



# Terrorism Monitor

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## RENEGADE OPPOSITION LEADER PREDICTS OIL WAR IN SUDAN

In a recent interview with a pan-Arab daily, a leading Sudanese politician claimed a vote for secession by the oil-rich South Sudan in the upcoming January referendum will not be accepted by the Khartoum government, leading to a third round in the North-South civil war that has already killed over two million Sudanese since 1955 (*Asharq al-Awsat*, October 8).

Ali Mahmoud Hassanein, Deputy Chairman of al-Hizb al-Ittihad al-Dimuqrati (Democratic Unionist Party - DUP), now lives in self-imposed exile in London, where he is organizing a broad coalition “whose primary objective is to topple the government of Omar al-Bashir.” Hassanein was recently in the United States, where he was seeking support for his new front. He rejects suggestions that he is participating in “hotel activism,” noting he had little choice but to flee Sudan after security officials warned him that he would be killed if he continued his political activities after being released from prison last year. In 2008 Hassanein was imprisoned on charges of attempting to overthrow the government after advocating al-Bashir’s trial by the ICC (*Sudan Tribune*, August 30). Prior to that, Hassanein was arrested along with 30 other opposition figures in July 2007 on similar charges (Reuters, December 29, 2008).

Hassanein is convinced that a vote for independence in South Sudan will soon be followed by al-Bashir’s military crossing into the South to occupy the oil fields:

There are two possibilities: either the Southerners will choose secession, or, if the referendum is cancelled or if its results are questioned, they will declare unilateral independence. In both cases, al-Bashir will declare, on TV in a national address to the nation, that the oil fields are in danger and that Sudan's national security is at stake. He will then declare that he has ordered the armed forces to take control of the oil fields.

The veteran 76-year-old politician is a notable opponent of the Sudanese president, whom he describes as "a dictator and a criminal." Hassanein's hard-line approach to the Sudanese president and his insistence that the president be tried by the International Criminal Court (which indicted al-Bashir in July 2008) has put him at odds with the DUP leader, Sayed Mohammad Osman al-Mirghani, who is also the leader of Sudan's Khatmiyya Sufi Order. Sayed al-Mirghani has favored cooperation with al-Bashir since 2005 after having led the National Democratic Alliance (NDA), an umbrella group of armed opposition wings. This political reversal has led the DUP's deputy leader to criticize the role of Sudan's traditional political parties in supporting the military/Islamist regime in Khartoum:

One of the reasons for establishing our movement was our belief that the traditional Sudanese political parties have failed to reflect the aspirations of the Sudanese people. They have been afflicted by inept leadership and have been dominated by certain families. This doesn't just apply to the DUP, but all other traditional political parties as well.

Here Hassanein was certainly criticizing the DUP's traditional rival, Sudan's Umma Party, which is dominated by the descendants of the 19th century Mahdi. The DUP has always been the private preserve of the Mirghani family, leading to calls for Hassanein's resignation from the party over his opposition to Sayed al-Mirghani. Hassanein, however, rejects such calls, saying, "I am a Unionist, I always have been, and I will die a Unionist."

Hassanein believes Washington's apparent improvement of relations with Khartoum is a temporary measure:

After the Comprehensive Peace Agreement (CPA) in 2005, which was sponsored by the U.S., it became clear that the U.S. wanted Southern Sudan to secede. So, now as the referendum in

the South is getting closer and closer, the U.S., as expected, is appeasing al-Bashir so that he will not endanger the new state in the South.

The DUP deputy also pointed out that the Southern administration will not relinquish the Southern oil fields without defending them and has been purchasing tanks, planes and weapons with the knowledge that al-Bashir will never let them go. He claimed, "Not only will there be renewed war in the South, but also in Darfur, the east and other parts of Sudan."

President al-Bashir told Sudan's parliament last week that he would "not accept" any alternative to Sudanese unity, though his remarks were later downplayed by the Foreign Minister (AFP, October 15). According to Hassanein, with 90% of Sudan's export revenues coming from oil, al-Bashir and his followers have changed their priorities "from ideology to business and from Shari'a to oil. They have become largely preoccupied with oil companies, pipelines, refineries, explorations, exports and revenues." Hassanein suggests that without oil revenues the government will go bankrupt, with an economic collapse leading to the political collapse of the regime.

#### SCHISM IN AL-SHABAAB LEADERSHIP IN SOMALIA FOLLOWS FAILED RAMADAN OFFENSIVE

Though denials have been issued, the failure of al-Shabaab's Ramadan offensive, intended to rout Somalia's Transitional Federal Government (TFG) from Mogadishu, appears to have led to a major rift between the group's Amir, Shaykh Abdi Godane "Abu Zubayr", and his deputy, Shaykh Mukhtar Robow "Abu Mansur."

Though the rivalry between Abu Mansur and Godane goes back some time, it only burst into the open after Abu Mansur's 1,200 to 2,000 fighters from the southern Bay and Bakool regions began to take heavy losses in the Ramadan offensive. Nearly all of Abu Mansur's fighters are members of the Digil and Mirifle, known jointly as the Rahanweyn. There are reports of hundreds of deaths and desertions in the Bay-Bakool force, which was apparently pushed into the frontlines of the fighting by northern commanders. Abu Mansur downplayed complaints from his men that they were treated badly by other Shabaab commanders and failed to receive medical treatment when wounded until one of his commanders, Shaykh Ayub, went missing. Eventually Abu Mansur learned from Godane that the Shaykh had been badly

wounded and was killed by members of al-Shabaab's Amniyaat special forces unit (loyal to Godane) to ensure he would die a martyr. This proved the last straw for Abu Mansur, who ordered the withdrawal of his men from the battlefield in Mogadishu (Jowhar, October 8; Wadanka.com, September 28; Suna Times, October 9).

There are questions within al-Shabaab regarding financial improprieties and the appointment of members of Godane's northern Isaaq clan to vital positions within the movement. A three-day mediation between the two leaders in a hotel in the southern Somali town of Marka failed completely, leading to Abu Mansur's withdrawal of fighters under his command from Mogadishu (Waagacusub.com, October 1). Godane was supported in the dispute by Shaykh Ibrahim Haji Jama "al-Afghani", another Shabaab commander from the Isaaq clan, who was quoted as saying, "Mukhtar Robow is a transgressor. He is a tribalist. He is nothing. Let him leave" (Jowhar.com, October 8; Wadanka.com, September 28).

According to one report, Abu Mansur made five demands of the Shabaab leadership:

- The resignation of Abdi Godane as the movement's leader.
- An agreement to allow aid agencies to operate freely in Somalia.
- The disbanding of the Amniyaat Special Forces.
- The launch of an investigation into the death of senior al-Shabaab commanders in the frontlines.
- The dismissal of any al-Shabaab commanders found to be responsible for these deaths (Jowhar.com, October 8).

After TFG and AMISOM forces began making gains in the fighting, Abu Mansur's forces returned to Mogadishu from the towns of Baidoa and Hudur in the Bay and Bakool regions (*New Vision* [Kampala], October 5; Dhacdo.com, October 12). Apparently having made his point that the fighters from these regions were essential to al-Shabaab's military success, Abu Mansur's troops were able to help stabilize the frontlines in Mogadishu.

Abu Mansur is reported to have met in Mogadishu with Shaykh Hassan Dahir Aweys, leader of rival Islamist militia Hizb al-Islam, with the two discussing closer ties

and a possible alliance against Godane (Markacadey.net, October 10). Abu Mansur was al-Shabaab's chief negotiator in unification talks with Hizb al-Islam earlier this year that collapsed at the last moment when Godane insisted that Shaykh Aweys' movement be absorbed into al-Shabaab and operate under that name only. There is speculation that Abu Mansur's negotiations with Hizb al-Islam were designed to bring the Hawiye clan (which dominates Hizb al-Islam) into his camp, thus creating a powerful coalition against the outsider Abdi Godane, whose Isaaq clan is largely based in breakaway Somaliland and plays a small part in the fighting in south Somalia.

Abu Mansur took to the minbar (pulpit) of a mosque in Mogadishu's Bakara market on October 8 to deny the reports of the rift (Garowe Online, October 9; Shabelle Media Network, October 9). As if to refute the view of some observers that Abu Mansur is nothing more than a "nationalist in Islamist garb," the Shabaab deputy leader used the presence of the media to send his greetings to Osama bin Laden, assuring him that al-Shabaab were the students of al-Qaeda. "We are sending a message to our group leader – al-Qaeda leader Osama bin Laden – that we are still continuing fighting until we join our fellow brothers who were killed by American troops in other countries," said Abu Mansur (IRIN, October 14; Shabelle Media Network, October 8; Garowe Online, October 9). He then followed his Mogadishu statement with another denial at the Dabaqeynka mosque in Baidoa, where he urged residents of the Bay and Bakool regions to join in the fighting. He described reports of the rift as a fabrication designed to sow suspicion in the ranks of the mujahideen (Somaaljecel.com, October 13).

Abu Mansur's very public style is at odds with Abdi Godane's furtiveness. The latter rarely makes public appearances or statements and was widely ridiculed in Somalia after photos appeared on the internet of the Shabaab leader donning women's clothing as a disguise. One of the major issues between the two men has been Godane's insistence on banning humanitarian aid agencies from working in Somalia, a ban actively opposed by Abu Mansur and the main reason the latter was relieved of his position as al-Shabaab spokesman last year. Lately the al-Shabaab leadership has even warned Somalis against accepting medical help or pharmaceutical drugs from AMISOM forces, virtually the only source of medical aid for many Somalis caught in war-torn Mogadishu.

It appears the military stalemates in Mogadishu and in Central Somalia against the Sufi Ahlu Sunna wa'l-Jama'a militia have begun to take their toll on the Shabaab leadership, allowing clan rivalries to emerge that were successfully submerged in the movement so long as it continued to gain ground. Godane's secretive style of leadership and absence from the frontlines does not play well with the Somali fighters under his command, which may leave him perilously short of armed support should Abu Mansur make a play for the leadership.

## Lashkar-e-Taiba and the Strategy of “Encircling” India

By Animesh Roul

Recent developments in three of India's neighbors have demonstrated the expanding regional presence, reach and influence of the Pakistan-based Lashkar-e-Taiba (LeT) organization. Going well beyond its Kashmir roots, reports suggest the movement is now establishing a presence in Bangladesh, Nepal and Sri Lanka.

Within a span of six days, Bangladesh authorities arrested four high profile LeT operatives with smuggled exotic dutiable products and large amounts of explosives and other bomb making materials. The detainees included Khurram (a.k.a. Mohammad Salem), LeT's chief coordinator (*Daily Star* [Dhaka], Oct 05). The latest arrests revealed that LeT operatives use Bangladesh as a transit point for counterfeit currency and as a fertile ground for jihadi recruitment.

India's Ministry of Home Affairs claimed earlier this month that hundreds of Naxalites (Maoists) from India were being trained in Nepal by Nepal's People's Liberation Army (PLA) and supervised by LeT operatives Latif Khan and Razzaq Ansari (*Indian Express*, October 11). Pushpa Kamal Dahal (a.k.a. Prachanda – “Fierce One”), chairman of Nepal's Unified

Maoists' Party, suggested the claim was fabricated and formed part of an Indian attempt to disrupt the peace process initiated in 2006 to end a 10-year civil war and the drafting of a new Nepalese constitution. The alert was also condemned as “deliberately erroneous” by PLA Commander Nanda Kishore Pun (a.k.a. Panang) (*Telegraph Nepal*, October 12, October 13; *Indian Express*, October 12; *Economic Times* [New Delhi], October 12). Earlier this year, a detained former LeT financier, Umer Madani, told interrogators that he had been asked to open ties with the Naxalites while based in Nepal but failed to establish any useful ties before his arrest in June 2009 (*Indian Express*, May 28).

In Sri Lanka, a recent accidental blast of two Chinese containers of dynamite that destroyed the police station they were stored beside raised eyebrows in regional intelligence and security circles (Colombopage.com, September 18; Lanka Daily News, September 18). Though the blast in Karadiyanaru (Eastern Province) had the appearance of an industrial accident (Chinese workers were attempting to move one of the containers at the time), there were unsubstantiated claims that the containers (belonging to a Chinese construction company doing development work in the Eastern Province) were actually scheduled to be transported through Olivil port to Pakistan and ultimately into the hands of LeT (Lanka News Web, September 29).

Lashkar's Sri Lanka connection surfaced again in September with the arrest in India of Mirza Himayat Baig, one of the accused in the February 13 German bakery blast in Pune (Maharashtra State). Baig allegedly met fugitive LeT operative Fayaz Kaghzi in Sri Lanka and underwent training in a LeT camp in Colombo. Agencies investigating the German bakery blast confirmed that Baig traveled to Sri Lanka in 2008 and had a meeting with Kaghzi and received money for establishing a new Lashkar network in Udgir (Maharashtra State) (*Mumbai Mirror*, September 10; see also *Terrorism Monitor*, March 11). Soon after Baig's revelation, US intelligence agencies reportedly informed India about existing LeT training facilities and the presence of nearly 200 LeT cadres in Sri Lanka, though this allegation was refuted by Colombo, which firmly denied the existence of any LeT training camps (*Indian Express*, Sept 19).

This is not the first time U.S. agencies have issued alerts describing a burgeoning LeT clout in South Asia. In his March testimony before the United States Senate Armed Services Committee, Robert Willard, Commander of the

U.S. Pacific Command, described LeT's expansionist agenda in India's neighboring countries, especially Sri Lanka and Maldives ( *Indian Express*, March 27).

After executing the 2008 Mumbai attack, LeT was apparently lying low due to increased international pressure on Pakistan to tame rogue Kashmir-centric jihadis. However, within this so-called quiescence period, LeT attempted to regroup and establish new spheres of influence. In early 2010, India's Mumbai dossier named Pakistani national Rashid Abdullah (a.k.a. Rehan) as a senior LeT commander with special responsibility for leading LeT's anti-India schemes in the region, including Sri Lanka, Bangladesh, the Maldives, and the United Arab Emirates (UAE).

Though LeT's attempt to use India's neighbors as safe havens and launching pads for anti-India activities has been known for some time, the dangerous "encirclement" strategy only came to light in June 2009 with the arrest of Mohammed Omar Madni, the chief of LeT's Nepal operation and responsible for scouting new talent for LeT operations in Nepal and India, and the mid-2009 arrests of Mufti Obaidullah and Maulana Habibullah, key LeT and Asif Reza Commando Force (ARCF) organizers in Bangladesh. More than establishing bases in Bangladesh or using Nepal as transit point, what is most intriguing is that LeT has managed to infiltrate into Sri Lanka and the Maldives. Eastern Sri Lanka's Batticaloa district, where the influence of Saudi Wahhabism is most visible (especially in the Kattankudy area), could develop into an operational zone for LeT or like minded jihadi groups. The circumstances of the blasts in nearby Karadiyanaru are still shrouded in mystery, but the confession of Mirza Baig gives credence to the belief that LeT has established at least a network of facilitators in the island nation.

If the confession of Sabahuddin Ahmed, accused in the Mumbai attacks (but acquitted for lack of evidence), is to be believed, a Maldivian named Ali Ahsham did the reconnaissance on targets in Bangalore before the December 2005 attack on the Indian Institute of Sciences ( *Times of India*, February 4). In Maldives too, LeT's charitable front, Idara Khidmat-e-Khalq (IKK), which operated in the aftermath of the 2004 tsunami under the guise of providing humanitarian assistance, has successfully influenced youths to join the so-called jihadi struggle and turn Maldives into a jihadi recruiting ground (see *Terrorism Monitor*, February 14).

Both Sri Lanka's defense secretary Gotabaya Rajapaksa and Maldivian president Mohamed Nasheed denied that Lashkar-e-Taiba is using their countries' soil as a base to perpetrate future attacks on India. However, they promised further investigations and Naseed acknowledged the fact that some Islamist radical groups have emerged recently in the Maldives.

The larger concern here lies in the strategic positioning of LeT vis-à-vis India. However, the denials aside, looking at the pace of LeT ventures into the countries in South Asia, the day may not be far when LeT could establish itself as a formidable non-state terror hegemon, perhaps even overtaking al-Qaeda.

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## The New Ideologues of the North Caucasus Jihadists

*By Murad Batal al-Shishani*

With nearly 300 attacks or incidents of militant-related violence tied to the "Islamic Emirate of the Caucasus" this year alone, it is apparent that the Chechen jihad is spreading through the North Caucasus even as it recedes within Chechnya itself. In descending order, the main sites of militant-related violence are now Dagestan, Ingushetia, the Kabardino-Balkaria Republic (KBR), Chechnya and the Karachai-Cherkessia Republic (KCR). [1] The geographical shift in jihadi activities is now being mirrored by a shift in the Salafist ideologues favored by the North Caucasus jihadis.

Recent attacks have indicated the emerging role of the "Islamic Emirate of the Caucasus" (IEC), which serves as an umbrella group for the armed Islamist movements in the region, particularly in a period when the group's activities have largely moved to the republics

neighboring Chechnya, a country that has experienced two brutal wars since 1994 and was the major theater of violence in the North Caucasus over the last decade.

The leader of the IEC, Doku Umarov, appeared last August in a video clip saying that he was resigning from the leadership of the “Emirate,” only to withdraw his resignation a day later, stating that the clip was fabricated and he was still Amir. Three top Chechen rebel field commanders (would-be leader of the Emirate and Amir of the Vilayat of Nokhchiycho [Chechnya] Khusein Gakayev, Umarov’s former successor Aslambek Vadalov and Tarkhan Gaziyeu) and one Arab commander, who goes by the name “Muhanad”, then renounced their *bayat* (oath of allegiance) to Umarov while insisting they were not withdrawing from the Emirate (Kavkaz-Tsentr, August 13; Daymokh.org, October 7; see also *Eurasia Daily Monitor*, October 8). Though Umarov’s official dismissal of the four commanders in August was accompanied by an appeal from Commander Supyan Abdullayev to reconsider their positions, a later videotape statement named another 25 commanders who supported the replacement of Doku Umarov (Kavkaz-Tsentr, September 20; Daymokh, October 14).

These developments suggested that the IEC is divided between “jihadists” who want to link the North Caucasus to the global jihad and to take advantage of the presence of Umarov and his reputation to secure funds and those who are aiming to “re-Chechenize” the resistance movement, stop regional expansion and take advantage of the large amount of support that the Chechen cause has in Muslim countries. Among those supporting the jihadist faction are the leaders of armed groups in Dagestan and Kabardino-Balkaria. The ongoing attacks and daily violent incidents in the North Caucasus suggest an increased capability of the jihadist faction in the IEC to expand their operations in the region.

The movement’s links with the global jihad, particularly on the propaganda level, are also increasing. Lately the interest shown by jihadist web forums in North Caucasus developments has been growing and they are reaching out to both Russian and Arabic speaking audiences by including pages in the Russian language to disseminate jihadist materials. On August 28, jihadist web forums released a new documentary-style video entitled “The Caucasus: 50 years,” stating that jihad against Russia will last as long as 50 years, as the late Amir Ibn al-Khattab predicted. [2] The Arabic-language

video is reminiscent of propaganda videos that jihadists used to release in order to mobilize young Arabs after the Second Chechen War erupted in 1999.

Significantly, there is another development in this context; the North Caucasus jihadis’ linkage to the global jihad is now at a level in which clerics have become influential and are sought out for fatwas and advice. The well-known Jordanian Salafi-Jihadist ideologue Abu Muhammad al-Maqdisi and Syrian cleric Abu Basir al-Tartusi condemned “the breaking of the oath of allegiance to Doku Umarov by some field-commanders.” Before the death of the KBR’s Amir Sayfullah (a.k.a. Anzor Astemirov) in March, the Arabic-speaking commander corresponded with al-Maqdisi, seeking his advice on a number of issues. Since 2009, al-Maqdisi has become an active promoter and propagandist of the jihadi movement in the North Caucasus. He concluded a recent statement on the issue of field commanders renouncing their allegiance to Doku Umarov by saying:

What we know about the Amir Abu Uthman Umar Doku [i.e. Doku Umarov] is all good and the religious judges in the [Caucasus] Emirate still praise him [because] he refers to the scholars for opinion and consultation, and under his leadership the Caucasus Emirate declared the abolition of all manifestations of jahiliya [ignorance]. The brothers in the Caucasus agreed on him... and jihad went through under his leadership. According to the accounts of our trustworthy insider brothers, the Amir Abu Uthman has not committed [any kind] of violation that permits disputing his leadership and revolting against him. Anyone who is keen to [preserve] the reputation and interest of jihad should obey him and help him to unify the jihadi forces and should not initiate breaching his orders or demanding to change him without a legitimate reason approved by the Shura Council. Such demands by some of the mujahideen without a considerable legitimate reason will damage the prestige of the Emirate, make disputes over leadership very easy and will divide the mujahideen (as-ansar.com, September 4).

Tartusi also sent a message to Umarov by saying, “The mujahideen, led by Amir Doku Umarov, are the legitimate governors of the country and the people.

People must engage in obedience and be loyal to them. The Amirs of Jihad should, in return, consider the interests of the people and take care of them... [they should] be closer to the people and more merciful to them” (hanein.info, August 25).

These rulings from global jihadi ideologues suggest that there is a shift in the movement’s orientation in seeking advice and religious opinion. While the Arab fighters in Chechnya from the mid-1990s to the beginning of the 2000s relied on classic Salafi scholars such as Saudi Arabia’s Muhammad Ibn Saleh al-Uthaymeen (1925-2001) in these matters, there is a rising number of North Caucasus jihadis who aim to link themselves to the ideologues of global jihad.

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Notes:

1. Based on open source analysis in Islam, Islamism and Politics in Eurasia Report 23, Monterey Institute for International Studies, September 13, 2010.
2. Global Islamic Media Front: <http://www.shamikh1.net/vb/showthread.php?t=69550>; <http://www.youtube.com/watch?v=6sdoOweIpCw&feature=related>.

## Can Iran’s Islamic Revolutionary Guard Corps Maintain its Operational Capability in a Sanctions Regime?

By Chris Zambelis

The lasting impact of the latest round of sanctions slapped on Iran in June by the United Nations Security Council followed by an additional and more stringent unilateral sanctions regime levied by the United States – the chief proponent of sanctions – and the European Union (EU) over its uranium-enrichment program is unclear. To date, U.S.-led efforts to punish Iran and countries and companies that do business with Iran have yielded mixed results. The latest measures ostensibly target Iran’s domestic energy and financial sectors. While upholding the intricate web of sanctions already in place against scores of Iranian companies, institutions, and citizens, the newest sanctions target companies that sell gasoline, jet fuel, and other refined petroleum products to Iran, as well as companies investing in Iran’s energy sector and other areas of the economy. Due to inadequate domestic refining capacity, Iran depends heavily on imports of gasoline and other refined petroleum products. The sanctions package also goes after a number of companies, institutions, and citizens linked to Iran’s political and security establishment. Underlying the latest round of sanctions is the singling out of the business activities of Iran’s Sepah-e-Pasdar-e-Enghelab-e-Islami (Islamic Revolutionary Guard Corps – IRGC) in an effort to decrease its operational capabilities. [1]

### Targeting the IRGC

As the locus of Iranian conventional and asymmetric military power, the IRGC is the subject of widespread interest alongside the Islamic Republic’s regular armed forces. The IRGC’s domestic and international military and intelligence capabilities run the gamut from infantry, air, and naval forces to elite sections such as its Quds (Jerusalem) Force – a unit responsible for the IRGC’s special operations outside of Iran over the years, including operations in theaters such as Lebanon, Iraq, Afghanistan, Bosnia-Herzegovina, and Sudan. The IRGC is also linked in varying degrees to Hezbollah in Lebanon and Shi’a militias and political parties in Iraq. The discovery of Iranian-made weapons and explosives in the hands of Taliban insurgents in Afghanistan has

also prompted U.S. officials to implicate the IRGC in supporting militants in Afghanistan (see *Terrorism Monitor*, November 6, 2009). An unclassified April 2010 report by the U.S. Defense Intelligence Agency (DIA) also accused the IRGC – and specifically the Quds Force – of expanding its presence across Latin America, especially in Venezuela. [2] The IRGC is also responsible for commanding Iran’s strategic ballistic missile inventories and other advanced weapons platforms (Press TV [Tehran], August 21). The IRGC is heavily involved in advancing Iran’s robust domestic defense industry through the development and deployment of indigenous weapons systems (Press TV, April 22, August 26). Furthermore, the IRGC commands the Basij (Mobilization), a network of volunteer paramilitary militias that operate in various capacities within Iran (see *Terrorism Monitor*, July 17, 2009).

#### Economic and Business Activities

In addition to its operational military capacity, the IRGC is also involved in a wide array of economic and business activities inside Iran and abroad. The precise nature and scope of the IRGC’s stake in the economic and business sectors is difficult to ascertain and remains a subject of dispute. The implications of the IRGC’s influence in Iran’s crucial energy sector (Iran boasts the world’s third-largest proven oil reserves and the world’s second-largest reserves of natural gas) and in other sectors of the Iranian economy consistently draw the attention of business risk and trade publications (Oilprice.com, May 21). Politicized accounts in policy, media, and research circles tend to treat the IRGC as a kind of multinational corporation that exists to enrich ranking members of the group so as to ensure their loyalty to the clerical regime. Yet there is little evidence to indicate that the IRGC’s priorities have strayed from the primary objectives laid out by its founders after the Iranian Revolution of 1979: defending the Islamic Republic and projecting Iranian influence in the Middle East and beyond.

The IRGC operates a number of major commercial enterprises in the open, including the massive Khatam al-Anbia (KAA) engineering and construction concern. The KAA has a hand in major energy and infrastructure projects across Iran valued in the billions of dollars (AFP, May 28). Employing tens of thousands of Iranians directly and indirectly and boasting numerous affiliates and subsidiaries in a number of different sectors – many of which have been targeted in the latest sanctions package – the KAA is one of the Islamic Republic’s largest companies (*Asharq al-Awsat*, August 24, 2007).

The newest sanctions regime imposes an expansion of existing restrictions on Iranian citizens and institutions, as well as affiliates and subsidiaries of IRGC-linked companies, particularly firms linked to the KAA. In an apparent attempt to showcase the IRGC’s technical savvy in the energy sector, IRGC Brigadier General and KAA head Rostam Qasemi offered to lend the expertise of the IRGC in containing oil spills to the United States and British Petroleum during the height of the oil spill that affected the Gulf of Mexico (*Tehran Times*, June 22). Qasemi’s offer of assistance came in spite of the fact that U.S. authorities hit Qasemi, the KAA, and four KAA subsidiaries with sanctions in February 2010 (al-Jazeera, February 11). The IRGC was certainly aware that Washington would reject its offer of assistance. Its decision to go ahead and reach out publicly to the United States amid the domestic tensions over the Gulf oil spill was likely a political ploy designed to embarrass the Obama administration.

The June 2010 sanctions cite scores of entities and individuals. According to UN Security Council Resolution 1929, a network of fifteen companies purported to be “owned, controlled, or acting on behalf” of the IRGC have been named in the sanctions package. Additional Iranian individuals and firms were also cited by UNSCR 1929 for sanctions due to their purported roles in nuclear and ballistic missile proliferation activities, terrorist finance, and other transgressions (see United Nations Security Council Resolution 1929, UNSC/9948, June 9). The companies named in the sanctions range from oil and gas firms to banking, mining, and shipping concerns. In addition, ranking members of the IRGC, including IRGC commanders Mohammed Reza Zahedi and Hussein Musavi and senior officer Hassan Mortezaei, have also been singled out for censure by the United States over their purported roles in supporting the Taliban insurgency in Afghanistan and other militant activities. Hushang Allahdad, an IRGC financial officer charged with handling the group’s operations in the Levant, is also named in the U.S. sanctions (al-Jazeera, August 4; see U.S. Department of Treasury Press Report, August 3).

The IRGC is not new to sanctions; five individuals and nine entities associated with the IRGC’s Quds Force, for instance – along with other individuals and entities linked to Iranian the intelligence services, banking, and defense institutions – were cited by U.S. authorities in 2007 in a unilateral sanctions package for aiding and abetting the Taliban in Afghanistan and other militant



groups in the region and for proliferation activities linked to advancing Iran's nuclear aspirations (see U.S. Department of Treasury Press Report, October 25, 2007). The IRGC's economic activities are often closely linked to Iran's nuclear program, specifically alleged efforts by Tehran to procure vital technology and knowledge from abroad through a network of front companies and their corresponding associates and subsidiaries who act to circumvent sanctions and export control measures aimed at preventing Iran from importing the items required to further its nuclear program. In a further attempt to pressure the IRGC, the United States unilaterally introduced an additional series of sanctions against the leadership in September 2010 over allegations that they engaged in human rights abuses during the unrest that followed the June 2009 presidential elections. Unilateral financial and travel bans were issued against IRGC commander Mohammed Ali Jafari and his deputy for intelligence Hussein Taeb, who were only two among eight IRGC and other ranking Iranian officials targeted in the newest sanctions package (Press TV, September 29).

#### Assessing Impact

Iran's overall position is emboldened by its role as a crucial source of oil and natural gas to some of the world's largest and most influential economies, making U.S. efforts to achieve a broad and enforceable consensus within the international community to shun Iran extremely difficult if not impossible (see *Eurasia Daily Monitor*, July 30). Tehran has also been proactive in addressing emerging problems stemming from the imposition of sanctions. Where the sanctions are seemingly making an impact on the domestic front, for instance, Iranian authorities have passed measures aimed at limiting imports in an effort to boost domestic production and reduce the need for imports (*Tehran Times*, August 26).

On the surface, the targeting of the IRGC's ability to conduct business and, by extension, raise funds would appear to signal an effort on the part of the United States and its partners to undermine both the IRGC's political influence and ability to defend Iran. As a country that has been subject to decades of sanctions, Iran has proven skilled at circumventing U.S.-led attempts to enlist the international community to hem it in. With an emphasis on self-sufficiency, Iran's domestic arms industry has grown adept at developing indigenous systems that rely on locally-engineered technologies

and Iranian-built and often modified variants of reverse engineered foreign weapons systems (Fars News Agency [Tehran], July 22; July 17).

Russia's recent decision to renege on its commitment to supply Iran with advanced S-300 long-range surface-to-air missile defense systems after initially agreeing to sell the missiles under an \$800 million contract is an example of the obstacles Tehran's domestic arms industry is designed to mitigate (Press TV, October 10). Iran has already announced plans to develop its own long-range missile defense capability to replace the S-300 systems that were never delivered (Fars News Agency, September 26). Moreover, the IRGC Navy received a squadron of domestically-produced Bavar-2 flying boats in September (Press TV, September 28). Also in September, the IRGC Air Force received the third generation of the Fateh short-range ballistic missile system (Press TV, September 28). In August, Tehran delivered twelve Zolfaghar class speedboats to the IRGC capable of launching torpedoes and missiles; the IRGC plans to mass produce the Zolfaghar, as well as the Seraj-1, another high-speed combat boat, by 2011 (Press TV, August 10). Iran inaugurated its latest long-range combat unmanned aerial vehicle (UAV), dubbed the Karrar, in August; two other combat UAVs entered into production in February (Press TV, August 10).

The multitude of sanctions targeting the IRGC (and Iran as a whole) presents a series of challenges to the group's operational capacity. In comparison to the requirements of large conventional forces, the nature of the IRGC's military and intelligence structures rely heavily on asymmetric doctrines, strategies, and technologies revolving in particular around naval- and missile-based warfare methods that are not capital-intensive (Fars News Agency, September 29; Fars News Agency September 28). In addition to introducing new weapons systems into its arsenal, the IRGC also claims to conduct advanced training for its forces and to provide its ranks with key equipment upgrades (Fars News Agency, June 29). While declaring what they see as Iran's position as the "most powerful" country in the Middle East, IRGC officials are also quick to boast of Iran's ability to adapt its defense posture and employ asymmetric concepts to defend against technologically superior adversaries (Press TV, September 13; Fars News Agency, September 23; Fars News Agency, September 9).

The IRGC also regularly threatens to retaliate in response to a U.S. or Israeli attack against Iran; the IRGC has threatened to strike 32 U.S. military bases

in the Middle East and to close the Strait of Hormuz, the strategic waterway that links the Persian Gulf to the Gulf of Oman and the Arabian Sea, through which approximately 40 percent of the world's seaborne oil passes daily (Fars News Agency, August 22). Because of the IRGC's crucial role in Iranian defense, Tehran will also surely redirect funds usually earmarked to support other sectors to maintain the group's capabilities. At the same time, any diversion of funds from other sectors to bolster the IRGC has the potential to cause instability. As the sanctions target the networks of front companies and subsidiaries attached to IRGC firms, Tehran is also likely to establish new front companies and subsidiaries to circumvent sanctions blacklists. In this regard, – at least in the near- to medium-terms – a further clampdown against the IRGC's economic wing will have a negligible impact on the group's ability to defend Iran against a potential U.S. or Israeli attack or to further other Iranian interests.

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Notes:

1. See United Nations Security Council Resolution 1929, UNSC/9948, June 9, 2010.
2. In an effort to undermine U.S.-led efforts to isolate it in the international community, Iran has expanded its diplomatic and economic presence across Latin America and the Caribbean, especially in countries such as Venezuela and others that have emerged to challenge the U.S. position in the region. See "Iran's Military Power," Statement before the Committee on Armed Services, United States Senate, April 14, 2010, Lieutenant General Ronald L. Burgess, Jr., United States Army, Director, Defense Intelligence Agency, <http://armed-services.senate.gov/statemnt/2010/04%20April/Burgess%2004-14-10.pdf> .