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## United States Senate

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August 21, 2012

The Honorable Nouri al-Maliki  
Prime Minister, Republic of Iraq  
c/o Embassy of the Republic of Iraq  
3421 Massachusetts Ave., N.W  
Washington, D.C. 20007

Dear Prime Minister:

I write to express my growing concern about reports of Iraqi entities engaging in activities that may financially benefit Iranian nuclear proliferation efforts, including transactions by Iraqi financial institutions with designated Iranian financial institutions and activities by Iraqi shippers and oil traders to smuggle or intentionally obscure the origin of Iranian petroleum and petroleum products exported from Iraqi ports in violation of sanctions signed into law by President Obama on August 10, 2012.

The threat posed by a nuclear Iran is a threat to global peace and security, as well as to the political and security interests of Iraq. Our commitment to deter this threat must be mutual and sustained.

The recent sanctioning of Elaf Islamic Bank for knowingly facilitating significant transactions with Iran and providing significant financial services for designated Iranian banks that support Iran's proliferation activities is illustrative of the problem. Moreover, the sanctions appear to have been undermined by a lack of oversight by your government and by the Central Bank of Iraq, which has allowed Elaf Islamic Bank to continue participating in its daily auction to buy U.S. dollars.

What is even more concerning is that Elaf Islamic Bank's activities do not constitute an isolated incident, but are, as the *New York Times* recently reported, "part of a network of financial institutions and oil-smuggling operations that...ha[ve] provided Iran with a crucial flow of dollars..." and which have knowingly allowed Iran access to international financial markets and needed hard-currency resources.

Similarly, unconstrained smuggling of Iranian petroleum and petroleum products by oil traders and shippers represents another significant source of revenue for Iran. Such transactions are sanctionable under the recently enacted Iran Sanctions, Accountability, and Human Rights Act of 2012.

It should be in everyone's interest – including Iraq's – to ensure that the sanctions work and that Iran never has the resources to advance its nuclear weapons program. I urge you to work within your government to enhance compliance with U.S. and international sanction.

I look forward to working together with you in the future to resolve this issue.

Sincerely,

A handwritten signature in black ink, reading "Robert Menendez". The signature is written in a cursive, flowing style with a prominent initial "R" and a long, sweeping underline.