

US official links economic protests in Iran to sanctions

DUBAI, United Arab Emirates (AP) – A top U.S. official focused on sanctions against Iran on Thursday linked American financial pressure on Tehran with ongoing economic protests roiling the country, saying she hoped the strain would limit the Islamic Republic’s “malign activities” across the Mideast.

Sigal P. Mandelker, the undersecretary for terrorism and financial intelligence at the U.S. Treasury, declined to comment when asked if the Trump administration hoped that tightening of the sanctions would spark the Iranian government’s overthrow.

However, her comments to journalists in Dubai come against the backdrop of the U.S. withdrawal from the Iran nuclear deal. The United States is now seeking to choke Iran’s vital oil exports to the wider world.

“You’ve seen the Iranian people, of course, stand up loudly, at risk of their own lives, shouting in protest about the corruption that’s happening within Iran,” Mandelker said. “Of course the fact (is) that so much money has gone to support malign activities elsewhere, with very little focus on the economy itself.”

Iran’s support for the Lebanese Shiite militant group Hezbollah, Shiite rebels in Yemen and embattled Syrian President Bashar Assad represents a “despicable use of Iranian revenue,” she said.

Iran’s mission to the United Nations did not immediately respond to a request for comment over Mandelker’s remarks.

Mandelker and other Treasury officials have traveled to Saudi Arabia, Kuwait and the United Arab Emirates this week as part of a worldwide effort to get American allies to crack down on Iran ahead of Nov. 4, when importing Iranian crude oil becomes a sanctionable offense for the U.S.

While the U.S. has said it will grant some waivers to importing countries, Mandelker said American officials want to “very significantly reduce” Iran’s crude oil exports. Among the top importers of Iranian oil are China, India, Turkey and

South Korea.

Already, U.S. benchmark crude oil is trading about \$70 a barrel, while Brent crude is near \$75. A gallon of regular gasoline in America now sells on average for \$2.88, up from \$2.25 a year earlier, according to AAA. President Donald Trump, facing a midterm election in the fall, has been pushing oil producers to increase supply.

In Iran, the U.S. pullout from the nuclear deal only worsens its already-hobbled economy. The Iranian rial now trades at 78,500 to the dollar, despite the official rate being 43,100 to \$1. Unemployment remains high. Promised billion-dollar deals with Western firms have evaporated for fear of being cut out of the American financial system.

Economic protests swept the Iranian countryside at the end of last year and have occurred in recent weeks as well. Wildcat strikes and demonstrations over water scarcity also have erupted.

As the U.S. tightens its sanctions on Iran, Mandelker said American officials wanted to make sure their allies shut off avenues Tehran could exploit to evade them. The Trump administration made similar requests when increasing pressure on North Korea last year as Persian Gulf nations have shared economic ties with Pyongyang .

“There’s no transparency within Iran,” Mandelker said. “The world needs to be wise to the ways in which they move deceptively.”

However, limiting Iran’s ways of evading sanctions remains extremely difficult in the region. The UAE in particular has a large ethnically Persian population and long historic trade ties to Iran.

Iran already has exploited the UAE’s many economic free zones to set up companies to acquire otherwise-prohibited materials, simply opening a new company when authorities target another. A recent report also noted how Dubai’s luxury real-estate market offered a money-laundering haven for war profiteers, terror financiers and drug traffickers, as well as those associated with Iran.

Mandelker declined to say how the U.S. planned to address those issues.

“I do believe we have excellent partners in the UAE,” she said. “They see the

threats very clearly from Iran.”

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