



CRS Report for Congress

Iran's Influence in Iraq

Kenneth Katzman
Specialist in Middle Eastern Affairs
Foreign Affairs, Defense, and Trade Division

Summary

Iran's influence over the post-Saddam government in Iraq is substantial and growing because the dominant parties in Iraq have long-standing ties to Tehran. A key U.S. concern is that Iran, seeking to ensure the political prospects of its proteges, has expanded support for Shiite militias that are responsible for much of the sectarian violence. Since December 2006, the Administration has stepped up efforts to reverse Iranian influence in Iraq, but some see this as an indication that the Administration intends to confront Iran more broadly. This report will be updated. See CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

Background

The significance of the issue of Iranian influence in Iraq derives not only from the U.S. interest in stabilizing Iraq but also from tensions between the United States and Iran over Iran's nuclear and regional ambitions. Now that the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein has been removed, the thrust of Iran's strategy in Iraq has been to perpetuate domination of Iraq's government by pro-Iranian Shiite Islamist leaders, as well as to obtain leverage against the United States to forestall a potential confrontation. Iran sees control of Iraq by friendly Shiite parties as providing Iran with "strategic depth," ensuring that Iraq remains pliable and attentive to Iran's interests. At the same time, Iran's aid to Iraqi Shiite parties and their militias is contributing to sectarian violence that, in addition to causing about 3,000 Iraqi civilian casualties per month, is threatening the U.S. stabilization effort as well as U.S. and partner forces in Iraq.

For the first two years after the fall of Saddam Hussein, Iran's leaders and diplomats sought to persuade all Iraqi Shiite Islamist factions in Iraq to work together through a U.S.-led political process, because the number of Shiites in Iraq (about 60% of the population) virtually ensures Shiite dominance of government. To this extent, Iran's goals in Iraq differed little from the main emphasis of U.S. policy in Iraq, which was to set up a democratic process that reflects majority preferences. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the two parliamentary

elections in 2005. The UIA bloc won 128 of the 275 Assembly seats in the December 15, 2005, election. The UIA includes Iran's primary Shiite Islamist protégés in Iraq — the Supreme Council for the Islamic Revolution in Iraq (SCIRI), the most pro-Iranian of the groups, and the Da'wa (Islamic Call) party. Also in the UIA bloc is the faction of Moqtada Al Sadr, whose ties to Iran are less well developed because his family remained in Iraq during Saddam's rule. Most SCIRI leaders spent their years of exile in Iran. Like his predecessor as Prime Minister, Ibrahim al-Jafari, Nuri al-Maliki is from the Da'wa Party, although Maliki spent most of his exile in Syria, not Iran.

Iran's closest and most powerful ally in Iraq is SCIRI's leader, Abdul Aziz al-Hakim. In October 2006, he successfully pushed for legislation that would allow an early federation of Shiite provinces in southern Iraq into a large, relatively autonomous region. Iran supports that concept because a Shiite region would further integrate economically and politically with Iran. However, that initiative alarmed Iraq's Sunni Arabs, who fear that the Shiites will use their new region to control Iraq's large oil resources, much of which are concentrated in southern Iraq. The Shiite region has customarily accounted for about two-thirds of Iraq's oil exports; the other third is exported from the Kurdish north.

Of greater concern to U.S. officials is the continuing fielding of militias by the major Shiite groupings. The militias are widely accused of the sectarian violence against Sunnis that is gripping Iraq, although Iraqi Shiites say they are retaliating for Sunni violence against Shiites. U.S. officials' reports say that sectarian violence is now the leading security problem in Iraq. SCIRI controls a militia called the "Badr Brigades" (now renamed the "Badr Organization"), which numbers about 20,000. The Badr Brigades were formed, trained, and equipped by Iran's Revolutionary Guard, politically aligned with Iran's hardliners, during the Iran-Iraq war. During that war, Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials, although the Badr forays did not spark broad popular unrest against Saddam Hussein's regime. Badr fighters are playing unofficial policing roles in Basra and other Shiite cities, and those Badr members that have joined the national Iraqi police and military forces are widely said to retain their loyalties to Badr and SCIRI.

The Badr fighters have purportedly been involved in sectarian killings, although to perhaps a lesser extent than the other major Shiite militia, the "Mahdi Army" of Moqtada Al Sadr. The December 6, 2006, Iraq Study Group report says the Mahdi Army might now number about 60,000 fighters, and the November 2006 "Measuring Stability and Security in Iraq" report by the Defense Department says the Mahdi Army has replaced Al Qaeda-Iraq as "the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq." The Mahdi Army was formed in mid-2003 when the 32-year-old Moqtada Al Sadr, whose base is generally anti-U.S., sought to forcibly oppose U.S. forces in Iraq. U.S. military operations put down Mahdi Army uprisings in April 2004 and August 2004 in Sadr City (a Shiite-inhabited slum area of Baghdad), Najaf, and other Shiite cities. In each case, fighting was ended with compromises under which Mahdi forces stopped fighting in exchange for amnesty for Sadr himself. From August 2004 until mid-2006, Mahdi fighters patrolled Sadr's Baghdad political base of "Sadr City" and parts of other Shiite cities, particularly in Basra, enforcing conformity with Islamic and traditional behavior norms.

Iran has come to see Moqtada Al Sadr as a growing force in Iraqi politics. He is a scion of the revered Sadr clan; his great uncle, Mohammad Baqir Al Sadr, was a

contemporary and ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. He has a large and dedicated following particularly among lower-class Iraqi Shiites, some of whom are able to receive medical treatment in Iran under Sadr's auspices, and his support has been crucial to the political fortunes of Prime Minister Maliki. Iran's strategy thus far apparently has been to build ties to Sadr and coax him into cooperating with SCIRI and the Da'wa groups, while indulging his requests for material assistance for his Mahdi Army. However, that Iranian assistance has added to U.S.-Iran tensions, because, since mid-2006, Mahdi forces have clashed with U.S. forces in Baghdad and elsewhere on a few occasions and there have been several U.S. military deaths by bombings in Sadr City. Mahdi assertiveness in Basra has contributed to occasional violence in that normally quiet city, including the deaths of about 25 British soldiers in that time frame. Mahdi attacks on a British base near Amara in southern Iraq in July 2006 contributed to a British decision to abandon the base. On the other hand, recent reports say that Sadr does not necessarily control hardline commanders in the Mahdi Army, who have been strengthened by popular Shiite sentiment to exact revenge against Sunnis, and that some of these extreme Mahdi elements might be behind the extensive sectarian killings in Baghdad, Diyala, and elsewhere.

Iranian leaders have also cultivated ties to Grand Ayatollah Ali al-Sistani, the 75-year-old Iranian-born Shiite cleric who is de-facto leader of mainstream Shiite Islamists. However, Sistani has differed with Iran's doctrine of direct clerical involvement, and he has resisted political direction from Iran. Iran's interest in Sistani might be declining as Sistani's influence over Iraqi Shiites has waned. Sistani has called on Shiites not to be drawn into civil conflict with the Sunnis, but many Iraqi Shiites turning to hard-line Shiites such as Sadr who are willing to combat Sunnis by any means available.

Assertions of Iranian Support to Armed Groups

Iranian influence in Iraq has added to U.S.-Iran tensions over Iran's nuclear program and regional ambitions, such as its aid to Lebanese Hezbollah. U.S. and allied officials assert that Iran is providing financial and materiel support to the Shiite militias discussed above, although a few reports say some of the weapons might also be flowing to Sunni insurgents. In providing support to armed groups, Iran might be seeking to develop a broad range of options in Iraq that includes sponsoring violence to pressure U.S. and British forces to leave Iraq, or to bog down the United States militarily and thereby deter it from action against Iran's nuclear program. On the other hand, Iran might not necessarily want attacks on U.S. forces because a U.S. departure from Iraq, if that were the result, might leave the pro-Iranian government in Baghdad vulnerable to collapse. Those who believe Iran is proceeding cautiously in Iraq tend to view Iran's aid to Shiite militias as a means of increasing its influence over them.

On several occasions over the past year, senior U.S. and allied military officials and policymakers have asserted that U.S. forces have found Iranian-supplied explosives, reportedly including highly lethal shaped explosives that can destroy U.S. armor:

- In March 2006, then Defense Secretary Rumsfeld, Joint Chiefs of Staff Chairman Peter Pace, and Commander of U.S. Central Command (CENTCOM) Gen. John Abizaid asserted that Iran's Revolutionary Guard — particularly its "Qods (Jerusalem) Forces" that conduct

activities outside Iran in support of Shiite movements — is assisting armed factions in Iraq with explosives and weapons.

- On August 23, 2006, Brig. Gen. Michael Barbero, deputy chief of operations of the Joint Staff, said the Iranian government is training, funding, and equipping Shiite militiamen in Iraq. On September 28, 2006, Maj. Gen. Richard Zahner, deputy chief of staff for intelligence of the Multinational Force-Iraq (MNF-I), said that the labels on C-4 explosives found with Shiite militiamen in Iraq prove that the explosives came from Iran. He added that only the Iranian military apparatus controls access to such military-grade explosives.¹
- On September 19, 2006, Gen. Abizaid said that U.S. forces had found weaponry in Iraq that likely came from Iran, including a dual-warhead rocket-propelled-grenade RPG-29, as well as Chinese-made rockets. He added that Lebanese Hezbollah members were conducting training in Iran and that they could also be training Iraqi Shiite militiamen but that “[these linkages are] very, very hard to pin down with precision.”²
- There is no firm information on how many representatives of the Iranian government or its institutions might be in Iraq. However, one press report says there are 150 Iranian Qods Forces and intelligence personnel in Iraq.³ In December 2006, U.S. forces arrested two Qods Forces senior officers in the compound of SCIRI leader Hakim, where they were allegedly meeting with Badr Brigade leader (and member of parliament) Hadi al-Amiri; the two were later released under Iraqi government pressure. In January 2007, another five Iranian agents were arrested in a liaison office in the Kurdish city of Irbil. Iran and the Kurds say they were performing legitimate duties.
- On January 31, 2007, the commander of Multinational Corps-Iraq, Lt. Gen. Ray Odierno, said that the United States had traced back to Iran serial numbers of weapons captured in Iraq. The armaments included rocket-propelled grenades, roadside bombs, and Katyusha rockets.

Some might argue that the U.S. accounts have some inconsistencies. High-explosive shaped charges are being used primarily by Sunni insurgents against U.S. armor, and far less so by Shiite militias who generally field light weapons and have not attacked U.S. forces often, to date. This raises the question of whether or not Iran, as a deliberate policy, is aiding Sunni insurgent groups as a means of harming U.S. forces, or whether these explosives are reaching Sunni groups without official Iranian involvement. Other questions have arisen over the quality of U.S. evidence; a U.S. briefing to detail evidence

¹“Iranian Government Behind Shipping Weapons to Iraq.” *American Forces Press Service*, Sept. 28, 2006.

² “New Weapons From Iran Turning Up on Mideast Battlefields: Abizaid.” *Agence France Presse*, Sept. 19, 2006.

³ Linzer, Dafna. “Troops Authorized To Kill Iranian Operatives in Iraq,” *Washington Post*, January 26, 2007.

of Iranian involvement in Iraq, planned for late January 2007, has been postponed repeatedly. Others question U.S. assertions that Iran might have helped insurgents conduct a January 20, 2007, attack on a U.S.-Iraq liaison facility in Karbala, in which five U.S. soldiers were killed.

Iranian Influence Over Iraqi Political Leaders

Since the fall of Saddam Hussein, Iran has exercised substantial political and economic influence over and mentorship of the Iraqi government, although some of Iran's economic initiatives do not necessarily conflict with the U.S. goal of reconstructing Iraq and its economy. During exchanges of high-level visits in the summer of 2005, including a large Iraqi delegation led by interim Prime Minister Ibrahim al-Jafari in July 2005, Iraqi officials essentially took responsibility for starting the 1980-1988 Iran-Iraq war, and indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict. During a defense ministerial exchange that same month, the two countries signed military cooperation agreements, as well as agreements to open diplomatic facilities in Basra and Karbala (two major cities in Iraq's mostly Shiite south) to establish and agreements on new transportation and energy links (oil swaps, provision of cooking fuels and 2 million liters per day of kerosene to Iraqis and future oil pipeline connections). Iran offered Iraq a \$1 billion credit line as well, some of which is being used to build roads in the Kurdish north and a new airport near Najaf, a key entry point for Iranian pilgrims visiting the Imam Ali Shrine there. The two have developed a free trade zone around Basra, and bilateral trade has burgeoned to an estimated \$3 billion per year, as of mid-2006. In a January 28, 2007, interview, Iran's Ambassador to Iraq, Hassan Kazemi Qomi (appointed in May 2006), said Iran planned several new initiatives, including opening Iranian banks in Iraq and providing additional electricity to Iraq (beyond that already sent through Iraq's Diyala Province), and he reiterated the offer to help train and equip Iraqi security forces. Iraqi officials have previously said that any military cooperation would be limited to border security, landmine removal, and information sharing.

Some observers say that Iran is moving to shape the policies of Iraq's government. Shortly after the Maliki government took office on May 20, 2006, Iran's Foreign Minister Manuchehr Mottaki led a high-profile visit to Iraq. During that visit, Iraq supported Iran's right to pursue nuclear technology "for peaceful purposes," while also stating that Iraq does not want "any of [its] neighbors to have weapons of mass destruction."⁴ Maliki visited Iran during September 13-14, 2006, meeting all major Iranian leaders and signing memoranda of understanding to facilitate cross border immigration, exchange intelligence, and expand commerce. During the visit, Maliki said that members of the Iranian opposition group People's Mojahedin Organization of Iran (PMOI), who were based in Iraq during Saddam's rule and are now confined by U.S.-led forces to a camp near the Iranian border, would have six months to leave Iraq. In November 2006, Iraq's President Jalal Talabani, a Kurdish leader, visited Iran and met senior leaders.

Some believe Iran's influence will fade over the long term. Iraq's post-Saddam constitution does not establish an Iranian-style theocratic government, and rivalry between Iraq's Shiite clerics and those of Iran might increase if Najaf re-emerges as a

⁴ "Clarification Statement" issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

key center of Shiite Islamic scholarship to rival Qom in Iran. Other experts note that most Iraqi Shiites generally stayed loyal to the Iraqi regime during the 1980-1988 Iran-Iraq war. Although exchanges of prisoners and remains from the Iran-Iraq war are mostly completed, Iran has not returned the 153 military and civilian aircraft flown to Iran at the start of the 1991 Gulf War, although it has allowed an Iraqi technical team to assess the condition of the aircraft (August 2005). On the other hand, territorial issues are mostly resolved as a result of an October 2000 agreement to abide by the waterway-sharing and other provisions of their 1975 Algiers Accords. (Iraq abrogated that agreement prior to its September 1980 invasion of Iran.)

U.S. Responses and Prospects

The Iraq Study Group final report's first recommendation is that the United States include Iran (and Syria) in multilateral efforts to stabilize Iraq. Even before the Study Group report, U.S. officials, eager to try to stabilize Iraq, had tried to engage Iran on the issue. In December 5, 2005, U.S. Ambassador to Iraq Zalmay Khalilzad stated that he had received President Bush's approval to undertake negotiations with Iranian counterparts in an effort to enlist Iranian cooperation in Iraq. The United States and Iran confirmed in March 2006 that they would conduct direct talks on the issue of stabilizing Iraq. However, U.S. officials opposed Iran's efforts to expand such discussions to bilateral U.S.-Iran issues, including Iran's nuclear ambitions, and no talks were held.

The Bush Administration did not endorse the Iraq Study Group recommendation on engaging Iran as part of a solution in Iraq, and has instead launched several initiatives to limit Iran's influence there. In an interview with journalists on December 14, 2006, Secretary of State Rice said that the United States would not likely bargain with Iran — such as electing not to try to sanction Iran for its nuclear program advancement — to obtain its assistance in stabilizing Iraq.⁵ In his January 10, 2006, speech announcing a U.S. troop buildup in Baghdad, President Bush stated that the United States would “interrupt the flow of support from Iran and Syria...[and would] seek out and destroy the networks providing advanced weaponry and training to our enemies in Iraq.” In that speech, he also announced deployment of an additional aircraft carrier group to the Persian Gulf and extended deployment of Patriot anti-missile batteries reportedly stationed in Kuwait and Qatar — moves that most experts say are intended to demonstrate U.S. capabilities to counter Iran, if necessary. Other reports say the Administration plans new air patrols along the Iran-Iraq border. President Bush, in a January 31, 2007, press interview, reportedly confirmed prior reports that he had authorized U.S. forces in Iraq to treat Iranian agents in Iraq as combatants if they are observed actively assisting armed elements in Iraq. Some Members and outside experts have taken the view that the Administration moves suggest planning for major military action against Iran, and several resolutions (H.Con.Res 33, H.J.Res. 14, and H.R. 770) and Member statements say that the President should seek authorization from Congress for military action against Iran. The Administration asserts that its policy thrust remains multilateral diplomacy and sanctions to isolate Iran and try to change its behavior, although some experts see potential for miscalculation that could escalate into larger scale U.S.-Iran conflict.

⁵ Kessler, Glenn. “Rice Rejects Overture to Iran and Syria,” *Washington Post*, Dec. 15, 2006.