

Treasury Targets IRGC-Qods Force Financial Conduit in Iraq for Trafficking Weapons Worth Hundreds of Millions of Dollars

June 12, 2019

WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) imposed sanctions on an Iraq-based Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) financial conduit, South Wealth Resources Company (SWRC), which has trafficked hundreds of millions of dollars’ worth of weapons to IRGC-QF-backed Iraqi militias. SWRC and its two Iraqi associates, who are also being designated today, have covertly facilitated the IRGC-QF’s access to the Iraqi financial system to evade sanctions. This scheme also served to enrich previously sanctioned Abu Mahdi al-Muhandis, an Iraqi advisor to IRGC-QF Commander Qasem Soleimani, who has run weapons smuggling networks and participated in bombings of Western embassies and attempted assassinations in the region. SWRC and its two associates are being designated as Specially Designated Global Terrorists (SDGTs) pursuant to Executive Order (E.O.) 13224, which targets terrorists and those providing support to terrorists or acts of terrorism.

“Treasury is taking action to shut down Iranian weapons smuggling networks that have been used to arm regional proxies of the IRGC Qods Force in Iraq, while personally enriching regime insiders,” said Treasury Secretary Steven T. Mnuchin. “The Iraqi financial sector and the broader international financial system must harden their defenses against the continued deceptive tactics emanating from Tehran in order to avoid complicity in the IRGC’s ongoing sanctions evasion schemes and other malign activities.”

The IRGC-QF, designated pursuant to E.O. 13224 on October 25, 2007, is a branch of the IRGC responsible for external operations and has provided material support to numerous terrorist groups, including the Taliban, Lebanese Hizballah, HAMAS, and Palestinian Islamic Jihad, making it a key component of Iran’s destabilizing regional activities. The IRGC-QF’s parent organization, the IRGC, was designated pursuant to E.O. 13224 on October 13, 2017, and on April 15, 2019 was designated as a Foreign Terrorist Organization by the Secretary of State.

SOUTH WEALTH RESOURCES COMPANY

The IRGC-QF has used Iraq-based SWRC, also known as Manabea Tharwat al-Janoob General Trading Company, as a front to smuggle hundreds of millions of dollars' worth of weapons to its proxies inside Iraq, while also generating profit in the form of commission payments for Abu Mahdi al-Muhandis, an OFAC-sanctioned advisor to IRGC-QF commander Qasem Soleimani, and two associates of SWRC who are also being designated today. In addition to facilitating the IRGC-QF's weapons smuggling into Iraq, SWRC has moved millions of dollars to Iraq for illicit financial activity benefitting the IRGC-QF and its Iraq-based militia groups.

SWRC is being designated today pursuant to E.O. 13224 for assisting in, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, the IRGC-QF.

MAKKI KAZIM 'ABD AL HAMID AL ASADI AND MUHAMMED HUSSEIN SALIH AL HASANI

OFAC also is designating Makki Kazim 'Abd Al Hamid Al Asadi (Makki Kazim Al Asadi) and Muhammed Husayn Salih al-Hasani (al-Hasani), two Iraq-based individuals who helped facilitate IRGC-QF shipments and financial operations via SWRC. Both individuals and Abu Mahdi al-Muhandis received commission payments for contracts with SWRC.

Makki Kazim Al Asadi has acted as an intermediary to facilitate IRGC-QF shipments destined for Iraq, and has helped the IRGC-QF access the Iraqi financial system to evade sanctions. Makki Kazim Al Asadi is being designated pursuant to E.O. 13224 for assisting in, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, the IRGC-QF.

Muhammed Hussein Salih Al Hasani is the authorized agent and representative of SWRC, which he registered in Iraq in 2013. He has signed weapons contracts for SWRC.

Al Hasani is being designated pursuant to E.O. 13224 for acting for or on behalf of SWRC.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of these targets that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

In addition, persons that engage in certain transactions with the individuals and entities designated today may themselves be exposed to sanctions or subject to an enforcement action. Furthermore, unless an exception applies, any foreign financial institution that knowingly facilitates a significant transactions for any of the individuals or entities designated today could be subject to U.S. sanctions.

[View identifying information related to today's action.](#)

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