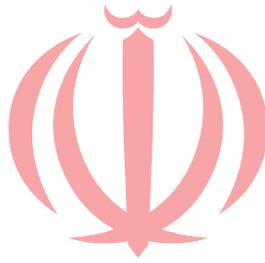


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Targeting Iran's Revolutionary Guards
Priorities for the Trump administration



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1. *Countering America's Adversaries Through Sanctions Act of 2017*, 115th Congress, Public Law No. 115-44, August 2, 2017, <https://www.congress.gov/bill/115th-congress/house-bill/3364/text>.
2. *Ibid.*, sec. 105(a)(b).
3. White House, Office of the Press Secretary, "Remarks by President Trump on Iran Strategy," October 13, 2017, <https://www.whitehouse.gov/the-press-office/2017/10/13/remarks-president-trump-iran-strategy>.
4. "White House Weighs Designating Iran's Revolutionary Guard a Terrorist Group," Reuters, February 7, 2017, <https://www.reuters.com/article/us-usa-trump-irgc/white-house-weighs-designating-irans-revolutionary-guard-a-terrorist-group-idUSKBN15N0AI>.
5. "Designation of foreign terrorist organizations," 8 USC § 1189, <https://www.law.cornell.edu/uscode/text/8/1189>.
6. Preamble, Constitution of the Islamic Republic of Iran, n.d., <https://history.hanover.edu/courses/excerpts/261ircon.html>.

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The passage this summer of the Countering America's Adversaries Through Sanctions Act,¹ a wide-ranging legislative package that imposed new economic pressure on Russia, Iran and North Korea, reignited the debate over U.S. policy toward the Islamic Republic. The relevant provisions of the Act require the White House, pursuant to Executive Order No. 13224, to formally designate the totality of Iran's clerical army, the Islamic Revolutionary Guards Corps (IRGC), as a terrorist organization by no later than October 31st of this year.² In his October 13th speech on Iran policy, President Trump confirmed that he will do so.³

Such a step is hardly unprecedented. In its early days in office, the Trump administration seriously explored the possibility of a similar blacklisting of the IRGC.⁴ However, resistance within the Federal bureaucracy (coupled with the unfortunate conflation of action against the IRGC and the potential designation of the Muslim Brotherhood, a different—and more controversial—entity) conspired to stymie that effort. The passage of the Countering America's Adversaries Through Sanctions Act effectively reopened this conversation as it relates to the Revolutionary Guards, and empowered the White House to take meaningful action against them.

THE LOGIC OF BLACKLISTING THE IRGC

The logic undergirding such a formal determination is convincing. First and foremost, Iran's Revolutionary Guards already satisfy all of the legal criteria of a foreign terrorist

organization under American law. Pursuant to the relevant sections of the United States Code, the organization in question 1) must be a foreign entity; 2) must engage in or support terrorist activity, and; 3) such activity must "threaten the security of United States nationals or the national security of the United States."⁵ The IRGC unambiguously meets all of these standards. It is a core element of Iran's revolutionary regime, with duties and functions enumerated under the Islamic Republic's constitution.⁶ Its malign activities (including direct involvement in acts of terror, as well as the training of radical proxies such as Lebanon's Hezbollah militia and Shi'ite factions in Iraq) have been extensively documented.⁷ Finally, the IRGC's complicity in the activities of forces that have targeted U.S. and coalition troops in the Iraqi theater, among many other initiatives, make them a clear threat to the safety of U.S. nationals and to American national security interests.⁸

Second, the IRGC represents a major point of leverage for the White House in its dealings with Tehran. The Revolutionary Guards are today far more than simply a national army. Within Iran, they are nothing short of an economic powerhouse, in control of numerous companies and corporate entities that stretch across broad swathes of the Islamic Republic's economy, from transportation to energy to construction. IRGC-controlled and -affiliated entities now permeate every sector of the formal Iranian economy,⁹ and wield extensive influence over Iran's gray- and black-market activities (including smuggling, illicit financial



transfers and proliferation activities). All told, the IRGC is believed to command one-third or more of Iran's total economy.¹⁰

As a result, targeting the IRGC represents a critical element of any future American strategy toward Iran. In his October 13th remarks, President Trump made clear that he views countering the IRGC to be a core element of his administration's new, more comprehensive policy toward the Islamic Republic because of its status as the primary tool and weapon of Iran's clerical regime. Doing so, however, requires the White House to adopt a concerted campaign of pressure directed specifically against the IRGC and aimed at constraining both its capabilities and activities.

Such an approach should follow three distinct tracks.

I. A NEW FINANCIAL FOCUS

Given its role in the Iranian economy, designation of the IRGC as a terrorist organization carries with it concrete financial implications. A key priority of the White House should be to send a warning signal to those firms and nations beginning to dip their toes back into various sectors of the Iranian market that, by doing so, they could run afoul of U.S. counterterrorism laws, with potentially disastrous consequences. To do so, the United States should:

Adopt a "sectoral" approach

Understanding the size of the IRGC's stake in the Iranian economy is a prerequisite to effective action against it. But the IRGC's extensive holdings within the Islamic Republic, as well as the ease by which such companies can be renamed and reconfigured, make it challenging for the relevant agencies of the U.S. government to comprehensively "map" this economic

footprint. To avoid this problem, the White House should consider identifying and designating those sectors of the Iranian economy where the IRGC exhibits the greatest presence (such as Iran's telecommunications, construction, and mining sectors) as specific "sectors of concern." Once it does so, the Administration will be able to use such a determination to pressure foreign countries and companies involved in those areas to cease business with Iran, or risk losing access to the U.S. economy on national security grounds.

Chill enthusiasm for commerce with the IRGC

A designation of the IRGC as a terrorist organization under U.S. law should set the stage for the White House to aggressively use existing tools of economic statecraft in ways that are designed to discourage both U.S. and foreign commercial entities from doing business in IRGC-affiliated sectors of the Iranian economy. The Administration has a number of economic instruments that it can utilize in this fashion, among them sanctions available under Section 311 of the USA PATRIOT Act and "presumption of denial" orders issued by the Department of Commerce. These existing mechanisms can be used to target both U.S. and foreign firms, as appropriate, in order to demonstrate the renewed risks of economic reengagement with Iran.

Designate (or redesignate) IRGC-linked commercial actors

An important economic priority for the White House should be the supplemental targeting of Iranian commercial entities affiliated with the Guards that currently operated with impunity in international markets. Prominent among these is Iran Air. Previously a proscribed entity, Iran's national air carrier was "de-designated" by the Obama administration as part of nuclear negotiations with the Islamic Republic,

7. See, for example, Matthew Levitt, Testimony before the House Foreign Affairs Committee Subcommittee on the Middle East and North Africa, September 17, 2015, <https://www.washingtoninstitute.org/uploads/Documents/testimony/LevittTestimony20150917.pdf>; Jacey Fortin, "Iranian Terror Goes Global: Bold New Tactics For Tehran's Shadowy Quds Forces," *International Business Times*, May 7, 2013, <http://www.ibtimes.com/iranian-terror-goes-global-bold-new-tactics-tehrans-shadowy-quds-forces-1240665>.
8. See, for example, Michael R. Gordon and Andrew W. Lehren, "Leaked Reports Detail Iran's Aid for Iraqi Militias," *New York Times*, October 22, 2010, http://www.nytimes.com/2010/10/23/world/middleeast/23iran.html?pagewanted=all&_r=0.
9. See, for example, Bijan Kajehpour, "The Real Footprint of the IRGC in Iran's Economy," *Al-Monitor*, August 9, 2017, <http://www.al-monitor.com/pulse/originals/2017/08/iran-irgc-economy-footprint-khatam-olanbia.html>.
10. See, for example, Mark Gregory, "Expanding Business Empire of Iran's Revolutionary Guards," *BBC*, July 26, 2010, <http://www.bbc.com/news/world-middle-east-10743580>.



11. Emanuele Ottolenghi, "The Iranian Express," *Weekly Standard*, July 31, 2017, <http://www.weeklystandard.com/the-iranian-express/article/2008926>; Emanuele Ottolenghi et al., *How the Nuclear Deal Enriches Iran's Revolutionary Guard Corps* (Foundation for Defense of Democracies Center for Sanctions & Illicit Finance, October 2016), http://www.defenddemocracy.org/content/uploads/documents/IRGC_Report.pdf.
12. See, for example, the comments of CENTCOM Commander Gen. Joseph Votel, as cited in Jeff Daniels, "General Calls Iran 'Destabilizing' Force, Suggesting US 'Disrupt' Regime by Military Means," *CNBC*, March 29, 2017, <https://www.cnbc.com/2017/03/29/general-calls-iran-destabilizing-force-suggests-us-disrupt-regime-by-military-means.html>.
13. Ilan Berman, "Beware Iran's Jihadi Legion," *Al-Hurra Digital*, August 14, 2017, <https://www.alhurra.com/a/beware-the-iranian-legion/383938.html>.

permitting it to conduct commerce with a range of companies, including American planemakers. Today, Iran Air has assumed a key role as part of an "air bridge" ferrying IRGC and affiliated fighters into the Syrian theater.¹¹ This activity, although technically permissible under the terms of the JCPOA and its associated agreements, is deeply inimical to U.S. national security interests. A re-designation of Iran Air by the Trump administration would help close down this "air bridge" by blocking the airline's access to U.S. technology and components.

II. LEVELING THE PLAYING FIELD

A designation of the IRGC will carry concrete military implications for the United States as well. To date, although U.S. military officials have been outspoken about the destabilizing role played by Iran in the region and the need to push back forcefully against it,¹² the U.S. has in practice pursued a cautious approach designed to minimize confrontation with Tehran. Post-designation, the U.S. military's approach to the IRGC can and should change in the following ways:

Review the rules of engagement vis-à-vis the IRGC and its proxies

For years, U.S. forces have labored under restrictive rules of engagement in Iraq, lest battlefield contact with Iranian paramilitary elements result in an uncontrolled escalation of hostilities. This has hampered the effectiveness of U.S. counterinsurgency and stability operations, and continues to exert a profound effect on the freedom of action that field commanders believe they possess today. A formal blacklisting of the IRGC should provide U.S. commanders with greater authority to push back against Iranian destabilizing behavior on the ground throughout their area of responsibility, including through the

specific targeting of IRGC elements and affiliated proxy forces.

Recalibrate American strategy in Iraq and Syria
Currently, U.S. regional strategy is overwhelmingly focused on degrading and defeating the Islamic State terrorist group, with little thought paid to how other actors might be empowered as a result. Iran has capitalized on this focus, and has used the resulting freedom of action to field a formidable "expeditionary force" of Shi'a irregulars over the past half-decade. The size of this contingent, much of which is now active in Syria in support of the Assad regime, is far larger than commonly understood. Private analysts and foreign intelligence agencies have estimated it to range from 40,000 to as many as 200,000 combined active and reserve troops.¹³ The fielding of this cadre, in turn, has created the conditions for Iran to exercise lasting influence over Iraqi politics, and to maintain a long-term military presence in Syria, following the defeat of ISIS. U.S. policymakers must consider steps—such as the targeting of known and designated Iranian proxies, both in Iraq and Syria—that can begin to alter this equation.

III. THE IMPORTANCE OF INFORMATION

In order to be successful, any concerted action against the IRGC will need to be coupled with a media campaign aimed at the Iranian people. Now numbering 82 million, Iranian citizens make up a crucial constituency that is capable of supporting and empowering American policy if it is properly informed about U.S. objectives. Accordingly, the White House must take pains to:

Clarify official thinking, actions and priorities

All too often, the U.S. government has treated outreach toward the Iranian people as an afterthought, and failed to unambiguously



explain its goals and rationale to ordinary Iranians. This state of affairs, in turn, has helped create misunderstanding, sown confusion and generated negative feelings on the Iranian “street”—sentiments that have been deftly exploited by the Iranian regime to increase its own legitimacy, and to diminish that of the United States. In order to avoid the same outcome for its new Iran strategy, the Trump administration should construct a plan for media outreach that: clearly transmits American thinking regarding the IRGC, and why it is being targeted; exposes the assets and activities of the Guards, and their privileged place in the Iranian regime, and; explains the current and future costs of the IRGC’s activities to the Iranian people themselves. Such narratives, if pursued robustly and consistently by Administration officials via various media outlets (both U.S.-funded and private), can greatly bolster the overall credibility of U.S. policy.

Use messaging strategically

Today, the privileged position of the IRGC within Iranian society is seen by the Iranian regime as an asset. However, this status can easily be turned a liability. By communicating clearly and consistently to the Iranian people why and how the U.S. government is targeting the IRGC, as well as shedding new light on the IRGC’s corrupt practices at home and malign practices abroad, the Administration has the ability to exacerbate schisms within the IRGC, in the broader Iranian regime, and between the Iranian people and their government—culminating in potentially decisive changes of behavior within the Islamic Republic.

EXPANDING AMERICA’S APPROACH

The new White House undoubtedly faces a daunting task. During its two terms in office, the Obama administration effectively “defined down” America’s approach toward Iran, focusing almost

exclusively on just one aspect of Iranian behavior: the regime’s persistent nuclear ambitions. Adopting a more comprehensive approach today requires the Trump administration to focus on identifying and countering a broad range of malign Iranian activities. Central to this approach is moving decisively to combat the role played by Iran’s Revolutionary Guards, both within the Islamic Republic itself and in Iran’s foreign adventurism.

Designation of the Revolutionary Guards as a terrorist organization represents a vital first step in this regard. However, it must be followed by others that are designed to target the IRGC financially, alter its status militarily, and diminish its credibility domestically. Only in this way will Washington be able to turn one of the Islamic Republic’s most potent strategic tools against it.

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