

Congress of the United States

Washington, DC 20515

May 28, 2025

The Honorable Marco
Rubio Secretary of State
U.S. Department of State
2201 C Street NW
Washington, D.C. 20520

Dear Secretary Rubio,

We write to express our deep concern over the complete subjugation of Iraq to the Iranian regime. More than 4,400 American service members sacrificed their lives since the start of the Iraq War, yet today, Iraq stands as nothing more than a puppet of Tehran. This outcome is the direct result of disastrous policies that, under previous administrations, empowered Iran's control over Iraq's government, military, and economy. The National Security Policy Memorandum-2 (NSPM-2) of February 4, 2025 clearly articulates the reimposition of maximum pressure on Iran and its terror proxies. However, any campaign against the Iranian regime, will require an equally robust campaign against Iraqi institutions, which have become essential clients of the Iranian regime.

The foundation for this crisis was laid during the Obama administration, when President Obama and his Iraq envoy Brett McGurk propped up Nouri al-Maliki as Iraq's prime minister, even after he lost the 2010 election. Maliki's regime, marked by brutal crackdowns on political opponents, fueled the conditions that led to the rise of ISIS. In response, the Obama administration doubled down on its mistakes, relying on Iranian-backed militias to fight ISIS. The consequences of those failed decisions are now undeniable: Iran-backed forces wield unchecked power over Iraq's government and security services.

Iraq's National Security Adviser, Qassim al-Araji, was previously detained by U.S. forces and is a senior leader in the Badr Corps, a militia loyal to Iran. The Chief of the General Staff of the Iraqi Armed Forces, Abdul Amir Rashid Yarallah, publicly wipes his shoes on the flag of the United States and praised designated terrorist and Iraqi Hezbollah leader Abu Mahdi al-Muhandis as a "brother" and "leader." The head of Iraq's U.S.-funded Counter-Terrorism Service (CTS), Karim al-Tamimi, wants to visit the U.S. this year, despite having enabled Iranian penetration of CTS and having been personally involved in the deaths of anti-militia civilian protestors in 2019.

The Popular Mobilization Forces (PMF), an umbrella group of 238,000 Iranian-backed militias, have been legitimized as part of Iraq's state security services and receive over \$3 billion annually from the Iraqi government—funded in part by American taxpayer dollars. Since 2015, the U.S. Department of State has provided Iraq with \$1.25 billion in Foreign Military Financing, in addition to billions more in aid to Iraq's Ministry of Interior and Ministry of Defense, despite these institutions being deeply infiltrated by Iranian proxies. These same Iran-backed militias, now operating with legal authority under the PMF, have launched rocket attacks on U.S. bases in Iraq and Syria.

Iran's control over Iraq extends beyond its security forces and into its political and economic systems. Tehran has manipulated Iraq's political process to ensure its loyalists remain in power, including overturning election results and even issuing an arrest warrant for President Trump in retaliation for the strike that eliminated Qassem Soleimani. Iran also exploits Iraq's economic system to enrich itself and fund terrorism. Iraq's State Organization for Marketing of Oil (SOMO) has been implicated in a fuel-smuggling network that generates over \$1 billion per year for Iran and its proxies.

With the Assad regime terminated in Syria and Hezbollah losing ground in Lebanon, Iraq has become Iran's final stronghold for spreading its malign influence in the Middle East. President Trump took a critical first step by terminating a sanctions waiver that allowed Iraq to purchase electricity from Iran. However, more decisive action is required to fully sever Iran's control over Iraq and prevent further exploitation of American resources.

To that end, we congratulate President Trump and his team on its firm actions so far but we also urge the administration to take the following immediate steps:

1. Expand Sanctions on Iranian-Backed Militias – Designate the Popular Mobilization Forces, its economic arm, the Muhandis General Company, and the Badr Organization as foreign terrorist organizations. This will allow law enforcement to prosecute those providing material support and enable Gold Star families to seek justice against these groups.

2. Sanction Iraq's Importation of Iranian Gas – Extend existing sanctions to directly prohibit Iraq from importing natural gas from Iran, cutting off a key revenue stream that can provide Tehran with billions of dollars annually. Until gas imports are banned (currently only paying for the gas is sanctionable), Iran will keep pressuring Iraq to repay its debt in-kind via oil-smuggling and other barter arrangements.

3. Sanction Iraq's Financial Institutions Supporting Iran, especially Al-Rafidain Bank and the e-payment system Qi-Card, which processes the payroll for the PMF militias. Iraq's ability to receive US dollars through the Federal Reserve is directly supporting Iran and its proxies in Iraq. The US Treasury Department must stop turning a blind eye to Iraq's largest state banks that launder US dollars on behalf of Iran and its proxies. The US Treasury must either immediately halt Iraq's access to dollars through the Federal Reserve or demand Iraq's state banks undergo an annual audit performed by an internationally reputable auditor, whose results are immediately released publicly. The U.S. should impose sanctions on Iraqi finance minister Taif Sami Mohammed, who is a key enabler of terrorist funding in Iraq yet was awarded with the International Women of Courage Award in 2022 by the Biden administration, as well as key money-laundering confederates such as Baha Abdul-Hussein Hadi, Latif Jassim Hadi, Alu Muften Khafif and Ahmed Salih al-Janabi. Sanctions should also be applied to the Director General of Al-Rafaidan Bank, Ali Kairm Hussein Zuhair Al-Fatlawi, Acting President and Chairman of the Board of Directors, Trade Bank of Iraq, Bilal Sabah Hussein, Director General, Al Rasheed Bank, Wafaa Sharhan, and Head of the Federal Board of Supreme Audit, Ammar Subhi Khalaf. Key banks that should be sanctioned for involvement in terrorist financing include First Iraqi Bank, Iraqi Union Bank, Al-Mustashar Islamic Bank, Al-Qurtas Islamic Bank, Al-Tayf Islamic Bank, Elaf Islamic Bank, Erbil Bank for Investment and Finance, International Islamic Bank, Arb al-Iraq Investment Bank, Mosul Development and Investment Bank, Al-Rajhi Islamic Bank, Sumer Commercial Bank, International Islamic Trust Bank, Islamic Money Bank, Islamic World Bank for Investment, Zain Islamic Bank, Middle East Bank and Al-Bilad Islamic Bank.

These actions are the minimum required to implement the requirements under NSPM-2 that “denies the regime and its terror proxies access to revenue.”

4. Sanction Iran's Facilitators in Iraq. Sanctions should be extended to Iraqi politicians and their aides, who facilitate Iran's control of Iraq. Sanctions should also be extended to known business associates who divert and steal Iraq's oil and gas patrimony to enrich foreign terrorist organizations and the Iranian regime. These should include former Prime Ministers Nouri al-Maliki and Adel Abdulmehdi, Izzat Shabander, Hadi al-Ameri, Abdul-Karim al-Sudani, Abbas Shia al-Sudani, Haider Shia al-Sudani, Abdul Karim al-Faisal, Yasser Suhail al-Maliki, Minister of Higher Education Naem al-Aboud, Governor Adnan Feihan, Abbas al-Asad (also known as Hajji Abbas), parliamentarians Uday Awad, Yousif al-Kilabi, Mustafa Sanad, Saadi Waheeb; oil smuggling

organizers Mustafa Hashem Lazem, Mohammed al-Hayyani and Mohammed Haidari Suroor; and Prime Ministerial advisors Rabee Nader, Khalid al-Yaqoubi and Ahmed al-Yasseri.

Additionally, Iran exerts significant control upon Iraq's judicial system, and particularly through Iraq's Federal Supreme Court. The US should immediately sanction the Chief Justice, Jassem Mohammed Abboud, who is known to take directions from the Iranian regime, the IRGC-QF, and senior Iraqi political officials aligned with Iran, including Nouri Al-Maliki and Hadi Al-Ameri.

5. Dismantle Iran's Smuggling Networks in Iraq – Comprehensively sanction all entities and networks involved in illicit trade that funds Iran's proxies, particularly those linked to the State Oil Marketing Company, the Iraq Oil Tankers Company, the State Company for Marine Transport, the General Company for Ports in Iraq, and the State Company for Mining Industries, all state-run oil companies implicated in a multi-billion-dollar fuel-smuggling operation. Investigate and, as necessary, sanction actors at every stage of this illicit value chain wherever such actors are known to willfully or negligently facilitate violations of existing sanctions, or engage in (or otherwise profit from) the theft and diversion of Iraqi fuel oil for the benefit of the Iranian regime and its proxies. The U.S. should impose sanctions on Iraqi oil minister Hayan Abdul Ghani, deputy oil minister Ali al-Maarij, deputy oil minister Bassim Muhammed Khudair, deputy oil minister Adnan Mohammed Mahmoud, oil smuggling kingpin Salim Ahmad Said (aka Hajj Omaid Ahmad), Director General Majid al-Saadi, Director General Hussein Taleb Aboud, Director General Hassanein Abdal-Latif, Director General Bassem Abdul Karim Nasser, Director General Bassem Taher, Director General Khudair Abbas Abed, Director General Naseer Jabbar Aziz, Director General Ali Qais Abdul Jabbar, Director General Farhan al-Fartousi, and former SOMO official Mohammed Mohsen Saadoun. These actions are essential to implement NSPM-2 to "immediately impose sanctions or appropriate enforcement remedies on all persons for which the Department [US Treasury] has evidence of activity in violation of one or more Iran-related sanctions."

6. Condition U.S. Aid to Iraq on Ending Iranian Influence – Work with the Department of Government Efficiency (DOGE) to cut foreign assistance to Iraq as long as it remains under Iran's influence. U.S. taxpayer dollars should not subsidize a government controlled by Tehran. Deny CTC commander Karim al-Tamimi the right to visit the U.S. until his command is certified by the U.S. intelligence community to be free of Iranian influence and terrorist group members.

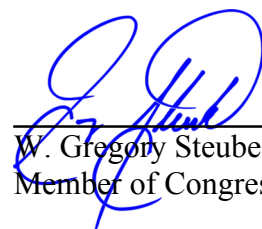
The Iraqi people do not want to be ruled by Iran's terrorist proxies. They have spoken out against corruption and Iranian interference, but their efforts have been brutally suppressed by the very militias that our aid indirectly supports. President Trump's Maximum Pressure campaign proved effective in crippling Iran's economy in his first term. Expanding that effort to Iraq will further weaken Tehran's grip and help Iraqis reclaim their sovereignty.

We urge you to take immediate action to implement these necessary policies and ensure that American resources are no longer used to prop up Iran's control over Iraq.

Sincerely,



Joe Wilson
Member of Congress



W. Gregory Steube
Member of Congress