

# IRGC now threatens to make Iran sanctions counterproductive

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Even ahead of the imposition of additional oil sanctions in November, US measures against Iran are undoubtedly causing intense economic pain. However, many credulous souls complacently predict Tehran's hurried return to the negotiating table, or believe that, with the first flexing of Trump's muscles, this regime will simply implode. Instead, hardliners relish these renewed tensions, which they seize on as proof of American bad faith; arguing that Iran should have never have negotiated in the first place.

These same hardliners and paramilitary warlords are currently rushing to enrich themselves through dominance of regional criminal networks, heralding a new, lucrative era of sanctions evasion. Many of these techniques were perfected during the 2005 to 2015 global sanctions, when, instead of paramilitary spending being curtailed, funding for militants in Iraq, Syria, Lebanon and Yemen soared.

Tehran's Mafioso regime is ill-adjusted to managing a peacetime economy. It func-

tions best through organized crime, militancy and gangsterism. To evade sanctions, Iranian tankers have begun ferrying thousands of barrels of oil around the world simply by turning their tracking beacons off, traveling under other nations' flags, and forging documents. Front companies, meanwhile, pop up around the world to launder Iranian funds and smuggle weapons and goods.

President Hassan Rouhani inadvertently highlighted the scale of clandestine oil trading when he boasted that he had reduced the annual value of these activities from \$22 billion to \$12.5 billion. Iran also hopes to move about a million barrels per day through an "energy exchange" — a process that, prior to 2015, created a generation of profiteers. Under President Mahmoud Ahmadinejad, the sanctions regime accelerated the Islamic Revolutionary Guard Corps' (IRGC) wholesale takeover of the national economy. As Ahmadinejad's economic mismanagement and sanctions killed off legitimate businesses, the IRGC strode in and took over.

A recent article in Foreign Policy magazine argued that US officials deliberately downplayed the IRGC's smuggling activities because "the trade embargo is empirically shown to have a significant expansionary effect on the scale and value

of smuggling in Iran, in a black market controlled by the IRGC." The Obama administration also turned a blind eye to these criminal networks. Several kingpins from Hezbollah's international narcotics trade were allowed to slip through the net to avoid antagonizing the ayatollahs and undermining a flawed nuclear deal.

Iran is also looking to benefit from its growing stranglehold of the Iraqi, Syrian and Lebanese economies. Iranian ministers recently struck deals with the Assad regime for monopolizing reconstruction projects, including an ambitious plan to rebuild the regime's military. Such influence affords Tehran multiple revenue streams and additional routes for smuggling oil and goods. The financial systems in these states have been widely abused for money laundering and terrorism financing — resulting in a succession of sanctionary measures from the US Treasury.

On the back of Ahmadinejad's outreach efforts to Latin American leaderships (some themselves complicit in the narcotics trade), Hezbollah began transiting large quantities of drugs and contraband goods through the American continent, with billions in revenues laundered through the banking system. Last month, a pivotal figure for Hezbollah's South American drugs operations,

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Ahmed Assad Barakat, was detained by Brazilian police. In areas of Beirut, the Beqaa Valley and Basra, such activities have a devastating impact on local communities, ironically with the highest rates of addiction being found within Iran itself. Iran has also been deeply involved in smuggling weapons across Africa and has a record of collaborating with illegal global proliferation networks to obtain parts for its ballistic and nuclear activities.

It is bad enough that Iran is involved in activities that kill millions. However, instead of such revenues being used to reduce the suffering of Iranian citizens, this money goes to the IRGC's Quds Force and Iraqi, Syrian, Lebanese and Yemeni paramilitary forces, which use extortion, abduction, murder,

torture and rampant destruction to destabilize their own nations.

A senior Western politician explained to me that there had previously been some sympathy toward Tehran's aggressive posturing — wasn't Iran surrounded by enemies? While legitimate security concerns can be amicably addressed, a beligerent ideology aspiring to regional supremacy only becomes greedier through attempts at appeasement. These malignant transregional ambitions are encapsulated by the brash megalomania of the Quds Force's Qassem Soleimani. The Houthis, Hezbollah and Al-Hashd Al-Shaabi are tools toward this goal of exporting the revolution and dominating the region.

This isn't just about maintaining oil exports or self-defense, this is about capitalizing on a dizzying range of illegal activities to bankroll an offensive paramilitary strategy; exploiting trading choke points like the Strait of Hormuz, the Bab Al-Mandab Strait and the Eastern Mediterranean to hold the world to ransom.

Just a minute — you may say — weren't Trump's sanctions designed to halt Iranian expansionism? Trump enjoyed tearing up the nuclear deal because it sabotaged a signature Obama policy and made him look tough. Yet, with his pitiful attempts to beg Rouhani

to meet him at the UN, Trump demonstrated his fundamental incomprehension of the threat posed by this gangster regime.

Sanctions are necessary and in some senses are working. Yet, without vigorously confronting loopholes, sanctions risk becoming counter-productive. Instead, Trump buries his head in the sand and pretends that his Middle East policy is flawless. Meanwhile, the EU adds insult to injury by breaking with America to appease and enable Tehran through a bizarre financing mechanism that nobody believes can function anyway.

During the Ahmadinejad era, the IRGC expanded from being a relic of Iran's revolutionary past to a generously-funded, region-straddling monster, monopolizing the economy, spreading terrorism abroad and pursuing an ever more confrontational path.

If Trump, Europe and the international community don't pull together and act quickly and decisively, we risk suffering a new phase of IRGC expansionism, underpinned by an infinitely stronger and more aggressive regional posture than even just a decade ago.

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