

Congress of the United States
Washington, DC 20515

September 4, 2024

The Honorable Joseph R. Biden
The President
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500-0005

Dear Mr. President:

We are writing concerning the impending visit of Hayyan Abdul-Ghani, the Minister of Oil from the Government of Iraq. There are multiple public reports alleging that Abdul-Ghani and other officials in the Iraqi government are involved in industrial-scale sanctions evasion on behalf of the regime in Iran. Given these reports, we respectfully request that your administration prevent Minister Abdul-Ghani from attending events in the United States until these allegations are investigated and the findings are presented to Congress. Further, if verified, we urge you to designate individuals and entities, as appropriate.

We are concerned by both public and private reports that Iraq's oil sector is being converted into a powerful and endemic means by which Iran-Aligned Militia Groups (IAMGs) and Iran's Islamic Revolutionary Guard Corps (IRGC) generate terrorist financing. A recent report by the Washington Institute of Near East Policy stated that the scale of the operation is significant, estimated to net nearly \$1 billion per year.¹ This is enabling U.S.-designated terrorist entities to facilitate mass sanctions evasion by allowing U.S.-sanctioned Iranian oil exports to reach the world market labeled as Iraqi oil.² Further, we are concerned that the scheme may include the abuse of Iraq's access to the U.S. dollar through oil sales to give Iran illicit access to the dollar.

We are also concerned that, given the scale of the trade, senior Iraq officials and their families, including those in the Iraqi Ministry of Oil and the Iraqi Ministry of Industry and Minerals, may be directly involved. This includes overseeing and profiting from corruption surrounding the allocation of Iraqi government fuel oil to companies owned or controlled by Asa'ib al-Haq (AAH), an Iranian-sponsored Iraqi organization that has been designated by the United States as a Foreign Terrorist Organization and a Specially Designated Global Terrorist. Other public reporting claims that Iraqi fuel has been diverted from its intended industrial uses and instead smuggled onto the international market, benefiting the IRGC and Iran's proxies in Iraq.³

¹ Michael Knights, "Extent of Terrorist and Militia Fuel Oil Diversion Exposed in Iraq," *The Washington Institute for Near East Policy*, August 7, 2024.

² Michael Lipin, "Tanker Trackers: After Iraqi Oil Blending Scheme, Iran Found Better way to Evade Sanctions," *VOA News*, August 18, 2022.

³ Knights, "Extent of Terrorist."

Another concern is that the Government of Iraq may be facilitating Iran's sanctions evasion by allowing Iranian crude to enter Iraq's offshore oil-loading areas, where it is mixed with Iraqi terrorist-smuggled oil and labeled as Iraqi products. This is another scheme that has been investigated by the Biden Administration and has raised public concerns in the past.⁴ This scheme increases the realized price of sanctioned Iranian crude to benefit Iran and the IRGC. It is highly likely that officials in the Iraqi Prime Minister's Office, Iraqi Ministry of Oil, State Oil Marketing Organization (SOMO), and Ministry of Transport are aware of, and complicit in, this sanctions evasion mechanism. Finally, we are also deeply concerned that as part of these illicit operations, Iran is using Iraq's general access to the dollar-denominated oil trade to gain access for itself to U.S. dollars.

Based on these reports, we request that you investigate and assess whether the Ministry of Oil, the State Organization for Marketing Oil, and the Oil Products Distribution Company, the General Company for the Ports of Iraq, the State Company for Mineral Industries, and any senior officials of those agencies, including Minister Abdul-Ghani, have engaged in sanctionable conduct or caused a U.S. person to violate sanctions, thereby engaging in prohibited conduct. Given the likely scale and timeframe of these evasion schemes, it is likely that they have been developed or expanded during the tenure of Minister Abdul-Ghani, drawing on his knowledge and resources as the former director of Basra Oil Company.

Further, we believe the United States must ensure that Iraq is not allowing IAMGs to smuggle Iraqi oil or facilitating sanctions evasion as sophisticated methods to service energy debts to Iran that avoid U.S. Treasury restrictions – something Iraqi Prime Minister Sudani has publicly stated he will seek to do.⁵ This is occurring while the Iraq-Turkey pipeline remains closed, which the Iraq Oil Ministry refuses to reopen, directly impacting oil exports from the Kurdistan Region and over \$5 billion in U.S. investment, including from the U.S. Development Finance Corporation.

We believe that a comprehensive review of these allegations should include three critical assessments.

First, an assessment of whether any of these individuals or entities have engaged in conduct that violates statutory Iran sanctions, such as the Iran Sanctions Act, and any of the regulations issued to enforce statutory sanctions and relevant executive orders.

Second, an assessment of whether individuals or entities have engaged in sanctionable or criminal conduct related to terrorism sanctions, including violations of Executive Order 13224 (Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism) or statutes applying criminal and civil penalties for providing material support to FTOs.

⁴ Ian Talley, "U.S. Eyes Sanctions Against Global Network It Believes Is Shipping Iranian Oil," *The Wall Street Journal*, July 31, 2022.

⁵ "Iraq to trade crude oil for Iranian gas to settle power debt, prime minister says," *Reuters*, July 11, 2023

Finally, it should include an assessment of whether violations of the recently passed Stop Harboring Iranian Petroleum Act (SHIP Act) have taken place. The SHIP Act, which was included in the national security supplemental appropriations legislation from April, mandates the imposition of sanctions against ports and port operators, refineries, and vessels that facilitate the trade in condensate, refined, or unrefined petroleum products, or other petrochemical products originating from Iran. We request that you review the above-mentioned individuals and entities in addition to the port and berth operators at Khor Al Zubair Port and Umm Qasr Port as well as vessel management in Iraqi offshore ship-to-ship transfer areas and at offshore Single-Point Moorings, in addition to other relevant persons.

We respectfully request that you expedite consideration of this request and provide us the determinations requested no later than September 30, 2024. Further, as this inquiry into Minister Abdul-Ghani conduct is ongoing and until such determinations are made, we respectfully request that he no longer be granted visas to the United States.

Thank you for your time and attention to this matter, and we look forward to receiving your expeditious response.

Sincerely,



French Hill
Member of Congress



Joe Wilson
Member of Congress



Michael Waltz
Member of Congress



Michael V. Lawler
Member of Congress



Kevin Hern
Member of Congress