

Corruption and Mismanagement Index

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UNITED
AGAINST
NUCLEAR
IRAN

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Corruption and Mismanagement Index

While many Iranians are languishing under a mismanaged and floundering economy, the Iranian regime has attempted to shift the blame for its citizens' distress to sanctions implemented by the United States. The reality, however, is that the Iranian economy has long been plagued by the regime's endemic corruption, economic mismanagement, and reckless foreign policy. Iran [ranks](#) 147 out of 180 countries listed on Transparency International's Corruption Perception Index for 2022.

Ahmadinejad's Administration

Corruption and mismanagement in Iran significantly worsened during the presidency of Mahmoud Ahmadinejad, despite the fact that he came to power on a populist, anti-corruption platform. In Ahmadinejad's first year as president in 2005, for example, Transparency International [ranked Iran at 88th among 159 countries in its annual corruption index](#). In 2012, the situation worsened considerably, with Transparency International ranking Iran as [one of the most corrupt countries worldwide](#)—133 among 176 nations.

Mahmoud Ahmadinejad and his administration presided over unprecedented corruption scandals. In 2009, a state audit found that the Iranian Oil Ministry [failed to deposit \\$1.05 billion](#) into state accounts related to surplus oil revenues. In 2011, one of the [biggest financial scandals in Iran's history](#) was uncovered, in which \$2.6 billion was embezzled from the country's leading banks.

[According](#) to Al-Monitor, eight Iranian banks provided credit lines for the purchase of state-owned companies based on fraudulent documents that the banks' managers helped craft. Bank Melli, Iran's largest commercial bank, was one of those banks, along with Bank Saderat, which [extended credit](#) for the purchase of Khuzestan Steel Company. When the scandal was uncovered in 2011, Mahmoud Reza Khavari, Ahmadinejad's appointee as managing director of Bank Melli, resigned amid allegations of his involvement and [flew to Canada](#), where he owns a \$3 million mansion.

[Gholam Hossein Mohseni Ejei](#), who would later become chief of the judiciary, also prosecuted prominent Iranian businessman Amir-Mansour Khosravi for [allegedly](#) purchasing over 30 companies with loans he obtained using fraudulent "letters of credit." Khosravi was convicted of fraud, and based on that conviction, he was [executed](#) in 2014. Canada [rejected](#) Iran's request to extradite Khavari, who was sentenced in absentia to [20 years in prison](#).

Parliament Speaker Ali Larijani was the leading critic of Ahmadinejad and his administration's policies. In one swipe at Ahmadinejad, [Larijani blamed government mismanagement for 80% of Iran's economic troubles](#), particularly "[the maladroit application of the plan to suppress subsidies](#)." In fact, Ahmadinejad's loose monetary policy, subsidy cuts, and populist cash-handouts helped precipitate the ongoing currency crisis and inflationary spiral. In response to Larijani's broadsides, Ahmadinejad accused Larijani and his family of [financial corruption](#). In an attempt to regain political relevance, he continued these charges against Larijani in 2017.

Even [Supreme Leader Ayatollah Ali Khamenei](#) acknowledged that while the sanctions may cause problems, "[mismanagement may even increase these problems](#)."

During the Ahmadinejad administration, [government mismanagement and corruption also led to a healthcare crisis](#). In November 2012, Hosseinali Shahriari, the head of parliament's health committee, said,

"the government is playing with our people's health and is not assigning the approved finances." Iran's then minister of health, Marzieh Vahid Dastjerdi, reported that of the \$2.5 billion earmarked in Iran's annual budget to import medicine and medical supplies, only \$600 million had been delivered by Iran's central bank this year. She further protested, "[I have heard that luxury cars have been imported with subsidized dollars](#) but I don't know what happened to the dollars that were supposed to be allocated for importing medicine." This dissent was too much for the Iranian regime to tolerate, since it contradicted the regime narrative that the West was to blame. As a result, [Ahmadinejad fired Dastjerdi](#) in late December 2012. She was the only female minister in the government's cabinet.

Criticism came from the business community as well. According to Reuters, "A source inside a government pharmacy in Tehran said that [low stocks of vital drugs were being exacerbated by 'strategic stockpiling'](#). Of 20 units of medication, two were available to the public and the rest 'reserved' for those who have influence or good connections."

To counter these charges, [the Iranian regime and its state media apparatus fabricated stories blaming the sanctions for civilian deaths](#). In the most prominent case of such manipulation, Iranian officials declared the death of 15-year-old hemophiliac Manouchehr Esmaili-Lioui as the first civilian death directly linked to the sanctions. According to the government's account, the teenager died due to a shortage of drugs to treat his condition. In reality, Manouchehr fell and cut himself while hiking in the mountains. By the time he reached the hospital two hours later, he had lost too much blood to be saved. The Times of London highlighted that "[the campaign over Manouchehr's death underscored the eagerness in Tehran to blame sanctions for the crisis, shifting attention away from the toxic combination of mismanagement and corruption in the government.](#)"

Where medical shortages did exist, [the Islamic Revolutionary Guard Corps \(IRGC\)](#) exacerbated the problem and profited from it. Instead of properly applying the government-subsidized exchange rate to imports of food and medicine, the IRGC exploited it to purchase luxury goods. The Times of London [reported](#) that "Even when medical imports are granted the subsidised rate, Iranian sources say, health companies often receive only a fraction of their order, with middlemen siphoning off the discounted dollars for black market currency trading...While medicines vanish from pharmacy shelves, the Revolutionary Guard continues to oversee imports of luxury goods to the elite, often at the subsidised 12,260 rate. "

The Iranian government had the power to end this crisis, but instead made it worse by weakening the international community's resolve to robustly implement sanctions. Through its oil exports, Iran had billions of dollars in [local-currency accounts](#) in Turkey and Asian countries, which could be used to buy medical supplies of local or Western-manufacture for the Iranian people. Instead, the regime exploited the welfare of its citizens in order to protect its illicit nuclear program.

In the words of a U.S. Treasury Department spokesman in [December 2012](#), "It has been the longstanding policy of the United States not to target Iranian imports of humanitarian items, such as food, medicine, and medical devices. If there is, in fact, a shortage of some medicines in Iran, it is due to choices made by the Iranian government, not the US government." Then-Undersecretary for Terrorism and Financial Intelligence at the U.S. Treasury Department, David Cohen, further explained that instead of allocating hard currency to needed medical supplies, it "[is being allocated by the government to other purposes, whether it is supporting the Assad regime \[in Syria\], supporting terrorism or supporting the nuclear program.](#)"

Even after leaving office, Ahmadinejad and officials from his administration faced various scandals.

In February 2013, months before the presidential election, then-President Ahmadinejad [played an audiotape](#) before Iran's parliament in which Ali Larijani's brother, Fazel Larijani, could be heard seeking financial gains through familial ties. Saeed Mortazavi, a former prosecutor general of Tehran and later head of Iran's Social Welfare Organization under Ahmadinejad, was also implicated in corruption when his name surfaced on the secret audiotape. After the tape was aired, the prosecutor's office of Tehran announced Mortazavi had been arrested, which enraged Ahmadinejad.

In 2016, Mortazavi was found guilty of "[seizing and wasting public funds](#)" while head of the Social Welfare Organization and was sentenced to 135 lashings. Mortazavi was also implicated in the torture and death of protesters in the aftermath of the disputed presidential election in 2009. However, in August 2021, the Supreme Court of Iran [acquitted him of murder charges](#).

Ahmadinejad's first vice president, Mohammad Reza Rahimi, was [sentenced](#) to five years in prison for "acquiring wealth through illicit methods" in 2015. The sentencing of his vice president for executive affairs, Mohammad Baghaei, soon followed in December 2017. Baghaei [announced](#) he had been sentenced to 63 years in prison for financial malfeasance. Additionally, the former chairman of Sarmayeh Bank, Parviz Kazemi, who was labor minister during the Ahmadinejad administration, was [sentenced](#) to 20 years in prison and 74 lashes after a corruption investigation. Over 400 individuals, many with [connections to Iran's military and intelligence services](#), were involved in the Sarmayeh Bank scandal. The Iran Teachers' Reserve Fund, an investment fund owned by retired teachers, [lost \\$3.5 billion](#) in the fraud. The CEO of the fund, Shahabeddin Ghandali, was also arrested and charged with embezzling [\\$2.5 billion](#).

In April 2022, Ahmad Hashemi-Shahroudi, the nephew of former judiciary chief Mahmoud Hashemi-Shahroudi, was [sentenced to 10 years in prison for fraud](#). He allegedly took loans from Sarmayeh Bank between 2012 and 2014 to invest in property, only to sell those properties back to the bank at inflated prices. Spain, responding to Iran's request, [extradited](#) Alireza Heydar Abadipour, the former CEO of Sarmayeh Bank. Iran had previously sentenced him to 12 years in absentia and issued an Interpol "red notice" for his arrest. Furthermore, Ahmadinejad himself has been [convicted](#) on seven counts, including misuse of state funds totaling \$2 billion, by the Supreme Audit Court.

Babak Zanjani, tasked with organizing oil deals to evade sanctions during Ahmadinejad's tenure, was accused of illegally diverting \$2.8 billion. Judiciary officials alleged that Zanjani's immense wealth was illicitly acquired from the state. Consequently, he was [sentenced to death](#) on corruption charges in 2016.

Rouhani's Administration

Hassan Rouhani took office in 2013, warning that corruption was "endangering" the Islamic Revolution and that money once "given under the table now is being given on the table." He also sounded the alarm on the perils of monopolies in Iran—a subtle rebuke to the power and primacy of the IRGC in the economy.

Analysts have given Rouhani mixed marks on his anti-corruption campaign. Scholars such as Bijan Khajepour have [highlighted](#) establishing "provincial offices to fight administrative corruption on bureaucratic levels" and issuing an anti-smuggling decree in 2014. At the same time, according to the Financial Times, the Rouhani administration [announced](#) its intention to close credit institutions affiliated with the IRGC, increase oversight of the banking system, crack down on the expropriation of land by elites, and make powerful foundations that received tax exemptions in the past pay their fair share—particularly Astan-e Qods, one of Iran's wealthiest religious foundations.

But Rouhani and his allies ran into a wall of opposition. For instance, militant cleric Ayatollah Ahmad Khatami [quipped](#) that “corruption will not be eradicated by just holding conferences.” The head of the Basij volunteer forces at the time also [retorted](#), “[u]nlike what some politicians say, the Basij and the Revolutionary Guard need to be present on all grounds including the “defensive economy.” It is only this way corruption can be eradicated.”

Rouhani’s government has also stood accused of self-dealing. In 2016, the New York Times reported on bombshell [allegations](#) in Iranian media concerning inflated bonuses and salaries for executives of state-controlled companies on Rouhani’s watch. These figures were much [higher](#) than the legal limit of \$2,353 per month for government employees. Other allegations included \$50,000 bonuses for executives at the government-controlled Central Insurance Company and the head of the state-owned Tejarat Bank, named to his post under Rouhani, receiving \$208,115 over 21 months and a zero-interest loan of \$289,000. That’s not to mention the Supreme Audit Court’s [revelation](#) in 2020 that \$4.8 billion, which was allocated for imports, was missing from the budget. In effect, billions of dollars had been distributed to importers, but no goods were imported.

In addition, Rouhani’s inner-circle also stood accused of corruption. [Sadegh Larijani](#), then head of Iran’s judiciary, [accused](#) Rouhani publicly of receiving embezzled state funds from Babak Zanjani, the point man in assisting the Islamic Republic with evading the pre-nuclear deal sanctions. Rouhani’s First Vice President Eshaq Jahangiri as well as his own brother, Hossein Fereydoun, were also [targeted](#) with nepotism and cronyism charges. Jahangiri was [appointed to lead](#) the investigation into the salary scandal, though he had himself been a recipient of a \$200,000 bonus while on the board of a state-run cement company.

In [2019](#), Fereydoun was sentenced to an unspecified jail term on corruption charges. The families of cabinet ministers have also been implicated in separate cases—with one [example](#) being Hadi Razavi, the son-in-law of Rouhani’s minister of labor, who used state funds to pay for luxury automobiles and vacations. Iran’s judiciary also [opened](#) a probe into budget irregularities within the Rouhani administration.

[President Rouhani](#) persisted in making corruption a central issue in his second term, despite ongoing corruption probes against multiple officials in his administration. In November 2017, after earthquakes [destroyed](#) housing units in Sarpol-e Zahab, Rouhani complained, “[i]t’s clear there has been corruption in construction contracts.” Rouhani’s chief of staff, Mahmoud Vaezi, [alleged](#) in 2019 that \$1.12 billion in hard currency, allocated for importing medicines and essential goods, had disappeared.

The Rouhani administration continued the failed Ahmadinejad policy of [providing foreign currency at subsidized exchange rates](#) to medicine importers. \$9 billion of the \$44 billion allocated to the program [went to pharmaceutical companies](#). According to authorities, this program would result in an influx of foreign drugs and ease medicine shortages; however, when put into practice, it enriched well-connected individuals.

A pharmaceutical company manager [explained](#) that his company applied for the subsidized foreign currency on multiple occasions, but never received any; while at the same time “a handful of new pharmaceutical companies were established whose directors were relatives or associates of people in power. Those firms made millions of dollars.”

In July 2019, the health minister reported that ministry employees had been arrested for corruption associated with the import of medicine and medical equipment. Days later, a letter written by then President Rouhani’s chief of staff, Mahmoud Vaezi, revealed that [130 million euros](#) used to subsidize foreign currency for medicine imports disappeared. Individuals or companies that received the cheap

foreign currency often did not import medicine, but rather sold the currency for a profit, or sold the medicine that they did import at high prices.

A second adverse consequence of this program was identified in [a comprehensive report](#) on corruption in Iran's pharmaceutical industry written by the Presidential Center for Strategic Studies: the cheap import of medicine undercut domestic drug manufacturers unless they had political connections.

Another dimension of corruption in Iran's pharmaceutical industry is that [regime regulatory agencies tend not to monitor](#) companies and pharmacies connected to the establishment, thus allowing these entities to engage in corrupt practices, like price gouging and drug trafficking, which yield massive profits. In a six-month period between 2019 and 2020, a total of [\\$100 million dollars-worth of drugs](#) were smuggled from Iran into neighboring countries.

As noted above, Iranian political leaders [frequently blame sanctions](#) for medicine shortages in their country, but upon closer examination, corruption in the pharmaceutical industry emerges as the main culprit. State-funded, tax-exempt bonyads [have taken over](#) formerly private, successful pharmaceutical firms, diminishing competition and causing prices (and profits) to rise.

In January 2021, the Supreme Leader [banned](#) the import of U.S. and U.K. COVID-19 vaccines in an effort to promote domestic production, [primarily benefiting Iranian companies](#). Many of these companies have associations with the Barkat Pharmaceutical Group, a SETAD subsidiary. This situation is yet another instance in which the Supreme Leader and regime loyalists have consolidated control over the economy. It resulted in widespread inefficiency, evidenced by the fact that by the peak of the pandemic, only [3.5 million](#) of Iran's 80 million citizens had received the vaccine. Although Iran had one of the world's lowest vaccination rates during this period, allegations suggest that the government [manipulated official statistics](#).

On August 18, 2022, an influential Iranian parliamentary committee [released a report](#) detailing \$3 billion worth of corruption tied to the Rouhani administration. Mobarakeh Steel Company, Iran's largest steel producer, is at the heart of these allegations. According to the parliamentary report, Mobarakeh Steel Company, which is mostly [owned](#) by state entities and run by political appointees, [bribed senior Rouhani administration officials](#) in exchange for state contracts and their silence with regard to the company's corrupt practices. Some money was allegedly diverted to the military, the Isfahan police, and Friday prayer leaders. Mobarakeh Steel Company also [allegedly](#) paid off several media companies, likely to buy their silence. The parliament voted to refer the findings to the judiciary, but there have been no reports of indictments. Subsequently, after the parliamentary report was disclosed, the Iranian stock exchange [suspended](#) the company.

Iran's business ranking history during Rouhani's tenure reflects the corruption detailed here. [According](#) to World Bank data, in 2020, the Islamic Republic's 'ease of doing business' ranking stood at 127 out of 190 economies around the world. Given the widespread economic hardship resulting from corruption and mismanagement, a circular firing squad among power centers developed during the Rouhani era, with Iran's president responding to allegations of corruption within his own administration by pointing fingers at certain military entities, [accusing](#) them of corruption and evading financial scrutiny.

Raisi's Administration

[President Ebrahim Raisi](#) appointed numerous officials formerly implicated in corruption to his

administration. [Vice President Mohammad Mokhber](#), for example, [was](#) head of the corrupt [Execution of Khomeini's Order](#) (EIKO), a bonyad also known as Setad Ejraiye Farmane Hazrate Emam (SETAD) in Persian (discussed below). Minister of Roads and Urban Development Rostam Ghassemi is believed to have been involved in the Babak Zanjani embezzlement case, wherein regime insiders stole billions of dollars-worth of oil revenue. Then oil minister, Ghassemi “gave permission to Zanjani to sell oil, and... remained mum about the issue,” [said](#) Farideh Farhi, an Iran scholar. President Raisi himself led [a corrupt institution](#), Astan Quds Razavi (AQR), for years before the Supreme Leader appointed him chief justice in 2019, and was a trustee of SETAD. He [allegedly](#) diverted funds from AQR to his 2017 presidential campaign, and used an AQR-owned newspaper to amplify his political message.

There have been numerous instances of nepotism in the administration. A classified letter written by Raisi's Minister of Petroleum [Javad Oji leaked](#), detailing his orders to the ministry's human resource department to hire Nafiseh Sangdovini, the daughter of Ramazan Sangdovini, a parliamentary deputy close to Raisi. Minister of Health Bahram Einollahi [appointed](#) his son-in-law as an advisor though he had no expertise in the area. Labor Minister Hojjatullah Abdul Maleki [appointed](#) his wife's brother as an advisor. A Fars Province MP, Moslem Salehi, [said](#) that “according to surveys, more than 50 percent of [Raisi's] appointments lack acceptable logic and explanation... [and] executive experience.”

On November 14, 2021, 35 lawmakers [urged the president](#) to stop nepotism and allow for meritocracy, but the calls landed on deaf ears, with Interior Minister Ahmad Vahidi [responding](#) that “some want to disturb the public opinion by spreading rumors and lies.” On November 16, Raisi responded in [saying](#) that “the nomination is based on competence and merit. Camaraderie, family, and media pressure do not affect my choice.”

Yet, over twenty high-ranking officials [are relatives](#) of Raisi, his wife, or other top government officials. Furthermore, former Khorasan Province governor Mahmoud Ahmadi-Bighash [stated](#) on the parliament floor “all happenings and appointments” in the government required approval by President Raisi's son-in-law, Meghdad Nili.

Hardliners in parliament from the Paydari Front, which has links to Raisi, blame their political opponents for the government's inefficiency, but fear that Raisi has surrounded himself with incompetent managers. [According](#) to a centrist website in Iran, Raisi's priority is to purge the government of all opposition, installing loyalists from the ultraconservative camp even if they are unqualified for the posts. Prioritizing loyalty over competence, Raisi and his aides want to force their neoconservative opponents out of parliament.

Embezzlement drastically increased after Raisi came to office in 2021, and several Raisi administration officials have been implicated in corruption scandals. In one instance, officials from Raisi's Agriculture Ministry wrote the Central Bank to request [a payment of \\$735 million for a private company](#) with which it had signed a contract to import millions of tons of livestock goods in March 2022. Mizan News, a media outlet linked to Iran's judiciary, subsequently reported that [Iran's General Inspection Organization found](#) that the Agriculture Ministry claimed the goods had been imported even though they were never delivered to buyers. In April 2023, amid these corruption allegations, Agriculture Minister Javad Sadatinejad [was replaced](#) by a deputy, Seyed Mohammad Aghaminiri.

In June 2022, Hojjatollah Abdolmaleki, Raisi's labor minister, resigned after calls for his removal. His critics alleged that he [did not have the qualifications](#) to lead the Ministry of Cooperatives, Labor, and Social Welfare and that he had hired friends and family to work at the agency. According to a [report by Iran International](#), activists on social media leaked a letter that he had written to the Administrative and

Employment Office, requesting that it approve the hiring of 12 of his friends even if they did not meet the office's standards.

A corruption [scandal](#) involving Raisi's former Minister of Industry, Mining, and Trade, Reza Fatemi Amin, broke out in April 2023. He offered parliamentarians discounted cars to weaken their resolve to impeach him. The offer was also [extended](#) to senior administration officials. If the allegations are true, Amin was clearly complicit in Iran's notoriously corrupt automotive industry, where hundreds of business executives [work as](#) political appointees. In fact, Amin himself has indicated that a mafia network dominates the industry in an attempt to divert blame for the exorbitantly high price of automobiles. Amwaj.media has [pointed out](#) that "In Iran's automotive market, informal middlemen pocket the highest profits from the commercial cycles." Seventy MPs are implicated in Amin's bribery scheme, with hardliners in parliament [blaming](#) their opponents, including [Parliament Speaker Mohammad Ghalibaf](#), who allegedly allowed the bribes to occur.

In addition, the Raisi administration has stifled the flow of information regarding its reeling economy. In July 2023, Raisi [removed the head of Iran's Statistics Center](#) in a concerted hardliner purge of government officials. The Statistics Center operates under the Planning and Budget Organization and had maintained a semblance of credibility for accurate reporting. Now, the center's credibility is further eroded: its next head will likely be more loyal to Raisi and therefore more inclined to skew data in favor of the administration. With key economic posts occupied by partisans, metrics such as the inflation rate are frequently inaccurately reported.

The Raisi administration has also diminished transparency into its activities. In September 2023, it succeeded in its push to exempt itself from parliament's "Transparency of the Three Branches" draft law. After several rounds of debate between the [Guardian Council](#) and parliament, the [Expediency Council](#) made the final decision that [the executive branch would be exempted](#).

The Raisi administration is moreover [moving forward with a plan](#) to privatize national assets in conjunction with the heads of the other two branches of government, Parliament Speaker Mohammad Bagher Ghalibaf and Judiciary Chief Gholam Hossein Mohseni Ejei. The plan is for the government to sell [\\$2.7 billion in public assets](#) to private investors. The initiative will generate revenue for the central government while rewarding regime insiders.

In the past, similar privatization schemes have allowed regime insiders to acquire government assets at far below their market value. In the 1990s, when calls for privatization grew because of the government's economic mismanagement, investors with military connections [bought up state assets](#). It is therefore no surprise that all three government branches have agreed to implement privatization with a Privatization Board—one without any oversight and with total legal immunity. This Board will reportedly be formed by First Vice President Mohammad Mokhber, Economy Minister Ehsan Khandouzi, Interior Minister Ahmad Vahidi, Roads Minister Mehrdad Bazrpash, and four other officials.

Corrupt Institutions

The Judiciary

In 2018, Iran's Supreme Leader, who oversees the judiciary and appoints its head, [ordered](#) the creation of special corruption courts. [According](#) to Al-Monitor, these courts have reportedly issued 978 verdicts since August 2018, with nine defendants sentenced to death and four to life imprisonment. But given the lack of

a truly independent judiciary in Iran and its own record on corruption, such courts can only be expected to target corruption in a piecemeal, rather than a systematic manner.

Judiciary officials abuse the institution in order to prosecute political opponents on corruption charges. Political allies are protected, though they may be involved in corruption themselves. As analysts have noted, the 2015 [prosecution](#) of Mehdi Rafsanjani, the son of the former President Ali Akbar Hashemi Rafsanjani, were likely driven by politics in a desire to sideline pragmatists in Tehran. Mehdi Rafsanjani was [sentenced to 15 years in prison on corruption and national security charges](#), but [his sentence was commuted](#) in 2023 and he was released from prison.

Ebrahim Raisi was [appointed](#) to run the judiciary in 2019, whereby he nurtured the reputation of an anti-corruption prosecutor in cases against lawyers and judges. These cases were sometimes attacks on political foes, but they shed light on corruption within Iran's judicial system.

Judiciary officials, including former Judiciary Chief [Sadegh Amoli Larijani](#), and his deputy, Akbar Tabari, allegedly engaged in embezzlement, money laundering, and bribery. Sadegh Larijani, who served at the helm of the judiciary from 2009 to 2019 as Raisi's predecessor, stood [accused](#) of depositing bail funds into 63 bank accounts under his name. Anonymous sources on a Telegram channel in Iran [claimed](#) more than £50 million in public funds were transferred into Larijani's bank accounts annually. A sitting MP, Mahmoud Sadeghi, scrutinized Larijani's financial conduct. Judicial authorities then attempted to arrest Sadeghi—despite his legislative immunity—in order to squash the allegations.

Larijani responded to the accusations by [exclaiming](#): “several media outlets criticize the judiciary for the slightest thing, which is due to ignorance of the law and some political tendencies.” Raisi's investigations resulted in a report published on June 5, 2020 which [found](#) “the total profits of the mentioned accounts in 2019 were more than \$32.5 million dollars but \$30.3 million have been spent.”

Larijani has been protected by institutional design. Parliament [cannot require](#) the judiciary chief to testify before it. Moreover, Khamenei [publicly defended](#) Larijani, and Larijani has escaped prosecution. However, Larijani's deputy was [arrested and sentenced](#) to 31 years in prison for corruption. In a trial broadcast live on Iranian television, Tabari [was accused](#) of leading a “criminal group” of officials within the department that received bribes in exchange for influencing legal cases and procedures in favor of senior Iranian officials. He is believed to have received more than \$5 million dollars in land, villas, luxury apartments, and cash. When asked in court about a villa in Lavasan that he had received as a bribe, Tabari [responded](#) “It is about friendship, if you don't have such friends it's not my problem.”

Tabari's sentence [was commuted in June 29, 2023](#), and he was immediately released from prison. Gholamali Mohammadi, the head of Iran's Prisons Organization, confirmed the decision, saying that Tabari's release was a “judicial authority's decision within legal parameters,” a reference to [Gholamhossein Mohseni-Ejei](#), the head of Iran's judiciary.

This abbreviated sentence points to the unequal dispensation of justice in Iran's judiciary system, with separate standards for regime officials and ordinary citizens, especially those who oppose the regime. Regime officials are forgiven for extensive corruption charges, while anti-regime protesters are [executed](#) by hanging and shot in the streets.

Allegations of corruption extend to lower-ranking judges as well. Ebrahim Raisi [fired](#) 60 judges over financial irregularities between early May and June 2019 alone. In May 2021, a month before the Iranian presidential elections in which Raisi ran on an anti-corruption platform, the judiciary [announced](#) a total of

200 judiciary staff members and 161 lawyers were arrested, and 1,000 judges were dismissed.

The IRGC: A Corrupt Conglomerate

The [IRGC](#), empowered under Iran's past presidents, is at the forefront of corruption in Iran today. Designed to safeguard the Islamic Revolution and maintain an ideologically austere ethos, the IRGC has become increasingly corrupt and materialistic.

The IRGC now owns billions in assets and controls hundreds of shell corporations. The organization is commonly awarded [no-bid contracts without independent oversight](#) in Iran's lucrative energy sector and across the economy. The IRGC claims that its profits then go into the national treasury, but there are [no public records](#) to verify this.

The Ahmadinejad administration, which was largely made up of current and former IRGC officials, enabled the IRGC to greatly bolster its economic portfolio. According to one estimate, over Ahmadinejad's first year in office alone, the IRGC [received \\$10 billion in no-bid government contracts](#). The government contracts continued to pile up during Ahmadinejad's second year. In 2006, IRGC Brigadier General Abdurreza Abedzadeh, then reconstruction deputy of Khatam al-Anbiya, the IRGC's engineering and construction arm, [announced a \\$1.3 billion no-bid contract](#) between Iran's Oil Ministry and his own department. That same year, Khatam al-Anbiya [obtained the rights to develop phases 15 and 16 of the South Pars oil field](#) in a contract worth \$2.5 billion. Additionally, the IRGC's National Company of Building entered into a \$2.4 billion contract with the Tehran Metro Company. And, finally, in 2007, Iran's Ministry of Energy [decided](#) that infrastructure projects in western Iran, including water, electricity, and bridges, would be provided to the IRGC on a no-bid basis, in violation of Iranian law.

Physical infrastructure is not the only sector in which the IRGC has an extensive footprint thanks to corruption. The IRGC is also prominent in Iran's telecommunications industry, which serves profit incentives as well as domestic security purposes. With massive ownership stakes in Iran's telecom companies, the IRGC has the ability to eavesdrop on Iranian citizens, conduct cyber operations, monitor the use of banned social media platforms, and, of course, blackout the internet in times of domestic unrest.

For example, Etemad-e Mobin, which has close ties to the IRGC, obtained a 51 percent ownership stake in Iran's telecom industry for a staggering [\\$5 billion](#), reportedly the biggest privatization deal in Iran's history. Etemad-e Mobin's only competitor [was disqualified from the bidding process](#), allegedly for "security" reasons. National security provided a pretense to facilitate an effectively no-bid purchase, allowing for the transfer of lucrative assets to regime insiders in the IRGC while maintaining state control over the digital infrastructure.

Furthermore, in the telecommunications sector, foreign direct investment has enriched the IRGC. For example, South African telecom company Mobile Telephone Network (MTN), invested [\\$1.5 billion](#) between 2007 and 2008 to provide cellular services in Iran, under a contract with Mostazafan Foundation and Iran Electronics Industry (IEI). MTN [allegedly](#) obtained the contract by bribing Iranian officials, including then head of the Mostazafan Foundation, [First Vice President Mohammad Mokhber](#). Mostazafan Foundation and IEI, both with known ties to the IRGC, collectively hold [a 51 percent stake in the joint venture](#) with MTN, and therefore retain decision-making authority.

The IRGC's wealth also comes from its immense smuggling operations. The IRGC leveraged its economic and political influence to corner Iran's [\\$12 billion smuggling industry](#) by illegally importing vast quantities

of goods through [IRGC-controlled jetties and airport terminals](#) that operate outside the jurisdiction of Iranian customs authorities, such as Iran's Customs Administration. In 2006, Mehdi Karroubi, then speaker of the Parliament, alleged that [the IRGC operated 60 jetties](#), or piers positioned at various locations in the Persian Gulf, without any government oversight or supervision. The IRGC [maintains control over Iran's two main airports](#), Imam Khomeini Airport and Mehrabad Airport, and does not abide by import and export restrictions that apply to legal businesses.

The IRGC is also heavily involved in the global drug trade. Dr. Amir Hamidi, an international terrorism expert and one of the special agents on a U.S. Drug Enforcement Agency (DEA) program called "[Project Cassandra](#)," determined that drug trafficking is one of the IRGC's main sources of revenue. The IRGC deals in "[the transportation of opium, heroin, cocaine, and methamphetamine \(crystal meth\) from one place to another](#)." At the same time, between 2022 and 2023, Amnesty International [documented over 173 executions for drug-related offenses in Iran](#), which is triple the total of the prior year.

In addition to drug smuggling, the IRGC smuggles oil. The U.S. Department of the Treasury has on multiple occasions tied the IRGC to illicit oil sales. In May 2022, the department sanctioned a smuggling network that was generating "[hundreds of millions of dollars for \[the\] Quds Force and Hezbollah](#)." Indeed, oil sales provide a key source of revenue for the IRGC. Due to lax oil sanctions enforcement by the U.S. and its Western allies, Iranian military spending, including allocations to the IRGC, [skyrocketed in 2022](#).

The IRGC conducts efforts to interdict vessels deemed to be smuggling oil out of Iran. As the IRGC itself is responsible for oil smuggling operations, the vessels that the IRGC detains for alleged smuggling are probably those that have not received IRGC approval.

As a result of the IRGC's financial penetration, it is estimated that the [IRGC controls between "a third to nearly two-thirds of Iran's GDP – amounting to tens of billions of dollars."](#) The IRGC is [estimated to own at least half of Iran's government-owned companies and control 68 percent of Iran's total exports](#). With this newfound wealth, [the IRGC has been importing expensive luxury cars](#).

The IRGC has also embezzled funds from the City of Tehran; the IRGC's Cooperative Foundation stands [accused](#) of embezzling more than \$1 billion. U.S. Secretary of State Mike Pompeo has labeled them "[racketeers, not revolutionaries](#)."

Yas Holding

In 2019, Mohammad Hossein Rostami, the former director of Ammariyoun, a hardline media outlet affiliated with the IRGC, [released an audio recording](#) from prison. People close to former President Ahmadinejad subsequently circulated the recording in which Rostami makes accusations against the current IRGC intelligence chief, Hossein Taeb. He blamed Taeb for (and called into doubt the veracity of) IRGC allegations that led to his prosecution.

The IRGC alleged that Rostami had sent information to an opposition Iranian Telegram channel, Amad News. During his prosecution in 2016, a state-controlled T.V. network [aired video footage](#) produced by the IRGC in which Rostami is accused of receiving money and providing information on Iranian troops in Syria to Israel. He [was sentenced](#) to ten years in prison for espionage.

In the recording he released from prison, Rostami [alleged](#) that Taeb discredited and framed him to protect himself against his knowledge of Taeb's corrupt dealings with Yas Holding, a subsidiary owned by the IRGC's Cooperative Foundation that [operates](#) as a dealer and subcontractor in the housing sector.

In February 2022, Radio Farda, a Persian news channel of U.S.-funded Radio Free Europe, [published a separate audio recording](#), whose authenticity was later [confirmed](#) by Iran's state-owned Fars News, of a conversation between former top IRGC Commander Mohammad Ali Jafari, and his economic affairs deputy, Sadegh Zolghadr, implicating former IRGC Quds Force Commander [Qassem Soleimani](#), then Mayor of Tehran [Mohammad Bagher Ghalibaf](#), and Taeb. The recording shows that Ghalibaf, while mayor, sought to cover up some 80 trillion rials (\$3 billion dollars) embezzled by Yas Holding and Tehran municipality.

The tape recorded then IRGC Economic Affairs Deputy Zolghadr telling then IRGC Commander Jafari that he had refused to do what Ghalibaf wanted him to do—that is, sign a false memorandum between the IRGC and Tehran to cover up the missing funds [identified](#) in an audit of the Cooperative Foundation—given that it would reflect badly on the both of them. According to these tape recordings, Taeb, who is close to the Supreme Leader, [supported](#) Ghalibaf's plan. Moreover, high-ranking officials, including Soleimani, [knew about the financial crimes](#), which contradicted the Supreme Leader's order that 90 percent of the money earned by Yas Holding through its real estate dealings be used to finance the Quds Force.

Yas Holding, like other opaque, state-sponsored trusts that the IRGC uses to fund its operations without public scrutiny, [offers a means](#) for the IRGC's Quds Force to avoid stirring up popular discontent with the diversion of state funds to foreign terrorist groups. Given that Iran's economy is reeling under international sanctions imposed, in part, because of Iran's support for foreign terrorist organizations, many Iranians believe that state funds should be allocated to the domestic economy, rather than the Quds Force, and disagree with the state's radical and expansionary foreign policy.

Yet, the lack of transparency into the finances of the military will likely not change anytime soon, as Iran's parliament recently [exempted](#) the Iranian armed forces, which includes the IRGC, from legislation aimed at increasing the transparency of the executive, legislative, and judicial branches of government. In a nod to the objectionable tactics of the MOIS and the IRGC's Intelligence Department, Salman Zaker, an MP from West Azerbaijan province, justified the exemptions in [saying](#), “[these intelligence agencies] should not be subject to transparency laws if we want [them] to gain information to preserve the Islamic Revolution's security.”

The Media

The regime tightly controls the media in Iran to prevent the exposure of incriminating information. Therefore, Iran's media cannot function as a legitimate investigative mechanism. Press outlets critical of the government have not survived. The Press Supervisory Board and the judiciary have closed such outlets to protect officials involved in corruption and mismanagement.

The former chief of the Islamic Republic of Iran Broadcasting (IRIB), Iran's state television, [admitted in late 2022](#) that intelligence officials embed themselves in the IRIB and direct the media outlet's activities, including “how to get forced confessions from political prisoners and how to broadcast them,” and how to fabricate news stories that support their preferred narrative. These officials can influence who is subjected to public scrutiny and who is protected from it, a powerful tool for punishing political opponents.

In 2010, one year after the Green Movement began, the Press Supervisory Board temporarily [shuttered Etemad](#), then the Islamic Republic's largest reformist paper, for revealing “secret documents and orders.” The board did not provide further explanation for its decision to suspend Etemad, which has links to reformist figure Mehdi Karroubi, but probably took action to eliminate criticism of Ahmadinejad's administration. In 2011, Etemad's media license [was again suspended](#) for publishing a story by Ali Akbar

Javanfekr, then head of Iran’s state news agency IRNA, which was critical of Ahmadinejad’s rivals.

The campaign to tighten media control by closing media outlets, often described as “reformist,” transcends successive administrations. In 2023, Entekhab, another pro-reform paper, [was closed down](#) after it criticized the Raisi administration’s foreign policy.

The Press Supervisory Board is not the only government organ with the authority to shutter media outlets. The judiciary also holds this authority, and [it is known](#) for attacking pro-reform outlets while leaving hardline outlets untouched.

Parastatal Organizations, aka Bonyads

The Iranian state dominates the economy by ensuring that bonyads—purported charities controlled by regime insiders—are allowed to monopolize key industries.

Bonyads are poised to increase their influence in the economy, given that Raisi [has appointed](#) many officials who formerly or currently hold top posts in prominent bonyads, such as Vice President Mohammad Mokhber (SETAD), Oil Minister Javad Oji (Mostazafan Foundation), and Intelligence Minister Esmail Khatib (AQR). While these appointments do not necessarily indicate corruption, empowering monopolies will lead to further [corruption and mismanagement](#).

A former government minister, Behzad Nabavi, [remarked](#) that “there are four institutions which control 60 percent of the national [Iranian] wealth. This includes Executive Headquarters of Imam’s Directive, [the IRGC-run] Khatam-al-Anbiya Base, Astan-e Quds, and Foundation of the Oppressed and Disabled. None of these institutions are connected with the government and parliament.”

On top of the profits that they gain through business activities, bonyads can be [publicly-funded](#) and are typically tax-exempt, yet their finances remain opaque to the public, and its officials unaccountable. The Supreme Leader’s accounting firm, Mofid Rahbar, which the U.S. Treasury Department [sanctioned](#) on January 13, 2021, retains exclusive oversight over major bonyads, granting Khamenei the power to [grow a patronage network](#) of loyal clerics, politicians, and generals by shielding them, and the monopolies they are appointed to run, from public scrutiny.

Regime elites in charge of bonyads commonly find their way into official government posts [based on patronage links](#), rather than qualifications. For example, Vice President [Mohammad Mokhber](#) was a former deputy at the Mostazafan Foundation, former head of SETAD, and then became vice president. President [Ebrahim Raisi](#) was custodian of AQR and a trustee at SETAD, before he became chief justice, and then president.

Yet, in the 2021 Iran presidential debates, Mohsen Mehr Alizadeh, a presidential candidate, asserted that Raisi’s “[six literacy classes](#)” did not qualify him to run the country, while acknowledging his religious credentials. Raisi’s campaign website [says](#) he has a doctorate in law and jurisprudence from Mottahari University, but these credentials, which he claims date back to his years as Prosecutor of the Islamic Revolution in Karaj, [have been debated](#), as that posting would have required a full-time presence.

A transparency law passed in May 2022 [reportedly](#) applies to all private institutions in charge of public services, including charities (bonyads), yet it remains unlikely that the Office of the Supreme Leader (Beit-e Rahbari) will yield its oversight privileges, for that would weaken the bonyads’ purpose as a revolving door to public office for regime loyalists.

Setad Ejraiye Farmane Hazrate Emam (SETAD)

SETAD was founded by Ayatollah Khomeini in the latter part of his reign to manage abandoned properties in the aftermath of the Islamic Revolution of 1979. [According](#) to the Treasury Department, SETAD, “through two main subsidiaries, oversees a labyrinth of 37 ostensibly private businesses, many of which are front companies. The purpose of the network is to generate and control massive, off-the-books investments, shielded from the view of the Iranian people and international regulators.”

According to a 2013 investigation by [Reuters](#), SETAD is directly controlled by the Supreme Leader, has assets totaling \$95 billion, and is has no external supervisory structure. Per Reuters, “[t]he revenue stream generated by Setad helps explain why Khamenei has not only held on for 24 years... Setad gives him the financial means to operate independently of parliament and the national budget, insulating him from Iran’s messy factional infighting.”

In addition to SETAD’s lack of accountability, it has engaged in self-dealing. For example, in 2016, the National Iranian Oil Company (NIOC), which the U.S. Treasury Department has dubbed an agent or affiliate of the IRGC, [signed](#) its first oil output contract with Persia Oil & Gas Industry Development Company, an Iranian firm that is a subsidiary of SETAD.

It’s within this context that Iran’s protests envelop the country—a country plagued by opacity, unaccountability, and corruption and mismanagement scandals across successive presidential administrations and branches of government.

Astan Quds Razavi (AQR)

Purportedly a charity organization in charge of the Imam Reza Shrine in Mashhad, AQR is a vast business empire with extensive financial interests in key sectors of the Iranian economy, including construction, agriculture, energy, telecommunications, and financial services. The organization, like other bonyads, acts as a “[vital economic artery](#)” for regime officials, and maintains close ties with the IRGC.

AQR collects [billions of dollars in donations](#) every year that are intended for the Imam Reza Shrine, in addition to tax-exempt business profits, and government funding. The organization manages assets reportedly worth [\\$15 billion dollars](#), with [6 major holding companies and 351 firms](#). The bonyad is one of the largest land owners in the Middle East, operates major infrastructure and power lines, and controls pivotal public services, including finance, media, and education. For example, AQR owns an insurance brokerage firm, a currency exchange office, and two prominent universities: Imam Reza International University and Razavi University of Islamic Sciences.

The U.S. Treasury Department sanctioned AQR along with its leader, Ahmad Marvi, on January 13, 2021, explaining in [its press release](#) that AQR “assets have been used by the Supreme Leader Ali Khamenei to enrich his office, reward his political allies, and persecute the regime’s perceived enemies.”

Mostazafan Foundation

A U.S. Treasury Department [press release](#) issued to explain the department’s decision to designate the Mostazafan Foundation on November 18, 2020 notes that the bonyad purports to be a charity devoted to the poor and oppressed, but is in reality an immense profit-seeking business conglomerate with some 160 holdings in key sectors of Iran’s economy. Many of its holdings were “expropriated from the Iranian people

and used by the Supreme Leader Ali Khamenei to enrich his office, reward his political allies, and persecute the regime’s enemies.” The OFAC designations target Parviz Fattah—a former IRGC official and former Minister of Energy who now leads Mostazafan—and 50 subsidiaries owned by the multi-billion-dollar enterprise, some of which are listed in the press release.

Like other bonyads, the Mostazafan Foundation receives state benefits and is tax exempt, but faces no government oversight except that of the Office of the Supreme Leader. Its opaque finances are funneled to other U.S.-designated entities, including the IRGC. Former IRGC Quds Force commander Qassem Soleimani [requested of Parviz Fattah](#) that his organization provide financing for the Fatemiyoun Brigade, a militia composed of Afghans, sometimes as young as 14 years old, stood up by the Quds Force to deploy to Syria in support of Assad. The bonyads’ properties [are occupied](#) by the IRGC, the Iranian Navy, the Iranian Parliament (Majiles), and former President Mahmoud Ahmadinejad for free.

The Guardian Council

The [Guardian Council](#) is one of the most powerful institutions in Iran. Its chief responsibility is electoral manipulation, to ensure that the candidates who stand for election do not stray from the hardline positions of Khamenei and his network of loyalists. The Guardian Council is also extremely loyal to the Supreme Leader; half of its members are directly appointed by him.

With the authority to bar politicians from the candidate field, members of the Guardian Council effectively ensure that only committed revolutionaries dominate the elected state. That is why no president in the history of the Islamic Republic, including those purportedly from the reformist camp, opposed the tenets of the Islamic regime. Each of them [sought to accumulate their own power](#), sometimes at the expense of the Office of the Supreme Leader, but none departed from the aggressive anti-Westernism that defines the regime’s foreign policy or the blatant use of brutality and repression at home.

In 2005, an interior ministry official accused the Guardian Council of electoral fraud. Ali Mirbaqeri, then director of the interior ministry’s parliamentary affairs, said he witnessed [“Guardian Council monitors’ serious interference in voting stations.”](#) The Guardian Council then [announced](#) a vote tally that favored Ahmadinejad and stoked popular discontent because it differed from the interior ministry’s substantially lower tally.

In 2009, the Guardian Council played a pivotal role in Mahmoud Ahmadinejad’s reelection, first by disqualifying presidential hopefuls, then by certifying a sham election. Only four candidates—Mahmoud Ahmadinejad, [Mohsen Rezaei](#), Mehdi Karroubi, and Mir-Hossein Mousavi—were permitted to enter the race, out of a total of over [400 applicants](#). The interior ministry [announced](#) that Ahmadinejad had won by the unlikely margin of 62 to 33 percent of the total votes. The announcement was made [just two hours](#) after the polls had closed. Reports that Ahmadinejad won by large margins even in the hometowns of his opponents prompted further skepticism. Widespread allegations of electoral fraud led the Supreme Leader [to task the Guardian Council](#) with investigating the election. The Guardian Council quickly concluded that there was no fraud, and [certified the election outcome](#) in favor of Ahmadinejad.

In 2021, the Guardian Council paved the way for President Ebrahim Raisi’s election victory, again [disqualifying record numbers](#) of politicians following [Hassan Rouhani’s](#) eight years in office. Even conservative long-time regime insiders, such as former Parliament Speaker Ali Larijani and former First Vice President Eshaq Jahangiri, were among the 585 disqualified presidential hopefuls.

Corrupt Individuals

The Supreme Leader

The Supreme Leader of Iran [admitted](#) in 2022 that corruption is pervasive in all branches of government, as he sought to relieve pressure building in the face of the anti-regime Woman, Life, Freedom movement. But the [Office of the Supreme Leader](#) is the true center of power in the Islamic Republic. [Ayatollah Khamenei](#) has the power to appoint the heads of key institutions, including bonyads, which are an important vehicle for dispensing patronage and cultivating loyalty. Khamenei, therefore, is himself responsible for the prevalence of corruption and mismanagement in the Iranian system. Iranian MP Gholamali Jafari Imanabadi described the Office of the Supreme Leader as the “[epicenter of corruption](#)”—breaking the taboo against criticizing the Supreme Leader.

Khamenei routinely [reprimands media outlets](#) as well as political officials investigating corruption and intervenes on behalf of his allies facing corruption allegations. For example, after the Rouhani administration revealed in June 2014 that the Ahmadinejad administration had handed out scholarships to administration insiders and children of government officials, Khamenei [attacked the news coverage](#) as “oppressive...illegal and against expediency and ethics.” As previously noted, Khamenei also came to former Judiciary Chief Sadeqh Larijani’s [defense](#) while the prosecution of his deputy was underway, and he is likely behind efforts to protect Parliament Speaker Mohammad Ghalibaf, who has faced numerous corruption allegations but has yet to be charged.

Supreme Leader Khamenei is not only politically corrupt, he is also morally depraved. Khamenei and his office were implicated in defending Saeed Toosi, a Quran reciter and religious teacher accused of child sexual assault and rape. Toosi, who was [Mojtaba Khamenei’s](#) teacher, is [reputed](#) to be Khamenei’s favorite Quran reciter. He is therefore considered a trusted member of Khamenei’s inner circle. [According](#) to Iranian MP Mahmoud Sadeghi, the Office of the Supreme Leader came to Toosi’s defense and an appeals court [acquitted](#) him in 2018, overturning a lower court’s decision to sentence him to four years in prison for spreading corruption and obscenity.

In April 2019, the U.S. Embassy in Baghdad estimated that Supreme Leader Khamenei owned assets worth [\\$200 billion](#). In June 2019, U.S. President Donald Trump signed [Executive Order \(E.O.\) 13876](#), which imposed sanctions on the Supreme Leader, his office, and his appointees. The U.S. Treasury Department later used the authority [to impose sweeping sanctions](#) against the Supreme Leader’s patronage network.

Parliament Speaker Mohammad Ghalibaf

A former IRGC officer and mayor of Tehran, [Parliament Speaker Mohammad Bagher Ghalibaf](#) is a “[household name](#)” in many corruption cases in the Islamic Republic, yet he continues to avoid prosecution, some say because he is [a close relative](#) to Supreme Leader Ali Khamenei. His proximity to multiple corruption cases was particularly pronounced during his tenure as mayor of Tehran (2005-2017).

It is [widely believed](#) that then Mayor Ghalibaf gave a total of 71,397 square meters of land to his wife’s charity, the [Imam Reza Charity](#), apart from a separate \$100 million dollars. Moreover, a classified report by the State Audit Organization showed up to \$500 million dollars-worth of property had been sold at a discount or given to close associates of Ghalibaf while he was mayor. At least 200 government-owned properties in Tehran were sold at a [50 percent discount](#) to Ghalibaf’s associates. The publisher of the documents, Yashar Soltani, [was arrested](#) and spent time in jail.

Ghalibaf [allegedly bribed](#) a former member of parliament, Abolfazl Mousavi, to the tune of 650 billion rials (\$22 million dollars) to prevent an investigation into [the multi-million dollar property fraud case](#), but whether he will be tried for fraud or bribery remains in doubt.

Former MP Mousavi [was arrested](#) in connection with the \$22 million bribe from Tehran municipality. Ghalibaf's deputy, Issa Sharifi, was arrested in September 2017 in the fraud case, [charged](#) by a military prosecutor as having engaged in \$22 million dollars-worth of corruption (well short of the \$5 billion dollars alleged by the newly-installed city council), and in 2021 [sentenced](#) to 20 years in prison and fined for corruption. According to the lawsuit against Sharifi, financial irregularities [totaling 13 trillion rials](#) (\$440 million dollars) occurred under the former mayor's watch.

The former mayor also [mismanaged a massive budget](#) in building flashy highways, malls, and residential towers on IRGC land, instead of much-needed transportation infrastructure between northern Tehran and the southern reaches of the city. In 2017, the Tehran City Council said that a huge amount of money was spent on the [Sadr Expressway](#) without adequate research into the project, and thus it failed to ameliorate the traffic congestion on roads running east to west of Tehran. In fact, urban experts say that the infrastructure project, which costed up to \$2.5 billion dollars, made traffic worse. Ghalibaf's investments in the artificial [Chitgar Lake](#) in northwestern Tehran resulted in environmental degradation, because the trees in the area were deprived of the underground irrigation system whose water was illegally diverted to the lake.

In April 2022, photographs taken of the parliament speaker carrying excess luggage, including carriages, baby clothing, and accessories, on his return trip from Turkey, [circulated the internet](#), prompting calls for him to resign. As many Iranians are suffering due to a weak domestic economy, these images are damning, especially because he claims to be a champion of the poor and [once rebuked](#) a politician for doing the exact same thing in Italy. Khabar Online, a conservative Iranian news outlet, [blasted](#) Ghalibaf, saying that his "lies and hypocrisy... have devastated Iranian politics and power."

Episodes Of Corruption

The Metropol Building Collapse

The four-year-old Metropol building in Abadan, Iran collapsed on May 23, 2022, [killing over 41 people](#) and injuring many others. The building's collapse inflamed popular grievances against the regime that were already running high given economic disparities, inflation, poverty, and a recent decision made by the Raisi administration [to cut back on bread subsidies](#).

Protesters took to the street [to demonstrate](#) against corruption and mismanagement, as they accused well-connected individuals of bypassing industry regulations and endangering people's lives. Some of them chanted "[Khamenei is a murderer](#)," and other anti-regime slogans. They were met with regime security forces, while the IRGC [refused](#) to provide the necessary cargo planes for the transport of supplies to the site of the collapsed building.

The head of Iran's Construction Engineering Organization, Hamzeh Shakib, [said](#) that on multiple occasions his organization pointed out flaws in the proposal to build new floors, but the Abadan municipality, which had the authority to stop the construction, ignored the warnings, and allowed the construction to get underway illegally. Abadan municipality approved the addition and [did not inform](#) the Construction Engineering Organization of the permit, which was issued sometime after the lead engineer in the

Construction Engineering Organization [was fired](#) when he refused to sign a permit for the addition.

The current governor of Khuzestan province, Sadegh Khalilian, [said](#) “the building was erected on the foundation of corruption and unhealthy relations.” 13 people, including three former mayors, [have been arrested](#) in connection with the building’s collapse.

The Suspects

Initially, [it was reported](#) that Hossein Abdolbaghi, the builder and owner of the Metropol Towers, was arrested, but the prosecutor general of Khuzestan province, Sadegh Jafari-Chegeni, told the judiciary’s news agency that he was killed in the collapse of the towers. Thus, suspicions and [rumors](#) emerged. Some say that he left the building before it collapsed, and his influential connections helped him evacuate Iran to avoid investigation for his alleged crimes. An audio tape revealed that a coroner worker [resisted pressure](#) to issue a death certificate for an unidentified body in his name.

[Ali Shamkhani](#), a former IRGC admiral and the current secretary of Iran’s Supreme National Security Council, and his nephew, Moud Shamkhani, may have been involved in the efforts to circumvent the authorities that called into question the safety of the building and denied requests to build additional floors. Ali Shamkhani is [believed](#) to have been involved in Abdolbaghi Holding’s management, and closely connected to [corrupt construction projects](#) involving the IRGC. Shamkhani also [sits on the board](#) of Arvand Free Trade Zone, which reportedly issued the Metropol building permit.

Moud Shamkhani, who Ali Shamkhani [appointed](#) as his representative at the Arvand Free Trade Zone, was deputy director of the Abadan branch at the time the permit was issued. He [allegedly lobbied](#) for Abdolbaghi to get approval from city and provincial authorities for building projects.

In addition to Ali and Moud Shamkhani, Iranian citizens [suspect](#) former Khuzestan Governor Gholamreza Shariati, former Abadan Mayor Hossein Hamidpur, former Expediency Council Secretary Mohsen Rezaei, head of the Arvand Free Trade Zone Esmail Zamani, Deputy Governor-General of Khuzestan Province Mahmoud Shirazi, and IRGC commander Mohammad Forouzandeh Behbahani were involved in the Metropol project given their close ties to Abdolbaghi.

Reports indicate that current Deputy Governor-General of Khuzestan Province Mahmoud Shirazi authorized construction of the Metropol despite safety concerns. Abdolbaghi [allegedly offered](#) to make Shirazi his partner in a major construction project in Karaj in exchange for the Metropol building permit.

Shariati and Hamidpur [stand accused](#) of providing land and funds to Abdolbaghi. Even Vice President Mohammad Mokhber might have been involved, as he [sat on the board](#) of the Arvand Free Trade Zone in Abadan, where Abdolbaghi had been accused of financial corruption.

The IRGC’s Khatam al-Anbiya Construction Headquarters, in addition to the regime’s Free Trade Organization, the Khuzestan province governor’s office, and the Abadan municipality, all provided real estate to Abdolbaghi and his holding company, some of which was [confiscated from ordinary people](#). Although the precise terms of the land deals have not come to light, Abdolbaghi’s rapid take-over of the real estate industry in Khuzestan province [raises red flags](#). He managed several government-funded construction projects on some of the most valuable land in Khuzestan, [including](#) a hospital and prison.

Iranian Vice President Mohammad Mokhber [called for an investigation](#) into Abdolbaghi’s other construction projects, alleging “extensive corruption” between the owner, contractor, and regulatory

bodies on the Metropol project, and citing the possibility of other regulatory breaches and danger to the public. The officials involved, though, may never be investigated or prosecuted given their rank within the Iranian establishment. The Iranian judiciary already appears to have [exculpated](#) former Governor Shariati.

The IRGC and other government agencies [supported](#) Abdolbaghi Holding, not only on the Metropol project, but others in the Khuzestan province. The Metropol collapse has thus become a symbol not only of corruption in the way that regulations were circumvented under pressure from high-ranking officials, but also the cronyism that allows companies to acquire excessive wealth.

The Metropol collapse is not the first of its kind and will probably not be the last. Nine years ago, a building constructed by Abdolbaghi Holding collapsed, and [no one was held accountable](#). In 2017, a high-rise building in Tehran (owned by the Mostazafan Foundation) [caught fire and collapsed](#) after safety issues had been ignored. Subsequently, the Iranian Construction Engineers League carried out an investigation into the safety of buildings across Iran, and [identified](#) 170 unsafe buildings. The head of the Iranian fire department [identified](#) 33,000 insecure buildings.