

The Quarantining the Ayatollah's State-Sponsored Aggression and Militancy (QASSAM) Act – H.R. 4258

Introduced by Rep. Peter Roskam (R-IL)

Frequently Asked Questions

What does the QASSAM Act Do?

H.R. 4258 aims to financially weaken Iran's Islamic Revolutionary Guard Corps (IRGC) and ensure that sanctions relief, as authorized by the Joint Comprehensive Plan of Action (JCPOA), will not provide billions of dollars in increased revenue to the IRGC or IRGC-connected companies.

The QASSAM Act does three things:

- Directs the President to impose sanctions against any entity in which Iran's Islamic Revolutionary Guard Corps (IRGC) owns, directly or indirectly, a 20% or greater interest, regardless of whether the entity itself is listed on the Office of Foreign Assets Controls' (OFAC) Specially Designated Nationals and Blocked Persons List (SDN)
- Directs the Secretary of Treasury to establish, maintain, and publish a list to the Federal Register of all entities in which the IRGC maintains an ownership share of less than 20% or entities that are influenced by the IRGC through board membership or other means
- Authorizes state and local governments to divest from certain companies that engage in investment or business activities with the IRGC or entities owned or partially owned by the IRGC

What is the IRGC?

The IRGC is an elite branch of Iran's armed forces responsible for planning and executing terrorist attacks against American citizens and other civilians around the globe. The IRGC equips and trains Foreign Terrorist Organizations (FTOs) including Hamas in Gaza and Hezbollah in Lebanon. The Corps supports Bashar al-Assad and his murderous regime in Syria, finances the Houthi militia in Yemen, and is widely believed to have orchestrated the deadly AMIA bombings in Buenos Aires, Argentina. The IRGC poses a direct threat to our national security and that of our allies.

Does the IRGC own many Iranian companies?

Yes. Beyond its military role, the IRGC is a multibillion-dollar business empire deeply entrenched in the Iranian economy. The IRGC maintains ownership and control over numerous commercial entities throughout Iran's major economic sectors, including, but not limited to, oil, transportation, finance, automotive, and manufacturing. Estimates indicate the IRGC controls 10% of the Iranian economy, with annual revenue of over 12 billion dollars. The Iranian economy is set to improve greatly from incoming sanctions relief thanks to the JCPOA. Sanctions relief will pump billions of dollars into the Iranian economy and will greatly benefit IRGC-owned entities, providing the IRGC with millions, if not billions, of more dollars to fuel its terror campaign abroad and repressive actions at home. Congress must act to stop the IRGC from receiving a cash bonanza in the coming months.

Doesn't the Office of Foreign Asset Control (OFAC) of the Department of the Treasury already list the IRGC and IRGC-owned entities on the Specifically Designated Nationals (SDN) list, automatically sanctioning them and blocking their assets? What is the need for these sanctions?

The IRGC and entities in which the IRGC owns a 50% or greater interest are blocked and sanctioned because the IRGC is on OFAC's SDN list. However, there are hundreds of entities in which the IRGC owns a partial interest below the 50% OFAC threshold. These companies remain unsanctioned and open for business. As sanctions are lifted under the JCPOA, billions of dollars will begin flowing into the Iranian economy. We must ensure entities in which the IRGC owns 20%, 30%, or 49% do not benefit, as this would only further bankroll the IRGC's illicit activities. Sanctioning all entities that meet the 20% IRGC ownership threshold will help limit the negative effects of sanctions relief.

What is the need for a separate "Watch List"?

The IRGC watch list will publicize and expose commercial entities in which the IRGC maintains an ownership stake of less than 20%. As nuclear-related sanctions are lifted in accordance with the JCPOA and international money and investments begins to flow into Iran, it is necessary to educate and deter potential investors from doing business with all IRGC-connected entities. A watch list will send a strong signal to companies considering business relations with IRGC-connected companies to be vigilant, as their potential partners are under scrutiny and may soon be designated on the SDN list for their connection to the IRGC. Doing business with any IRGC-connected commercial entity holds great risk and a watch list will greatly benefit companies seeking investment opportunities in Iran.

What does this bill do with regards to state sanctions?

The QASSAM Act authorizes state and local governments to divest from certain companies that engage in business activities with the IRGC or entities owned or partially owned by the IRGC. State and local governments must have the authority to prevent their assets from funding the IRGC's terrorism, human rights abuses, and other illicit activities.

Currently, thirty states and Washington D.C. maintain divestment laws forbidding state and local pensions from being invested in companies, financial institutions, or other persons that do certain types of business with Iran. Eleven states maintain contracting prohibition laws, prohibiting states and localities from contracting with persons that conduct certain types of business with Iran. States are actively doing their part to make Iran pay a price for its illicit behavior. Congress supports the rights of states and local governments to sanction Iran for sponsoring terrorism and violating human rights. This bill authorizes states to expand these sanctions.

Will the QASSAM Act interfere with the implementation of the JCPOA?

No. The JCPOA deals very specifically with sanctions related to Iran's nuclear program and leaves in place sanctions related to the Islamic Republic's support for terrorism and human rights violations. Iran will soon be emboldened by billions of dollars in sanctions relief which will only further its ability to sponsor terrorism and wreak havoc across the region. We must use all available means to ensure that the IRGC will not greatly benefit from sanctions relief and an improved Iranian economy. By sanctioning more IRGC-connected entities, we can keep this money out of the hands of the IRGC.