



CRS Report for Congress

Iran's Influence in Iraq

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

Summary

Iran is actively assisting the major Shiite Muslim political factions in Iraq, most of which have longstanding ideological, political, and religious sectarian ties to Tehran. A key U.S. concern is that Iran is purportedly arming the militias fielded by those factions - militias that are committing sectarian violence and, to some extent, attacking U.S. forces. 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*.

Background

Iran's influence in Iraq is a significant issue not only because of the U.S. need to stabilize Iraq but also because of 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 acquire "strategic depth" in Iraq by perpetuating domination of Iraq's government by pro-Iranian Shiite Islamist leaders, and thereby obtaining leverage against the United States to forestall a potential confrontation. At the same time, Iran's aid to Iraqi Shiite parties and their militias is contributing to sectarian violence that the United States says is hindering U.S. stabilization efforts.

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 election 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

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

of the groups, and the Da'wa (Islamic Call) party, won 128 of the 275 seats in the December 15, 2005, election for parliament. 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 political ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. Iran also sees Sadr's faction — which has 32 seats in parliament and a large and dedicated following, particularly among lower-class Iraqi Shiites — 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 and which has been repeatedly identified by U.S. officials as a leading security challenge, although Iraqi Shiites say they are retaliating for Sunni violence against them. 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), particularly the National Police. The Badr Brigades were 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 to a lesser extent than 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 Sadr stronghold in 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 City and, as of August 2007, are increasingly challenging SICI, Iraqi government forces, and U.S. and British forces for control of such Shiite cities as Diwaniyah, Nassiriyah, Basra, and Amarah. In order not to become a target of the U.S. "troop surge" in Baghdad, Sadr himself has been in Iran for much of the time since March 2007.

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

¹ (...continued)
in Iraq (SCIRI).

Shiites has waned. Sistani has called on Shiites not to be drawn into civil conflict with the Sunnis, a call increasingly unheeded as Shiite civilians seek physical protection.

Assertions of Iranian Support to Armed Groups

Iranian material support to armed factions 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, Iran might be seeking to develop a broad range of options in Iraq that includes pressuring 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.

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 SICI 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, reportedly against the urging of Iraq's Kurdish leaders. They remain under arrest until at least October 2007 when their case will be reviewed. Iranian diplomats were allowed access to the five on July 7, 2007, and the Iranians reportedly were told that there are two other Iranian government employees held by U.S. forces. On April 3, 2007, an Iranian diplomat, Jalal Sharafi, arrested by Iraqi gunmen under unclear circumstances on February 4, 2007, was released. Some speculated that the release was to promote Iran's release of 15 British sailors seized by Iran on March 23, 2007 and held until April 5, 2007.

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

- On August 23, 2006, Brig. Gen. Michael Barbero, deputy chief of operations of the Joint Staff, said the Iranian government (the Revolutionary Guard's "Qods (Jerusalem) Forces" that conduct activities outside Iran in support of Shiite movements) 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 (which would include the Qods Force) controls access to such military-grade explosives.³
- On January 31, 2007, the commander of Multinational Corps-Iraq, Lt. Gen. Ray Odierno, said that the United States had traced back to Iran

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

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

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. However, in August 2007, Odierno said that EFP’s accounted for one-third of the 79 U.S. troop deaths in July 2007, and that the Shiite militias accounted for 73% of the attacks that killed or wounded U.S. soldiers that month. He added that Iran had supplied the Shiite militias with 122 millimeter mortars that are increasingly used to fire on the International Zone in Baghdad.
- On April 11, 2007, U.S. military officials said they had found evidence that Iran might also be supplying Sunni insurgent factions, although without asserting Iranian government approval. Some experts believe such shipments would not comport with Iranian government objectives because Sunni insurgents are fighting Iran’s proteges and allies in Iraq.
- On July 2, 2007, Brig. Gen. Kevin Begner, in a briefing for journalists, said that the Qods Force is using Lebanese Hezbollah to train and channel weapons to Iraqi Shiite militia fighters, and that Iran is giving up to \$3 million per month to its protege forces in Iraq. Bergner based his information on the March 2007 capture — in connection with a January 2007 attack on U.S. forces in Karbala — of former Sadr spokesman Qais Khazali and Lebanese Hezbollah operative Ali Musa Daqduq.

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 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 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 a defense ministerial exchange that 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) and to begin 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 dramatically. Iraq is now Iran’s second largest non-oil export market, buying about \$1 billion worth of goods from Iran during January - September 2006 (\$1.3 billion on an annualized basis), according to Iran’s Trade Planning Division (December 2006 fact sheet).

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."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 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 be expelled from Iraq. He reiterated the expulsion threat 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.

In Maliki's most recent visit to Iran (August 8-9, 2007), Maliki reportedly sought Iran's intercession with Iraq's Sunni Muslim neighbors to calm Sunni forces in Iraq, although Iran has little leverage over these states. At a news conference on August 9, President Bush said that if the visit resulted in official Iraqi opinion that Iran is being "constructive" in Iraq, the President would disagree with that assessment because Iran is a "destabilizing factor" in Iraq.

Some believe Iran's influence will fade over the long term. Iraq's post-Saddam constitution does not establish an Iranian-style theocracy, 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. Others 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). Iraq is said to be stepping up its efforts to obtain the return of the planes; U.S. forces have not transferred any combat aircraft to the new Iraqi air force to date reportedly out of concern about potential Iraqi misuse of a combat air capability. 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 1980 invasion of Iran.) However, the water border remains subject to interpretation, as demonstrated by differences over whether the 15 seized British sailors had violated Iran's waterway.

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

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, instead launching 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. However, in a 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. 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. U.S. Ambassador to Iraq Ryan Crocker attended the Egypt meeting and had some discussions with Mottaki's subordinates, and the two countries subsequently held a high profile meeting in Baghdad on May 28, 2007, hosted by Maliki and confined to the Iraq issue. U.S. officials said both sides presented similar visions of governance in Iraq, but U.S. officials said the dialogue would be evaluated by whether the United States saw evidence that Iran was ending some of the arming and training activity discussed earlier. Another round of talks was held on July 24; it reportedly included mutual accusations but resulted in an agreement to establish a working group to discuss ways to stabilize Iraq. This working group met for the first time on August 6, 2007.

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. 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 provides additional legitimacy for U.S. searches of truck or other traffic from Iran into Iraq under the umbrella of enforcing the Resolution.