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NATIONAL SECURITY, ILLICIT FINANCE, AND INTERNATIONAL FINANCIAL INSTITUTIONS OCTOBER 25, 2023

Chairman Luetkemeyer, Ranking Member Beatty, and members of the subcommittee, thank you for the opportunity to testify today. As we sit here, our ally Israel is reeling from the deadliest attack against the Jewish community since the Holocaust. Babies beheaded, elderly women burned alive, and Holocaust survivors taken hostage are only a small sampling of the atrocities that Hamas terrorists, armed and funded by the Islamic Republic of Iran, have inflicted on Israel.

The ties between Hamas and Tehran and its proxies like Hezbollah in Lebanon have deepened over decades. They have involved intelligence cooperation, arms proliferation, funding, and training. As United Against Nuclear Iran (UANI) has <u>documented</u>, the relationship between Iran and Hamas was solidified in 1992 following Israel's expulsion of Hamas and Palestinian Islamic Jihad terrorists to Lebanon. While there, they developed their skills at "Hezbollah University," which established a training camp for them at Marj al-Zuhur. This included instruction on construction of car bombs and suicide bombings. Hamas' chief bombmaker, the late Yahya Ayyash (aka "the Engineer"), honed his skills there.

Some Hamas operatives even visited Iran for training. As <u>recounted</u> by an IRGC commander, the father of Iran's missile program, the late Hassan Tehrani-Moghaddam, personally supervised the instruction. There are <u>accounts</u> that Hezbollah's late military commander, Imad Mughniyeh, even visited Gaza following Israel's 2005 disengagement and returned in 2006 to train Palestinian militants on rockets. Years later, in 2021, the Commander of the Islamic Revolutionary Guard Corps' (IRGC) Aerospace Force, <u>Amir Ali Hajizadeh</u>, <u>boasted</u> that "all the missiles you might see in Gaza and Lebanon were created with Iran's support." Just as it did in Lebanon for Hezbollah following the 2006 Lebanon War, in 2008 the IRGC's Quds Force also played a key role in devising the reconstruction of Gaza with the objective of reconstructing civilian buildings – schools, hospitals, and homes – to store missiles for Hamas. What we're witnessing today is a product of this IRGC plan to use civilians to protect its missiles, making it harder for Israel to target Hamas terrorist positions.

Hamas and Iran have also established a deep structural coordination apparatus. The IRGC's Quds Force has stationed its officers in Lebanon who routinely liaise with Hamas and other Palestinian factions. The head of the IRGC's Quds Force's Palestinian Office in Lebanon, Mohammad Saeed Izadi, presides over this enterprise. He has routinely engaged with the deputy head of Hamas' Political Bureau, Saleh al-Arouri, and other Hamas leaders in Beirut. In recent years, relations between Hezbollah and Hamas have tightened. There are reports about the Commander of the IRGC's Quds Force, Esmail Ghaani, traveling to Beirut to oversee joint operations rooms among Tehran's Axis of Resistance during various episodes of fighting between Israel and Gaza, including during Operation Guardian of the Walls in 2021.

Ghaani also traveled multiple times to Beirut over the last year in the lead-up to Hamas' attack on October 7, 2023. Especially important is his travel to Lebanon in <u>April 2023</u>, which coincided with the largest barrage of rockets fired from Lebanon at Israel since the 2006 war between

Hezbollah and Israel. Ghaani was reportedly part of the decision-making process, meeting with Hamas leader Ismail Haniyeh, who was also visiting Beirut at the time, as well as al-Arouri. The recent reporting by *The Wall Street Journal*, *Washington Post*, and *New York Times* about the Iranian regime's intimate involvement in the deliberations and preparations leading to the October 7 attack on Israel are consistent with previous patterns of Iranian engagement with Hamas. At the very least, in my assessment, Iran's regime had foreknowledge of the October 7 operation given its sophistication and the length of time it took to prepare the attack—some Hamas leaders suggest it may have taken as long as two years to plan the assault.

This is not to mention the increase in the Islamic Republic's funding of Hamas over the past year. An Israeli security source told <u>Reuters</u> in recent weeks that Iran raised its funding for Hamas' military wing over the last year from \$100 million to around \$350 million per year. An attack of this scale and sophistication may explain why.

Hamas and the Islamic Republic of Iran had shared interests in the October 7 attack on Israel. The attack complicated the normalization process that was underway between Israel and Saudi Arabia. Tehran and its partner Hamas also perceived Israel as weakening from within—a prophecy that Iranian leaders have long proclaimed—due to the polarized debate over judicial reform in Israel. This increased the Axis of Resistance's risk-readiness, with the October 7 tragedy as Exhibit A. This attack also provided an opportunity for Tehran to operationalize its longtime goal of encircling Israel in a ring of fire and to create a mutual defense pact among members of the Axis of Resistance. It was consistent with the recent Khamenei-led structural and doctrinal changes to the IRGC as well as Iran's broader security infrastructure, all of which underlined the regime was preparing for a major confrontation with Israel as part of the supreme leader's "second phase of the Islamic Revolution" ideological project.

The gravity of the moment requires a fundamental reset of U.S. policy on Iran. Since 2021, Tehran has been complacent that it can absorb and outlast the Biden administration. The Islamic Republic rejected multiple U.S. and European offers to return to mutual compliance with the Joint Comprehensive Plan of Action (JCPOA) of 2015. More recent efforts to develop informal de-escalatory diplomatic understandings with Tehran have also fallen short. Public reports indicate that Tehran agreed to slow down the pace of accumulation of 60% highly enriched uranium; not to enrich above that level; and not to target U.S. forces in Iraq and Syria in exchange for the U.S. government turning a blind eye on Iranian exports of oil that violate sanctions, among other steps.

While the most recent International Atomic Energy Agency (IAEA) quarterly report <u>suggests</u> Tehran has slowed its production of 60% highly enriched uranium to around 3 kg a month from around 9 kg during the previous reporting period, Tehran has managed to demonstrate to the international community that it can compensate for de-escalation in certain theaters by escalating in others. Hamas' attack on Israel is one such example. Last week, Tehran also violated part of the informal understandings it reportedly may have reached with the United States by rocketing and droning U.S. forces in Iraq and Syria multiple times. Thus, the push for de-escalation begot escalation.

What to do? First, the United States must fully enforce U.S. sanctions on Iran. UANI <u>estimates</u> that Iran has generated approximately \$80 billion in revenue from oil sales since the Biden administration took office in 2021 and despite U.S. sanctions remaining on the books. Many of these purchases have come from China. UANI has deep experience in this area. Our tanker tracking <u>resulted</u> in the U.S. Justice Department's first-ever criminal resolution involving a company that violated sanctions by facilitating the illicit sale and transport of Iranian oil aboard the M/T SUEZ RAJAN in September 2023.

This laxness is a policy choice by the U.S. government, which has been lax in its enforcement of oil, petroleum product, and petrochemical sanctions as a part of its diplomatic engagement with the Islamic Republic. The last such sanctions enforcement announcement by the U.S. Treasury Department was in March 2023. Such an influx in funding to Tehran may explain the publicly reported increases in Iranian funding to Hamas over the last year.

Second, UANI has <u>compiled</u> a list of foreign vessels it suspects of involvement in the illicit transfer of Iranian crude oil and/or petroleum products. UANI's list has grown to 353 vessels. This suspected ghost armada, which is distinct from but complements Iran's own National Iranian Tanker Company (NITC) fleet, has skirted U.S. sanctions, and exploited regulatory loopholes to ship millions of barrels of Iranian oil. It is time for the U.S. government to fully sanction these vessels, their owners, and their operators.

Third, the U.S. government should expand and maintain the current U.S. counterterrorism sanctions on key Iranian entities and individuals. Sanctions on entities such as Iran's Central Bank and National Iranian Oil Company under Executive Order 13224 should be maintained irrespective of any diplomacy with the Islamic Republic on the nuclear file. According to the U.S. Treasury Department, the IRGC's Quds Force has received "the vast majority of" its foreign currency from Iran's Central Bank. During 2018 and early 2019, Iran's Central Bank facilitated the transfer of several billion of U.S. dollars and euros to the IRGC's Quds Force. This resources the IRGC's Quds Force's proxies and partners like Hezbollah and Hamas.

The Biden administration should also lead an international campaign to recruit as many countries around the world as possible to sanction the IRGC as a terrorist organization, just as the United States did in 2019. The European Union and the United Kingdom have both designated the IRGC's satellite, Hamas, as a terrorist organization. But they have yet to designate the mothership, the IRGC, as one. That must change.

The IRGC is <u>active</u> across the European Union and United Kingdom not only in conducting direct terror plots – as revealed by the head of the United Kingdom's MI5 – but also in nurturing homegrown Islamist radicalization and terrorism, using methods identical to that of ISIS and al-Qaeda. However, unlike ISIS and al-Qaeda, the existing sanctions regime on the IRGC in Europe does not prohibit its ability to propagate and spread jihadi propaganda. The IRGC's proscription as a terrorist organization would fundamentally change this. As well as this need, while IRGC commanders spread terror inside and outside of Iran, their families – the aghazadehs in Farsi (or *noble born*) – frequently travel to, and live lavish lifestyles in, Europe. As an Iranian businessman told *Le Monde* this year, "former Revolutionary Guards who have been out of uniform for years and travel to Europe, as well as their children, are the ones who keep the

Iranian economy going. It is precisely this category that will be affected by" the IRGC being designated as a terrorist organization.

UANI is also very supportive of the MAHSA Act, which the U.S. House of Representatives just passed by overwhelming bipartisan margins. This will pave the way for the supreme leader of Iran to finally be sanctioned as a U.S. Specially Designated Global Terrorist as well as apply terrorism sanctions to the vast foundations and economic conglomerates that he controls. This will help reinforce market deterrence against those considering doing business with the Islamic Republic.

Fourth, the United States needs to fundamentally reassess its relations with Qatar following the October 7 attack on Israel. In 2022, the United States designated Qatar as a major non-NATO ally. Qatar has subsidized Hamas' rule in Gaza. The U.S. Treasury Department also recently sanctioned Muhammad Ahmad 'Abd Al-Daym Nasrallah, a Hamas operative based in Qatar, who has transferred tens of millions of dollars to Hamas, including to its military wing. He also has connections to the Islamic Republic of Iran. That is not to mention Qatar's harboring in five-star accommodations of Hamas leader Ismail Haniyeh, his predecessor Khaled Meshaal, the highest religious authority of Hamas Ali al-Qaradaghi who has blessed terror attacks, and others. In recent years, Qatar also hosted the Commander of the IRGC's Navy Alireza Tangsiri, a U.S. Specially Designated Global Terrorist, at a defense expo in 2022 as well as Mohsen Rezaei, then vice president of economic affairs. Rezaei is wanted by Argentina for his role in the bombing in 1994 of a Jewish community center in Buenos Aires.

The U.S. government should demand Doha surrender Hamas leadership to U.S. and/or Israeli custody. If it continues to refuse to do so, its U.S. major non-NATO ally designation should be stripped, and comprehensive sanctions should be levied on Qatar.

Fifth, sanctions alone will not counter the Islamic Republic effectively. They need to be paired with a credible military threat. Iran's regime knows the United States has the capability to cripple its military. But it doubts Washington has the will to do so. This is what is shaping the IRGC's current calculus and drive for escalation against Israel. Unless and until the Islamic Republic fears a kinetic response from the United States against IRGC targets on Iranian soil, decision-makers and shapers in Tehran will conclude that the benefits of its escalation in the region, shrouded in plausible deniability via proxy warfare, will outweigh the costs.

Let me be absolutely clear, as we have been at UANI: targeting IRGC bases inside Iran is not an attack on the Iranian people nor is it an attack on Iranian soil. Rather, it is targeting the very entities that are responsible for killing the Iranian people. The IRGC is an existential threat both to Israel and the people of Iran. It must be targeted.

This is why UANI is supportive of Congress and the Biden administration crafting an Authorization for Use of Military Force (AUMF) against the Islamic Republic and its proxies and partners. The primary destabilizing force in the Middle East today is the Islamic Republic and its Axis of Resistance. Having an AUMF on the books geared specifically towards this threat will change the perception of the Iranian regime leadership as to U.S. readiness to hold it accountable. That, coupled with robust multilateral sanctions with aggressive enforcement, will

contribute to a changed calculus in Tehran and ultimately save lives in the Middle East, not least in Israel.

Thank you, and I look forward to your questions.
