

Senate Select Committee on Foreign Interference through Social Media

To: Committee Secretary
Department of the Senate
PO Box 6100
Canberra ACT 2600

Phone: [02 6277 3585](tel:0262773585)
foreigninterference47parl.sen@aph.gov.au

April 2023

**Interference by foreign powers in the internal affairs of other countries -
Totalitarian attacks on the fundamental principles of democracy and national
independence in the 21st century**

The case of Iran

Introduction

One clear example of totalitarian interference in other countries is the extensive and multifaceted interference by the Iranian regime in many countries, including Australia.

The Iranian regime uses a very complex and secret method. All the programs of the Ministry of Foreign Affairs, the Ministry of Intelligence and Security, the Islamic Revolutionary Guard Corps (IRGC) Intelligence and Security Department and the office of Supreme Leader Ali Khamenei are directly linked to the regime's ambassadors around the world.

The methods they used in the 1990s were crude and obvious. First there were identification teams using tracking, and then the mixed terror teams entered the relevant country, conducted the terrorist operation and then left the country. In some cases, this mixed terror team was able to successfully leave the country after the operation, but there have been cases where these people have been arrested and brought to justice. In most of these cases, after serving a some years in prison, they have been released and returned to Iran. When they returned to Iran, all of them were welcomed by the government with wreaths of flowers and official ceremonies.

After the decision of the German Federal Court regarding the direct involvement of the regime's leaders in the 1997 Mykonos Restaurant assassination, finally some European countries, and Australia, reduced their diplomatic and political ties with the Iranian regime. But it didn't take long after Mohammad Khatami came to power under the guise of a reformist government, for these diplomatic relations to re-grow.

Modern global terrorism has been predominantly shaped and defined by the Islamic Republic of Iran. Since its inception in 1979, Iran's theocratic dictatorship has maintained its hold on power by two means: internal repression and the spread of extremism and terrorism abroad. Understanding the connection between these two is the key to understanding Tehran's motives and tactics in the execution of terrorism outside Iran's borders.

The driving force of its terrorism outside Iran shifted from ideological to transactional i.e., terror as leverage and diplomacy. Starting from late 1980s and early 1990s, the regime also began using the newly formed Islamic Revolutionary Guard Corps (IRGC) Quds Force to kidnap and assassinate opposition figures abroad.

In this process, the web of intelligence agencies took over Tehran's embassies, positioning their most effective agents as high-level, accredited diplomats.

These emissaries of terror are the architects and operatives of terror plots to reinforce Tehran's diplomacy and eliminate Iranian dissidents in exile.

This submission is an attempt to see whether the IRGC is involved in targeting the fundamental principles of our democracy in Australia. Before going through the IRGC financial empire, we need to take a brief look at the history of the IRGC's entry into the economic world.

The Cat Ate Mazandaran

The Cat Ate Mazandaran is the title for a political cartoon published in French daily *L'Humanité* back on March 4, 1937. It depicted Reza Shah Pahlavi as a Persian cat taking a big bite out of Iran's entire northern province of Mazandaran. It poked fun at one of Reza Shah's infamous tactics: using fear

and force to confiscate and grab vast tracts of land from landowners and farmers alike. By the end of his rule in 1941, it is estimated that Reza Shah owned 2,670 entire villages.

In May 2005, Ali Khamenei began to bite the whole of Iran.

He directed the government to transfer 80 percent of its economic enterprises to “non- government public, private and corporative sectors” by the end of 2009. Among these were large mines, primary industries (including downstream oil and gas), foreign commerce, banks, insurance, power generation, post, roads, railways, airlines, and shipping companies. By some estimates, close to US\$12 billion in shares were transferred over just three years, from 2005-2008. This compares to less than \$1 billion from 1994-2004, a staggering 12-fold increase in one fourth the time.

Constitutional framework

1. In the regime’s constitution, which was adopted in December 1979, all principles and articles that mention property ownership are, without exception, tethered to restrictions and limitations that either deny or subvert respect for private property.

Article 40 states: *“No one is entitled to exercise his rights in a way injurious or detrimental to public interest”*. Article 44 split Iran’s economy into the three sectors of *“state, cooperative, and private”* adding: *“ownership in each of these three sectors is protected by the **laws of Islamic Republic...**”*

Hence, legal support for ownership has four provisos, some of which are difficult if not impossible to fulfil:

- A). *Conformity with all the other articles of Chapter 4, economy and financial affairs*
- B). *Conformity with “Islamic Law”*
- C). *Enhancement of the economic progress of the country, and*
- D). *Avoiding harm to society*

The Constitution provides a legal and lawful basis for denying the principle of ownership, with each of the articles in Chapter IV enabling the regime to systematically and brazenly snatch private property in various economic spheres: such as Article 31 is misused for confiscation of land, or Article 147 specifically enabling the IRGC and its affiliate Bassij to extend their domination over the economy, or Articles 45 and 49 allow the Supreme Leader to seize public and private assets.

2. *Both the “Revolutionary Council” and the “Islamic Consultative Assembly” have passed numerous resolutions and regulations enabling the mullahs and IRGC to unilaterally confiscate property in various spheres.*

The Property Rights Alliance’s 2016 International Property Rights Index (IPRI) ranks 128 countries, encompassing 98 percent of World Gross Domestic Product and 93 percent of the world’s population, comparing the protection of property rights - physical and intellectual - across countries. The index ranks Iran at 101 (out of 128).

The Mechanism

- ***How did they do it?***

1. In May 2005, Ali Khamenei, ordered the government of the time (before Mahmoud Ahmadinejad, a senior member of IRGC become the regime's 6th President, from August 2005-August 2013) to transfer 80 percent of government, semi-government and cooperative organizations to the private sector. In this plan the private sector was some institutions – none other than Setad and the Islamic Revolutionary Guard Corps.

Khamenei's office policies can be described as "devouring" the financial markets. The Supreme Leader decided to take control over virtually everything that matters including banks, financial and credit institutions, insurance, the stock market, domestic and foreign commerce, real estate and the financial instruments markets. This was done through the so-called cooperatives (taavoni).

2. In July 2006, Khamenei issued another order clarifying "the general policies of developing various non-governmental sectors" and organising the country's economy around the IRGC and Bassij cooperatives, and the foundations controlled by the Supreme Leader, especially Setad.
3. Then, in 2008, "banking system reforms" transformed the country's banks into conduits for simple and cheap cash grabs by enterprises controlled by the Supreme Leader.

A number of financial and credit institutions were created. Some of them were private banks - 31 new banks are clearly identifiable. Officials, report that these banks owned from 600 to over 1,000 large firms.

This act enabled Khamenei and his close circle to easily obtain low interest loans.

According to the Central Bank, 29 percent of banks deposits have been loaned to just 173 applicants in the entire country. Each of these applicants received loans valued at over \$16 million. The majority of these loans have never been paid back to the banks, resulting in a financial crisis in its own right.

4. The fourth policy was to cut down the consumer subsidies which took effect in 2010 and marked arguably the biggest economic transformation in Iran since the land reforms of 1962.

The removal of the subsidies increased the price of gasoline 21-fold and the price of natural gas 7-fold, resulting in sky rocketing manufacturing costs. At this stage an estimated 60-70 percent of production facilities were either shut down or had their capacity reduced to less than a third.

The elimination of subsidies, in effect, accelerated the monopolization of financial markets and broad-based economic activity.

Who are the beneficiaries?

The beneficiaries of the bulk of the transfers were the Supreme Leader's office and its various tentacles, including the dominant Setad, the armed services, and the infamous Bonyads or foundations.

These institutions exercise almost absolute control of all decision-making processes, legislative mechanism, intelligence gathering and access to significant budgetary commitments. As a result, major powerhouses have arisen, which now act as the main players and consequently the gate keepers for western companies into the overall Iranian economy.

Who are these powerhouse players?

The new economic configuration is defined by at least 14 major economic powerhouses either directly controlled by Khamenei, the IRGC or a combination of their affiliates.

The Setad holdings alone, including real estate, corporate stakes and other assets, total about US\$95 billion, according to a Reuters calculation.

These are the 14 powerhouses:

1. *Setad-e Ejrai-y-e Farman-e Hazrat-Emam*
2. *Bonyad-e mostazafan*
3. *Astan-e Qods-e Razavi*
4. *Bonyad-e Shahid (martyrs)*
5. *Bonyad-e (relief) Committee*
6. *IRGC Cooperative Foundation*
7. *Khatam Al-Anbiya Construction Headquarter*
8. *Bassij Cooperative Foundation*
9. *Ghadir Investment Company*
10. *Armed Forces Social Welfare Investment Organisation (SATA)*
11. *Khatam Al-Osia Headquarter*
12. *State Security Forces (NAJA) Cooperative Foundation*
13. *Army Cooperative Foundation (BTAJA)*
14. *Joint Chiefs of the Armed Forces Cooperative Foundation (VDJA)*

A “Thieving Mouse”

In one of his poems, the great Persian poet Rumi says: “if there’s no thieving mouse inside our grain-store, then where’s the wheat of forty years’ hard work?”

A fundamental question arises: where do the profits from the extensive seizure of the Iranian people’s assets end up?

The country’s wealth has been wasted on domestic suppression, the nuclear program, and foreign military adventurism.

Accountability and transparency regarding the expenditures of the Supreme Leader on these destructive policies are nowhere to be found in the regime’s laws, or budget documents.

It is abundantly clear that there is a wilful cover-up policy to protect against accountability.

- *The Entekhab news website said on June 9, 2015, “the president’s first deputy, Ishaq Jahangiri, said: one of the elements of Article 44 was the issue of transfers. They did this through all those mechanisms and got the money, and we don’t know what happened. \$100 billion was sold from telecommunications shares to refineries, to factories and copper mines.”*
- *The Mizan news agency said on January 4, 2015, “Abbas Akhundi, the minister of Roads and Urban Development said that instead of real privatization, we released*

state assets, and added: 100 billion dollars has been privatized but no one knows where it went”.

- *The ISNA news agency reported on January 4 2015 that Abbas Akhundi, the minister for roads and urban development said: “... over the past 10 years 100 billion dollars’ worth of assets has been privatized, but it is unclear where this money has gone to and how it was managed. There is a halo of uncertainty around it”.*

Has any of this money reached Australia?

Background

The first Iranian citizen came to Australia in 1883.¹

Today according to the country's official census in 2021, the population of Iranians living in Australia is more than 70,000.²

The Census in 2016 recorded 58,112 Iranian-born people in Australia, an increase of 68.7 percent from the 2011 Census.

Iran-Australia diplomatic relations started in late 1950s and they officially opened their embassies in 1968. The main goal of the two countries has been to establish economic relations.

These relations have fluctuated in some historical moments, but they have always been maintained. In the 1990s and at the peak of foreign assassinations by the Islamic Republic of Iran, especially after the verdict of the Mykonos trial based on the involvement of the regime leaders in the assassination of the leaders of the Iranian Kurdish parties in Vienna, a temporary halt was established in the relations between the two countries. But the Australian government at that time was able to maintain and later grow its economic relations with Iran again.

The growth of the population of Iranians living in Australia was very limited in the 1980s. In the 1990s, due to the growth of internal repressions in Iran and the growth of the regime's international terrorism, a wave of Iranians reached Australia's shores by ship during 1995-2001.

The regime always uses asylum as a tactic against its internal critics and also to apply pressure against criticism from western countries.

Students rose up in Iran and took control of Tehran for one week in June 1999. Security and intelligence forces severely suppressed the students and youth.

At the same time, the occupation of Afghanistan and the “war against terror” were international issues and considerations. With the increase of repression in Iran and instability in the region, a considerable number of refugees from Iran, Afghanistan, Iraq, and elsewhere reached the shores of Australia by sea.

In 2001, the Australian government adopted a policy to stop the boats and the arrival of refugees by sea.

Despite this action by the Australian government, the situation became worse.

How did Australia become a paradise for dangerous operations of the Islamic Republic?

Step 1:

➤ Formation of Iran - Australia Parliamentary Friendship Group for Expanding Ties ³

June 23, 2001 - 0:0

TEHRAN Iran and Australia have formed a parliamentary friendship group in the Australian capital for expanding bilateral relations.

The Australia-Iran parliamentary friendship group headed by the former deputy prime minister, who is one of the country's prominent politicians, is made up of some 22 members from the Australian Senate and House of Representatives.

Members of the group include the President of the Senate, Margaret Reid, and the current Minister of Immigration and Multicultural Affairs Phillip Ruddock.

The Australian group, which is due to visit Iran in the near future, cooperates with the Iran-Australia Parliamentary Friendship Group by holding weekly sessions.

The Iranian ambassador to Australia told IRNA's bureau in Sydney that the Iranian group was formed with 11 members.

In another development, the Iranian Ambassador to Canberra, Gholam-Ail Khoshroo, in a meeting with members of the Australian group, discussed various ways of expanding bilateral relations.

Guess what!

Hamid Aboutalebi, an IRGC member, become the regime's ambassador to Australia from 2002-2006. But who is Hamid Aboutalebi?

He was one of the students who attacked and occupied the US Embassy in Tehran in 1980.

He became a regime diplomat and was directly involved in the assassination of Mr Mohammad Hossein Naghdi, the representative of NCRI in Rome, Italy, in 1993.

He was rejected to receive a visa to enter the USA as the Iranian Ambassador to the UN in 2014. ⁴

Step 2:

➤ Signing the Memorandum of Understanding (MOU)

On March 12, 2003, Immigration Minister Philip Ruddock declared that the government had signed a Memorandum of Understanding (MOU) with Iran to return Iranian asylum seekers in Australia to Iran. Under the deal, detainees who had been denied refugee status would be given 28 days to accept a lump-sum payment and a one-way ticket to Iran. In exchange, **the Australian government would provide 2,000 working holiday visas to young Iranians**. Ruddock indicated that the terms of the MOU allowed for the involuntary deportation of asylum seekers who refused to return "voluntarily" to Iran. ⁵

Leaked documents reveal that the government had been desperately trying to negotiate a deal with Iran, particularly since late 2002, to deport the 274 Iranian refugees then being held in Australian detention centres. The Iranians were the largest national group of boat arrivals still in detention at that time. Several have been held for over four years, and more than 200 had exhausted the few avenues of legal appeal available. Many feared torture, jail and even worse if they were forced back to Iran, and so, despite the hellish conditions in the centres, were determined not to be pressured into accepting repatriation. The MOU proposed that the Australian government enlist Iranian officials to visit the detention centres. In concert with the visit, immigration officials would distribute a letter suggesting that Iran and Australia were working together to involuntarily deport detainees who did not accept voluntary deportation. This created an impression that Iran was actively supporting removals.

Step 3:

➤ **Building a variety of relations including cultural, highly politicised diplomatic relations, finance, and of course economic relations**

In 2002, Hamid Abotalebic became the regime's ambassador to Australia and Iranian communities around Australia witnessed many new Iranian stores. A number of Iranian Money Exchanges were set up in every capital city in Australia. A big number of Iranian stores directly received most of their product from Iran. Most of these new arrivals knew each other back in Iran, making it easy for them to monitor each other's movements. They were able to interact with most Iranian families in Australia. A number of charity organisations were formed in order to help Iranian children in Iran, a number of associations, fake cultural centres, and other businesses began to operate.

In June 2010, after years of Iranian community protests against the presence of undesirable elements of the Iranian regime in Australia, the bridging visa of Sheikh Mansour Laghaei was cancelled and he was forced to return from Sydney to Iran. He was one of the dangerous elements and a threat to the country's security.

Step 4:

➤ **Making in together**

The Iranian Embassy already had enough resources to monitor the refugees' activities closely.

Gradually, the Iranians in Australia felt the shadow of the regime in every aspect of their communities.

The majority of those who came since 2003 under the MOU are either close relatives or friends of high-ranking mullahs or IRGC officials.

During Iranian protests in Australia, the regime takes videos and photos of most of the protesters. Especially since the big protests after the September 2022 murder of Jina Mahsa Amini, they have infiltrated the movement.. They worked to divide the Iranians and were able to organise a number of street fights in every Australian city where the rallies were held.

With an increased number of agents with a variety of skills able to enter any public space in Australia, the regime has been able to create separate but related networks and gain extensive influence over the Iranian population in Australia.

These are a number of avenues that need to be reviewed in relation to Iran

Example 1: [6](#)

Strongly reject regime request to eliminate the genius Iranian refugees

In a conversation in February 2022 between the Australian and Iranian Foreign Ministers, Iran's top diplomat congratulated Senator Marise Payne and the Australian government and people on Australian National Day, calling half a century of friendly relations the common capital of the two countries and the presence of the educated Iranian community in Australia as a cultural bridge between the two nations.

Referring to the capacities of relations, Foreign Minister Amir Abdollahian announced a readiness to expand cooperation between the two countries in various fields, including trade, investment and scientific exchanges between the public and private sectors of the two countries and joint planning in this regard. He considered the Spikogen vaccine a successful example of constructive collaboration between the two countries.

In the phone call, Amir Abdollahian called on the Canberra government to pay special attention to the rights of Iranians living in Australia, especially the consular status of some Iranian citizens who are facing problems in Australia.

The foreign minister then called on Australia to deal responsibly with terrorist groups in the country.

Iran's chief diplomat was openly referring to the presence of some members of the Mojahedin Khalq Organization (MKO) in Australia, which he said was a terrorist organisation.

Example 2: [7](#)

Downgrade your political-diplomatic relations

In 2018, the Australian Embassy in Tehran was reported to have been building up its number of staff over the previous three years in particular. There were eleven Australian-based diplomats working at the Embassy in Tehran alongside forty local staff. Austrade had a permanent post at the Australian Embassy. This made the Embassy one of Australia's largest middle-sized posts around the world.

Australia's role in Iran has historically been to facilitate trade between the two countries and to foster mutually beneficial economic opportunities. However, Australia has recently expanded its interests in Iran, focusing on sectors including water security, education, and tourism.

Example 3:

Impose more sanctions

Australia removes financial countermeasures for Iran [8](#)

Example 4:

Protect the rights of belief of Iranian- Australian

There were more than 20 cases of physical attacks against the peaceful protesters in Australia by a punch of groups of Iranian youngsters who are directly and closely working with the group's affiliated with Monarchists. Most of the victims are women.

Attacks on the genuine Iranian refugees (supporters of People's Mojahedin Organisation of Iran) in Melbourne by the regime elements under the banner of Reza Pahlavi ⁹

Conclusion:

It is highly likely that a large amount of money seized by the Iranian regime over the last 20 years has ended up in Australia. Where has it been invested? And how has it been used? These are the questions that we as a community have a right to know.

The Iranian community has identified a number of these people and businesses and it now is in the hands of Australian authorities to investigate them, to act for the safety of Australian citizens before any member of the community becomes a victim of regime aggression.

However, there are a few questions that we ask ourselves.

- Are we really safe?
- Do we know the potential dangers coming from the regime?
- What are the guarantees against these risks?
- What steps have been taken to secure the safety of the genuine Iranian-Australian refugees who had to flee their homeland due to massive abuses?

Recommendations:

- **Dissolve the Australia-Iran Parliamentary Friendship Group**
 - **Recognise the National Council of Resistance of Iran as the principle opposition party to the regime**
 - **Shut down all the regime's fake businesses in Australia**
 - **Monitor each Iranian who travels to Iran especially those who travelled during the current uprising because they are likely to either participate in cracking down on protesters or are returning back to Iran for more briefing and monitoring**
 - **Cancel the Permanent Residency or Visas of those who are spying on the community in Australia**
 - **Downgrade Australia's diplomatic relations with Iran to the minimum necessary for Australia's foreign policy.**
 - **List the IRGC as a terrorist entity**
-

Endnotes

1. https://en.wikipedia.org/wiki/Iranian_Australians
2. https://www.abs.gov.au/census/find-census-data/quickstats/2021/4203_AUS
3. <https://www.tehrantimes.com/news/66779/Iran-Australia-Form-Parliamentary-Friendship-Group-for-Expanding>
4. <https://nypost.com/2014/04/15/beleaguered-iran-envoy-pick-could-offer-diplomatic-do-over/>
5. <https://www.wsws.org/en/articles/2003/05/refu-m27.html>
6. <https://www.tehrantimes.com/news/469733/Iran-and-Australia-discuss-Afghanistan-crisis>
7. <https://www.internationalaffairs.org.au/wp-content/uploads/2018/06/2018-Iran-Study-Tour-Report.pdf>
8. <https://sanctionsnews.bakermckenzie.com/australia-removes-financial-countermeasures-for-iran/>
9. <https://www.youtube.com/watch?app=desktop&v=hMSrCC4DuF4>