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TURKEY'S DOUBLE GAME: HEZBOLLAH SUPPORT, SANCTIONS EVASION, AND THE THREAT TO US STRATEGY

How a NATO Ally Has Become a Critical Node in Iran's Terror Finance Architecture

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EXECUTIVE SUMMARY

Turkey, a NATO member since 1952,¹ has emerged as a critical enabler of Lebanese Hezbollah's financial and logistical infrastructure—a role that has deepened markedly since Israel's military campaign severely degraded Hezbollah in 2024 and the collapse of the Assad regime in Syria closed traditional overland smuggling routes. **This is not a peripheral concern: Turkey's facilitation is documented across five distinct operational vectors—money laundering through front companies, physical cash couriering, airspace and territory used as a transit corridor, active IRGC-Quds Force operations conducted on Turkish soil,**

¹NATO Member Countries: <https://www.nato.int/en/about-us/organization/nato-member-countries>

and an escalating pattern of high-level political contact between Ankara and Hezbollah-linked figures.

Despite Washington's designation of multiple Turkish nationals and front companies under counterterrorism authorities, Ankara has faced no commensurate strategic consequences. Turkey has systematically exploited its NATO leverage—sovereign control of the Bosphorus, the Incirlik Air Base, the Allied Land Command headquarters, and its position as the alliance's largest European standing army—to inoculate itself from accountability. The result is a structural anomaly in which a formal treaty ally of the United States materially sustains organizations that Washington is actively working to destroy.

KEY FINDING: The documented Turkey–Hezbollah nexus is not an intelligence ambiguity or an anomaly of private actors operating beyond state knowledge. It is a sustained, multi-vector pattern of facilitation that has deepened in direct proportion to the pressure applied elsewhere in Iran's proxy resupply network.

I. INTRODUCTION: THE ALLIANCE PARADOX

Turkey's membership in the North Atlantic Treaty Organization has historically been justified on hard geopolitical grounds. Its position commanding the Black Sea straits provides irreplaceable leverage over Russian naval access; its substantial military represents the alliance's largest European ground force; and its hosting of Incirlik Air Base and the Allied Land Command headquarters confers strategic depth that no alternative arrangement can easily replicate. Washington has consequently treated Ankara as a difficult but indispensable partner, absorbing considerable diplomatic friction in the interest of preserving these assets.

That calculus has become progressively more difficult to defend. The Trump administration's second term has placed the degradation of Iran's regional proxy network at the center of its Middle East strategy, pursuing an approach that combines maximum economic pressure on Tehran with active support for Israeli military operations against IRGC-linked infrastructure throughout the Levant. The evidence presented in this brief, however, demonstrates that Turkey—bound to the United States by the most solemn commitment in international security law—has simultaneously served and continues to serve as a primary financial and logistical artery for the very organizations that strategy is designed to dismantle.

This policy brief proceeds in five analytical sections. Section II catalogues the documented vectors of Turkish facilitation of Hezbollah. Section III examines how the collapse of the Assad regime in Syria accelerated Turkey's role as an alternative transit hub. Section IV assesses Ankara's official position and the contested question of state direction versus tolerance. Section V draws out the strategic implications for the United States. Section VI concludes with a tiered set of policy recommendations calibrated to the severity and persistence of the problem.

NOTE ON SCOPE: This report concerns Lebanese Hezbollah and its Iranian state backers, specifically the Islamic Revolutionary Guard Corps–Quds Force (IRGC-QF), operating through or within Turkey. The term 'Turkish Hezbollah' refers to an entirely separate domestic Kurdish Islamist militant organization with no operational connection to Lebanese Hezbollah and falls outside the scope of this analysis.²

II. DOCUMENTED VECTORS OF FACILITATION

A. Money Laundering and the Front Company Architecture

The most extensively documented avenue of Turkish facilitation involves the systematic use of Turkish-registered companies and businessmen to launder Iranian and Hezbollah funds through formal financial channels, effectively converting sanctioned revenues into usable capital. Two distinct sanctioned networks illustrate the scope and depth of this infrastructure.

1. The Sitki Ayan Network

On December 8, 2022, the United States Treasury Department's Office of Foreign Assets Control designated Turkish businessman Sitki Ayan, his Gibraltar-based ASB Group, and a constellation of affiliated firms incorporated in Turkey, the United Arab Emirates, the Marshall Islands, and Cyprus, for operating an international oil smuggling and money laundering network that provided material support to both the IRGC-Quds Force and Lebanese Hezbollah.³ The network placed Turkish financial infrastructure at its operational center, exploiting the relative openness of Turkish banking and corporate registration systems to obscure the Iranian provenance of the funds being moved.

Ayan is not, by any credible account, a peripheral actor. He and President Recep Tayyip Erdogan attended the same Imam Hatip religious school in Istanbul during their adolescence, and the personal and professional ties that developed between them persisted well into Erdogan's political career.⁴ Leaked documents subsequently revealed prior joint business ventures involving Ayan's companies and Iranian counterparts in energy transactions designed to route gas to European markets—ventures that would have directly benefited from the sanctions-evasion infrastructure Ayan built. The Turkish government did not investigate these connections, and Erdogan faced no domestic or international accountability for his association with a subsequently designated sanctions violator. The absence of consequences is itself a form of signal.

2. Mira Ihracat and the February 2024 Sanctions Round

²IMPORTANT NOTE: This report concerns Lebanese Hezbollah and its Iranian backers (IRGC/Quds Force) operating through or in Turkey. 'Turkish Hezbollah' is a separate domestic Kurdish Islamist militant group with no operational link to Lebanese Hezbollah and is not the subject of this report.

³US sanctions on oil smuggling network supporting IRGC-QF and Hezbollah:
<https://iranprimer.usip.org/blog/2022/dec/13/us-sanctions-oil-smuggling-network>

⁴Foundation for Defense of Democracies analysis on Turkey-Iran sanctions facilitation:
<https://www.fdd.org/analysis/2022/12/19/will-turkey-pay-a-price-for-helping-iran-break-sanctions/>

The Ayan network was not an isolated case. In February 2024, the United States Treasury imposed a second tranche of sanctions targeting Turkey-based entities linked to Hezbollah financing, among which Mira Ihracat Ithalat Petrol was specifically designated for purchasing, transporting, and selling Iranian commodities on the global market.⁵ The designation confirmed that the front company architecture identified in the Ayan case had not been dismantled but had instead proliferated. Turkey's territory and financial system continued to serve as the operational substrate through which Iranian sanctions evasion was conducted at scale, years after the initial round of US designations had been publicly disclosed.

B. Cash Courier Operations: Istanbul to Beirut

Beginning in early 2025, United States and Israeli intelligence identified a parallel physical channel supplementing the electronic money-laundering networks: Turkish nationals flying directly from Istanbul to Beirut carrying large quantities of cash on behalf of Hezbollah. The Wall Street Journal reported on January 31, 2025, that Turkish citizens were conducting regular cash runs on this route for the designated terrorist organization.⁶ When confronted with this reporting, Turkish officials denied that large cash movements could pass through Istanbul Airport undetected, citing X-ray machines and standard security protocols as adequate safeguards. United States and allied intelligence assessments concluded that Iran's intensified effort to smuggle funds into Lebanon following the October 7 attacks was being carried out, among other channels, via Turkey and with its active cooperation.⁷

C. Airspace and Territory as a Transit Corridor

Turkish territory and airspace have functioned as a key logistics corridor for Iranian military and financial assets in transit toward Lebanon, a role that intensified substantially following the closure of the overland Syrian route after Assad's fall. Of particular concern is the use of Turkish airspace by Mahan Air, an Iranian commercial carrier under both United States and European Union sanctions for providing material support to the IRGC and conducting arms transfers on behalf of the Iranian state.⁸ As a NATO member state, Turkey is formally prohibited from permitting Mahan Air to operate within its territory or traverse its airspace. The flights occurred nonetheless. Whether Turkish authorities possessed advance knowledge of the IRGC-directed payloads carried on specific flights remains disputed; what is not disputed is that the Turkish state took no effective action to prevent them. Turkey's permissive posture toward Mahan Air transits cannot be adequately characterized as a passive failure of detection. Given the carrier's well-documented sanctions status and the sustained duration of these operations, it is more accurately understood as a deliberate policy choice yielding a result that directly benefits Iran's Hezbollah resupply effort.

⁵US Treasury press release on February 2024 Hezbollah financing designations, including Mira Ihracat Ithalat Petrol: <https://home.treasury.gov/news/press-releases/jy2065>

⁶Wall Street Journal, January 31, 2025 – Iran and Hezbollah financing via Lebanon: <https://www.wsj.com/world/middle-east/iran-hezbollah-financing-lebanon-airport-f9e40343>

⁷Nordic Monitor – Turkey accused of financing Hezbollah's resurgence, cash-loaded planes: <https://nordicmonitor.com/2025/05/turkey-accused-of-financing-hezbollahs-resurgence-in-lebanon-sending-cash-loaded-planes/>

⁸Alma Research and Education Center – Iran establishing air smuggling route to Lebanon via Turkey (Mahan Air): <https://israel-alma.org/is-iran-establishing-a-direct-air-smuggling-route-to-lebanon-via-turkey/>

D. The IRGC-Quds Force Operational Presence

Iran's Quds Force has maintained an active operational presence on Turkish soil for a sustained period, functioning with what independent analysts have characterized as apparent impunity. This presence is not confined to passive transit. Quds Force operatives have used Turkish financial and banking systems to raise and transfer funds domestically on behalf of both Hezbollah and Hamas.⁹ Turkey has served as a staging environment for Hezbollah operatives engaged in training activities, the planning of external operations, and the management of weapons and financial shipments—a documented pattern spanning decades.¹⁰ The problem extends beyond mainland Turkey: occupied northern Cyprus, over which Ankara exercises de facto sovereign authority, has additionally been documented as a launch pad for the planning and preparation of terrorist attack operations.¹¹ The accumulation of evidence across these categories makes the proposition that the Turkish state is unaware of the IRGC's activities on its territory increasingly untenable.

E. Hezbollah Recruitment Operations and Diplomatic Normalization

Turkey has permitted Hezbollah to conduct active recruitment operations within its borders. Documented cases confirm that Hezbollah organized conventions in Turkey specifically designed to cultivate recruits from Israel and the West Bank—individuals who could subsequently serve as informants or operatives inside Israeli territory.¹² The trajectory of this relationship has moved, by late 2025, beyond passive facilitation toward something approaching active political normalization. Hezbollah-linked delegations visited Turkey under political or quasi-diplomatic cover, a development that marks a qualitative escalation from the covert operational collaboration of earlier years to open engagement between the Turkish state and a United States-designated terrorist organization.¹³ The operational dimension of this relationship also extended to direct action: Turkish citizens were charged in Israeli legal proceedings with participating in arms smuggling operations directed toward Israeli territory, establishing a direct

⁹ Turkey accused of financing Hezbollah's resurgence in Lebanon, sending planes loaded with cash-
<https://nordicmonitor.com/2025/05/turkey-accused-of-financing-hezbollahs-resurgence-in-lebanon-sending-cash-loaded-planes/>

¹⁰Washington Institute for Near East Policy – Hezbollah Interactive Map, Turkey entry:
<https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=1165>

¹¹Washington Institute for Near East Policy – Hezbollah Interactive Map, Cyprus entries:
<https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=248> ;
<https://www.washingtoninstitute.org/hezbollahinteractivemap/#id=385>; Hossam Taleb Yaacoub Deposition, 7/14/2012, 112, 113, extracted from Depositions of Hossam Taleb Yaacoub, Criminal Number Σ/860/12, File Page 35, 79, 85, 110, 134, 187, by interviewing police officer Sergeant Michael Costas, Cypriot Police. Depositions taken on July 7, 2012, July 11, 2012, July 11-12, 2012, July 14, 2012, July 16, 2012, and July 22, 2012, as quoted in Levitt, p.23.

¹²Jerusalem Post – East Jerusalem woman recruited by Hezbollah and Iranian Quds Force:
<https://www.jpost.com/israel-news/east-jerusalem-woman-recruited-by-hezbollah-and-iranian-quds-force-642646>

¹³Alma Research and Education Center – Turkey, a NATO member state, openly hosts senior Hezbollah official:
<https://israel-alma.org/turkey-a-nato-member-state-openly-hosts-a-senior-hezbollah-official/>

evidentiary link between the Turkish-based facilitation network and planned violence against Israel.¹⁴

III. THE POST-SYRIA ADAPTATION AND TURKEY'S DEEPENING ROLE

The collapse of the Assad regime in late 2024 represented what many Western analysts anticipated would be a significant disruption to Iran's regional logistics architecture. The overland corridor through Syria had long constituted the primary route through which Tehran transferred weapons, cash, and personnel to Hezbollah in Lebanon. Its closure, it was hoped, would impose lasting attrition on Hezbollah's resupply capacity. That assessment proved premature.

Iran and Hezbollah demonstrated a rapid and consequential adaptive capacity. The new Syrian government declared that it would not permit the transfer of arms or funds through its territory, and Lebanon's government, under sustained United States and Israeli pressure, simultaneously tightened controls at Beirut's Rafic Hariri International Airport. In response, Iranian and Hezbollah logistics networks pivoted rapidly toward Turkey and Iraq as the dominant alternative transit corridors.¹⁵ Maritime routes through the Eastern Mediterranean—over which Turkey, invoking its expansive Mavi Vatan doctrine, has consistently resisted external interference—assumed greater operational importance. Reliance on money-exchange agencies, gold transfers, and cryptocurrency channels, all of which maintain a substantial Turkish operational footprint, increased correspondingly.¹⁶ Mahan Air adapted its routing to transit Turkish airspace directly, substituting for the Syrian overland infrastructure that had been severed.¹⁷

The strategic conclusion is difficult to avoid: the closure of the Syrian route did not degrade Iran's ability to sustain Hezbollah. It redirected the flow through Turkey. Any policy framework that succeeds in closing one node of this network without addressing the Turkish hub is, in structural terms, a framework that generates route substitution rather than operational disruption. The network will adapt as long as the Turkish alternative remains available.

STRATEGIC IMPLICATION: The closure of Syria-based routes did not degrade Iran's resupply of Hezbollah—it redirected it through Turkey. Any US strategy that targets terminal nodes of this network while leaving the Turkish hub unaddressed will produce route substitution, not strategic disruption.

¹⁴Times of Israel – Three Turkish citizens charged with arms smuggling, entering Israel illegally: <https://www.timesofisrael.com/three-turkish-citizens-charged-with-arms-smuggling-entering-israel-illegally/>

¹⁵Iran International and Euractiv – Hezbollah finance network post-Syria route collapse: <https://www.iranintl.com/en/202511172601> ; <https://www.euractiv.com/news/exclusive-intelligence-reveals-key-figures-in-hezbollah-finance-network/>

¹⁶ Iran rebuilt Hezbollah supply channels via Turkey, maritime routes – Ynet- <https://www.iranintl.com/en/202511172601> ; EXCLUSIVE: Intelligence reveals key figures in Hezbollah finance network- <https://www.euractiv.com/news/exclusive-intelligence-reveals-key-figures-in-hezbollah-finance-network/>

IV. TURKEY'S OFFICIAL POSITION AND THE QUESTION OF STATE DIRECTION

Ankara's Formal Stance

Turkey's official position rests on two pillars. First, Ankara has not designated Hezbollah as a terrorist organization—a stance that distinguishes Turkey from the United States, the European Union, the United Kingdom, Canada, Australia, and the majority of its NATO allies, and that carries direct operational consequences by denying Turkish law enforcement the legal predicate to treat Hezbollah-linked financial flows as inherently criminal. Second, Turkish officials have categorically denied facilitating financial transfers or arms smuggling on behalf of Hezbollah, dismissing specific intelligence claims about Istanbul's role as a cash conduit as unfounded, and asserting that the security infrastructure at Istanbul Airport would detect any significant movement of undeclared currency. The subsequent seizure of \$2.5 million at Beirut Airport from a traveler arriving from Turkey rendered this latter assurance untenable.¹⁸

The Analytical Question of State Direction

A serious analytical treatment of the available evidence requires engagement with the threshold question of whether documented Turkish facilitation reflects deliberate state direction, knowing tolerance, or systemic institutional failure. The three interpretive frameworks carry materially different implications for policy design, and each has credible arguments in its favor.

Scenario	Assessment
Active State Direction	Ankara deliberately directs these networks to sustain Hezbollah as an instrument of Turkish foreign policy. Supported by Erdogan's documented personal ties to sanctioned individuals, the state's consistent failure to act on US Treasury designations, and the provision of political cover through escalating anti-Israel and pro-Palestinian rhetoric.
Knowing Tolerance	Turkish officials are aware of the networks and choose not to act, treating them as useful instruments that provide leverage over the United States and Israel. This interpretation is most consistent with the observable pattern of behavior: inaction in the face of detailed intelligence sharing, denial followed by evidence that refutes the denial, and political alignment with Hezbollah's state sponsor.

¹⁸ Lebanon seizes \$2.5 million bound for Hezbollah, sources say- <https://www.reuters.com/world/middle-east/lebanon-seizes-25-million-bound-hezbollah-sources-say-2025-02-28/>

Systemic Failure to Detect	Networks operate beyond state knowledge due to institutional capacity gaps. This interpretation is substantially undermined by the breadth and duration of documented activity, the seniority of implicated actors with direct ties to the presidency, the government's specific and verifiable denial of capabilities subsequently proven false, and the absence of any credible domestic investigation.
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V. STRATEGIC IMPLICATIONS FOR THE UNITED STATES

A. The Sanctions Architecture Is Structurally Compromised

United States Treasury sanctions against Iranian entities and Hezbollah constitute a cornerstone of Washington's maximum pressure strategy, premised on the assumption that the designation regime can impose sufficient financial attrition to constrain Iran's capacity to fund and equip its regional proxies. Turkey's role as a transit and financial hub introduces a structural bypass into this architecture that the designation regime, as currently applied, is not capable of closing. Every sanctioned network that retains access to Turkish territory, Turkish banking infrastructure, and Turkish airspace effectively operates with an escape valve that reduces the operational cost of designation to a manageable inconvenience. The cumulative effect is a measurable degradation of the strategic utility of the principal tool in Washington's Iran policy toolkit.

B. Eastern Mediterranean Energy and Security Interests Are at Risk

Turkey's Mavi Vatan doctrine—Ankara's assertion of expansive and largely unilateral maritime sovereignty extending across the Eastern Mediterranean—already generates persistent friction with United States energy and security planning for the region. The combination of this doctrine with Turkey's deepening operational role in sustaining Hezbollah compounds the threat to several interlocking American interests. United States-backed energy corridor plans designed to connect Israeli, Cypriot, and Greek offshore hydrocarbon resources to European markets depend on a stable and cooperative Eastern Mediterranean security environment that Turkey's behavior actively undermines. The maritime security conditions required for expanded United States naval operations in support of Israeli security are complicated by an Ankara that treats the same sea lanes as instruments of leverage. The political feasibility of Arab-Israeli normalization—a central objective of United States regional strategy—rests in part on Washington's demonstrated ability to constrain Iranian proxy networks, a capacity that is directly and materially diminished when a NATO ally provides those networks with operational sanctuary.

C. The Alliance Faces a Structural Contradiction of Its Own Making

Turkey's NATO membership confers three categories of protection that insulate Ankara from the consequences that comparable behavior would otherwise produce. First, it shields Turkey from the comprehensive secondary sanctions that the United States applies to genuinely adversarial states engaged in comparable Iran-related conduct, such as certain Chinese and Russian entities. Second, it sustains intelligence-sharing arrangements that may, depending on the penetration of Turkish institutions by Iranian intelligence, provide Tehran with insight into allied

counterterrorism operations. Third, it generates diplomatic cover: Ankara is rarely subjected to the sustained public scrutiny that would be directed at a non-NATO state engaging in identical behavior. This institutional architecture creates a perverse and self-reinforcing incentive structure in which Turkey captures the benefits of alliance membership while systematically undermining the alliance's core security objectives. The West's historical reluctance to confront this contradiction has not preserved the alliance's cohesion—it has demonstrated to Ankara that the costs of continued facilitation are negligible and has encouraged an expansion of the behavior rather than its moderation.

D. The Administration's Iran Strategy Contains a Critical Gap

Washington's current strategic posture toward Iran is premised on closing the financial and logistical arteries that sustain Tehran's proxy network. That posture is operationally incomplete. It targets with considerable effectiveness the terminal nodes of Iran's Hezbollah resupply chain—the Lebanese financial institutions, the Beirut Airport cash channels, the IRGC officers in the field—while leaving substantially unaddressed the primary transit and financial hub through which those resupply chains are sustained. A strategy designed to strangle Hezbollah's financial lifelines while leaving Turkish facilitation channels structurally intact is not a comprehensive strategy. It is a strategy with a known and exploitable gap, and Iran has demonstrated precisely the adaptive capacity required to exploit it.

A strategy designed to strangle Hezbollah's financial lifelines while leaving Turkish facilitation channels open is a strategy with a fatal structural gap. Hezbollah will continue to reconstitute as long as Turkey remains a viable alternative hub for Iranian logistics and finance.

CONCLUSION

Turkey's facilitation of Lebanese Hezbollah is neither an intelligence ambiguity, a matter of private actors operating beyond state awareness, nor a peripheral consequence of competing policy priorities. It is a documented, multi-vector, and sustained pattern of state behavior that has persisted through multiple rounds of United States Treasury designations, repeated Israeli diplomatic protests, and substantial allied intelligence sharing. It has deepened, rather than diminished, in direct response to the intensification of Western pressure on other nodes of Iran's proxy resupply network following the October 7 attacks. The adaptation is not coincidental—it is structural.

The fundamental strategic question before Washington is not whether the evidence is sufficient to justify a reassessment. It is. The question is whether the United States will continue to allow Turkey's NATO membership to function as a blanket exemption from the strategic logic it applies everywhere else in its Iran policy—or whether it will accept that honest and effective alliance management requires confronting behavior that cannot be reconciled with the alliance's stated purposes, regardless of the geopolitical inconvenience of doing so.

Turkey understands its leverage and has demonstrated a consistent willingness to deploy it. The United States must demonstrate equivalent strategic clarity: that the geographic and military value of Turkey's alliance contribution, real as it is, does not confer unlimited license to undermine American counterterrorism objectives, to sustain designated terrorist organizations, and to provide operational sanctuary to the intelligence and logistics apparatus of Iran's Islamic Revolutionary Guard Corps. The longer Washington defers this reckoning, the more deeply embedded Turkey's role in Iran's proxy infrastructure will become, and the higher the political, strategic, and operational cost of eventually addressing it will grow.

The alliance with Turkey retains genuine strategic value. That value is not served—and the alliance is not protected—by declining to name what the documented evidence shows is occurring. Honest alliance management begins with honest assessment, and honest assessment begins now.