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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

LAURA SWANSON, STAFF DIRECTOR
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June 10, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Yellen:

I am deeply concerned the Biden administration may soon rejoin the flawed Joint Comprehensive Plan of Action (JCPOA) and—to the grave detriment of the national security of the United States and our allies—provide Iran, the world’s foremost state sponsor of terrorism, billions of dollars in sanctions relief.

The regime in Tehran has only grown more belligerent since President Biden came into office. Iran’s Islamic Revolutionary Guard Corps Navy (IRGCN) has harassed U.S. ships on at least three occasions;¹ Iran-backed militias regularly strike American interests in Iraq, including troops, totaling around 30 attacks since February;² Iranian warships appear to be headed to the Americas;³ Tehran’s Houthi terrorist proxies fire missiles at civilians in Yemen and Saudi Arabia;⁴ Iran-funded Hamas indiscriminately rains thousands of rockets on our closest partner in the region, Israel;⁵ and the Islamic Republic has accelerated uranium enrichment to 63%, a short step from weapons grade.⁶

Make no mistake: Iran aims to leverage this aggression into extorting concessions from the administration amid nuclear talks. Capitulating to terrorism and nuclear blackmail has encouraged, and will continue to encourage, further malign behavior. The JCPOA does not address Iran’s missile program nor terrorism sponsorship, but instead frees up billions to finance Tehran’s destabilizing activities throughout the region. We have been down this road before. After the

¹ Eric Schmitt, *U.S. Vessel Fires Warning Shots at Iranian Patrol Boats*, THE NEW YORK TIMES (May 10, 2021), <https://www.nytimes.com/2021/05/10/us/politics/us-iran-navy.html>.

² Agence France Presse, *Rockets Target Iraqi Base Hosting US Troops*, ALARABIYA (May 3, 2021), <https://english.alarabiya.net/News/middle-east/2021/05/02/Two-rockets-target-Iraq-s-Baghdad-airport-base-housing-US-troops>.

³ Lara Seligman and Nahal Toosi, *Iranian warships appear to begin first Atlantic crossing as U.S. warns against weapons transfers*, POLITICO (June 4, 2021), <https://www.politico.com/news/2021/06/04/iran-warships-atlantic-crossing-weapons-transfers-491898>.

⁴ Reuters Staff, *Yemen’s Houthi’s attack Saudi oil heartland with drones, missiles*, REUTERS (March 8, 2021), <https://www.reuters.com/article/yemen-security-saudi-int-idUSKBN2B00I2>.

⁵ Dion Nissenbaum, Sune Engel Rasmussen and Benoit Faucon, *With Iranian Help, Hamas Builds ‘Made in Gaza’ Rockets and Drones to Target Israel*, THE WALL STREET JOURNAL (May 20, 2021), <https://www.wsj.com/articles/with-iranian-help-hamas-builds-made-in-gaza-rockets-and-drones-to-target-israel-11621535346>.

⁶ Francois Murphy, *Iran has enriched uranium to up to 63% purity, IAEA says*, REUTERS (May 11, 2021), <https://www.reuters.com/world/middle-east/iran-has-enriched-uranium-up-63-purity-iaea-report-says-2021-05-11/>.

JCPOA was signed in 2015, Iran ramped up military spending and funding of terror groups in Iraq, Yemen, Lebanon, and Gaza, facilitated Bashar al-Assad's carnage in Syria, and took seven Americans hostage.⁷

Nor does the JCPOA adequately address Iran's nuclear threat. In addition to arbitrary sunsets, Iranian nuclear material found by the International Atomic Energy Agency (IAEA) at multiple undeclared sites invalidates the very foundation of the accord, which was premised on full disclosure of Iran's nuclear past and present.⁸ Tehran's noncooperation has led the nuclear inspectorate's chief to conclude this week: "The lack of progress in clarifying the agency's questions concerning the correctness and completeness of Iran's safeguards declarations seriously affects the ability of the IAEA to provide assurance of the peaceful nature of Iran's nuclear programme."⁹

As the Ranking Member of the Senate Committee on Banking, Housing, and Urban Affairs, with jurisdiction over financial institutions and the U.S. Department of the Treasury's Office of Terrorism and Financial Intelligence, I am particularly troubled by reports that the administration is preparing to lift restrictions on significant economic entities, including the Central Bank of Iran and the National Iranian Oil Company (NIOC).¹⁰ These firms were designated as terrorism-supporting entities following a 2017 law mandating terrorism sanctions on IRGC agents and affiliates.¹¹ Even former President Obama did not lift terrorism designations when signing the JCPOA. Meanwhile, since the beginning of the Biden administration, U.S. sanctions¹² have been flagrantly violated by America's strategic rival China, which has imported a record amount of Iranian oil.¹³

Given the high stakes and urgency of these issues, I request that you provide all information requested below by no later than June 25, 2021:

1. All reports or other assessments describing or referring to the national security implications of providing billions of dollars in sanctions relief to the IRGC-controlled

⁷ Saeid Golkar and Kasra Aarabi, *The View From Tehran: Iran's Militia Doctrine*, TONY BLAIR INSTITUTE (February 11, 2021), <https://institute.global/policy/view-tehran-irans-militia-doctrine>; United States Department of State, *Outlaw Regime: A Chronicle of Iran's Destructive Activities* (September 17, 2020), <https://www.state.gov/wp-content/uploads/2020/09/Outlaw-Regime-2020-A-Chronicle-of-Irans-Destabilizing-Activity.pdf>.

⁸ See e.g., Jonathan Tirone, *Iran Inspections Show High Stakes for Vienna Nuclear Diplomacy*, BLOOMBERG (May 14, 2021), <https://www.bloomberg.com/news/articles/2021-05-14/iran-inspections-show-high-stakes-for-vienna-nuclear-diplomacy>.

⁹ Patrick Wintour, *US and Europe dismiss IAEA warning in hope of reviving Iran nuclear deal*, THE GUARDIAN (June 7, 2021), <https://www.theguardian.com/world/2021/jun/07/us-and-europe-dismiss-iaea-warning-in-hope-of-reviving-iran-nuclear-deal>.

¹⁰ Daphne Psaedakis and Arshad Mohammed, *U.S. tiptoes through sanctions minefield toward Iran nuclear deal*, REUTERS (May 17, 2021), <https://www.reuters.com/world/middle-east/us-tiptoes-through-sanctions-minefield-toward-iran-nuclear-deal-2021-05-17/>.

¹¹ Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44, August 2, 2017).

¹² See FY2012 National Defense Authorization Act (NDAA, P.L. 112-81, and December 31, 2011) and The Iran Freedom and Counter-proliferation Act Subtitle D of the FY 2013 National Defense Authorization Act (P.L. 112-239, January 2, 2013).

¹³ Benoit Faucon, *Iran Boosts Oil Exports Amid Nuclear Deal Talks*, THE WALL STREET JOURNAL (April 15, 2021); <https://www.wsj.com/articles/iran-boosts-oil-exports-amid-nuclear-deal-talks-11618497634>.

regime in Iran,¹⁴ including but not limited to, any analyses that have led the administration to conclude that lifting sanctions on Iran-affiliated terrorist entities furthers U.S. national interests;

2. Records¹⁵ sufficient to demonstrate the Biden administration's determination to enforce mandatory Iran oil sanctions on Chinese violators of (i) the Iran Freedom and Counter-Proliferation Act of 2012 (P.L. 112- 239) and/or (ii) Section 1245 of the Fiscal Year 2012 National Defense Authorization Act (P.L. 112-81); and
3. Records sufficient to demonstrate the steps the Biden administration will take to make good on its promise to reach a "longer and stronger" accord¹⁶ that will block Iran's nuclear pathways for generations and address the full range of Iranian threats, including terrorism, ballistic missiles, and the detention of U.S. nationals.¹⁷

Thank you for your attention to this matter. I look forward to working with you to ensure that any accord that the United States pursues fully upholds our laws and unequivocally advances the security of our nation.

Sincerely,



Pat Toomey
Ranking Member

cc: The Honorable Sherrod Brown, Chairman, Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Antony J. Blinken, Secretary, U.S. Department of State

¹⁴ See e.g., Farnaz Fassihi, *Iran's Foreign Minister, in Leaked Tape, Says Revolutionary Guards Set Policies*, THE NEW YORK TIMES (April 25, 2021), <https://www.nytimes.com/2021/04/25/world/middleeast/iran-suleimani-zarif.html>.

¹⁵ The term "records" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded or preserved, and whether original or copy.

¹⁶ See e.g., Steven Erlanger and David Sanger, *U.S. and Iran Want to Restore the Nuclear Deal. They Disagree Deeply on What That Means*, THE NEW YORK TIMES (May 9, 2021) ("Restoring the 2015 accord, with all its flaws, seems doable . . . But getting what Secretary of State Antony J. Blinken has called a 'longer and stronger' accord — one that stops Iran from amassing nuclear material for generations, halts its missile tests and ends support of terrorist groups — looks as far away as ever."), <https://www.nytimes.com/2021/05/09/world/middleeast/biden-iran-nuclear.html>.

¹⁷ In the event that records responsive to any of the above records requests are created after the date of this letter, I request that you promptly provide such records.