

MEMMO

Oct. 17, 2007

Designating IRGC Important Step in Pressuring Iran

The designation of Iran's Islamic Revolutionary Guard Corps (IRGC) as a "Specially Designated Global Terrorist" organization would be a critical step in economically isolating the Iranian regime and increasing pressure on Iran to end its illicit nuclear program. With vast business interests throughout the country and a decades-long history of terrorism and pursuing nuclear weapons capability, the IRGC is much more than a simple military unit. Designating the IRGC would be a key element of U.S. efforts to ratchet up the economic pressure on Iran as part of a wide-ranging sanctions campaign.

Designating the IRGC as a terrorist group is an important sanction needed to persuade Iran to give up its nuclear weapons program.

- Designating the IRGC as a Specially Designated Global Terrorist (SDGT) would place powerful economic sanctions on a group that controls up to 40 percent of Iran's economy and is heavily involved in supporting terrorism and Iran's nuclear weapons pursuit.
- Designating the IRGC as an SDTG will create a dramatic incentive for European firms to halt their business dealings with IRGC-affiliated organizations, since the companies would in most circumstances be prohibited from doing business with the United States if they continued their business with the IRGC.



Iran's Islamic Revolutionary Guard Corps is estimated to control 40 percent of the country's economy.

- A move by the administration, as the Senate and House have overwhelmingly urged, to designate the IRGC as a terrorist group would fulfill U.N. Security Council Resolutions 1737 and 1747, which call for sanctions on the IRGC leadership and the freezing of assets under their control.
- Designating the IRGC will have a dramatic impact on the ability of Guard-owned companies to conduct business and gain access to key European technology it requires to develop Iran's aging oil infrastructure. A designation will also limit the IRGC's access to supplies, credit and capital for its funding of terrorism and pursuit of nuclear weapons.

The IRGC is a multi-faceted business conglomerate that controls a major portion of Iran's economy.

- The IRGC is heavily invested in Iran's petroleum sector and receives millions of dollars worth of oil contracts from foreign businesses.

- The IRGC has received numerous no-bid contracts from the Iranian government, including a \$1.2 billion deal to build part of the Tehran subway, a \$1.3 billion oil pipeline contract, and a \$2 billion commission to develop parts of the South Pars gas field, according to the Brussels-based International Crisis Group.
- The IRGC controls more than 100 Iranian companies, many of which are involved in oil pipeline projects, *The Wall Street Journal* recently reported.
- Corruption is prevalent throughout the IRGC. The Guard is believed to run a network of unauthorized docks and trading firms importing consumer goods, tariff-free, into Iran. After the new Tehran airport opened in 2004, the IRGC closed it out of fear of losing control of imports.
- Sanctioning the IRGC targets Iran's regime, not ordinary Iranian citizens, thereby capitalizing on widespread public dissatisfaction with the Iranian government.

The IRGC has sponsored terrorism throughout the Middle East and controls key Iranian military capabilities and the country's nuclear program.

- The IRGC's supervision of Iran's nuclear program, including the development of its Natanz enrichment plant, led to the sanctioning of the group's top leaders by the U.N. Security Council.
- The IRGC has supplied Hamas with extensive funding, training and weaponry, according to the State Department's annual report on global terrorism.
- A recent U.N. report indicates that the IRGC has provided Hizballah with sophisticated long-range rockets and missiles capable of striking major Israeli population centers. During last summer's war, Hizballah attacked cities such as Haifa, Nahariya and Tiberias.
- The IRGC, responsible for the unprovoked kidnapping of 15 British sailors and marines earlier this year, maintains its own ground forces, navy and aviation wings that serve as a counterweight to Iran's regular military.

The IRGC is a terrorist organization with a long track record of killing Americans.

- The IRGC supplied key funding to the terrorist group Hizballah to enable its killing of 281 American servicemen in the 1982 bombing of U.S. Marine barracks in Lebanon and its killing of 19 Americans in the 1996 Khobar Towers bombing in Saudi Arabia.
- The Pentagon has indicated that one-third of the U.S. troops who died in Iraq in July were killed by explosive charges crafted by IRGC commanders.
- The IRGC has trained Iraqi insurgents in camps outside Tehran, where they were schooled in the use of mortars, rockets, improvised explosive devices and other lethal tools, according to U.S. military spokesman Brig. Gen. Kevin J. Bergner.
- Undersecretary of State Nicholas Burns told CNN in June that there is "irrefutable evidence" that the IRGC is sending weapons to the Taliban. Secretary of Defense Robert Gates echoed his remarks, noting that there is "a fairly substantial flow of weapons" into Afghanistan from Iran.