

Treasury Designates Vast Iranian Petroleum Shipping Network That Supports IRGC-QF and Terror Proxies

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Network of vessels and facilitators has moved hundreds of millions of dollars to Assad regime, Hizballah, and illicit actors

WASHINGTON – The Department of the Treasury’s Office of Foreign Assets Control (OFAC) took action against a large shipping network that is directed by and financially supports the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and its terrorist proxy Hizballah. Over the past year, the IRGC-QF has moved oil worth hundreds of millions of dollars or more through this network for the benefit of the brutal Assad regime, Hizballah, and other illicit actors. Senior IRGC-QF official and former Iranian Minister of Petroleum Rostam Qasemi oversees this sprawling network, which features dozens of ship managers, vessels, and facilitators. This complex network of intermediaries enables the IRGC-QF to obfuscate its involvement in selling Iranian oil. The IRGC-QF also relies heavily on Hizballah officials and front companies to broker associated contracts. OFAC also is issuing a new shipping advisory to the maritime community warning of these types of schemes and the sanctions risks associated with blocked persons.

“Iran continues to take provocative actions to destabilize the region and the world. Treasury’s action against this sprawling petroleum network makes it explicitly clear that those purchasing Iranian oil are directly supporting Iran’s militant and terrorist arm, the IRGC-Qods Force,” said Treasury Secretary Steven Mnuchin. “Our actions over the last two weeks should serve as a strong warning to anyone considering facilitating the Qods Force’s oil sales that there will be swift consequences.”

“The Iranian regime is leveraging a terrorist organization as its chief conduit for obfuscating and selling hundreds of millions of dollars of illicit oil to fuel its nefarious agenda. Iran’s exportation of oil directly funds acts of terrorism by Iranian proxies and atrocities by the Assad regime against innocent people,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “This vast oil-for-terror shipping network demonstrates how economically reliant Tehran is on the IRGC-QF and Hizballah as financial lifelines. The international community must

vehemently reject Iranian oil and related products in the same way that it rejects the violent acts of terrorism these networks fund.”

In spring 2019 alone, this IRGC-QF-led network employed more than a dozen vessels to transport nearly 10 million barrels of crude oil, predominantly to the Syrian regime. These shipments, taken collectively, sold for more than half a billion dollars. The same network also sold nearly 4 million barrels of condensate and hundreds of thousands of barrels in gas oil, bringing in another quarter billion dollars.

Iranian officials increasingly seek to deceive potential customers into buying Iranian oil. The network, run by IRGC-QF official Rostam Qasemi, attempted on multiple occasions to pass off Iranian cargo as Iraqi-origin.

Today, OFAC is announcing the designation of some 16 entities and 10 individuals pursuant to E.O. 13224, and is also identifying 11 vessels as property in which blocked persons have an interest. The IRGC and Hizballah, both identified as Foreign Terrorist Organizations by the U.S. Department of State under Section 219 of the Immigration and Nationality Act, are also designated pursuant to E.O. 13224.

OFAC SHIPPING ADVISORY

Today OFAC also issued a new [advisory](#)  to the maritime community to warn of the risks involved with participating in illicit schemes such as the IRGC-QF’s oil-for-terror shipping network. This advisory is in addition to the Maritime Petroleum Shipping Community issued by OFAC on March 25, 2019, which warns of sanctions risks related to oil shipments to Syria, including those from Iran.

IRGC-QF NETWORK OVERSIGHT

The IRGC-QF’s highest-ranking officials have long overseen exports of Iranian oil, often masking its origins and sending it to the Syrian regime or IRGC-QF proxies across the region.

IRGC-QF Commander Qasem Soleimani (Soleimani) supervises fellow IRGC-QF official Rostam Qasemi, who has continued taking advantage of his domestic and international connections in the energy industry since his tenure as Iran’s Minister of Petroleum from 2011 to 2013.

IRGC-QF official Rostam Qasemi, who is also the head of the Iranian-Syrian Economic Relations Development Committee, manages a group of individuals, shipping and oil companies, and vessels to sell Iranian crude, condensates, and gas oil. Qasemi relies on trusted IRGC-QF officials

and associates to run the network, including his son, Morteza Qasemi. Morteza Qasemi has helped finalize the network's oil contracts.

Ali Qasir, a Lebanese national and IRGC-QF associate, also serves as a lynchpin for this IRGC-QF-orchestrated network. His responsibilities for the network's financial affairs include negotiating sales prices for the goods and settling vessel-related payments. Additionally, Ali Qasir assigns vessels to conduct shipments for the network based on the IRGC-QF's guidance.

Rostam Qasemi is being designated pursuant to E.O. 13224 for acting for or on behalf of the IRGC-QF and IRGC-QF Commander Qasem Soleimani. Rostam Qasemi previously was designated pursuant to E.O. 13382 on February 10, 2010; in his role as an IRGC general at the time, he served as the commander of Khatam al-Anbiya Construction Headquarters, the engineering arm of the IRGC whose projects fund the IRGC's operations. Morteza Qasemi and Ali Qasir are being designated pursuant to E.O. 13224 today for acting for or on behalf of Rostam Qasemi.

VESSELS AND SHIPPING MANAGERS

The IRGC-QF leverages trusted persons who operate or manage tankers to export Iranian oil and condensate, and has acquired several vessels of its own. For example, Iranian Law Enforcement Forces (LEF) official Shamsollah Asadi helped Rostam Qasemi obtain tankers for the network's use. Shamsollah Asadi collaborated with Ali Qasir to cover expenses and facilitate an Iranian oil shipment by the ADRIAN DARYA 1 for the benefit of the IRGC-QF. He also helped arrange payments in support of vessel management transfers, ultimately benefiting the same IRGC-QF-run shipping network.

Accordingly, Shamsollah 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, Ali Qasir. The LEF was designated pursuant to E.O. 13572 and E.O. 13553 in June 2011 for human rights abuses in Syria and Iran, respectively.

MEHDI GROUP

India-based Mehdi Group and its director, Ali Zaheer Mehdi, have managed vessels and found additional ones to move Iranian oil. Mehdi Group bears responsibility for crewing and managing at least seven of the vessels used by the network.

Mehdi Group officials, including Ali Zaheer Mehdi, have spread responsibility for managing the vessels across at least ten subsidiaries and shell companies.

India-based Mehdi Group subsidiaries Bushra Ship Management Private Limited and Khadija Ship Management Private Limited (Khadija), under director Ali Ghadeer Mehdi, handle the day-to-day operations of the network's vessels. These vessels include the BONITA QUEEN, the DEVREZ, and the TOUR 2, which are being identified today as blocked property in which Khadija has an interest.

Other Mehdi Group officials work to ensure the vessels remain available for the network's use. Anuj Bhardwaj arranges vessel inspections and registrations. Zafar Anis Ishteyaq Hussain tracks and processes millions of dollars in expenses incurred by the vessels.

A third Mehdi Group subsidiary, Vaniya Ship Management Private Limited, helped Mehdi Group set up three shell companies in the Marshall Islands. Under Ali Ghadeer Mehdi's management, the shell companies purchased three crude oil tankers: the SARAQ, the SOBAR, and the SOLAN. The SOBAR and the SOLAN previously appeared in an [OFAC advisory](#)  to the maritime petroleum shipping community, which warned of the sanctions risks associated with shipments of petroleum to the Government of Syria. Both vessels, as well as the SARAQ, are identified today as blocked property in which Mehdi Group has an interest. Notably, the SARAQ falsified the Iranian origin of its cargo to port authorities.

Additionally, Mehdi Group has two branch offices: Singapore-based Mehdi Offshore and Ship Management Pte. Ltd. (Mehdi Offshore) and United Arab Emirates (UAE)-based Penta Ocean Ship Management & Operation LLC (Penta Ocean). Mehdi Offshore ostensibly provides various support services, while Penta Ocean and UAE-based Mehdi Group subsidiary Fourteen Star Shipping Management manages billing and payments. Mehdi Group also is able to draw on expertise in oil-related logistics, including refining and storage, through its UAE-based subsidiary Five Energy Oil Trading.

Mehdi Group found a partner outside of the company to supplement its efforts to assist the IRGC-QF. Lebanon-based Africo 1 Off-Shore SAL assists in, sponsors, or provides financial, material, or technological support for, or financial or other services to or in support of, Mehdi Group subsidiary Vaniya Ship Management by operating the tanker JASMINE for the network. The JASMINE also is being identified today pursuant to E.O. 13224 as blocked property in which Africo 1 Off-Shore SAL has an interest.

Ali Zaheer Mehdi is being designated pursuant to E.O. 13224 today for assisting in, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, IRGC-QF official Rostam Qasemi. Anuj Bhardwaj is being designated pursuant to E.O. 13224 for acting for or on behalf of Mehdi Group. Ali Ghadeer Mehdi and Zafar Anis Ishteyaq

Hussain are being designated pursuant to E.O. 13224 for acting for or on behalf of Mehdi Group subsidiaries Khadija Ship Management and Fourteen Star Shipping Management, respectively.

Bushra Ship Management Private Limited, Khadija Ship Management Private Limited, Mehdi Offshore and Ship Management Pte. Ltd., Penta Ocean Ship Management & Operation LLC, Fourteen Star Shipping Management, and Five Energy Oil Trading are being designated pursuant to E.O. 13224 today for being owned or controlled by Mehdi Group. Vaniya Ship Management Private Limited is being designated pursuant to E.O. 13224 for being owned or controlled by, or acting for or on behalf of, Mehdi Group.

On August 30, 2019, Mehdi Group was 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, Rostam Qasemi. The ADRIAN DARYA 1, formerly known as the GRACE 1, was identified as blocked property in which Mehdi Group has an interest pursuant to E.O. 13224 on August 30, 2019. Akhilesh Kumar was 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, Mehdi Group on the same day.

CONNECTIONS WITH THE IRANIAN ENERGY, SHIPPING, AND INSURANCE SECTORS

The crude oil and condensate sold by this IRGC-QF network originates with the National Iranian Oil Company (NIOC), and ultimately is delivered to Syria. The IRGC-QF relies on persons embedded within the shipping industry to keep this oil moving by ensuring that vessel insurance and registration are in order, among other things.

National Iranian Tanker Company (NITC) vessels have been used in the IRGC-QF-run operation. These vessels include the DESTINY, the HAPPINESS I, and the SINOPA, which were identified on November 5, 2018, as blocked property in which NITC has an interest. The DEVREZ and the DELICE also were identified on that day as blocked property in which the Islamic Republic of Iran Shipping Lines (IRISL) has an interest.

Safirán Payam Darya Shipping Company (SAPID) official Mohammadreza Ali Akbari (Akbari) serves as an interlocutor between the IRGC-QF and vessel managers, and is being designated pursuant to E.O. 13224 today for acting for or on behalf of IRGC-QF official Rostam Qasemi accordingly. Akbari also helped the IRGC-QF skirt sanctions in previous years.

The provision of services, including protection and indemnity (P&I) insurance, and future dealings in blocked property can expose parties to sanctions. Iran's Kish P&I Club has provided discounted P&I coverage for multiple vessels in the IRGC-QF-run network. Given its the

provision of these services, Kish P&I Club is being designated pursuant to E.O. 13224 today for assisting in, sponsoring, or providing financial, material or technological support for, or financial or other services to or in support of, Mehdi Group.

NIOC and SAPID were identified pursuant to E.O. 13599 on November 5, 2018 as part of the broad re-imposition of sanctions against Iran. State-owned SYTROL was designated pursuant to E.O. 13574 on August 10, 2012.

TIES TO HIZBALLAH AND ASSOCIATED FRONT COMPANIES

The IRGC-QF also uses several front companies to mask its role in selling the crude oil, condensate, and gas oil. The companies are overseen by Hizballah officials Muhammad Qasir and Muhammad Qasim al-Bazzal (al-Bazzal), both of whom were designated pursuant to E.O. 13224 in 2018 in connection with another oil-for-terror scheme.

Hokoul S.A.L. Offshore (Hokoul) and Talaqi Group are front companies run by Hizballah official al-Bazzal. Al-Bazzal has sought to continue operating his network since being designated by OFAC by purporting to transfer ownership of his companies, including Nagham al Hayat and Tawafuk. In early 2019, al-Bazzal sought to remove his name as an owner and shareholder from all company documents, presumably in order to evade U.S. sanctions.

Lebanon-based Hokoul supplies SYTROL with Iranian crude under IRGC-QF auspices. Al-Bazzal and other Hizballah officials have control over the contractual and financial obligations of Hokoul, while Ali Qasir represents Hokoul in negotiating its supply of Iranian crude to Syria. NITC vessels including the DELICE, the DESTINY, the HAPPINESS I, and the SINOPA transport such petroleum and petroleum products, and are identified pursuant to E.O. 13224 today as property in which Hokoul has an interest. Ali Qasir also is the managing director of Talaqi Group, which finances oil shipments for the IRGC-QF.

Since late 2018, al-Bazzal has leveraged his companies, including Talaqi Group, to finance and coordinate various IRGC-QF-linked oil shipments. In his role as chairman of the board of directors at Talaqi Group, al-Bazzal is responsible for the company's finances, procedures, administration, and contracts.

Al-Bazzal and his wife are co-founders of Talaqi Group. Al-Bazzal oversaw Talaqi Group's partnership with ALUMIX for shipments of aluminum to Iran, while his wife, as ALUMIX's general manager, supplies Talaqi Group with payment information. ALUMIX was known as "Dogmoch" until late 2018.

Two additional companies fall under al-Bazzal's purview. He owns Syria-based Nagham Al Hayat and serves on its board of directors, managing the company's assets, personnel, legal, and financial issues. Al-Bazzal is a founder and owner of Tawafuk, where he is involved in day-to-day activities as general manager.

Hokoul S.A.L. Offshore, Talaqi Group, Nagham Al Hayat, Tawafuk, and ALUMIX are being designated pursuant to E.O. 13224 today for being owned or controlled by Muhammad Qasim al-Bazzal.

EXPORTS DIVERSIFICATION

In addition to Iranian petroleum and petroleum goods, the same IRGC-QF-led network is diversifying its exports, adding iron and metal to its repertoire.

Mahmud Ashtari is the managing director of Hamrahan Pishro Tejarat Trading Company (Hamrahan Pishro Tejarat), which charters tankers and transports cargo to international destinations, such as Syria and China. Ali Qasir worked with Mahmud Ashtari, Hamrahan Pishro Tejarat, and Hizballah-linked Talaqi Group to facilitate the sale of tens of millions of dollars' worth of steel debar.

Mahmud Ashtari has received hundreds of thousands of dollars for vessel expenses and contracts, often related to iron or metal shipments from Iran. He also ensures ports can accommodate the vessels and advances their discharged goods toward their final destination.

Mahmud Ashtari is being designated pursuant to E.O. 13224 today for assisting in, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, Ali Qasir.

SANCTIONS IMPLICATIONS

As of November 5, 2018, the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran is sanctionable pursuant to E.O. 13846. Knowingly providing insurance or re-insurance for the transport of Iranian petroleum and petrochemical products also is sanctionable. The U.S. Treasury Department urges international companies to ensure they are conducting the necessary due diligence to avoid engaging in sanctionable activity with entities that support the Iranian regime's malign activity. The U.S. government is systematically enforcing sanctions and denying Tehran the revenue flows it needs to support destructive and destabilizing activities around the world.

As a result of today's action, all property and interests in property of these entities 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 (or 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 entities designated today may themselves be exposed to designation. Furthermore, any foreign financial institution that knowingly facilitates a significant financial transaction or provides significant financial services for entities designated in connection with Iran's proliferation of weapons of mass destruction or any Iranian person on OFAC's List of Specially Designated Nationals and Blocked Persons could be subject to U.S. correspondent account or payable-through account sanctions.

[For identifying information on the entities designated today click here.](#)

[Link designated network](#) 

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