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6/23/2011

Treasury Targets Commercial Infrastructure of IRGC, Exposes Continued IRGC Support for Terrorism

Today, the U.S. Department of the Treasury took action to designate two major Iranian commercial entities: Tidewater Middle East Co. (Tidewater) and Iran Air. Tidewater is a port operating company owned by Iran's Islamic Revolutionary Guard Corps (IRGC) that has been used by the IRGC for illicit shipments. Iran's national airline carrier, Iran Air, is a commercial airline used by the IRGC and Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) to transport military related equipment. Treasury also designated an individual and an entity for their ties to a company that provided support and weapons to Hizballah on behalf of the IRGC.

The IRGC continues to be a primary focus of U.S. and international sanctions against Iran because of the central role it plays in all forms of Iran's illicit conduct, including Iran's nuclear and ballistic missile programs, its support for terrorism, and its involvement in serious human rights abuses. As Iran's isolation has increased, the IRGC has expanded its reach into critical sectors of Iran's economic infrastructure – to the detriment of the Iranian private sector – to generate revenue and conduct business in support of Iran's illicit activities. Today's actions target core commercial interests of the IRGC, while also undermining the IRGC's ability to continue using these interests to facilitate its proliferation activities and other illicit conduct.

Pursuant to Executive Order (E.O.) 13382 – an authority aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their supporters thereby isolating them from the U.S. commercial and financial systems – Treasury today designated:

- **Tidewater Middle East Co.:** for being owned by Mehr-e Eqtesad-e Iranian Investment Company, Mehr Bank and the IRGC;
- **Mehr-e Eqtesad-e Iranian Investment Company:** for being owned or controlled by Mehr Bank.
- **Iran Air:** for providing material support and services to the IRGC and MODAFL, and Iran Air subsidiary **Iran Air Tours**.

Pursuant to E.O. 13224, which targets for sanctions terrorists and those providing support to terrorists or acts of terrorism, Treasury today designated:

- Iranian official **Behnam Shahriyari** for acting for or on behalf of Liner Transport Kish (LTK); and the **Behnam Shahriyari Trading Company** for being owned or controlled by Behnam Shariyari.

Tidewater Middle East Co. (Tidewater)

Tidewater-managed ports are a crucial component of Iran's infrastructure and transport network, and shipments into Tidewater facilities provide an avenue of revenue to the IRGC in support of its illicit conduct. The Iranian Government has repeatedly used Tidewater-managed ports to export arms or related materiel in violation of United Nations Security Council resolutions (UNSCRs).

Tidewater has operations at seven Iranian ports, including Bandar Abbas's main container terminal, Shahid Rajaei, which has played a key role in facilitating the Government of Iran's weapons trade.

Tidewater operations are at the following ports:

- Bandar Abbas (Shahid Rajaei Container Terminal)
- Bandar Imam Khomeini Grain Terminal

- Bandar Anzali
- Khorramshahr Port (one terminal)
- Assaluyeh Port
- Aprin Port
- Amir Abad Port Complex

Incidents of weapons shipments involving Tidewater-managed facilities include:

- An IRGC-Qods Force weapons shipment seized by Nigeria in late October 2010 was loaded at the Shahid Rajaei container terminal at Bandar Abbas.
- A container shipment of arms-related material, which was discovered in October 2009 aboard the German-owned and IRISL-chartered ship, the Hansa India, was loaded at Bandar Abbas.
- A container shipment of arms-related material departed Bandar Abbas in January 2009 on the Cypriot-flagged and IRISL-chartered ship, the M/V Monchegorsk, before it was stopped by the U.S. Navy and later seized by Cypriot authorities.

Tidewater was designated today for being owned by Mehr-e Eqtesad-e Iranian Investment Company, Mehr Bank and the IRGC. Bonyad Taavon Sepah, an entity formed by IRGC commanders to structure IRGC investments, along with Ansar Bank and Mehr Bank – both created by Bonyad Taavon Sepah – were designated by Treasury pursuant to E.O. 13382 in December 2010.

Mehr-e Eqtesad-e Iranian Investment Company was also sanctioned today for being owned or controlled by IRGC-created Mehr Bank, which was designated by Treasury pursuant to E.O. 13382 in December 2010.

In August 2010, Treasury issued the Iranian Financial Sanctions Regulations (IFSR) to implement the financial provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA). Under the IFSR, Treasury has the authority to prohibit, or impose strict conditions on, foreign financial institutions' direct access to the U.S. financial system if they knowingly facilitate significant transactions or provide significant financial services for the IRGC or its agents or affiliates – such as Tidewater – that have been designated by the United States under the International Emergency Economic Powers Act, which provides the authority for designations under E.O. 13382 and 13224.

The entity being designated today, Tidewater Middle East Co., is separate and distinct from Tidewater Inc., an international shipping company headquartered in the United States and listed on the New York Stock Exchange as TDW. Today's sanctions are not imposed on Tidewater Inc.

Iran Air

Iran Air serves as Iran's national air carrier, operating a fleet of approximately 40 aircraft covering 35 international and 25 domestic destinations. Iran Air Tours is a subsidiary that operates a portion of Iran Air's domestic flights. Iran Air has provided support and services to MODAFL and the IRGC through the transport and/or transfer of goods for, or on behalf of, these entities. On numerous occasions since 2000, Iran Air shipped military-related electronic parts and mechanical equipment on behalf of MODAFL.

MODAFL was designated by the U.S. Department of State in October 2007 under E.O. 13382 and has brokered a number of transactions involving materials and technologies with ballistic missile applications.

Iran Air has shipped military-related equipment on behalf of the IRGC since 2006, and in September and November 2008, Iran Air shipped aircraft-related raw materials to a MODAFL-associated company, including titanium sheets, which have dual-use military applications and can be used in support of advanced weapons programs.

Rockets or missiles have been transported via Iran Air passenger aircraft, and IRGC officers occasionally take control over Iran Air flights carrying special IRGC-related cargo. The IRGC is also known to disguise and manifest such shipments as medicine and generic spare parts, and IRGC officers have discouraged Iran Air pilots from inspecting potentially dangerous IRGC-related cargo being carried aboard a commercial Iran Air aircraft, including to Syria.

Additionally, commercial Iran Air flights have also been used to transport missile or rocket components to Syria.

Adopted in March 2008, UNSCR 1803 called upon all States in accordance with their national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, to inspect the cargoes to and from Iran of aircraft owned or operated by Iran Air Cargo, provided there are reasonable grounds to believe that the aircraft is transporting goods prohibited under UNSCR 1803 or previous UNSCRs.

Iran Air Tours serves as Iran Air's domestic air carrier, operating a fleet of 14 aircraft connecting 13 Iranian cities with two main hubs in Tehran and Mashhad, Iran.

Behnam Shahriyari and Shahriyari Trading Company

Iranian official Behnam Shahriyari was designated today for acting for or on behalf of Liner Transport Kish (LTK), an IRGC-linked shipping company that was designated by Treasury pursuant to E.O. 13224 in December 2010 for providing material support, including weapons, to Hizballah on behalf of the IRGC. Shahriyari acted as LTK's business and marketing manager. Additionally, Shahriyari operates the Behnam Shahriyari Trading Company, also designated today.

Background on the IRGC

The IRGC has a growing presence in Iran's financial and commercial sectors and extensive economic interests in the defense production, construction, and oil industries, controlling billions of dollars in corporate business. Given its increased involvement in commercial activity, imposing financial sanctions on commercial enterprises of the IRGC has a direct impact on revenues that could be used by the IRGC to facilitate illicit conduct.

The IRGC was first designated by the United States pursuant to E.O. 13382 in October 2007 for having engaged, or attempted to engage, in proliferation related activities. The IRGC was also designated by the United States in June 2011 pursuant to E.O. 13556 for its role in the sustained and severe human rights abuses in Iran since the disputed June 2009 presidential election. The UN, European Union, Japan, South Korea and others have all targeted the IRGC and/or its affiliates for sanctions because of its illicit activities.

Identifying Information:

Entity: **Tidewater Middle East Co.**
AKA: Tide Water Company
AKA: Tide Water Middle East Marine Service
AKA: Tidewater Co. (Middle East Marine Services)
Address: No. 80, Tidewater Building, Vozara Street, Next to Saie Park, Tehran, Iran

Entity: **Mehr-e Eqtesad-e Iranian Investment Company**
AKA: Mehr Eghtesad Iranian Investment Company
AKA: Mehr Iranian Economy Company

AKA: Mehr Iranian Economy Investments
FKA: Tejarat Tose'e Eqtesadi Iranian
Address: No. 18, Iranian Building, 14th Alley, Ahmad Qassir Street, Argentina Square, Tehran, Iran
Alt. Address: No. 48, 14th Alley, Ahmad Qassir Street, Argentina Square, Tehran, Iran

Entity: Iran Air

AKA: Airline of the Islamic Republic of Iran (Homa)
AKA: Havapeyma Meli Iran Homa
AKA: Homa
AKA: Iran Air Cargo
AKA: Iran Air P J S C
AKA: Iranair
AKA: Iranair Cargo
AKA: National Iranian Airlines (Homa)
FKA: Sherkat Sahami Aam Havopaymaie Jomhouri Islami Iran
Address: P.O. Box 13185-775, Mehrabad Airport, Tehran, Iran
Alt. Address: Flour2, Cargo Building, Terminal 3, Mehrabad Airport, Tehran, Iran
Alt. Address: Bimeh Alborz side - 2km of karaj special road

Entity: Iranair Tours

AKA: Iran Air Tours
AKA: Iran Airtour Airline
Address: 187 Mofatteh Cross-Motahari Ave, Tehran 1587997811, Iran
Alt. Address: 191 Motah-hari Ave., Dr. Mofatteh Crossroads, Tehran 15879, Iran
Alt. Address: 191-Motahari Ave., Tehran 15897, Iran
Alt. Address: 110 Ahmadabad Ave., Between Mohtashami and Edalat Street, Mashhad 9176663479, Iran

Individual: Behnam Shahriyari

AKA: Behnam Shahryari
AKA: Behnam Shahriari
DOB: 1968

Entity: Behnam Shahriyari Trading Company

Address: Ziba Building, 10th floor, Northern Sohrevardi Street, Tehran, Iran