



November 4, 2012

## Azerbaijan as an arena for Iranian terrorism and subversion



Weapons transferred to an Azeri terrorist cell handled by Iran. Its objective was to assassinate two Jews, Chabad representatives, in Baku in January 2012. The sniper rifle, center, manufactured in Iran, was fitted with a silencer and meant to be used to shoot the targets (YouTube from AZTV, February 1, 2012).

### Overview

1. On October 11, 2012, the Azeri media reported that a court in Baku had convicted 22 members of a terrorist network **handled by the Iranian Islamic Revolutionary Guards Corps (IRGC)**. They were found guilty of conspiring **to carry out terrorist attacks on Israeli, American and Western targets**. The affair joined the series of foiled attempts to attack Israeli and Jewish targets: the Israeli embassy in Baku in May 2008, Jewish targets in January 2012 and Eurovision participants in May 2012.
2. Since its founding on October 18, 1991, **Azerbaijan has been a preferred arena for Iranian terrorist and subversive activities**. Iranian objectives have **been to fashion Azerbaijan's social and political character** and to settle accounts with those Iran regards as its enemies, principally **Israel, the Jewish people, the United States and the West**. The attacks carried out by Iran on Azeri soil provide Iran with a response to what it perceives as the clandestine campaign waged against it by **Israel**

**and the West.** In particular, the attacks in recent years are retaliation for the killings of Iranian nuclear scientists and senior Hezbollah commander Imad Mughnieh, attributed by Iran and Hezbollah to Israel.

3. The central Iranian agent directing terrorist and subversive activities in Azerbaijan is the **Quds Force of the Islamic Revolutionary Guards Corps (IRGC-QF)**, which spearheads Iranian-initiated terrorism and subversion throughout the world.<sup>1</sup> Like other Iranian governmental apparatuses involved in terrorism and subversion, the Quds Force employs **local Azeri supporters** as well as Hezbollah in Lebanon, Iran's preferred proxy for terrorism and subversion. To further their terrorist and subversive activities in Azerbaijan, the Iranians send their proxies large amounts of money, designated weapons (firearms with silencers, explosives), and the technical training for using the weapons.

4. **Iran has been active in terrorism in Azerbaijan since its founding in the following areas:**

- 1) **Orchestrating terrorist attacks against Israeli and Jewish targets** using Azeri operatives or handling **Lebanese Hezbollah operatives in Azerbaijan.**
- 2) **Subverting the Azeri regime in various ways**, including Iranian support for radical Islamic organizations and local separatist groups.
- 3) **Exporting the ideology of the Iranian Islamic Revolution to Azerbaijan** through the foundation of cultural institutions, mosques and charitable societies (as Iran does within the Shi'ite populations of other countries).
- 4) **Encouraging profitable criminal activities in Azeri territory** to fill the coffers of the IRGC and circumvent the sanctions imposed on Iran.

5. This document contains **four Appendices** which examine and analyze Iran's terrorist and subversive activities in Azerbaijan, as follows: terrorist attacks on Israeli/Jewish and Western targets, terrorism and subversion of the Azeri regime, exporting Iranian ideology and encouraging profitable criminal activities in Azerbaijan.

## Appendix I

<sup>1</sup> For further information about the Quds Force's activities, see the August 7, 2012 bulletin "[The Quds Force, an elite unit of the Iranian Revolutionary Guards, spearheads Iran's global terrorist campaign.](#)"

## Thwarted terrorist attacks on Israeli, Jewish and Western targets

### Overview

1. In recent years but especially in 2012, Iranians directed by the QF carried out a broad terrorist campaign in Azerbaijan against Israeli, Jewish and Western targets. **Four affairs were prominent in the campaign**, which was directed by Iran and carried out by Hezbollah or local Azeri supporters:

- 1) Attempted attack on the Israeli embassy in Baku, May 2008;
- 2) Attempted murder of two Jewish figures, January 2012;
- 3) Attempted terrorist attack during the Eurovision, May 2012;
- 4) The exposure of a terrorist and espionage network which planned to attack Israeli and American targets, February 2012.

2. The attempts to carry out the terrorist attacks, three of them in 2012, turned the spotlight on **Azerbaijan as a preferred arena for Iran's extensive terrorist and subversive activities**. That is because of its politics, geography and demography:

1) **Politically**, Iran and Azerbaijan are traditionally deeply at odds. While Azerbaijan is a Shi'ite Muslim state (an estimated 70% of its population is Shi'ite), **it is oriented towards the West** and to Iran's great dissatisfaction, has good relations with Western countries and Israel. Azerbaijan is a **secular country with a clear separation of religion and state** completely the opposite of the Iranian regime, ruled as it is by the Mullahs.

2) Azerbaijan's **geography and demography** make it easy for Iran to conduct terrorist and subversive activities: the two countries share a border that is 618 kilometers, or 384 miles long, **through which Iran can infiltrate terrorist operatives and smuggle weapons into Azerbaijan with relative ease**; and the religious and cultural ties between the Shi'ite populations and the close family relations between Azeris on both sides of the border also **make it easy for Iran to conduct subversive activities** in Azeri territory (a large Azeri minority lives in northern Iran, comprising about one quarter of the country's population).

3. However, despite the ease of operating in Azeri territory, in recent years Iran's attempts to carry out attacks in Azerbaijan failed badly (joining the series of other Iranian operational failures around the globe). Nevertheless, in our assessment Iran is determined to continue its terrorist campaign abroad and Azerbaijan may again be chosen as the preferred arena.

4. **The Azeri regime has so far not prominently featured Iran's main role in the terrorism and subversion carried out in its territory** (though the Azeri media have occasionally mentioned Iran and the IRG as being behind various terrorist and subversive activities). For that reason, the trials of Iranian-handled and directed terrorist operatives have been held **behind closed doors**. In our assessment, that is the result of political considerations, **especially the Azeri desire not to take too many risks where Iran is concerned**.

5. The following is an analysis of four affairs in which attacks and subversion were prevented in Azerbaijan in recent years:

### **Attack planned on the Israeli embassy in Baku, 2008**

6. After the death of Imad Mughnieh in Damascus in February 2008, **Hezbollah rushed a terrorist squad to Azerbaijan to carry out a revenge attack on the Israeli embassy in Baku**. The cell was composed of **two Hezbollah operatives** and four Azeri supporters. The two Hezbollah operatives were **Ali Karaki**, "a veteran of Hezbollah's external operations unit," and **Ali Nijem al-Din**, described as "a lower-ranking explosives expert." The members of the squad were **detained by the Azeri security services in May 2008**.<sup>2</sup>

7. The two Hezbollah terrorist operatives **went from Lebanon to Baku to Iran and back to Lebanon**. From Lebanon they returned to **Azerbaijan and were found to be carrying Iranian passports**. In Baku they stayed in first-class hotels and did the groundwork for an attack on the Israeli embassy (collecting intelligence, preparing weapons, getting safe houses ready). **In May 2008 the Azeri police intercepted a car carrying the two Hezbollah operatives**. In the car were explosives, binoculars, cameras, handguns equipped with silencers and photographs of the Israeli embassy. The police then raided the cell's safe houses (LA Times).

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<sup>2</sup> **Los Angeles Times**, May 5, 2009 and <http://articles.latimes.com/2009/may/30/world/fg-shadow30>; IDC Herzliya, "ICT's jihadi websites monitoring group," August 2009.

8. The affair was exposed by the LA Times at the end of May 2009, when the members of the terrorist cell were tried behind closed doors by an Azeri court. According to an Israeli security source, plans to carry out the attack were almost complete (LA Times). During the trial it was reported that the target was the Israeli embassy in Baku and that the cell had been organized and directed by the **Iranian Islamic Revolutionary Guards Corps**. Since both Lebanese operatives knew little of Azerbaijan, and because they did not speak the local language, **they received aid and support from Iranian agents, who also provided them with an interpreter.**<sup>3</sup>

9. **In early October 2009 the two Hezbollah operatives were found guilty of planning to attack the Israeli embassy and sentenced to 15 years in prison.** The four Azeris who assisted them received sentences of from 12 to 14 years. One year later, in November 2010, the Azeri authorities **released the two Hezbollah operatives and deported them to Lebanon** (Ynet, Israel, November 22, 2010).

### **Attempted murder of two Jewish figures in Baku, January 2012**

10. On January 24, 2012, the Azeri authorities revealed that **a squad of three Azeri terrorists handled by the so-called "Iranian special services"** was planning to attack Jewish targets. According to the Azeri authorities, every stage of planning the attack was **supervised by the Iranian intelligence services** (AP, February 21, 2012). In our assessment the main target was the "Or Avner" school in Baku, which served the local Jewish community. The **terrorists planned to kill two Chabad representatives:** the chief rabbi and the headmaster of the school. The three operatives were detained by the Azeri security forces during surveillance outside the school (The Telegraph, Britain, January 25, 2012).

11. According to reports from the Azeri security forces, **three members of the squad were detained after they had been under surveillance for several months.** The three were **Balaqardash Dadashov, who had lived in Iran;** his nephew **Rasim Aliyev,** who had been promised \$150,000 for the attack; and **Ali Guseynov, who was supposed to have been the shooter, using the sniper rifle.** The three received weapons, ammunition and explosives, **all smuggled in from Iran** (AZ News, January 19, 2012).

12. The initial findings of the Azeri investigation were the following (AP, February 21, 2012):

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<sup>3</sup> Dr. Alexander Murinson, "Iran Targets Azerbaijan," June 23, <http://www.biu.ac.il/SOC/besa/perspectives110.html> ).

1) **Balaqardash Dadashov** was handled by Iranian intelligence agents and instructed to carry out the attack (the Azeri authorities later issued statements indicating that **he apparently had ties to the IRGC**). Dadashov is about 60 years old and resides in the Iranian city of Ardabil. Until the mid-1990s he was wanted by the Azeri authorities on suspicion of abduction, murder and weapons smuggling (AP, February 21, 2012).



**Balaqardash Dadashov (YouTube from AZTV, February 1, 2012)**

2) **Rasim Aliyev**, Dadashov's nephew, met with him in an apartment in Ardabil in August 2011 and was instructed to kill "foreigners" [i.e., Israelis or Jews] working in Baku. Dadashov **promised him \$150,000** and gave him an advance of \$9,300.



Rasim Aliyev (YouTube from AZTV, February 1, 2012)

3) Rasim Aliyev asked a **neighbor named Ali Guseynov to shoot the targets he had chosen and promised him half of the money he, Aliyev, would receive for the killings.** Ali Guseynov agreed and received an advance of \$7,000 to make preparations, including the purchase of a used car. Aliyev also showed him maps and photographs of the targets and their vehicles. Ali Guseynov used some of the money to buy and repair a BMW and to purchase other equipment.



Ali Guseynov (YouTube from AZTV, February 1, 2012)

4) After tracking the targets, Ali Guseynov decided to use a sniper rifle because he saw the school was equipped with security cameras. His Plan B was to use a hand gun to shoot the targets **close to their homes.** He told Aliyev he would

need a Russian-made sniper rifle with a silencer and a semi-automatic Makarov pistol. Aliyev returned to Iran to report on progress and was instructed to organize the weapons.

5) Meeting Aliyev in Ardabil (Iran), Dadashov told him that **the weapons for the attacks would be hidden near the Azari-Iranian border** and that he could collect them from there. Aliyev, however, claimed the spot was dangerous. He proposed a different location and gave Dadashov a small map showing him where he wanted the weapons hidden. **Dadashov consulted with the Iranian security services, which rejected the proposal.** Therefore, he reported to Aliyev that the weapons would be hidden at the original location, at the 150th kilometer along the Baku [Azerbaijan]-Astara [Iran] highway, at the side of the road.

13. According to media reports, **Guseynov followed the two Jewish targets who came to the Chabad school a number of times.** After becoming convinced that he could not carry out the attack because of the many security cameras installed at the school, the cell decided **to carry it out at a distance and to use the sniper rifle.** They also considered attacking the prospective victims near their homes (Haaretz, Israel, February 25, 2012).

### **Weapons smuggled from Iran to Azerbaijan**

14. In October 2011 Dadashov organized weapons to be smuggled in from Iran (and which fell into the hands of the Azeri security forces), as follows:

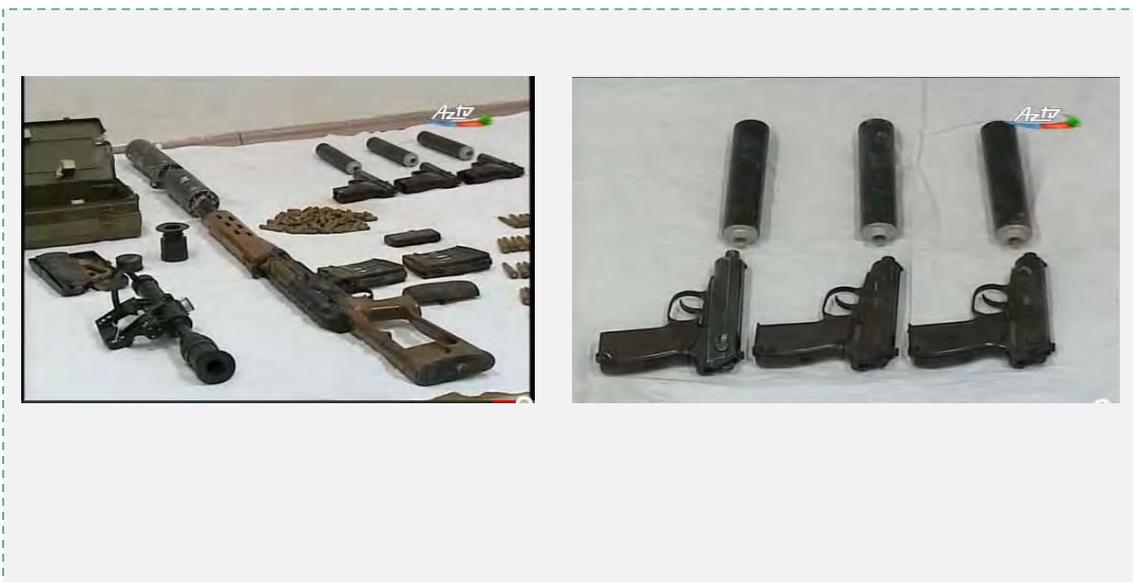
- 1) A 7.62 caliber Dragonov SVD **sniper rifle<sup>4</sup> equipped with a silencer.** The rifle had to be refitted to hold a silencer, **in our assessment by someone with high professional technical skills.**
- 2) **Two magazines for the rifle.**
- 3) A telescopic sight for the Dragonov rifle.
- 4) **Three handguns** each with a magazine and a **silencer** screwed onto the barrel.
- 5) A large quantity of **ammunition** for the rifle.

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<sup>4</sup> Formerly produced in the Eastern Block, **it is now also manufactured in Iran.**

- 6) **Bullets** for the hand guns.
- 7) **Ten electronic detonators.**
- 8) **About 16 bricks of explosives.**

15. According to the Azeri authorities, **the weapons were smuggled in from Iran in small batches beginning in October 2011**, and hidden at the agreed-on site (AZNews, February 21; CBSNews.com, January 19, 2012). In our assessment, **the explosives and detonators were to be used to make one or more IEDs**. They were apparently meant to be accompanied by an activating system and **fragmentation elements**.



**Weapons in the possession of the terrorist cell and seized by the Azeri security forces (YouTube from AZTV, February 1, 2012). Bottom left: The sniper rifle with its silencer attached.**

## Terrorist Attack in Azerbaijan during the Eurovision Song Contest, May 2012)

### Background

16. The Eurovision song contest, held in Baku on May 20-26, 2012, and the gay pride parade that coincided with it, led to new tensions in Iran-Azerbaijan relations.

1) Iran said that Azerbaijan's actions were offensive to Muslims, that it was helping Israel spy on Iran from its territory, and that it was fomenting separatism within the Azeri minority in Iran. Iranians organized demonstrations in front of the Azeri consulate in Tabriz and apparently prevented Azeri trucks from entering Iranian territory.

2) **The government of Azerbaijan accused Iran** of planning terrorist attacks and provocations in Baku shortly before and during the song contest. A spokesman for the Azeri foreign ministry said that his country rejected any intervention in its internal affairs, and that "foreign elements" (i.e., Iran) had to accept the fact that Azerbaijan would remain open to other countries. In response, Iran recalled its ambassador from Baku for consultations.

### Thwarting the Terrorist Attack

17. In our assessment, the tensions in Iranian-Azerbi relations at the time were mainly to do with thwarting a terrorist attack attempted by the Iranians during the song contest. In late May 2012 the Azerbi ministry of national security reported that its security forces had **detained 40 people belonging to a network planning to carry out terrorist attacks shortly before and during the Eurovision**. Large quantities of arms and ammunition, including assault rifles, a machinegun, grenades and explosives, were found in the possession of the detainees (AP, Baku, May 30, 2012).

18. The targets of the terrorist attacks reportedly included the Marriott Hotel, **some of whose guests belonged to Izabo, the group representing Israel at the Eurovision**. It was also reported that the terrorist squad intended to detonate IEDs at the **Crystal Hall Hotel in Baku**, where the song contest was held (Ynet, Today-AZ, Myfoxdfw.com, May 30, 2012). Press releases issued by the Azeri authorities did not explicitly mention Iran (clearly to avoid escalating relations between the two countries), but in our assessment it was Iran that handled the terrorist network.

## Exposing an Espionage and Terrorist Network, February 2012

19. **On February 20, 2012**, the Azeri media reported that the country's security forces had exposed a network of 22 individuals **handled by the Islamic Revolutionary Guards** (specifically by an operative codenamed Hamid) **and Hezbollah** (by an operative codenamed Hajj Abbas). Weapons and explosives were found in the possession of the network. Under the direction of Iran, the network operatives prepared for terrorist attacks and were also involved in drug smuggling (News.az.today.az). According to the Azeri press, one of the network operatives was **Ramil Dadashov, a driver who worked for the Iranian TV channel** and the nephew of Balagardash Dadashov, the highest-ranking operative in the Azeri terrorist squad that sent by Iran to attack Jewish figures in Baku, January 2012.

20. **On October 11, 2012**, Azeri media reported that a court in Baku had convicted **22 operatives of a terrorist network handled by the Islamic Revolutionary Guards. Detained in February-March 2012**, the network operatives were **found guilty of conspiracy to commit acts of terrorism against Jewish and American targets**. They were sentenced to 10-15 years in prison (www.ejpress.com, October 11, 2012).

21. According to reports published by Azeri media, the following details emerged during the closed-door trial of the network operatives:

1) In 1999 the **Islamic Revolutionary Guards** recruited an Azeri citizen named **Niazi Karimov**, 51, a veteran of the Nagorno-Karabakh War. Other operatives were also recruited in the same year. The Iranians tasked them with **collecting intelligence and attacking the embassies of Israel, the United States, and Western companies**, including the Azeri offices of British Petroleum (Dailytimes.com.pk website, October 10, 2012).

2) Some network operatives were residents of **Nardaran, a Shi'ite town** about 30 km (18.6 miles) from Baku, a long-time **hotspot of Iranian subversion** (see Appendix III). Niazi Karimov and his two cousins were among those detained in Nardaran (Eng.kavkaz-uzel.ru and Dailytimes.com.pk websites).

3) According to Azeri security services, significant quantities of **weapons, explosives and espionage equipment** were found in the possession of the network operatives. According to the Azeri minister of national security, **they**

**were provided with the weapons and equipment by Iran and, after being recruited, were trained in Iranian military camps** (Dailytimes.com.pk website).

22. According to a Washington Post article, Azeri collaborators collected intelligence. **They were paid cash in advance** and received a list of targets that included a Jewish elementary school, an American-owned fast food restaurant, the offices of an oil company, and "other targets" in Baku. **The Obama administration confirmed that the United States embassy in Baku "may have been among the intended targets."** A former State Department official closely involved with the embassy in Baku said that the target was not the embassy building but rather **the embassy employees and their families** (Washington Post, May 28, 2012).

## Iranian Terrorism and Subversion against the Azeri Regime

### Overview

1. Since Azerbaijan's independence, Iran, **with Quds Force participation, has engaged in subversive activities against the Azeri regime.** Iran's objectives are to destabilize Azerbaijan, **to pressure its regime into changing the country's secular character and to change its pro-Western orientation and harm its good relations with Israel.**

2. To that end, **the Iranians have made use of various proxies, including local radical Islamic organizations and Azeri separatist groups.** On several occasions, Iranian subversion has provoked tensions between the two countries and Azerbaijan has repeatedly accused Iran of interfering in its internal affairs. In addition, Iran has instructed its proxies to **collect intelligence** on Israeli, American and economic targets (such as the oil pipeline to Turkey) on Azeri soil. In our assessment the information is intended for the use of Iran's intelligence services and for terrorist attacks (collecting operative intelligence).

3. A WikiLeaks document related to a **meeting between former President Heydar Aliyev and an American representative in Baku held in 2009.** President Aliyev complained that **Iranian provocations in Azerbaijan were increasing.** Iran, he said, financed not only radical Islamic groups and Hezbollah terrorists, but also **a series of activities against the Azeri regime.** Such activities included encouraging violent religious rallies in Baku, anti-regime incitement on the Iranian Azeri-language TV channel (showing a photograph of President Aliyev with a Star of David), and organizing demonstrations in front of Azerbaijan's consulates in Tabriz and Istanbul (Foreignpolicyblog, November 29, 2009).

### Supporting Subversive Parties and Networks

4. **In the early 1990s Iran provided political and financial support for the Islamic Party of Azerbaijan (AIP).** It was a religious, pro-Iranian Shi'ite opposition party that was banned in Azerbaijan. The AIP was founded in 1991 and openly embraced **anti-**

**Israeli, anti-American and anti-Semitic views.** Initially it was legal but was later outlawed.

5. In 1997 the AIP was put on trial several times, accused of carrying out **extensive subversive activities with Iranian assistance.** According to the indictment, the Iranians encouraged the establishment of AIP military groups, led by Mahir Javadov, **to topple President Heydar Aliyev's regime.**<sup>5</sup> In 2003, as a result of the trials, the party was banned by the authorities (Almanac.abpc.org website).

6. Nevertheless, the party remained active. **Its members organized anti-Israeli demonstrations in Baku in 2009 during Operation Cast Lead and during Israel's President Shimon Peres's visit.**<sup>6</sup> AIP leader Movsum Samadov was detained in January 2011 for inciting to topple the government. He denied the accusations that his party had close relations with Iran, claiming that Iran provided nothing more than "moral support" (Bloomberg.com website, March 31, 2011).

7. In the early 1990s, Iran also began funding the **activity of other networks** joined by some ex-AIP members:

1) **The Azeri Hezbollah**, which has operated clandestinely since 1993. Many of its activists underwent training in Iran and obtained weapons from the Iranians.

2) **Jayshallah** ("God's Army"), an organization established in 1995, planned attacks on Western targets, **including the United States embassy in Baku.**<sup>7</sup>

8. **In the second half of the 1990s** Azeri security services exposed extensive Iranian-run espionage and subversion networks. In June 1999 Azeri authorities reported that during the previous several years **13 Iranian nationals** in Azerbaijan had been identified as spies; **80 Azerbaijani citizens** were asked to cooperate with the Iranian services; **15 Azerbaijani citizens recruited by the Iranian intelligence services** were arrested and their crimes were proven in court; and since 1992, hundreds of Azeri youngsters, with the assistance of the Iranian embassy in Baku, had traveled to Iran and were recruited by religious leaders to prepare them as mujahedeen (Islamic jihad fighters) (AP, February 21, 2012).

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<sup>5</sup> Nasib L. Nassibli: "Azerbaijan-Iran Relations: Challenges and Prospects (Event Summary)." Kennedy School of Government, Harvard University. Nassibli was the former Azeri ambassador to Iran; eurazianet.org.

<sup>6</sup> Murinson, "Iran"

<sup>7</sup> Murinson, "Iran"

9. In 2007 the Azeri security services apprehended operatives of a network **directed by Iranian intelligence**. Established in 2005, the network, called the **Northern Fighters of Imam Mahdi (NIMA)**, had received orders to monitor **the activity of American, Israeli and Western diplomats and companies on Azeri soil**. In 2005 and 2006, 16 NIMA operatives went to Iran **to establish ties with the Iranian intelligence services and the Islamic Revolutionary Guards**. The network produced 150 reports for Iranian intelligence on the activities of the United States, Britain and Israel, and was paid \$10,300.8

10. **On December 10, 2007** NIMA operatives were charged with conspiracy, **in collaboration with Iran's Islamic Revolutionary Guards, to stage a coup** to enforce Islamic religious law in Azerbaijan. According to a Congress report, the network operatives received instructions from Iran **to collect information on the Israeli and American embassies, international companies and the oil pipeline to Turkey**. The operatives were sentenced to prison for subversive activity. The network was headed by **Sa'id Dadashbeyli, a young Shi'ite cleric**. Evidence put forward during trial indicated that the network **had received funding and training from Iran's Quds Force** (Fas.org website, January 14, 2009; Crisisgroup.org website, March 25, 2008).

## **Assassinating an Opponent of Iran and Radical Islam, 2011**

11. On November 19, 2011 **author and journalist Rafiq Tagi was stabbed and critically wounded in Baku**. He was known for his strong criticism of radical Islam, Iran and the Azeri government's policy on Iran and radical Islam. In 2006, he published two articles claiming that Islam was holding back the development of Azerbaijan and other Muslim countries. Consequently, he was severely criticized in Iran and Azerbaijan. In 2007, he was tried in Azerbaijan, found guilty and sentenced to three years in prison (Cacianalyst.org website, December 14, 2011).

12. **However, incarcerating him did not satisfy Iran and radical Muslims**. Although several Ayatollahs in Iran issued a fatwa sentencing him to death, he continued writing poems and articles. His last article, about Iran and globalization, was published on November 10, 2011. In it **he referred to modern Iran as an easily shattered myth**, and said that Iran's threats against Azerbaijan sounded ridiculous (Cacianalyst.org website, December 14, 2011). After that, **he was referred to by the Iranian media as "Azerbaijan's Salman Rushdie"** (Rferl.org website, November 22, 2011).

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<sup>8</sup> Murinson, "Iran"

13. When interviewed in a hospital **shortly before dying from his wounds, he claimed that he had been attacked by Iranian and radical Muslim agents in revenge for his two articles** (Cacianalyst.org website, December 14, 2011). However, the Iranian embassy in Azerbaijan issued a statement in which it denied any Iranian involvement in the stabbing, saying that the allegations were intended to sabotage the relationship between Iran and Azerbaijan (Rferl.org website, November 22, 2011).

## Exporting the Ideology of the Iranian Islamic Revolution to Azerbaijan

1. After Azerbaijan gained independence in 1991, **it was marked by Iran as an easy target for exporting the Khomeinist Islamic revolution.** Numerous clerics armed with pamphlets, books and money were sent to the cities of Azerbaijan **to foment an Islamic revival and prevent the new country from orienting itself with the West.** To achieve its objectives, Iran established **welfare organizations, schools,** clinics and educational institutions to consolidate its hold over Azeri society (as it did in other countries, such as Lebanon). In addition, the Iranian regime made efforts **to staff numerous mosques in Azerbaijan with its own clerics.**<sup>9</sup>

2. Two major institutions used by Iran to export the revolution to Azerbaijan are the **Iranian Cultural Center in Baku,** which spreads Khomeinist ideology and has had an effect on many strata of Azeri society, and the **Imam Khomeini Emdad Welfare Foundation,** which opened a regional branch in Azerbaijan in 1993 (the foundation is highly active in Lebanon and assists Hezbollah). A bulletin published by the Iranian embassy in Baku stated that between 1993 and 2002 Emdad provided aid in 19 population centers to 19,000 needy people and 8,000 students. Figures from 2003 indicated that **aid provided by the foundation and other Iranian organizations totaled \$25 million.**<sup>10</sup>

3. Iran's attempts to influence the hearts and minds in Azerbaijan **have often provoked dissension and even violent clashes between Iran's supporters and Azeri authorities.** For example:

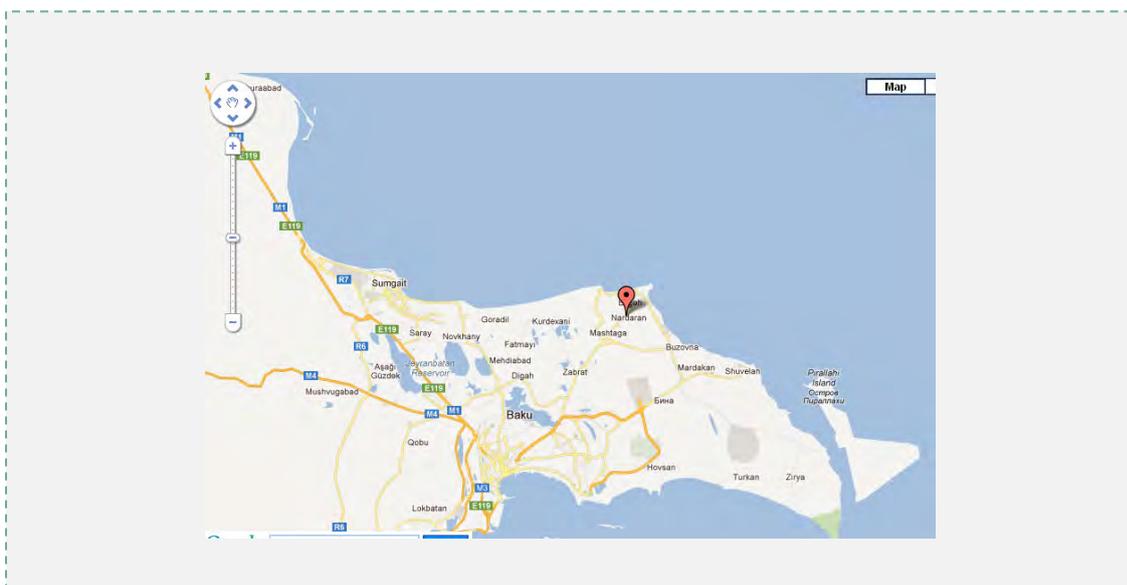
1) **In 2002-2006 violent clashes took place in Nardaran, a town situated about 30 kilometers (about 18.6 miles) from Baku. Since the town is located in the vicinity of a Shi'ite holy site, it has been an important focus of Iran's propaganda and religious activity in Azerbaijan.** In what was referred to as the "Nardaran events," Azeri security forces clashed with disgruntled residents who complained that economic aid was not being divided fairly. **As a result of Iranian incitement, the clashes turned into protests against Azerbaijan's**

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<sup>9</sup> Murinson, "Iran"

<sup>10</sup> Murinson, "Iran".

secular constitution. The groups organizing the events had received money, inflammatory literature and weapons from Iran.<sup>11</sup>



**Nardaran's location (GoogleMaps)**

2) In the first half of 2011, protests took place across Azerbaijan after women were banned from wearing veils (hijab) (Eurasianet.org website, March 14, 2011). Azeri authorities claimed that the protests were caused by Iranian incitement, and that Iran was interfering in Azerbaijan's internal affairs. The authorities worked to defuse the tension, mainly by lifting some of the restrictions imposed on wearing veils.

## Iranian Efforts to Export the Islamic Revolution to Azerbaijan: Interim Status

4. Iran's efforts to export the Islamic revolution to Azerbaijan, which cost it tens of millions of dollars, have so far been unsuccessful. The main reason was that intensive antireligious activity under Soviet control had weakened the foundation of Islam in Azeri society, where atheistic sentiments overcame religious faith.<sup>12</sup> Another contributing factor was the successful counter-activity conducted by Azeri authorities.

<sup>11</sup> Murinson, "Iran"

<sup>12</sup> Nassibli, "Azerbaijan-Iran Relations"

5. The preaching of Iranian clerics in the 1990s prompted the Azeri parliament to pass a law in 1996 **banning foreign nationals and non-Azeris from engaging in religious propaganda** (Almanac.afps.org website). In addition, **former President Heydar Aliyev imprisoned and deported Iranian Mullahs who preached in Azeri mosques**. In 2001 **Azerbaijan shut down all Iranian schools in the country**. Since then, few Iranian preachers have come to Azerbaijan (Eurasianet.org website, March 14, 2011).

6. A number of Shi'ite communities still maintain religious ties with Iran and other Shi'ite centers. The Iranian Cultural Center and the Emdad Welfare Center, the two main institutions involved in exporting the revolution (to Azerbaijan and to other Shi'ite communities around the world), still operate in Azerbaijan. **However, Iran's religious influence in Azerbaijan has greatly diminished.**

## Encouraging Criminal Economic Activity on Azeri Soil

1. The documents leaked by WikiLeaks included one **written by the United States embassy in Baku in March 2009**. It discussed illegal activity, **including money laundering, conducted by Iranians in Azerbaijan to bypass the sanctions imposed on Iran**. According to the document, Iranian businessmen in Azerbaijan, owners of construction companies, factories, trade companies and shops were actually engaged in illegal activity. **Some of the companies created by Iranians were involved in obtaining spare parts needed by Iran and in various economic and financial activities to generate profits for the Islamic Revolutionary Guards**. The document also said that some of the companies were **involved in drug trafficking**, and their revenues ultimately made their way into Iran's treasury (Calcalist.co.il website, November 30, 2010).

2. The WikiLeaks document included statements about **the extent of the Islamic Revolutionary Guards' economic activity in Azerbaijan**. The statements came from Iranian citizens in Baku and Azeri businessmen, including the director of Azerbaijan's petroleum company (Calcalist.co.il website, November 30, 2010). The document listed a number of Iranians in Azerbaijan involved in such activities, among them:

1) **Jamal Alavi**, an ally of Iran's President Mahmoud Ahmadinejad, **the director of several trade companies in Azerbaijan** and owner of real estate in Baku. Alavi imports spare parts and weapons for the Islamic Revolutionary Guards, dividing his time between Baku, Kazakhstan, Russia and China. According to one statement, **Alavi's companies are exclusively owned by the Islamic Revolutionary Guards**.

2) **Adil Sharabiani**, a wealthy foreign currency trader, resides in Baku and has close ties with the Tehran regime. **He was formerly a senior official in Iran's Melli Bank**. One source claimed to have seen Sharabiani transfer \$5 million in cash from Tehran to an Azeri bank. It was unclear whether it was a payment Sharabiani received for his services or money intended for other purposes. The United States embassy reported that from time to time, **he transfers similar sums of money to the Azeri Xalq Bank**.<sup>13</sup>

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<sup>13</sup> Opening front companies and banks in countries where Iran conducts its subversive activities is a familiar tactic: on January 27, 2012, the British Guardian published an article on **similar activity taking**

- 3) **Kamal Darvishi**, a famous fighter during the Iran-Iraq War, **rose to the rank of general in the Islamic Revolutionary Guards**. Although from a poor family, he is now one of the richest men in Iran. He directs several road-building and other construction companies in Iran **controlled by the Islamic Revolutionary Guards**. He came to Baku with his two brothers about ten years ago. He has developed a close personal friendship with Ziya Mammadov, Azerbaijan's minister of transportation. In recent years Darvishi's companies have won eight major infrastructure contracts issued by the Azeri government.
3. The money-tracking service of Azerbaijan's Central Bank has blacklisted Iran as a country whose financial activity in Azerbaijan is unwanted, since it is involved in money laundering and financing terrorism (Abc.az website, March 11, 2011).

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**place in Iraq**. According to the article, Iran helps establish **private banks** and maintains Iranian **front companies** in Iraq. The companies entered the currency trade in Iraq by purchasing dollars from Iraq's Central Bank and selling them in Iran. That was made possible by the considerable influence exerted by Iran on the Iraqi prime minister and the considerable financial benefits accruing to those who participate in the illicit trade.