

Iraqi Oil and the Iran Threat Network

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April 2025

Also published in CTC Sentinel

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Terrorist organizations are exploiting Iraq’s energy sector to the tune of billions of dollars per year, raising the need for more intensive efforts to trace how revenues are routed into oil “voucher” programs and other diversion schemes.

The Iran threat network suffered grievous blows in Lebanon, Syria, Gaza, and Iran itself in 2024, and this has arguably made oil-rich Iraq even more important to the network. Facing renewed maximum pressure from the United States, Iran needs not only Iraq’s terrorist fundraising potential but also its value as a “laundromat” through which Iranian energy products can be fraudulently relabeled as Iraqi exports. Using their control of the Sudani government, Iran-backed terrorist groups and militias are developing significant new strands of threat financing using Iraq’s oil sector, which combine to provide billions of dollars of illicit value each year. Iraq is thus emerging as Iran’s best bet for neutering the Trump administration’s renewed maximum pressure campaign...

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