

Iran's Revolutionary Guard Named a Terrorist Organization

April 9, 2019 (IN11093)

Related Author

- [Kenneth Katzman](#)
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Kenneth Katzman, Specialist in Middle Eastern Affairs (kkatzman@crs.loc.gov, 7-7612)

Overview

On April 8, 2019, [President Trump announced](#) his intent to name Iran's Islamic Revolutionary Guard Corps (IRGC) as a Foreign Terrorist Organization (FTO). [Administration officials attributed](#) the designation to the IRGC's being an "active and enthusiastic participant in acts of terror," including the 1983 bombing of the U.S. Marine barracks in Beirut and the 1996 bombing of the Khobar Towers complex in Saudi Arabia.

The designation, which is subject to congressional review, represents the first time the United States has designated an official military organization of a foreign state [as an FTO](#). The designation is unlikely to apply additional financial pressure on the IRGC because it is already designated for sanctions under several Executive Orders that, in general, carry penalties similar to FTO-related penalties and have already deterred most foreign companies from conducting transactions with the IRGC. The designation stems from the Administration's assertions that Iran is responsible for a wide range of "malign activities" in the Near East region, but has increased [concerns among some U.S. officials](#) that Iran or its proxies might try to attack U.S. forces in the region in retaliation.

Technical Considerations

The State Department authority to designate FTOs was established under Section 302 of the [Anti-Terrorism and Effective Death Penalty Act of 1996 \(P.L. 104-132\)](#), which added Section 219 to the Immigration and Nationality Act (8 U.S.C. 1189). The section authorizes the Secretary of State to designate an organization as an FTO if the Secretary finds that—

(A) the organization is a foreign organization;

(B) the organization engages in terrorist activity or terrorism, or retains the capability and intent to engage in terrorist activity and terrorism; and

(C) the terrorist activity of the organization threatens the security of United States nationals or the national security of the United States.

The section requires the Secretary of State to notify congressional and committee leadership, by classified communication, seven days before the designation, of the intent to do so. The section also states that Congress may act

to prevent the designation from taking effect (by April 15) or later revoke a designation. The statute also provides a process for the organization to seek judicial review.

[The designation carries stipulated penalties](#). Upon making the designation, the Secretary of the Treasury "may require United States financial institutions possessing or controlling any assets of any foreign organization included in the notification to block all financial transactions involving those assets until further directive" from the Administration, Congress, or a court order. In addition, under Section 303 of [P.L. 104-132](#), any person in the United States (or subject to U.S. jurisdiction) who "knowingly provides material support or resources to a foreign terrorist organization, or attempts or conspires to do so," is subject to fine or up to 20 years in prison. A bank that commits such a violation is subject to fines.

Implications for the IRGC

In explaining the decision, State Department officials asserted that the IRGC had [amassed too much power and money](#), and has used those resources to support attacks on the United States and its allies. [The IRGC is an official armed force](#) tasked with defending Iran's Islamic revolutionary regime. The IRGC has a ground, naval, and air force (the latter runs Iran's missile program) that parallel the conventional Iranian military. The IRGC commands the *Basij* national militia that has internal security responsibilities, and the IRGC's Qods Force (IRGC-QF) supports pro-Iranian movements and governments in the region. The IRGC owns or controls several major companies, particularly in construction and engineering. In his announcement, [President Trump said](#) "If you are doing business with the IRGC, you will be bankrolling terrorism." The move appeared to reinforce U.S. efforts to apply "maximum pressure" on Iran's regime and isolate Iran diplomatically.

The direct financial effects of the new designation are likely to be minimal, because sanctions similar to those provided for by the FTO designation [have already been imposed](#). The government of Iran has been designated by the United States as a "[state sponsor of acts of international terrorism](#)" since 1984—a designation that applies certain U.S. sanctions on Iran's government and its instrumentalities. The IRGC has been designated as a terrorism-supporting entity under Executive Order 13224 (a designation made in accordance with the Countering America's Adversaries through Sanctions Act, [P.L. 115-44](#)), as a proliferation entity under E.O. 13382, and as a human rights abuser under E.O. 13553. The IRGC-QF is also designated as a terrorism-supporting entity under E.O. 13224, and for repression of the Syrian people under E.O. 13572. Dozens of entities have been sanctioned under these and other orders as economic affiliates and facilitators of the IRGC and IRGC-QF. Under various U.S. laws, such as the Iran Freedom and Counter-Proliferation Act ([P.L. 112-239](#)), transactions by foreign companies with any designated entities can trigger the companies' exclusion from the U.S. market—a consequence that has caused most foreign companies to refrain from direct transactions with the IRGC.

Implications for the United States

The designation might have substantial implications for the United States. While the authorizing statute refers to designation of an "organization" as an FTO, in practice the law has been applied exclusively to non-state actors. Designating a country's military force as an FTO could trigger similar designations against the United States military by Iran or other U.S. adversaries. On April 7, amid reports of the pending announcement, IRGC Commander-in-Chief Mohammed Ali Jafari warned that "With this stupidity, the American army and security forces will no longer have today's calm in the West Asia region." Within hours of the designation announcement, Iran's Supreme National Security Committee [declared U.S. forces](#) in the Near East region as terrorists. That expected Iranian reaction reportedly had led some [Pentagon officials to oppose the designation](#) as increasing the potential for attacks on U.S. forces in countries such as Iraq and Syria where U.S. forces operate in proximity to the IRGC or IRGC allies.