MEMO

October 26, 2017

U.S. Must Apply More Effective Pressure on the IRGC

Ten years ago this week, the United States first sanctioned Iran’s Islamic Revolutionary Guard Corps (IRGC). But limited U.S. enforcement and IRGC evasion efforts have lessened the impact of such sanctions. The administration should follow the recent designation of the IRGC as a supporter of terrorism with a dramatic increase in enforcement of existing sanctions and a far more effective pressure campaign against the group.

The IRGC has evaded the full impact of previous sanctions.

- The United States first targeted the IRGC in October 2007 for its role in aiding Iran’s ballistic missile program. Subsequently, President Obama sanctioned the group for carrying out human rights abuses against the Iranian people.

- On Oct. 13, the Trump administration imposed sanctions on the IRGC for its support of terrorism under Executive Order 13324. The IRGC is the primary Iranian actor providing support to the Assad regime, Hezbollah, Hamas, Islamic Jihad and Shi’a militias in Iraq.

- More than 100 companies and individuals are currently sanctioned for their connection to the IRGC, including major airlines, energy and construction firms. But the IRGC’s opaqueness, combined with interpretations of U.S. law favorable to it, has enabled hundreds of other firms to escape sanction.

- Limited enforcement has further enabled the IRGC to expand its role in Iran’s economy. The IRGC is estimated to control as much as 50 percent of the Iranian economy and operates hundreds of front companies and shell organizations. More than six million Iranians reportedly work for IRGC-controlled entities.

To counter Iran’s malign activities, America must dramatically step up its anti-IRGC efforts

- The Trump administration must dramatically increase enforcement of existing sanctions while prioritizing a comprehensive political and economic effort against the IRGC as part of its new Iran strategy. America must insist that international companies operating in Iran conduct extensive due diligence to ensure they are not conducting business with the IRGC.

- To increase transparency and limit IRGC revenues, the United States should rapidly designate the hundreds of additional companies known to be controlled by the IRGC.

- Administration officials must continue to highlight the risk of doing business with the IRGC in violation of U.S. sanctions. As Treasury Secretary Steven Mnuchin said on Oct. 13, “We urge the private sector to recognize that the IRGC permeates much of the Iranian economy, and those who transact with IRGC-controlled companies do so at great risk.”