
Survivors of 2006 Hezbollah attacks sue 2 banks for \$650M in federal court in US

Monday, July 14, 2008, LA Times:

NEW YORK (AP) _ A group of Americans, Canadians and Israelis who claim Hezbollah rocket attacks injured them and killed relatives have accused two banks of helping finance the terrorist attacks and have sued them for \$650 million. The 85 plaintiffs say in court papers that American Express Bank Ltd. of New York and the Lebanese-Canadian Bank SAL of Beirut unlawfully transferred millions of dollars for Hezbollah between 2004 and 2006.

The papers, filed Friday in state Supreme Court in Manhattan, say Hezbollah used the money to finance the launch of thousands of rockets against several northern Israeli cities from July 12 to Aug. 14, 2006.

The claims are based partly on New York state Banking Department findings last year that AMEX Bank failed to establish state and federally required safeguards to prevent money transfers to terrorists, said Nitsana Darshan-Leitner, the plaintiffs' lawyer.

According to Darshan-Leitner, money in dollars was sent by Lebanese-Canadian Bank through an American Express Bank branch in New York and deposited into the accounts of two Hezbollah front organizations in Lebanon.

To transfer the money in dollars, Lebanese-Canadian had to use an American bank as a correspondent institution, Darshan-Leitner said. She said the group filed the lawsuit in New York because it was where the correspondent bank was located. "The idea of the lawsuit in part is to warn American correspondent banks that they will be held responsible for attacks by Hezbollah if they transfer money to them," Darshan-Leitner said. "We expect them to follow the law."

The lawyer said she believes the lawsuit is the first brought by terrorism victims against a U.S. bank that serves as a correspondent for a Lebanese bank.

AMEX Bank spokeswoman Susan Atran said company officials had not seen the lawsuit. "We can say we are firmly committed to insuring that our bank's operations are not used for improper purposes," she said.

A telephone call to Lebanese-Canadian Bank for comment Monday was not immediately returned.