

Iran: What Khamenei's Special Reappearance Means?

On October 29, the Justice Department announced that it had seized Iranian weapons bound for Yemen and sold 1.1 million barrels of Iranian oil bound for Venezuela. The government also unsealed two civil forfeiture complaints for the goods, which were intercepted in 2019 and 2020. The seizures were part of the Trump administration's efforts to curb Iran's intervention in the Middle East and cut off revenue streams to the regime.

The Qods Force - the external operations branch of the Revolutionary Guards - was responsible for the illicit shipments, Assistant Attorney General for National Security John Demers alleged. "These actions represent the government's largest-ever civil seizures of fuel and weapons from Iran," he said. "Our intentions are to take the funds successfully forfeited from the fuel sales and provide them to the U.S. Victims of State Sponsored Terrorism Fund after the conclusion of the case." The government sold the oil for about \$40 million.

Demers added that enforcing sanctions on Iran - "a leading state sponsor of terrorism and a worldwide destabilizing force" - was a top U.S. priority. Iran accounted for "more than 40 percent" of the Justice Department's prosecutions related to export controls and sanctions, he said.

The property in question was obtained through three seizures:

- On **Nov. 25, 2019**, and **Feb. 9, 2020**, U.S. Navy Central Command seized weapons from two flagless ships in the Arabian Sea, including 171 guided anti-tank missiles, eight surface-to-air missiles, land-attack cruise missile components, anti-ship cruise missile components, thermal weapons optics, and other components for missiles and unmanned aerial vehicles. The weapons were allegedly sent by the Qods Force and were intended for militant groups in Yemen.
- **On Aug. 14, 2020**, the United States seized the cargo of four oil tankers transporting 1.1 million barrels of gasoline to Venezuela. The Bella, Bering, Pandi, and Luna were reportedly handed over while en route to Houston after the United States threatened the ship owners, insurers and

captains with sanctions if they did not hand over their cargo.

The following is a press release from the Justice Department and remarks by Demers.

United States Files Complaint to Forfeit Iranian Missiles and Sells Previously-Transferred Iranian Petroleum

The Iranian Missiles Were Confiscated and the Iranian Petroleum Was Transferred From Ships in International Waters

The Justice Department today announced the filing of a complaint to forfeit two shipments of Iranian missiles that the U.S. Navy seized in transit from Iran's Islamic Revolutionary Guard Corps (IRGC) to militant groups in Yemen, as well as the sale of approximately 1.1 million barrels of Iranian petroleum that the United States previously obtained from four foreign-flagged oil tankers bound for Venezuela.

These actions represent the government's largest-ever forfeitures actions for fuel and weapons shipments from Iran.

"The two forfeiture complaints allege sophisticated schemes by the IRGC to secretly ship weapons to Yemen and fuel to Venezuela, countries that pose grave threats to the security and stability of their respective regions," said John Demers, Assistant Attorney General for National Security. "Iran continues to be a leading state sponsor of terrorism and a worldwide destabilizing force. It is with great satisfaction that I can announce that our intentions are to take the funds successfully forfeited from the fuel sales and provide them to the United States Victims of State Sponsored Terrorism Fund after the conclusion of the case."

"These actions demonstrate our commitment to working with all of our law enforcement partners to stem the flow of illicit weapons, oil, and money from Iran's Islamic Revolutionary Guard Corps and other organizations that would do harm to the United States," said U.S. Attorney Michael Sherwin for the District of

Columbia. “The U.S. Attorney’s Office for the District of Columbia will use all available tools, including our jurisdiction to seize and forfeit assets located abroad, to counter terrorist funding and weapons proliferation.”

“This case exemplifies the remarkable collaboration across government toward our shared goal of protecting the homeland from regimes that threaten our national security. This investigation sends a message that the attempted circumvention of U.S. sanctions and the avoidance of export conventions will not be tolerated,” said Derek Benner, Executive Associate Director for Homeland Security Investigations (HSI). “HSI will continue to use the full scope of its authorities and stand besides its partners in the U.S. and around the world keep weapons and assets out of the hands of adversarial regimes.”

“The FBI places a high priority on national security investigations targeting state-sponsored foreign terrorist organizations like the IRGC,” said FBI Minneapolis Special Agent in Charge Michael Paul. “We recognize and appreciate the hard work and dedication of the agents and prosecutors who secured forfeiture of the petroleum and prevented its proceeds from funding Iran’s campaign of violence and unrest throughout the Middle East.”

“The illegal exportation of sensitive technology to prohibited countries poses a significant threat to our national security,” said Dermot F. O’Reilly, Director, Defense Criminal Investigative Service (DCIS). “The complaint announced today is the direct result of joint investigative and analytical efforts with close partners in law enforcement and the Department of Defense. DCIS will continue to identify, disrupt, and bring to justice those who threaten U.S. military technology.”

U.S. Navy Central Command (NAVCENT) seized the weapons from two flagless vessels in the Arabian Sea on Nov. 25, 2019, and Feb. 9, 2020, respectively. The weapons included 171 guided anti-tank missiles, eight surface-to-air missiles, land-attack cruise missile components, anti-ship cruise missile components, thermal weapons optics, and other components for missiles and unmanned aerial vehicles.

On Aug. 20, 2020, the Justice Department filed a complaint seeking to forfeit the seized weapons in U.S. District Court for the District of Columbia. The forfeiture action is part of a larger investigation of an Iranian weapons smuggling network

responsible for the arms shipments. The network was involved in the illicit trafficking of advanced conventional weapons systems and components, including systems that contain U.S.-origin components, by sanctioned Iranian entities that directly support military action by the Houthis movement in Yemen and the Iranian regime's campaign of terrorist activities throughout the region.



On Feb. 9, 2020, U.S. authorities seized three type “358” surface-to-air missiles (above) and 150 “Dhelaveih” anti-tank guided missiles (below).



On July 2, 2020, the United States also filed a complaint in U.S. District Court for the District of Columbia seeking to forfeit all petroleum-product cargo aboard four foreign-flagged oil tankers. The petroleum originated in Iran, and the sale of that petroleum benefitted the IRGC, a sanctioned Iranian entity. In August 2020, the district court issued a warrant for arrest in rem and the United States

subsequently transferred approximately 1.1 million barrels of refined petroleum from the four vessels. The United States has now sold and delivered that petroleum.

The two forfeiture complaints allege sophisticated schemes by the IRGC to clandestinely ship weapons and fuel to sanctioned entities that pose grave threats to U.S. national security. Forfeiture complaints are merely allegations. The burden to prove forfeitability in both civil forfeiture proceedings is upon the government.

Funds successfully forfeited with a connection to a state sponsor of terrorism may in whole or in part be directed to the United States Victims of State Sponsored Terrorism Fund (<http://www.usvsst.com/>) after the conclusion of the case.

These seizures and forfeiture actions are a product of the U.S. government's coordinated efforts to enforce U.S. sanctions against the IRGC and the Iranian regime. HSI's Washington Field Office and DCIS's Mid-Atlantic Field Office are leading the investigation of the Iranian weapons smuggling network, with substantial assistance from NAVCENT in conducting the seizures. The weapons case is being prosecuted by the U.S. Attorney's Office for the District of Columbia. Assistant U.S. Attorneys Michael P. Grady and Stuart D. Allen are handling the case on behalf of the U.S. Attorney's Office, with support from Paralegal Specialist Elizabeth Swienc and Legal Assistant Jessica McCormick.

HSI Denver and FBI's Minneapolis Field Office are investigating the shipments of Iranian petroleum, again with substantial assistance from NAVCENT during the seizure. The petroleum case is being prosecuted by the National Security Division and the U.S. Attorney's Office for the District of Columbia. Assistant U.S. Attorneys Brian P. Hudak, Michael P. Grady, and Stuart D. Allen and National Security Division Trial Attorney David Lim are litigating the case, with support from Paralegal Specialist Elizabeth Swienc and Legal Assistant Jessica McCormick. The Money Laundering and Asset Recovery Section of the Criminal Division of the U.S. Department of Justice provided extensive assistance in the forfeiture and sale of the seized petroleum.

Assistant Attorney General for the National Security Division John Demers

“Today, I am joined by Acting U.S. Attorney for the District of Columbia Michael Sherwin and the State Department’s Special Representative for Iran and Venezuela Elliott Abrams to announce two civil seizure court actions that have disrupted malign, and in one instance, potentially deadly, activities undertaken by the Iranian Revolutionary Guard Corps (IRGC)-Quds Force, a Foreign Terrorist Organization. Special Representative Abrams will also be announcing sanctions that the State Department and the Department of the Treasury have imposed on the responsible individuals and entities.

“First, in November 2019 and February 2020, two U.S. warships - the *USS Forrest Sherman* and the *USS Normandy* - while conducting routine maritime security operations in the Arabian Sea, interdicted two flagless vessels. Aboard both of the vessels were large stocks of weapons, including 171 guided anti-tank missiles, eight surface-to-air missiles, and various other missile components. Subsequent investigation revealed the ships’ cargo to be of Iranian manufacture and consistent with known Iranian weapon systems. Additional analysis revealed that the arms were from the IRGC-Quds Force and destined for militant groups in Yemen. On Aug. 20, 2020, the National Security Division and the U.S. Attorney’s Office for the District of Columbia filed a complaint in U.S. District Court seeking to forfeit the seized weapons.

“On July 20, 2020, the National Security Division and the U.S. Attorney’s Office for the District of Columbia filed the second action, a complaint in U.S. district court seeking to forfeit approximately 1.1 million barrels of Iranian refined petroleum from four foreign-flagged vessels bound for Venezuela. The proceeds from the sale of the petroleum benefitted the IRGC. In August 2020, the District Court issued a warrant for arrest *in rem* of the cargo. Upon being presented with the court’s seizure order, the ships’ owner transferred the petroleum to the government, and we can now announce that the United States has sold and delivered that petroleum.

“The two forfeiture complaints allege sophisticated schemes by the IRGC to secretly ship weapons to Yemen and fuel to Venezuela, countries that pose grave threats to the security and stability of their regions. These actions represent the

government's largest-ever civil seizures of fuel and weapons from Iran. Iran continues to be a leading state sponsor of terrorism and a worldwide destabilizing force. It is therefore with great satisfaction that I can announce that our intentions are to take the funds successfully forfeited from the fuel sales and provide them to the U.S. Victims of State Sponsored Terrorism Fund after the conclusion of the case.

"These cases also highlight that enforcement of the sanctions against Iran remains one of the department's national security priorities. For the last several years, cases involving Iran's efforts to evade the restrictions designed to curb its malign conduct comprise more than 40 percent of the export control and sanctions prosecutions that the department brings. High-profile matters such as the prosecutions of foreign banks like Standard Chartered or Halkbank for handling prohibited U.S. dollar transactions or the prosecution of ZTE for using U.S. origin goods to build Iran's telecommunications networks are only some of the excellent work that the department's prosecutors and its law enforcement partners have done. With these seizure actions, we are expanding our toolbox to combat Iran's bad behavior.

"I would like to thank prosecutors from the National Security Division and the U.S. Attorney's Office for the District of Columbia for their work on both of these matters. I would further like to thank the U.S. Navy Central Command for successfully executing the seizures of the weapons at sea and Homeland Security Investigations and Defense Criminal Investigative Services for the subsequent investigation revealing the ties to the IRGC-Quds Force. Last, I would like to thank Homeland Security Investigations and the FBI for their excellent assistance investigating the facts leading to the petroleum seizures."

Source:

<https://iranprimer.usip.org/index.php/blog/2020/oct/30/us-seized-iranian-weapons-and-fuel-shipments>

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