



CRS Report for Congress

Iran's Influence in Iraq

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Summary

Iran's influence over the post-Saddam government in Iraq is substantial 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, supports Shiite militias that are committing much of the sectarian violence. Since December 2006, the Administration has stepped up efforts to reverse Iranian influence in Iraq, while also conducting limited engagement with Iran 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. 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 1,800 to 3,000 Iraqi civilian casualties per month, is threatening 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 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

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 03 APR 2007		2. REPORT TYPE		3. DATES COVERED 00-00-2007 to 00-00-2007	
4. TITLE AND SUBTITLE Iran's Influence in Iraq				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Avenue, SE, Washington, DC, 20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

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.

Of greater concern to U.S. officials than the Iranian political support to Iraq's Shiite factions is Iranian 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. 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. 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. Sadr was not in exile during Saddam's rule and did not forge close ties to Iranian leaders. However, Iran has come to see Sadr as a growing force in Iraqi politics, and it has purportedly indulged his requests for advanced bombs and other weaponry. He is a scion of the revered Sadr clan; his 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. 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. 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, particularly in Basra, enforcing conformity with Islamic and traditional behavior norms. At the behest of Sadr, who himself is reputed to be in Iran as of March 2007, the Mahdi Army has stopped patrolling Sadr City so as not to challenge the U.S. "troop surge" in Baghdad.

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 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 February 2007, U.S. defense officials said that Iranian-made "explosively forced projectiles" (EFPs) fielded by Shiite militias had been responsible for 170 U.S. combat deaths since the fall of Saddam Hussein, although that is many times lower than the number of U.S. deaths at the hands of Sunni insurgents. Mahdi attacks on a British base near Amara in southern Iraq in July 2006 contributed to a British decision to abandon the base, and about 40 British soldiers have been killed in and around Basra over the past year, presumably by Mahdi elements. 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 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.

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 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.
- 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

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

- 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
- 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 briefing in Baghdad, U.S. briefers provided what they said was specific evidence that Iran had supplied EFPs to Shiite militias.
- 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. They remain under arrest, and some speculate that the March 23, 2007, Iranian seizure of 15 British sailors patrolling off Iraq’s coast might be an attempt to compel Britain to persuade the United States to release the five Iranian agents. (Suggesting movement in resolving the British sailor dispute, an Iranian diplomat, Jalal Sharafi, arrested in Iraq by Iraqi gunmen under unclear circumstances on February 4, 2007, was released on April 3, 2007.)

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 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)

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*, Jan. 26, 2007.

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 Iranian pilgrims visiting the Imam Ali Shrine there. The two have developed a free trade zone around Basra, and total trade has increased to over \$3 billion per year.

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 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 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 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 1980 invasion of Iran.) On the other hand, interpretations of the exact water border remain subject to interpretation, as demonstrated by the differing accounts of whether the 15 British sailors seized on March 23, 2007, had violated Iran's waterway. Under their responsibilities as part of the U.S.-led coalition that is responsible for peacekeeping in Iraq (U.N. Security Council Resolution 1546, of June 8, 2004), the seized sailors were

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

patrolling Iraq's waterways to protect its oil platforms and to search ships alleged to be smuggling Iraqi oil or shipping contraband weaponry to the warring factions.

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, 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 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 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 — 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. 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," and a follow-on meeting, possibly in Istanbul, is planned for April 2007. Regional working groups on Iraq's border security, fuel supplies, and Iraqi refugees were established under this new diplomatic framework.

After the March 10 conference, the Administration 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.