

The Smart Way to Sanction Iranian-Backed Militias in Iraq

by [Michael Knights \(/experts/michael-knights\)](#), [Barbara A. Leaf \(/experts/barbara-leaf\)](#), [Matthew Levitt \(/experts/matthew-levitt\)](#), [Phillip Smyth \(/experts/phillip-smyth\)](#)

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ABOUT THE AUTHORS



[Michael Knights \(/experts/michael-knights\)](#)

Michael Knights is the Jill and Jay Bernstein Fellow of The Washington Institute, specializing in the military and security affairs of Iraq, Iran, and the Persian Gulf states. He is a co-founder of the Militia Spotlight platform, which offers in-depth analysis of developments related to the Iranian-backed militias in Iraq and Syria.



[Barbara A. Leaf \(/experts/barbara-leaf\)](#)

Ambassador Barbara A. Leaf was the Ruth and Sid Lapidus Fellow at The Washington Institute and director of the Geduld Program on Arab Politics from 2018-2021.



[Matthew Levitt \(/experts/matthew-levitt\)](#)

Matthew Levitt is the Fromer-Wexler Fellow and director of the Reinhard Program on Counterterrorism and Intelligence at The Washington Institute.



[Phillip Smyth \(/experts/phillip-smyth\)](#)

Phillip Smyth was a Soref Fellow at The Washington Institute from 2018-2021.



Brief Analysis

Timing is everything, so Washington should coordinate its designations with Baghdad to avoid upsetting the government formation process or throwing Iran a lifeline.

On September 19, the Senate will introduce the “Iranian Proxies Terrorist Sanctions Act,” which calls for imposing U.S. sanctions on two Iranian-controlled Iraqi militias, Asaib Ahl al-Haq (AAH) and Harakat Hezbollah al-Nujaba (HHN). If passed, the legislation will also require the State Department to maintain a public list of armed groups funded, controlled, or influenced by Iran’s Islamic Revolutionary Guard Corps.

The draft bill follows a September 11 White House warning to Tehran about reining in its proxy militias after successive rocket attacks on U.S. diplomatic facilities in Iraq. On September 7-8, three 107 mm rockets and one 122 mm rocket were fired from east Baghdad toward the Baghdad embassy complex a few hours after protestors burned Iran’s consulate in Basra. On September 8, two more salvos of 107 mm rockets were fired at the U.S. Consulate General adjacent to Basra Airport. No casualties or damage were reported, and it is unclear whether the rockets were intended to hit U.S. facilities or land nearby as a warning shot. The White House communique noted, “The United States will hold the regime in Tehran accountable for any attack that results in injury to our personnel or damage to United States Government facilities. America will respond swiftly and decisively in defense of American lives.”

WHY SANCTION THESE IRAQI GROUPS?

Founded in 2006-2007 out of a splinter element from Muqtada al-Sadr’s Mahdi Army, Asaib Ahl al-Haq was at the forefront of attacks against coalition forces in Iraq at the time. These included the January 2007 raid on the Karbala Provincial Headquarters, in which five U.S. soldiers were killed, and the May 2007 storming of the Ministry of Finance, where four British hostages were killed. Since late 2012, the group has also sent forces to Syria to bolster the Assad regime. AAH is controlled by Iran and led by Qais al-Khazali, a senior cleric who formerly served as a military leader under Sadr.

Harakat Hizballah al-Nujaba split off from AAH in late 2012 and is led by Akram Kaabi. Under Tehran’s direction, the group has been at the forefront of recruiting Iraqi Shia fighters for the Syria war. In 2013, it echoed AAH in threatening U.S. assets in Iraq if Washington responded to the Assad regime’s chemical weapons attacks next door. And in March 2017, the group created the Golan Liberation Army to advance the goals of returning the Golan Heights to Syria and destroying Israel.

RISKS OF IMPOSING SANCTIONS RIGHT AWAY

The U.S. government has ample cause to designate both groups as terrorist entities. The failure to sanction militias implicated in the deaths of U.S. service members and diplomats has been a glaring omission for years, as is the exclusion of HHN despite Kaabi being individually designated by the Treasury Department in 2008. Recently [declassified interrogation reports \(https://www.aei.org/spotlight/qayis-al-khazali-papers/\)](https://www.aei.org/spotlight/qayis-al-khazali-papers/) provide a clear evidentiary basis for designating both militias.

Washington may believe that delegitimizing these groups is particularly urgent following Iraq’s recent parliamentary elections, in which AAH increased its seat tally from one to fifteen, making it the ninth-largest party in the 329-seat legislature. New sanctions could impede AAH members from receiving a prominent role in the next Iraqi government. For example, in the years since Abu Mahdi al-Muhandis and his militia Kataib Hezbollah were designated in 2009, he has gained influence in some respects (e.g., being named to run the government’s Popular Mobilization Forces militia network), but his political role has been noticeably capped. He has been discouraged from running for parliament or holding any cabinet position in which international travel restrictions might come to bear. Washington may also hope that designating AAH and Nujaba will encourage their members to leave the groups in order to remain eligible for incorporation into the Iraqi security forces, which rely on U.S.-provided training that can be suspended for such affiliations.

Yet several negative consequences could emerge from sanctioning these groups in the near term. Doing so would

risk blowback at a particularly sensitive moment in Iraq. Officials are partway through formation of the next government, so Iran and its political partners would likely be able to manipulate any U.S. designations to their advantage by presenting them as an assault on Iraqi sovereignty. New sanctions could therefore backfire, bolstering Iranian-backed militia movements and leaders at a time when the political and religious mainstream is trying to weaken them. Sanctioning AAH and HHN could also unify their members, undermining the next Iraqi government's presumed plans to peel them away from their groups.

Once the next government has formed, Washington may find more enthusiasm in Baghdad for sanctioning militia leaders such as Khazali. Iraqi politicians tend to believe that AAH—but notably not the anti-political HHN—can be progressively moderated by involvement in the political process, citing Sadr's movement and the Iranian-backed Badr Organization as examples. Yet many in Congress and the Trump administration see no prospect of either group transforming into a political actor that prioritizes Iraq's interests over Iran's. While Sadr has been able to make that change, AAH and HHN seem more akin to the Badr Organization, which most U.S. analysts believe has not distanced itself from the Islamic Revolutionary Guard Corps or its own militia roots.

POLICY RECOMMENDATIONS

Sanctioning AAH and HHN is legally justified, but the timing and sequencing of any such move is critical to maximizing the desired effects and minimizing Tehran's ability to exploit Iraqi backlash. If the Iranian Proxies Terrorist Sanctions Act becomes law, the Trump administration should carefully calibrate the manner in which militias and individuals are sanctioned under it, closely coordinating U.S. efforts with the next Iraqi government.

Don't interrupt Iran while it is making mistakes. Tehran is suffering some of its most public and dramatic setbacks in Iraq since 2003, with protestors chanting "Iran out," burning images of the Supreme Leader, and looting the Basra consulate. Wading in right now with comprehensive U.S. sanctions on AAH and HHN would only give Tehran a welcome distraction from these challenges—specifically, a means of changing the narrative, whipping up Iraqi nationalism, and putting pressure on its Iraqi political rivals to defend the two groups.

Designate HHN first as a warning shot. Placing sanctions on HHN would be low-hanging fruit, with little prospect of significant blowback in Iraq. Like Kataib Hezbollah, HHN does not take part in the political process and is led by a man whom the Treasury Department previously designated for "threatening the peace and stability of Iraq," so sanctioning the group itself would hardly come as a surprise in Baghdad. And because HHN remains active in Syria, targeting it would serve the dual purpose of highlighting the Trump administration's resolve on that front. Notably, the group can be designated by executive order at any time; the administration need not be tied to Congress's timeline.

Issue AAH sanctions at the right moment. For now, Washington should quietly signal key Iraqi interlocutors that Khazali and AAH will be designated eventually. This must be done carefully so that the issue does not land like a bomb in the middle of government formation talks, which would likely force all Shia militia leaders—even Sadr—to close ranks. Washington should therefore be prepared to wait on announcing formal designations and sanctions until at least mid-October, and more likely late November. As with HHN, the president can sanction AAH by executive order at any time.

Sanction Khazali before AAH. Iraqi leaders appear more ready to swallow sanctions on Khazali than sanctions on AAH writ large, apparently viewing the group's leaders as more nefarious than its rank-and-file fighters. Washington has precedent for such a move in designating HHN leader Kaabi years before seeking sanctions on his group. This approach may placate some Iraqis while splitting Khazali and other AAH leaders away from the group's foot soldiers, many of whom joined after 2014 specifically to fight the Islamic State, not to further a pro-Iranian agenda. Designating AAH as a whole could follow later; in fact, the prospect of such sanctions could incentivize the Iraqi

government to demobilize AAH soldiers more urgently.

Michael Knights, a senior fellow with The Washington Institute, has worked in all of Iraq's provinces and spent time embedded with the country's security forces. Last October, he provided [congressional testimony on the need to sanction Iranian-backed militias \(http://www.washingtoninstitute.org/policy-analysis/view/how-to-contain-and-roll-back-iranian-backed-militias\)](http://www.washingtoninstitute.org/policy-analysis/view/how-to-contain-and-roll-back-iranian-backed-militias). Barbara Leaf, the Institute's Rosenblatt Distinguished Visiting Fellow, led the U.S. Provincial Reconstruction Team in Basra from 2010 to 2011 and served as deputy assistant secretary of state for Iraq in 2011-2013. Matthew Levitt is the Institute's Fromer-Wexler Fellow and former deputy assistant Treasury secretary for intelligence and analysis. Phillip Smyth, a Soref Fellow at the Institute, wrote the [first-ever profile of HHN \(https://jihadology.net/2013/07/20/hizballah-cavalcade-liwaa-ammar-ibn-yasir-a-new-shia-militia-operating-in-aleppo-syria/\)](https://jihadology.net/2013/07/20/hizballah-cavalcade-liwaa-ammar-ibn-yasir-a-new-shia-militia-operating-in-aleppo-syria/) in 2013. ❖

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