Insight

Secretary Kerry Admits Lifting Iran Sanctions Will Help Fund Terror

RACHEL HOFF | FEBRUARY 1, 2016

The United States has started to lift sanctions on Iran after international inspectors certified Tehran was in compliance with the nuclear deal. Already, U.S. Secretary of State John Kerry admitted that some of the money that Iran will get from sanctions relief will go to fund terrorist organizations.

One way Iran funds terrorism is through the Islamic Revolutionary Guard Corps (IRGC), the elite paramilitary force that actively supports terrorist organizations such as Hezbollah and Hamas. In an interview with CNBC, Secretary Kerry acknowledged that some of the sanctions relief from the nuclear deal "will end up in the hands of the IRGC or other entities, some of which are labeled terrorists."

In the wake of the nuclear deal, lifting sanctions and unfreezing assets will provide the Islamic Republic with an estimated $140 billion in additional revenue in the first year. Last summer, AAF published research finding that after this economic windfall, if recent reported budget trends continued, Tehran could boost its funding of the IRGC by $3.1 billion. That would amount to a 50 percent budget increase for the IRGC.

After two Iranian ballistic missile tests last year, some in Congress have threatened to pass new sanctions on Iran, limiting the revenue influx. There have also been calls for the Obama Administration to designate the IRGC as a Foreign Terrorist Organization. This would diminish some of the impact that sanctions relief would have on Iran's ability to increase its funding for terrorism. So far, the administration has not supported either of these courses of action.