

UNITED AGAINST NUCLEAR IRAN

Next Steps in the Maximum Pressure Campaign:

The Trump administration's maximum pressure campaign is wreaking maximum havoc on Iran's economy. The International Monetary Fund predicts Iran's Gross Domestic Product (GDP) will shrink by six percent in 2020. This economic contraction is forcing Tehran to make hard choices in its funding decisions. Critics mistakenly thought such an outcome was impossible without Europe on board. While some observers argue that the United States has a brief window between the time a Biden or second Trump administration takes office and Iran's next presidential election in 2021, history suggests that negotiations with the Islamic Republic are not dependent on who is president at any given time. It is the supreme leader who drives the decision-making as the constitutional commander-in-chief. For instance, the United States initiated a backchannel with Iran during the conservative administration of former President Mahmoud Ahmadinejad. There are risks to the United States looking desperate, and rushing back into a deal with Iran. Even more can be done to build US leverage in order to bring Iran back to the negotiating table on better terms:

- First, the international community must renew the UN arms embargo on Iran under Resolution 2231. The expiration of this arms embargo will have destabilizing consequences for Yemen, Bahrain, Lebanon, Syria, Iraq, and Israel. Terror organizations like the Islamic Revolutionary Guard Corps' (IRGC) Quds Force, the Al-Ashtar Brigades, Hezbollah, Hamas, Palestinian Islamic Jihad, and the Houthis are the likely beneficiaries of this sunset provision. China and Russia are also reportedly readying to sell Iran advanced conventional arms, which would bring added value to its arsenal.
- Second, in the face of continued Iranian violations of the Joint Comprehensive Plan of Action (JCPOA) and especially if the UN arms embargo is not renewed, the United States should seek invocation of the snapback provision under UN Security Council Resolution 2231 to re-impose international sanctions on Iran. Such a step would build even more leverage to force Iran to renegotiate a more comprehensive accord. The US government should first seek to persuade its ally, the United Kingdom, to invoke the snapback mechanism, as it remains a party to the JCPOA. But if such an effort fails, Resolution 2231 still defines the United States as a "JCPOA participant" even though Washington has withdrawn from the agreement. The US government should be prepared to assert its rights under Resolution 2231 if its allies in Europe are unable or unwilling to do so.
- Third, the United States should seek imposition of a UN travel ban on the new Commander of the Islamic Revolutionary Guard Corps (IRGC) Quds Force Esmail Ghaani as well as the Commander of the IRGC's Aerospace Force Amir-Ali Hajizadeh. Both play key roles in the IRGC's power projection abroad. Ghaani's predecessor, Qassem Soleimani, was on the UN travel ban list when he was alive. With Iran recently launching its first military satellite into orbit and given its use of ballistic missile technology, the Commander of the IRGC's Space Command Ali Jafarabadi should also be subject to this travel ban, and the Trump administration should levy sanctions on him as well.

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- Fourth, the United States must continue to build deterrence in the region. Iran fears a regime destabilizing reprisal for its continued drone and missile attacks. Without clearly enumerated redlines, Iran is liable to continue testing the waters in provocative ways. The US should stress that Iran will face severe reprisals for significant drone and missile attacks against US interests, and will be held accountable even for the actions of its proxies if it is found to have a hand in their operations.
- Fifth, the United States must ensure that it can defend its assets and personnel in the region, as well as those of its allies, against the multi-layered threat posed by Iran and its proxies' rockets, increasingly precise ballistic and cruise missiles, and drones. The multi-layered Iranian threat necessitates that all US bases and units in the region, Israel, and the Gulf states deploy permanent, day and night, all-weather, 360-degree multi-layered air and missile defenses to defend against short and long-range threats.

Drones remain a pressing concern, after the 2019 Abqaiq attack in Saudi Arabia. The difficulty in consistently detecting combat drones from afar reduces the efficacy of existing Patriot batteries. Further, medium and long-range air-defense systems are armed with exorbitantly expensive missiles, making them a less than ideal solution for countering cheap drones. The United States should encourage the Gulf states to invest in theater air defense systems, such as the Terminal High Altitude Area Defense (THAAD) system, to contend with Iran's ballistic missiles and as an added layer of defense against combat drones. But the US must also urgently prioritize boosting short-range air defense capabilities capable of striking down drones within visual range. The Abqaiq attack demonstrated that all sensitive sites in the region are in need of such defenses. The US should seek to collaborate with Israel on new counter-drone innovations and ensure that as new technologies emerge, they are shared with other regional partners as well.

- Sixth, the Trump administration should be pushing the Financial Action Task Force (FATF) to fully re-impose countermeasures on Iran at its next plenary in February 2020.
- Seventh, President Trump's Executive Order targeting Iran's supreme leader and his associates in June 2019 was a force multiplier to the existing sanctions architecture. The administration needs to supplement these efforts by making greater use of authorities for addressing human rights abuses, censorship, and corruption in Iran. More than 60 Iranian officials sanctioned by the European Union for human rights violations have not been designated by the US government. The Trump administration should more aggressively employ Executive Order 13553—under which only 33 entities and persons have been sanctioned—the Global Magnitsky Act, and Executive Order 13846 to proscribe Iran's worst offenders.

After the crackdown on protesters in November 2019, these new sanctions should include Iran's Supreme National Security Council (SNSC), which gave the order to shut down the country's access to the internet, and Hassan Rouhani in his role as chairman of the

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SNSC and Ali Shamkhani in his role as secretary of the SNSC. Iran's Intelligence Minister Mahmoud Alavi, a member of the SNSC, should also be sanctioned given his ministry's role in arresting dual nationals and suppressing dissent inside Iran. Separate terrorism designations should also be applied to Alavi because of the US intelligence community's finding of a probable Ministry of Intelligence and Security plot to bomb a 2018 gathering of Iranian dissidents in Paris, where former European and US officials were in attendance.

- Eighth, other human rights and censorship sanctions should include Iran's Justice Minister Alireza Avaei, given his role in the 1988 massacre of thousands of Iranian dissidents; Iran's Attorney General Mohammad Jafar Montazeri, Secretary of Iran's Supreme Council of Cyberspace Abolhassan Firouzabadi, and Iran's entire Ministry of Information and Communications Technology and National Information Network for their role in enabling the internet blackout during the November 2019 protests. The Telecommunication Company of Iran (TCI) should be sanctioned for internet censorship. TCI retains a monopoly on internet traffic in Iran and its dominance of the internet service provider (ISP) market provides an opportunity for Iran's security apparatus, such as the IRGC a majority shareholder of TCI, to monitor online activities. Other designations should include Interior Minister Abdolreza Rahmani-Fazli, Deputy Interior Minister Hossein Zolfaghari; the Ministry of the Interior, as well as Tehran Revolutionary Court head Mousa Ghazanfarabadi should also be considered for designation for their roles in suppressing the protests and threatening protesters with grave consequences; and the Tehran Revolutionary Court's Mousa Ghazanfarabadi, as well as its infamous "hanging judge," Abolqassem Salavati, for the harsh sentences they have leveled on protesters in the past and will inevitably hand down this time as well.

Furthermore, the British government is rolling out its autonomous human rights sanctions designations but has yet to add any new Iranian persons or entities. The US should work with the UK to harmonize our human rights sanctions lists and encourage London to adopt new sanctions on other Iranian threatening behavior.

- Ninth, the US government should make human rights for the Iranian people a priority and consequently add the end of human rights abuses to the administration's stated requirements for a new deal.
- Tenth, Congress should enact—and the administration should fully implement—the Iran Human Rights and Hostage-Taking Accountability Act, sponsored by House Foreign Affairs Committee Ranking Member Michael McCaul (R-TX), which requires sanctions on senior regime officials and others responsible for hostage-taking and other human rights abuses. If Congress fails to pass that legislation, the president should nonetheless impose its provisions through existing legal authorities and, if necessary, new executive orders.
- Eleventh, the US government needs to further crack down on Iran's petrochemicals

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sector— its second largest export industry after oil. In June 2019, the US Department of the Treasury took action against Iran’s largest and most profitable petrochemical holding group, Persian Gulf Petrochemical Industries (PGPIC), and PGPIC’s vast network of 39 subsidiary petrochemical companies and foreign-based sales agents. However, individual sanctions need to be levied against every Iranian petrochemical company and complex, as well as other key players in the sector, in order to eliminate any regulatory gap. Notably, Tamin Petroleum & Petrochemical Investment Co (TAPPICO), a subsidiary of state- owned Social Security Investment Company (SSIC) and a major investment vehicle holding majority stakes in multiple petrochemical plants, projects, and companies, warrants a similar designation to PGPIC.

- Twelfth, the US Department of the Treasury’s Office of Foreign Assets Control (OFAC) should broaden the scope of activities constituting ‘significant support’ to Iran’s shipping sector. Iran’s ports are not only commercial in nature, but are also used to ship weapons to its regional allies, particularly in Syria. In line with recent guidance, OFAC should punish not only bunkering specialists, but also port authorities, importing agents, management firms, charterers, operators, marine insurers, classification societies, and all other “maritime services providers.” Presently, this web of maritime firms is allowing Iran’s 200-strong fleet of sanction- designated vessels, as well as non-Iranian vessels carrying sanctioned Iranian goods, to dock and unload cargos at ports all around the world. As part of this, the US government should expand and delineate very precisely the range of sanctionable maritime services. In addition, the US should encourage other countries to follow its lead and issue guidance for all companies, involved in maritime trade as the UK’s Office of Financial Sanctions Implementation (OFSI) has [recently](#) done.
- Thirteenth, the US Department of State should make greater use of its ability to designate Iran-backed Shiite militias as foreign terrorist organizations (FTOs). To date, aside from the IRGC, the only Shiite militias styled as FTOs are Hezbollah in Lebanon, Kataib Hezbollah in Iraq, the al-Ashtar Brigades in Bahrain, and Asaib Ahl al-Haq. Similar entities acting as Iran’s proxies should likewise be added to the FTO list—including the Houthis, the Badr Organization, Saraya Khorassani, Harakat Hezbollah al-Nujaba, Kata’ib Imam Ali, Zainabiyoun Brigade, Fatemiyoun Division, Liwa Abu al-Fadhal al-Abbas, and Kata’ib Sayyid al-Shuhada. As an interim measure, the US government should levy terrorism sanctions against Iran’s affiliates in Iraq, Syria, and Yemen under Executive Order 13224.
- Fourteenth, the US government must strengthen its own sanctions architecture targeting Hezbollah. In addition to strengthening and expanding measures in place to eject Hezbollah from the Lebanese financial and banking sector, the United States must also work with its partners to curtail, and ultimately end, the group’s unofficial funding streams – including, to the extent possible, charitable donations within Lebanon, and funding channeled through money transfer companies.

Money transfer companies like Western Union, Online Money Transfer (OMT) SAL,

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MoneyGram, and CashUnited all have branches throughout Lebanon – including in areas under Hezbollah’s influence or control – and engage in international and domestic money transfers. They could be unwittingly used by Hezbollah or affiliates to surreptitiously transfer funds internationally or within Lebanon.

The United States must also target the group’s vast economic holdings in Lebanon as well as offshore companies—including legitimate businesses and investments—in addition to targeting those businesses’ suppliers. Entities like this include Atlas Holding – which is partially owned by Hezbollah’s Martyr Foundation – and its subsidiaries. These subsidiaries are Amana Fuel Co. and Amana Plus Co., which own a chain of gas stations and trade in fuel and oil derivatives; Shahed Pharm, involved in pharmaceutical drug importation and local wholesale; and MEDIC, which imports and sells pharmaceuticals, cosmetics, and medical equipment for local wholesale

US sanctions must also hamper Hezbollah’s ability to disseminate its propaganda among Lebanese citizens, particularly its target Shiite base, by targeting the entities that spread its ideology through entertainment or information. Entities like this include Rissalat, also known as the “Lebanese Association of Arts” which propagates Hezbollah’s ideology through movies, plays, and other media.

It must also expand its sanctions list targeting Hezbollah’s political, party, and military officials alike, in addition to applying pressure on Hezbollah’s Lebanese political allies. This includes all current or future parliamentarians and government ministers who are direct members of Hezbollah, and alleged independents – like current Hezbollah-nominated Health Minister Hamad Hassan, Industry Minister Imad Y. Hoballah, MP Jamil Al-Sayyed, or former Foreign Minister Fawzi Salloukh (2005-2009) – acting on behalf of the group in government. Pressure and more limited sanctions must also be applied to the Free Patriotic Movement, AMAL Movement, and other parties allied with Hezbollah – including sanctioning economic or business holdings controlled by the parties or their officials in Lebanon or abroad, placing restriction on their travel to the United States, and restrictions on these parties and their officials’ campaigning or fundraising among Lebanese diaspora communities in the United States. Sanctions should also be applied to individuals like the attorney Hassan Bazzi, who has repeatedly used Lebanese law and the legal system to intimidate and silence Hezbollah’s opponents and critics through “lawfare.”

The US government should also target Iranian religious endowments – the so-called Bonyads, directly controlled by Iranian Supreme Leader Ali Khamenei – that provide Hezbollah with funding. These include the Astan Quds Razavi (Imam Reza Shrine foundation), the Bonyad-e Mostazafan va Janbazan (Foundation of the Oppressed and Disabled), Bonyad-e Panzdah-e Khordad (15 Khordad Foundation), and the Bonyad Maskan (Housing Foundation). The United States should also sanction Mohammad Mokhber, the head of the Execution of Imam Khomeini’s Order. Mokhber plays an important role in the supreme leader’s financial empire, and has deep ties to Iran’s

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banking sector, [serving](#) at one point as chairman of Sina Bank. He was previously [sanctioned](#) by the European Union in 2010, but it later delisted him.

The United States must also work with like-minded partners—like Germany, the United Kingdom and its Arab allies—to exert their influence on the European Union, individual EU Member States, Latin America, Africa, the United Nations, and beyond to also comprehensively sanction Hezbollah in its entirety as a terrorist organization.

- Fifteenth, UANI is supportive of the provision of medical and humanitarian assistance to the Iranian people through the exemptions embedded in US sanctions and through the Swiss Humanitarian Trade Arrangement (SHTA). But the US government should be prepared to first sanction the Iranian counterpart to the Instrument in Support of Trade Exchanges (INSTEX)—the Special Trade and Financial Institute—and then INSTEX itself if it is used beyond its humanitarian purposes or if designated Iranian entities participate in the special purpose vehicles.
- Sixteenth, SWIFT announced it would comply with US sanctions on Iran and suspend “certain” Iranian banks. The US government should demand that SWIFT terminate its relationships with all Iranian banks and financial institutions currently connected to that network.
- Seventeenth, Iran’s Mahan Airline, designated since 2011 for its ongoing role in facilitating the IRGC’s supply of weapons and personnel to Middle Eastern war zones including Syria, continues to operate flights and dock at airports across Europe, Asia, and North Africa. Mahan Air has also recently been flying to Venezuela, ferrying experts and equipment to help the Maduro regime with its fuel crisis. Given Mahan Air’s history in being used to fly drugs, arms, and operatives during the administrations of Hugo Chavez and Mahmoud Ahmadinejad, the international community should view these flights with concern. Germany, Italy, Spain and France recently terminated Mahan Air service to their countries. The US government should bring pressure to bear on its allies in Europe, Africa, and Latin America to follow France, Spain, Italy and Germany’s lead and cease business with this airline implicated in war crimes.
- Eighteenth, the US Treasury should further inhibit the ongoing Iranian trade conference circuit. There are still dozens of Iran trade conferences encouraging foreign investment and business attended by Western companies. The US Department of the Treasury has already sanctioned the New Horizons conference organizer for supporting the IRGC-QF and for “host[ing] international conferences that have provided Iranian intelligence officers a platform to recruit and collect intelligence information from attendees...” The Treasury Department should likewise sanction Iran’s leading conference organizer, the Iran International Exhibition Co (IIEC). Accurately describing itself as “one of the most important economic and trade companies,” the IIEC is a key facilitator of foreign trade for European and Asian SMEs and holds around 90 exhibitions each year. Like New Horizons, the IIEC regularly works with multiple sanction-designated, GOI- and IRGC

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affiliated entities including the National Iranian Oil Company (NIOC), the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), the Industrial Development and Renovation Organization of Iran (IDRO), the Trade Promotion Organization of Iran, the Iranian Chamber of Commerce, Industries, Mine and Agriculture (ICCIMA), and the Iranian Customs Administration (IRICA). Furthermore, the Treasury Department should sanction any European organizer, notably including Germany's IMAG GmbH, which continues to play a big role in convening Iranian conferences. Finally, the US government should call on all foreign companies to refrain from attending Iranian trade shows and business conferences for the same reasons that New Horizons was sanctioned: exposure to surveillance and corporate theft.

- Nineteenth, the State Department should rescind the remaining civil nuclear waivers under the Joint Comprehensive Plan of Action (JCPOA).
- Twentieth, the US should end the ongoing sanctions waiver given to the port development of Chabahar, Iran's sole ocean port, located on the Gulf of Oman. Italian companies are already planning to establish a trade route between Venice and Chabahar, and other countries will follow. Chabahar port should be subject to the same sanctions as all Iranian ports: a maximum pressure policy cannot allow exemptions for critical infrastructure projects that will provide a huge boon for Iranian exports.
- Twenty-first, the United States should also sanction key Lebanese, Iranian, or other companies, entities, or individuals involved in Syria's economic development. These entities— particularly Lebanese or Iraqi ones – are likely to be affiliated with, or controlled by, Iranian proxy groups or their supporters, and will receive a financial windfall. One sanctions target should be Asma al-Assad, the wife of Syria's president, who has reportedly involved in a cellular license partnership with the IRGC.
- Twenty-second, the United States should sanction all senior officials associated with the IRGC's engineering and construction arm, Khatam al-Anbiya Construction Base (KCB a.k.a. Khatam ol-Anbiya Construction Base; Khatam al-Anbiya (KAA) Headquarters; KAA-IRGC; GHORB) as well as the IRGC's Space Command. In October 2018, the IRGC commander-in-chief appointed Saeed Mohammad (a.k.a. Saeed Mohammad Esmaili) as KCB's new "Commander." Mohammad must be individually designated to inhibit his and KCB's abilities to solicit foreign investment which directly advances the IRGC's cause. As Iran's largest contractor for industrial and construction projects with hundreds of satellite firms under its control, KCB is the most critical element in the IRGC's economic dominance over the Iranian economy.
- Twenty-third, the US Office of Foreign Assets Control (OFAC) should broaden the scope of restrictions outlined in General License G of the Iran Transactions and Sanctions Regulations (ITRA), 'Certain Academic Exchanges and the Exportation or Importation of Certain Educational Services Authorized.' Academic exchange is a clear sanctions 'soft-spot' and an obvious pathway for Iran's illicit procurement of nuclear and missile

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technology. However, indirect routes for transfer of knowhow may still occur due to the numerous academic collaboration agreements signed between European universities (which commonly have multiple ties to US colleges) and Iranian counterparts. Germany, for example, has implemented 77 formal academic agreements with Iran. After a review of all European universities that have academic exchange with Iranian institutions of higher learning, OFAC should consider restricting US academic exchange with the relevant departments of those European universities to encourage enhanced academic due diligence and ‘Know Your Customer’s Customer’ in the international academic realm. In conjunction, the US should urge European authorities to implement similarly restrictive policies with respect to academic cooperation with Iran, which in the US is limited to undergraduate level and non-scientific or technological disciplines. By contrast, for example, Germany actively encourages Iranians to graduate-level engineering programs.

- Twenty-fourth, the US should engage in vigorous diplomacy to encourage foreign governments to pay more attention to Iran’s Chemical Weapons (CW) and Biological Weapons (BW) programs. The US intelligence community should also issue updated reporting on Iran’s CW and BW pursuits, if only to increase awareness of this issue among US and international policy-makers. If Washington has intelligence on Iranian CW sites, it should consider seeking a “challenge inspection” of suspected Iranian CW program sites by the Organization for the Prohibition of Chemical Weapons (OPCW), pursuant to the Chemical Weapons Convention (CWC), and ask other countries to join the US in this request. The US should better integrate Iran’s CW and BW threats into America’s holistic policy on Iran. For example, the Trump administration has issued 12 demands of the Iranian regime as prerequisites for the end of US sanctions and restoration of normal diplomatic relations with Iran. Secretary of State Mike Pompeo stated the demands cover the “scope of the malign behavior of Iran,” but they do not. The US should issue a 13th demand: a full accounting and dismantlement of Tehran’s CW and BW programs.
- Twenty-fifth, Lebanese Hezbollah has outsized influence in Iraqi politics and numerous economic sectors. The Iraqi oligarchs and businesspersons co-opted by Lebanese Hezbollah should be exposed and sanctioned for their role in exploiting the Iraqi economy on behalf of Iranian economic interests and regional ambitions. The US should use the leverage it has over Iraq’s accounts at the US Federal Reserve to pressure Baghdad to reduce its dependency on Iran.