that 60 percent of his customers are Brazilian and their purchases individually average around two thousand US dollars. Only fourteen years old when he arrived in Paraguay in 1979, his first store specialized in imported spirits and cigarettes, and with the profits, a decade later Nasser founded the Grupo Fenícia. In 2014, the group’s real estate arm, 5 Star Empreendimentos Imobiliários Ltda, sealed a “management services agreement” with Hyatt Hotel Corporation for a Park Hyatt hotel in Foz do Iguaçu. At the same time, his business drew the scrutiny of Paraguayan state authorities who pressed charges of tax evasion and considered dismissing the charges a year later.

Arabs contributed to what a Paraguayan economist called Ciudad del Este’s “more independent position,” less beholden to Asunción, Brasília, and even Miami. In 2007, Arabs co-founded Fedecamaras, the Federation of Chambers of Commerce of Ciudad del Este. Fedecamaras brought together several trade associations, including Samir Jaber’s Cámara de Importadores de Electrónica y Electrodomésticos del Paraguay, mentioned earlier in this chapter;
the Hammoud brothers’ Cámara de Importadores y Comerciantes del Alto Paraná, discussed in the fourth chapter; the Cámara de Comércio de Ciudad del Este that Said Taijen helped found and run, introduced in the first chapter; and others headed by Chinese, Koreans, and Paraguayans. In 2008, they hosted a delegation of Miami free trade zone representatives, US and Paraguayan state authorities, and Paraguayan-American Chamber of Commerce members. The CEO and officers of the Miami free zone promised “a faster, more efficient, and cheaper supply chain” for Ciudad del Este through the free trade zones in southern Florida. In the Q&A, Taijen asked the delegation to explain why US consular offices in Asunción revoked or failed to renew visas for Arab Paraguayans and why US customs singled them out in Miami. US representatives replied that they were not aware of such matters. For Taijen, the delegation made an unconvincing pitch to regain its once voluminous trade with Ciudad del Este.

Arabs’ snub of a US commercial mission occurred just as Paraguayan president Fernando Lugo (2008–2012) interfered in the six-decades-long rule of the Colorado Party, the political party of Stroessner’s regime that had remained in power after the internal military coup. Soon after his surprise electoral victory, Lugo declared his intention to debunk the myth of “sleeper cells” at the border because “Ciudad del Este, just like Paraguay, has the right to look at the world with its head high.” Around this time, Assad Ahmad Barakat earned parole from prison in Paraguay and returned to Foz do Iguaçu. Sobhi Mahmoud Fayad, previously jailed for tax evasion by Paraguayan law enforcement, and “specially designated” by the US Treasury Department, was released in 2008 as well. Shortly afterward, in Foz do Iguaçu, Fayad made an appearance at a three-hundred-person dinner that the Sociedade Beneficente Islâmica held in honor of visiting Lebanese deputy Ali Khalil of the AMAL party, who represented the Lebanese state at Lugo’s inauguration in Asunción. At the resort hotel where the reception for the visiting Lebanese dignitary was held, an Arab Brazilian colleague characterized the release of Barakat and Fayad as “signs” of Lugo’s “attempt to curb” US influence in Paraguay. In 2008, the US State Department’s annual report on terrorism
commented not on the release of Barakat and Fayad, but only continued concerns “that Hizballah and HAMAS sympathizers were raising funds in the Tri-Border Area by participating in illicit activities and soliciting donations,” and repeated those concerns in subsequent years. Before President Lugo was forced to leave office through what neighboring states judged to be an unconstitutional impeachment process in 2012, Arabs speculated that Paraguay had tried to limit US influence at the border.

Arab investments in Ciudad del Este interrupted the drama of terrorist finance. Under Lugo’s administration, in 2011 Arabs began mobilizing for a new mosque. One of the organizers, Khaled from La Petisquera, called the new mosque a “contribution to . . . Ciudad del Este as well as a destino (destination) that people like to visit.” At the ground-breaking ceremony in 2012, Lugo’s vice-minister of culture, Hugo Brítez, characterized the mosque in similar terms. “This city will have a new icon,” he began. “It will be a meeting place, not only for the exercise of faith, but also . . . for those who visit us from afar.” Community organizers and state authorities alike spoke of the new mosque in terms of tourist development, citing the example of the mosque in Foz do Iguaçu that attracts thousands of tourists each month, brought up in the third chapter. Accordingly, Sunni Lebanese organizers avoided publicly discussing the previously mentioned Mezquita del Profeta Mohammed where Shia Lebanese prayed in Ciudad del Este during the past two decades. Khaled emphasized that in the new mosque, “anyone can enter, Shia, Sunni, and so on, like a Muslim can enter in any church.” In 2015, Paraguayan president Horácio Cartes (2013–2018) of the Colorado Party inaugurated the new mosque. The Sunni Lebanese organizers chose the official name of Alkhaulafa Al-Rashdeen (Rightly-Guided Caliphs or Rulers, in Arabic, a phrase not used by Shia), but the mosque is usually referred to as the Mezquita del Este (Mosque of the East, in Spanish), some blocks south of the microcenter. The Ciudad del Este mayor, Sandra McLeod of the Colorado Party, and the Foz do Iguaçu mayor, Rení Pereira, among others, participated in the inauguration of the mosque that Said Taijen called a “symbol of cosmopolitan multiculturalism” in Paraguay.
But Hollywood refused to let go of the drama. A “big budget action film” about “organized crime” at this “notorious” border, called *Triple Frontier*, was announced by Kathryn Bigelow and Paramount Pictures in 2009. Bigelow reunited with screenwriter Mark Boal, from the Academy Award-winning *The Hurt Locker*, but they put aside the project after Brazilian, Paraguayan, and Argentine authorities declared their unanimous opposition. The Foz do Iguaçu city government issued an official statement that asked to approve the script before “the release of any touristic image” because “the supposed theme of the film” may ignore “the lack of proof that traders, associations, or persons of Arab origin at the border are connected to the financing of Islamic terrorist groups.” The Paraguayan Minister of Tourism in Lugo’s government, Liz Cramer, likewise warned of the “prejudice” that the film “will bring to us all” at the border. A year later, however, José Padilha of the famed *Tropa de Elite* (*Elite Squad*) announced his intention to make a similar movie called *Tri-Border*. In his words, the movie would be set at “the frontier of three countries, in which one finds many different players operating . . . including Lebanese smugglers suspected of helping Hamas and Hizbullah, as well as corrupted police and politicians from Brazil, Paraguay and Argentina.” Padilha went on to co-produce and co-direct *O Mecanismo* (*The Mechanism*) on Netflix. It dramatizes a political crisis surrounding corruption investigations and features scenes from the Friendship Bridge and Ciudad del Este that perpetuate long-standing Argentine, Brazilian, and US denigrations of Paraguay. In 2019, Bigelow’s script writer, Mark Boal, teamed up with director J. C. Chandor for another Netflix production starring Ben Affleck, Oscar Isaac, and other A-list actors. With the original title, *Triple Frontier*, the film was shot on the outskirts of Bogotá in Colombia, southern California, and the O’ahu island of Hawaii, but the fictional storyline of money and mayhem still took place at a vague South American borderland. Big media globalized US-derived visions of a fictional, lawless land “down south of the Rio Grande.”

Meanwhile, Arabs remained under suspicions of terrorist finance while (non-Arab) suspects in the multi-billion-dollar financial irregularities of the Banestado case went unpunished. A then
little-known federal judge in Curitiba, Sérgio Moro, presided over the case between 2003 and 2007. Moro subsequently served as judge in the *lava-jato* or Car Wash case, investigating systemic financial irregularities overshadowing the impeachment of President Dilma Rousseff (2012–2016) and leading to the imprisonment of former President Lula, each of the center-left PT. In both cases, Moro gained nationwide recognition through proceedings against hundreds of suspects and was even mythologized by the aforementioned José Padilha in the first season of *O Mecanismo*. But according to former governor and senator Roberto Requião, most of the proceedings in the Banestado case overseen by Moro resulted in “acquittal due to lack of evidence” or were de facto suspended by the “inertia of the Federal Police and of the Attorney General’s Office” (Ministério Público Federal). Used to irregularly remit tens of billions of dollars in the 1990s and 2000s, the CC5 accounts in the Banestado case allegedly implicated the center-right PSDB-led coalition that commanded the federal government at the time. But the elite Brazilian suspects implicated in the Banestado scandal remained exempt from investigations. This exceptional rule of justice threw the book at some, turned a blind eye to others, and failed to exonerate speculations about Arabs at the border.

Arabs in Foz do Iguaçu and Ciudad del Este were subject to speculation in multiple accounts, economically and imaginatively, from the 1990s to the 2010s. Importing and exporting goods since they settled at the border, Arabs were suspected of evading taxes or unduly taking advantage of liberal trade policies at the border under authoritarian military rule. But their cross-border trade and finances came under closer scrutiny after the transition to civilian-led democratic and market regimes, which produced exceptions that selectively expedited and exploited as well as distorted and defended them. Investing in transnational lifestyles by sending monies to Lebanon, Palestine, and other Middle Eastern homelands, Arabs became embroiled in probes of irregular bank transfers as well as pursuits of terrorist monies. Though Arabs in Foz do Iguaçu and Ciudad del Este were not involved in the state bank accounts that
irregularly remitted massive sums of money from Brazil to Paraguay and then elsewhere, their trade and finances remained as matters of speculation among Argentine, Brazilian, Paraguayan, Mercosur, and US powers.