



CRS Report for Congress

Iran's Influence in Iraq

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Summary

Iran is building substantial influence in post-Saddam Iraq, in large part because the dominant parties in Iraq have long-standing ideological, political, and religious sectarian ties to Tehran. A key U.S. concern is that Iran, seeking to ensure the political prospects of its proteges, supports Shiite militias that are committing sectarian violence. Since December 2006, the Administration has tried to reverse Iranian influence in Iraq while also engaging Iran diplomatically on Iraq. 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. With the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein 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 has threatened the U.S. stabilization effort as well.

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 an elected 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. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the two parliamentary elections in 2005. The

bloc, which includes the Supreme Islamic Council of Iraq (SICI),¹ the most pro-Iranian of the groups, and the Da'wa (Islamic Call) party, won 128 of the 275 Assembly seats in the December 15, 2005, election. Most SICI 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. Also in the UIA is the faction of the 32-year-old Moqtada Al Sadr, whose ties to Iran are still developing because his family remained in Iraq during Saddam's rule. However, the Sadr clan has had ideological ties to Iran; Moqtada's great uncle, Mohammad Baqr Al Sadr, was a contemporary and ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. Iran also sees Sadr's faction — which has 30 seats in parliament and 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 — as a growing force in Iraqi politics.

Of greater concern to U.S. officials than the Iranian political support to Iraq's Shiite factions is Iranian material support to militias fielded 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. Prior to the February 2007 start of a U.S. "troop surge" in Baghdad, U.S. officials identified sectarian violence as the leading security problem in Iraq. SICI controls a militia called the "Badr Brigades" (now renamed the "Badr Organization"), which numbers about 20,000 but which has now purportedly burrowed into the still-fledgling Iraqi Security Forces (ISF). 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 in and outside the ISF have purportedly been involved in sectarian killings, although reportedly to 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. The Mahdi Army's ties to Iran are less well-developed than are those of the Badr Brigades because the Mahdi Army was formed by Sadr in mid-2003, after the fall of Saddam Hussein. 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. Since August 2004, Mahdi fighters have patrolled Sadr's Baghdad political base of "Sadr City" and parts of other Shiite cities, enforcing conformity with Islamic and traditional behavior norms. In order not to become a target of the U.S. "troop surge" in Baghdad, the Mahdi Army has reduced its patrols of Sadr City, and Sadr himself is reputed to be in Iran since March 2007. Mahdi attacks on a British base near Amara in southern Iraq in July 2006 contributed to a British decision to abandon the base and possibly to a February 2007 British decision to draw down its forces by 1,600 (out of 7,100) by July 2007. Twelve British soldiers were killed just in April 2007 in the British sector of southern Iraq, presumably by Mahdi elements.

¹ This group changed its name in May 2007 from the Supreme Council for the Islamic Revolution in Iraq (SCIRI).

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 Iran's Shiite community has become more radicalized and 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 are 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 material support to the Shiite militias in Iraq has added to U.S.-Iran tensions over Iran's nuclear program and regional ambitions, such as its aid to Lebanese Hezbollah. In providing such lethal weaponry to the Shiite militias, 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 military or diplomatic 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.

No firm information exists on how many representatives of the Iranian government or its institutions might be in Iraq. However, one press report said there are 150 Iranian Qods Forces and intelligence personnel in Iraq.² 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. They remain under arrest, and some speculate that the March 23, 2007, Iranian seizure of 15 British sailors patrolling off Iraq's coast might have been an attempt to compel Britain to persuade the United States to release the five Iranian agents. The British sailors were released from Iran on April 5, 2007, two days after an Iranian diplomat, Jalal Sharafi, arrested in Iraq by Iraqi gunmen under unclear circumstances on February 4, 2007, was released.

On several occasions over the past year, senior U.S. and allied military officials and policymakers have provided specific information on Iranian aid to Shiite militias.

- In March 2006, then Defense Secretary Rumsfeld, Joint Chiefs of Staff Chairman Peter Pace, and then 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. The Qods Force is an arm of the Iranian government, but some experts believe it might sometimes undertake actions not fully vetted with senior political leaders.

² Linzer, Dafna. "Troops Authorized To Kill Iranian Operatives in Iraq," *Washington Post*, January 26, 2007.

- 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.³
- 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.”⁴
- 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.
- In a February 11, 2007, U.S. military briefers in Baghdad provided what they said was specific evidence that Iran had supplied armor-piercing “explosively forced projectiles” (EFPs) to Shiite militias. EFPs have been responsible for 170 U.S. combat deaths from 2003 until April 2007, although this is many times lower than the number of U.S. deaths at the hands of Sunni insurgents.
- On April 11, 2007, when U.S. military officials said they had found evidence that Iran might also be supplying Sunni insurgent factions, although without asserting Iranian government approval for the shipments. Some experts believe such shipments would not comport with Iranian government objectives because Sunni insurgents are fighting Iran’s proteges and allies in Iraq.

Iranian Influence Over Iraqi Political Leaders

Since the fall of Saddam Hussein, Iran has exercised substantial political and economic influence on the Iraqi government, although some of Iran’s economic initiatives do not necessarily conflict with the U.S. goal of reconstructing Iraq. 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 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

³ “Iranian Government Behind Shipping Weapons to Iraq.” *American Forces Press Service*, September 28, 2006.

⁴ “New Weapons From Iran Turning Up on Mideast Battlefields: Abizaid.” *Agence France-Presse*, September 19, 2006.

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 extended 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 the approximately 20,000 Iranian pilgrims visiting the Imam Ali Shrine there each month. The two countries have developed a free trade zone around Basra, which buys electricity from Iran, and trade has increased to over \$3 billion per year,⁵ of which about one-third is between Iran and the Kurdish region in northern Iraq.

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, Iraqi officials (Foreign Minister Hoshyar Zebari) 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."⁶ 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 3,400 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. He reiterated the threat to expel them in February 2007, although U.S. officials say the fighters would not be expelled as long as U.S.-led forces have formal security responsibility in Iraq. In November 2006, Iraq's President Jalal Talabani, a Kurdish leader, visited Iran and met senior leaders. 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 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 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 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, bilateral territorial issues are mostly resolved as a result of an October 2000 bilateral re-commitment to recognize the *thalweg*, or median line of the Shatt al Arab waterway between them, as their waterway border. This was a provision of the 1975 Algiers Accords between the Shah of Iran and the Baathist government of Iraq. (Iraq abrogated that agreement prior to its September

⁵ "Iraq, Iran Set Up Free Trade Zone." *Azzaman* (Iraq), September 5, 2006. Available online at [http://www.bilaterals.org/article-print.php?id_article=5750].

⁶ "Clarification Statement" issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

1980 invasion of Iran.) On the other hand, the exact water border remains subject to interpretation, as demonstrated by differing accounts of whether the 15 British sailors seized on March 23, 2007, had violated Iran's waterway.

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 2005, then 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 agreed to such talks in March 2006, but U.S. officials opposed Iran's efforts to expand such discussions to bilateral U.S.-Iran issues and no talks were held.

The Bush Administration did not initially endorse the Iraq Study Group recommendation on engaging Iran as part of a solution in Iraq, and instead launched several initiatives to limit Iran's influence there. In his January 10, 2007, 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. 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. However, in an apparent shift that might have been caused by Administration assessments that pressure on Iran was increasing U.S. leverage, the United States supported and attended an Iraq-sponsored regional conference in Baghdad on March 10, 2007. Also attending were the Gulf monarchy states, Egypt, and the permanent members of the United Nations Security Council. Iran and Syria attended, as did the United States, with most participants terming the discussions "constructive." Both Secretary of State Rice and Iranian Foreign Minister Mottaki attended the follow up meeting in Egypt during May 3-4, 2007, but held no substantive bilateral discussions, according to both sides. However, U.S. Ambassador to Iraq Ryan Crocker attended the Egypt meeting and had some discussions with Mottaki's subordinates, and the two countries subsequently agreed to hold talks in Baghdad on May 28, 2007, confined to the Iraq issue and attended by Iraqi diplomats.

Despite the burgeoning U.S.-Iran diplomacy on Iraq, the Administration has continued to pressure Iran on Iraq issues. On March 24, 2007, the U.N. Security Council unanimously adopted Resolution 1747 on the Iran nuclear issue. However, the Resolution has a provision banning arms exports by Iran, a provision clearly directed at Iran's arms supplies to Iraq's Shiite militias as well as to other pro-Iranian movements such as Lebanese Hezbollah. The Resolution could provide legitimacy for enhanced U.S. searches of truck or other traffic from Iran into Iraq under the umbrella of enforcing the Resolution.