

Foundation For Defense Of Democracies: Keynote Remarks By Brian Hook, Special Representative For Iran, U.S. State Department

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Speakers: Mark Dubowitz, CEO, Foundation For Defense Of Democracies; Brian Hook, special representative for Iran, U.S. State Department; Juan Zarate, chairman, Center on Sanctions Illicit Finance, Foundation For Defense Of Democracies

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DUBOWITZ: Wow, Jenny, thank you. Just -- just an amazing story, and thank you to all of you from -- from the FBI and from the southern district of New York, for everything you've done; truly, you know, humbled by your work.

I know Reuters was actually just reporting, speaking of -- of the Europeans, the French government has now indefinitely suspended all non-essential travel for French diplomats and foreign ministry officials to Iran, citing severe security threats.

So give you a sense of the malign activities of the regime continue. I want to introduce our final speaker of the day, who is the special representative for Iran at the U.S. State Department, Brian Hook.

I've been privileged to work with Brian over the past two years. He is widely respected as an experienced diplomat and thoughtful public servant. And he's led the State Department's efforts to address one of the most dangerous threats to America, which is these malign and destructive activities of the Islamic Republic of Iran.

It came as no surprise to me when Secretary Mike Pompeo established the Iran Action Group and appointed Brian, one of his most trusted advisers, to lead it. The establishment of the Iran action group under Brian's leadership is evidence of what you've heard today, that this administration sees the threat from the regime in Iran as one of its top foreign policy national security priorities.

The group has been empowered to leverage all instruments of national power to counter the regime. And as special representative for Iran, Brian has been charged with ensuring a coordinated and unified approach to this problem across the U.S. government, to address the regime's hostile activities and to support the Iranian people, who've suffered under four decades of brutality from this -- this tyranny in -- in Iran.

Iran's supreme leader has said, "Negotiations are going to have to wait in order to soften up America." Under Brian Hook's leadership, I think the Iran Action Group will bring all instruments of American power to soften up the regime of the Islamic Republic.

Brian has had a distinguished career in U.S. government; he previously served as director of the secretary's public policy -- policy planning staff. He worked in corporate law; he served in the Bush administration as assistant secretary of State for international organizations.

He was senior adviser to the U.S. ambassador to the U.N. and special assistant to the president for policy. And we're very privileged to hear more from Brian about his vision for the Iran Action Group and next steps for Iran policy.

After his remarks, my dear friend and FDD colleague Juan Zarate will be interviewing Brian. Juan serves as our chairman for our Center on Sanctions Illicit Finance. He's also -- co-chairs and is -- chairs and he's co-founder of the Financial Integrity Network.

Juan has also had a distinguished career with senior positions at the White House and the U.S. Treasury Department. And Juan has really been instrumental in changing the way both the U.S. government and FDD think about how we use and respond to the nexus between financial power and national security.

I'd like to welcome Brian to the stage to deliver some initial remarks.

HOOK: Thanks very much. Good afternoon. Let's see here, I'd like to thank Mark and FDD, not only for hosting me, but for all the great work that you do. We rely on a lot of the analysis that FDD does.

It's enormously effective at what it does, deeply substantive, passionate about its work, all the sorts of things that you would want in a think tank. And me and many of my colleagues at the State Department rely on the work of FDD and its very thoughtful analysis.

About two weeks ago, the PBS "Frontline" documentary series came out with an excellent two-part documentary on Iran. And there was an incredible amount of detail about multiple facets of Iranian life.

And the documentary highlighted the condition of women in Iran. It profiled a number of women who are protesting the mandatory wearing of the hijab. And it became clear from the documentary that one of the symbols of the regime are vans that roam around neighborhoods of Iranian cities.

And they're like the old truancy vans for kids skipping school, except in Iran they go around round up women, who are violating the code of wearing the hijab. And then the documentary also showed these courageous women protesting on top of city electric boxes about four feet off the ground, and then the regime's police thugs come and push them off.

And these are anecdotes that illustrate what I'd like to discuss today. The revolutionary and repressive nature of the Iranian regime, the articulation of its revolutionary worldview at home and abroad, and why the Trump administration is executing a new strategy on Iran.

It's important to begin by understanding that the Iranian regime is the last revolutionary regime on earth. Next year will mark 40 years of Iranians living under a religious dictatorship. The ideologues who forcibly came to power in 1979, and remain in power today, are driven by a desire to conform all of Iranian society to the tenants of the Islamic Revolution.

And the full achievement of the revolution at home and abroad is the regime's ultimate goal. At home, the revolutionary mindset is expressed through tight controls on almost every aspect of social behavior.

I alluded to the mandatory hijab wearing earlier. The repression of religious freedom is a feature of this regime as well, and it is something that the Trump administration is calling out repeatedly.

The revolutionary worldview means that the regime cannot tolerate any ideas coursing through the veins of Iranian society that would threaten them. This is why the regime throws a teenage gymnast in jail for dancing on Instagram.

The regime has addressed -- has arrested hundreds of Ahwazis, Baha'is, Darwishis and other religious minorities, when they speak out in support of their rights.

Iranian Christians secretly flew to a foreign country and rented a hotel swimming pool, so they could have a baptism ceremony. One man said he waited 10 years after his conversion to get baptized as a Christian, such is the fear of reprisal from the regime.

We are aware of the suffering of religious minorities in Iran and we will speak up for them. Our Religious Freedom Ministerial at the State Department, last month, reinforced our commitment to speaking up for all persecuted peoples in Iran and defending their right to worship.

Economically, the regime's economic mismanagement has put the country in tailspin. The rial's value has collapsed in the past year. A third of Iranian youth are unemployed. A third of Iranians now live in poverty. Unpaid wages are leading to rapid strikes.

Fuel and water shortages are common, and instead of using the wealth generated from the JCPOA to boost the material wellbeing of the people, the regime grabbed it for themselves. And they use the money to line the pockets of dictators, terrorists and rogue militias. And I'll discuss that more in a moment.

The listless economic condition of the country is in large part attributable to a regime elite that resembles a mafia, in its racketeering and its corruption.

Two years ago, Iranians rightfully erupted in anger when leaked paystubs showed massive amounts of money flowing into bank accounts of senior government officials.

Sadeq Larijani, the head of Iran's judiciary, whom we sanctioned in January for human rights abuses, is worth at least \$300 million, thanks to the embezzlement of public funds into his own bank account.

For years, the Ayatollahs have wrapped themselves in the cloak of religion while robbing the people blind. This is why protesters in Iran are chanting to the regime, "You have plundered us in the name of religion."

One Ayatollah, worth many millions of dollars, is known as the "Sultan of Sugar." He pressured the Iranian government to lower subsidies to domestic sugar producers, while he floods the market with his own more expensive imported sugar.

This type of corruption puts Iranians out of work. The Supreme Leader, Ayatollah Khomeini, has a \$95 billion hedge fund. He tries to keep it a secret, but he uses it as a slush fund for his Revolutionary Guard Corps.

The regime's greed has also created a great sense of disillusionment in Iran. In a world of social media and satellite television, today's youth are exposed to a range of influences far beyond the regime's control. And the regime's corruption and hypocrisy make it difficult for young Iranians to adopt the ideals of the revolution. It isn't 1979 anymore.

The theocratic Ayatollahs can preach death to Israel and death to America day and night, but Foreign Minister Zarif has a Ph.D. from an American university. The Supreme Leader's top advisor, Ali Velayati, studied at another American university and President Rouhani's first vice president wears a luxury Omega watch.

This produces a disillusionment, not unlike what occurred in the Soviet Union in the 1970s and 1980s. Communism lost its appeal because of regime hypocrisy. Members of the Soviet elite were smuggling in Walkman and televisions from the West.

How do you think Iranians feel when they see government parking lots full of BMWs and Range Rovers, while they can barely make ends meet?

Internationally, while I don't have time to detail all the destruction and instability the regime has sowed over the past 39 years, we can see the effects of the revolutionary mindset across the Middle East, and even the world.

The nuclear deal was premised on the hope that Iran would moderate over time. That it would catalyze Iran in to abiding by international norms.

But Iran still applies -- supplies the Houthis with missiles fired at Riyadh, Iran still supplies and supports Hamas' attacks on Israel. And Iran still recruits Afghan, Iraqi and Pakistani youth to fight and then die in Syria.

Thanks to Iranian subsidies, the average Lebanese Hezbollah fighter earns two to three times per month more than what a fireman in Tehran brings home.

In July, an Iranian "diplomat" based in Vienna, was arrested for supplying explosives to terrorists seeking to bomb a political rally in Paris. While the regime tries to convince Europe to stay in the nuclear deal, it is covertly plotting terrorist attacks in the heart of Europe.

We are heartened by the news this morning that our great ally France is indefinitely postponing all nonessential diplomatic travel to Iran because of Iran's role in this plot. That's the kind of action that President Trump and Secretary Pompeo welcome.

We -- we commend France for this step. And we hope to see additional steps taken from all nations to protect their own security.

And continuing on that subject, here are some interesting stats for you. Iran provides Lebanese Hezbollah about \$700 million per year. Iran has spent at least \$16 billion on supporting its proxies in Syria, Iraq and Yemen.

Iran has historically provided over \$100 million per year to Palestinian groups, including Hamas and Palestinian Islamic Jihad. Iran has extended at least \$4.6 billion in lines of credit to Syria.

Predictably, the Iranian people are sick and tired of the repression, the economic malaise, the foreign adventurism, the corruption, the squandering of resources on foreign conflicts, and the Iranian regime's campaigns of violence abroad.

And so, the Iranian people have taken to the streets, shouting phrases such as, "leave Syria, think about us!" and "The people are paupers while the Mullahs live like Gods!"

The people in Iran are mad about a lot of different things. As a result of the failure of the Iran nuclear deal to effectively restrain proliferation, or to curb Iran's destabilizing behavior, on May 8th of this year, the president ended America's participation in the nuclear deal. Secretary Pompeo announced a new Iran strategy shortly thereafter. And we have launched a multipronged pressure campaign that reflects the goal -- his goal of protecting the American people and our allies and our partners from this outlaw regime.

The first component of the Iran pressure campaign is sanctions. We have imposed 17 rounds of Iran-related sanctions; designating 145 Iran-related individuals and entities.

This includes six rounds of designations just since the president's decision in May.

The goal of aggressive sanctions is to force Iran into simple but hard choices of whether to cease or persist in the policies that trigger the sanctions. Regime leaders should feel painful consequences for their violence, bad decision-making, and corruption. Necessary pressure means re-imposing U.S. sanctions that were lifted or waived as part of the Iran Nuclear Deal.

The first of these went back into effect on August 7th, with the remainder coming back on November 5th. We intend to get global Iranian crude oil imports as close to zero as possible by November 4th. As part of our campaign to stop the Iranian regime's funding of terrorism, we have also jointly disrupted, with the UAE, a currency exchange network that was transferring millions of dollars to the IRGC's Quds Force.

We are asking every nation that can no longer tolerate the Islamic Republic's destructive behavior to protect its people by joining this pressure campaign. Another critical component of our campaign is the secretary's commitment to exposing the regime's brutality and standing with the Iranian people. As the secretary did during his trip to the Reagan Library, he will continue to engage with the Iranian diaspora both at home and around the world.

Our pressure campaign will continue to expose the regime's dirty revenue streams, malign activities, crooked self-dealings, and oppression. The Iranian people themselves deserve to know the high level of self-interest that fuels the regime's actions. What we are saying is consistent with what the protesters of Iran are saying. Ultimately achieving the 12 demands that Secretary Pompeo laid out in May is our objective.

First, Iran must declare to the IAEA a full account of the prior military dimensions of its nuclear program and permanently and verifiably abandon such work in perpetuity.

Second, Iran must stop enrichment and never pursue plutonium reprocessing. This includes closing its heavy water reactor.

Third, Iran must also provide the IAEA with unqualified access to all sites throughout the entire country. Iran must end its proliferation of ballistic missiles and halt further launching or development of nuclear capable missile systems. Iran must release all U.S. citizens as well as citizens of our allies and partners; each of them detained on spurious charges.

Iran must end support to Middle East terrorist groups including Lebanese Hezbollah, Hamas, and the Palestinian Islamic Jihad. Iran must respect the sovereignty of the Iraqi government and permit the disarming, demobilization, and reintegration of Shia militias.

Iran must end its military support for the Houthi militia and work towards a peaceful political settlement in Yemen. Iran must withdraw all forces under Iranian command throughout the entirety of Syria. Iran, too, must end support for the Taliban and other terrorists in Afghanistan and the region, and they should cease harboring senior Al Qaeda leaders.

Iran must end the Quds Force support for terrorist and militant partners around the world. And Iran must end its threatening behavior against its neighbors, many of whom are U.S. allies.

This certainly includes its threats to destroy Israel, and its firing of missiles into Saudi Arabia and the UAE. It also includes threats to international shipping and destructive cyberattacks.

This is a pretty long list. But if you take a look at it, these are very 12 basic requirements that we expect from any normal country.

The people of Iran themselves are angry that their country is not regarded as “normal” because of the regime's malign activity abroad and its repression at home.

As Secretary Pompeo said in May, “the length of the list is simply the scope of the maligned behavior in Iran. We didn't create this list; Iran created the list.” The great objective of our pressure campaign is to get the regime to depart from all of this malign action and enter into a new agreement with the United States that addresses each of these 12 areas.

President Trump wants our allies and partners on board our campaign. Many other nations already have common understandings of the threat that Iran poses beyond its nuclear aspirations. This was clear in my negotiations with our allies and partners prior to the president leaving the Iran Deal. We want more countries to join us in confronting the full range of Iran's destructive and violent behavior.

Given the level of Iranian destructive behavior on every continent, we know they are ready for Iran to act like a normal country for the first time in 40 years. The security of their people demands it.

As I close, it is worth remembering what the Ayatollah Khomeini said during his years of exile in Paris. He said in 1978 that the bases of an Islamic Republic are quote "safeguarding the people's freedom" and "campaigning against corruption." And how's that working out?

Clearly on the merits of the evidence, the regime of Iran has achieved neither of these things; it is deeply hypocritical. Ayatollah Khomeini also said in 1970 -- in 1978, that a future Iran would quote, "feature a government based on justice and fairness for all the strata of our homeland," end quote.

The people of Iran 39 years later are still waiting. Look at the people on the streets of Iran today. To use the Ayatollah's formulation, all the strata are turning out to protest.

(APPLAUSE)

Ayatollah Khomeini -- Ayatollah Khomeini promised justice and fairness. The protesters know this is a regime of injustice and unfairness, which has failed to deliver on its promises. Ask those who refuse to wear the hijab how much justice and fairness they experience.

Ultimately, Secretary Pompeo and President Trump are fully committed to our strategy of pressure on the regime, deterrence from bad behavior, and support -- strong support for the Iranian people. And we hope that eventually it will become clear to the regime that changing its behavior in reaching an agreement that addresses the entirety of our concerns is the best option going forward.

Nothing less than the security of the American people and a brighter future for the Iranian people is at stake. Thank you.

(APPLAUSE)

ZARATE: Brian, good morning.

HOOK: Morning, Juan.

ZARATE: Good morning, everybody. My name is Juan Zarate, I'm the chairman of FDD's Center on Sanctions and Illicit Finance. I'm really honored to be here today, especially with a colleague and friend and somebody I admire greatly in Brian Hook.

I was fortunate enough to work with Brian in the George W. Bush administration, both in the White House and then when he served at U.S.U.N. and then as assistant secretary for international organizations at the State Department.

I think Trump administration, Secretary Pompeo, are very lucky to have Brian leading now the Iran Action Group and having him as a prior director of policy planning. So really honored to be here.

HOOK: Thank you, Juan. Thanks.

ZARATE: Brian, you delivered a pretty detailed and scathing indictment of the revolutionary repressive nature of the regime in Tehran. I'd like to maybe take this in three parts. One, talk a bit about what you're seeing in Iran and how we're trying to impact that, how others are reacting -- you talked about what the French have decided to do with their diplomats, which is significant, especially given the work that you were doing with Europe prior to President Trump's decision to pull out of the JCPOA.

And then finally talking about where our policy is -- is going, moving forward, especially given your role now in leading the Iran Action Group. So if that's OK, maybe take it in that sequence.

HOOK: Yes.

ZARATE: And let me ask you this. Based on where you started and where you ended your remarks. What do you think is happening in Iran? Is this something groundbreaking? Are the ghosts of the Green Movement reemerging? And if so, is there more that we can do to stoke what is the spirit of independence and opposition to the regime in Tehran?

HOOK: Yes. Well you saw, as I said earlier, about the all strata are turning out. And -- and when you look at the protests in 2009 and then the protests that occurred in December of last year and January this year, it's now all the different demographics are expressing their frustration for different reasons with the regime. And what we're trying to do is educate.

This is a regime that, in spite of what the ayatollah said in 1978, it's not about freedom, it's about repression. And they very tightly censor and monitor the information that's coming to the Iranians and it's very important we think with connectivity in the digital age that people need to have that information. And so when Secretary Pompeo was at the Reagan Library and gave a speech to the Iranian diaspora, he was really educating them about the nature of this regime.

And it's deeply hypocritical. And it presents itself with largely this religious veneer, but in fact, the examples I cited earlier, there's a lot of self-dealing and corruption. And -- and then they export revolution. They are the last revolutionary regime on earth. They export revolution.

And that comes at a very high cost. The -- the -- the economy is in a tailspin because of economic mismanagement and all of this adventurism that they fund. All the examples I cited, it's tens of billions of dollars. And so the Iranian people are asking for that money to come back home.

And when I look at what the Iranian people are saying, whether it's in '09 in the Green Revolution, which I strongly publicly supported and wished the Obama administration had

sided with the people at that time. I thought that the United States corrected that mistake in December and January of last year when you had the president, the vice president, the secretary of state, all levels of the executive branch, so many members in Congress strongly supporting the legitimate aspirations of the Iranian people.

When you look at what they're asking for and the kinds of things that we're asking for, there is a great deal of overlap. And that's why we enjoy the kind of solidarity that we do with the Iranian people and the diaspora.

ZARATE: Brian, is there -- is there more that you imagine can be done to facilitate information flows within Iran? Are there things -- you're an expert in the sanctions world -- things that be done with licenses to both counter Iranian propaganda but also to ensure that information's getting in about the corruption, about the repression and other things that are happening?

HOOK: Yes. And we are -- we -- we have taken steps granting licenses and exemptions to try to improve the free flow of information in Iran and we -- we are seeing greater communication among people in Iran. And so that's a very good thing. What we're also doing is providing just information that then ideally can make its way into various channels in Iran so that people can start understanding the nature of this theocracy, a brutal -- a brutal and dark theocracy.

So the -- information is power. And we want the Iranian people to have as much information as they can so that they can control their own destiny.

ZARATE: Brian, let's talk about the reaction you've seen and experienced with respect to our European partners and other partners around the world with respect to how to deal with Iran and what the policy should be. Because I -- I think much of what the Trump administration has done is to try to rupture kind of the prior paradigm of trying to normalize Iran while Iran continued to demonstrate that, to your point, it's not acting in normal ways as an -- as an international partner.

So can you speak to what you've seen in terms of your discussions with the Europeans and perhaps an evolution of their thinking? And are you seeing resistance? Because I'm going to ask you some questions about whether or not there are pockets of resistance and how we deal with that.

HOOK: I would describe it this way. I think that -- that we tolerated a lot of Iranian bad behavior to get the Iran nuclear deal. And we tolerated much worse behavior to keep the Iran deal going.

And Iran's compliance with the Iran nuclear deal became a proxy, almost a -- a clean bill of health. In every other category, on terrorism, cyber, maritime aggression, terror -- terror

financing, across the board. And it caused people, I think, to look the other way for a number of years.

And if you look at the gains that Iran has made during the period from adoption of the deal to the present, you can't deny them. You can't deny those gains. They're concrete, they're real and they're across the Middle East.

And what we tried to do in the negotiations with the E3 was to address the deficiencies of the Iran deal. And that was around sunsets, ICBMs and the inspections regime.

But then when we would meet, we would spend the other half of the day working on the entire range of threats that Iran presents. And that really is the biggest challenge in this JCPOA, this Iran deal environment, is tolerating a lot of Iran bad behavior out of a fear that they're going to leave the deal. We need to have enough confidence in our diplomacy to be able to address both at the same time.

Now that we're out of the deal, it has really given us a great deal of diplomatic freedom to pursue the initiatives, whether it's sanctions, deterrence, diplomacy that can address the entire range of Iran's violent and -- and destructive behavior. So, we've made our decision to leave the deal. Other nations who are still in the deal, that's a decision that they have to make.

But we -- in my discussions with various nations around the world, they know, especially around Iranian missile proliferation with the Houthis and in Syria and in other countries, it's very dangerous.

And I advised that, yes, of course, when you take action there's always risks but inaction also presents a very broad and real set of risks that we have to be sensitive to. So, we're going to keep talking about the entire range, those 12 objectives that Secretary Pompeo laid out.

I will also add, I've heard people say it's an unreasonable list. Prior to the Iran nuclear deal, those 12 were the global consensus. And we need to restore -- that's what we are trying to do, we are trying to restore -- the global consensus so that we are really getting at the entire range of Iran's behavior. That list of 12 was created by Iran. It is a response to Iran's aggression and its revolutionary ideology.

ZARATE: Brian, I'm glad you raise the 12 demands because I think one of the reactions you saw from critics was that those were unreasonable demands, especially in total, right?

All of them at once. And that at the end of the day, what that represented was either a de facto or a de jure desire for regime change. And so, how do you answer that question? Is -- are the demands really unreasonable at the end of the day given the nature of the regime as

you described it? And is ultimately the goal here regime change -- either regime change by behavior or regime change in the way that we all understand that to be?

HOOK: The future of the Iranian regime is up to the Iranian people. What the United States has asked for is a change in Iranian behavior and we are very specific with the Iranians about the kinds of behaviors that we need to see changed. So that is our policy.

The president has outlined a very bright future for the Iranian people if the regime is willing to change its behavior around these 12 areas. And the president has talked about a treaty relationship with Iran. And all of these things are possible but everything that we're hearing from the Iranians at present is they're not interested in talking. That's their position; that's fine.

The president and secretary of state have made it very clear this is the kinds of things that we would like to see happen and here's what we're prepared to do in exchange. So that is out there. We're going to continue just setting a vision for what a normal nation looks like.

If you look at that list of 12, if any other -- if any European or Latin American country were doing any number of those 12 things, it would be a crisis. But Iran has been doing this for so long that I think people are becoming desensitized to it. It almost seems like this is part of the natural order, that Iran spends billions of dollars fomenting instability and chaos and violence in the Middle East and this is just the permanent order of things. We don't think that's the case.

ZARATE: Brian, a lot of attention has been given to the sanctions regime, because the administration is clearly using sanctions as you described more aggressively. The reimposition of sanctions in two phases is a key part of the pull-out from the JCPOA.

Let's talk a little bit about those sets of tools and how you see that playing out in the coming months. Because November really is the next deadline where the administration is pushing toward, basically, expunging the oil exports from Iran, or at least trying to affect them, and putting in place sort of the maximum sanctions possible. So let's talk about where that's headed.

Are you going to see European partners cooperating post-November on sanctions?

HOOK: Well, we have -- we have launched -- there's two sets of sanctions that treasury and state are reimposing that were lifted in the JCPOA. One is in August and the second is going to be in November. In November, those are the real strong sanctions because they address and are targeted at Iran's energy and financial sectors. We have seen over 100 major corporations announce their intent to leave the Iranian market.

Foreign direct investment has been declining for some time in Iran, and it's been declining because foreign direct investors, when they work in Iran, they never know if they're facilitating commerce or terrorism. And the regime has created this elaborate Iran Revolutionary Guard Corps that controls certainly more than half of the economy, some say 70 percent to 80 percent of the economy. And they don't follow international banking standards.

The economy is opaque for a reason. They need it to be opaque because they use the economy to fund all of their malign activities around the region and around the world.

Our sanctions are designed to get at that money. That is reason why we are imposing such aggressive sanctions. We want to deny Iran the means to finance terrorism, cyberattacks, maritime aggression. The list goes on and on. That is the purpose of our economic pressure campaign. Money is the sinews of war, and we need to dry up Iran's revenues so that they have less money to spend on terrorism.

When I look at the economic windfall that they received under the Iran nuclear deal, you just think to yourself, why would Iran spend less money on terrorism if they're given more money to spend on terrorism? That is what this regime does. And so, that's what our sanctions are about. Juan has been a mentor of mine on sanctions for a long time. Much of what I know I've learned from Juan.

And so sanctions are this tool that are very important. They occupy this middle ground between diplomacy and force and it's a very important tool in our diplomatic toolkit.

It's really getting -- it's changing the cost benefit analysis for Iran-and that's what we're about doing. We are -- we have a lot of conversations with many countries around the world about Iran's activities outside of the nuclear program and we're going to continue to do that.

We are urging nations to impose sanctions on the IRGC, on Hezbollah, on Iranian missile proliferators, on Iran for human rights abuses. We sanctioned the head of the judiciary for his role in cracking down on the protesters. I think that's the highest-ranking official that we've sanctioned, but it's a big deal for us to go after the head of the judiciary.

So we're going to keep doing that. We urge other nations-other nations have stepped forward. Canada was one of the first countries out supporting the protesters. Foreign Minister Freeland has been a terrific partner.

And we had a very strong showing of support for Iranian protesters in other countries. That's an important correction after the silence in 2009 by the United States.

ZARATE: Brian, your description both in your remarks and on sort of the line items that Iran has for spending for militia groups, terrorist organizations, malign activity, in addition to what you just described, as to kind of the opacity of the Iranian economy but also the blend of the use of its institutions for those purposes as well as for commerce, really does change the risk calculus for partners in Europe and I think explains why you have, the private sector at least, fleeing from Iran, as well as the fear of sanctions.

HOOK: That's a great point. Stuart Levy and Juan, when they were Treasury in the Bush Administration, did really historic work helping banks and corporations understand who was on the other side of the table in Tehran. And as I said earlier, this is a -- this is a regime that dirty money, corrupt, illicit financing. They do not follow banking standards. The money laundering that they use around the world -- the way they use diplomatic missions is covered to plot terrorist attacks in the heart of Europe. It's a very dark and brutal regime.

So we are educating banks -- we have -- we have these -- Treasury and State Department -- they're called road show teams. They've been, I think we've now been to 24 countries since the president announced we are leaving the deal. We've been going all over the world. I went to the gulf with my friend Undersecretary Mandelker of Treasury. We went to the gulf and worked our way around there. We've had teams in Asia, Europe, all over the world.

They're going and they're meeting in the private sector of banks and governments to talk about the reimposition of our sanctions but also to help people get smarter about just the nature of this regime. I can't say enough about how important it is.

I compared the regime to -- it resembles a mafia in terms of its corruption and racketeering and its extortion. And one of the things that -- that -- that mafia organizations fear more than anything else is being exposed. They don't they -- they hide from the light, and so we are trying to shine light on this regime.

ZARATE: Brian, let me ask you just maybe a final set of questions with respect to sanctions and these tools. I think there's probably three sets of either resistance or evasion that you will see. One has to do with just workarounds to the sanctions regime itself and you see European countries even talk about trying to facilitate financial transactions with Iran through central banks using the SWIFT system, et cetera, so there is that set.

You have countries like Turkey that are openly opposing any compliance with U.S. sanctions or demands. And then third, you have kind of systemic actors like China and Russia that could play kind of a fall back role for financing commercial activity, lines of credit, that kind of thing. How -- how are you kind of mapping out how you're going to deal with sanctions evasion and or resistance from that kind of landscape?

HOOK: Juan, as I think Mark mentioned, my introduction I -- I spent two years up at U.S.U.N. and was the -- was one of the negotiators of the Iran Sanctions Resolutions. There

were 1696, 1737, the whole range of those resolutions that imposed sanctions on Iran for the first time from the U.N. and that was my initial experience at learning about these sanctions regimes and the architecture and every regime has cheaters.

The U.N. Security Council has been a force multiplier for a lot of our sanctions and it's a very good tool and I know Ambassador Haley was here earlier. She leads the U.N. Security Council there for the United States with real distinction. So in -- in any sanctions regime you set up, and especially in this administration, we will not hesitate to impose secondary sanctions on sanctionable activity.

It is very important for the -- for the integrity of the regime, the sanctions regime, so that we do not have a lot of gaps and holes in it. What we're finding is that once we announced that we were out of the deal and that we were going to be leaving and that sanctions were to be reimposed that were lifted, we didn't really need to do much coaxing for these companies and banks because they are making their own decisions and they're making them independent of governments.

That's partly for the reasons I mentioned earlier, because Iran is a regime that engages in money laundering and corruption. You really do not know what you're financing when you are over in Iran. And the other part is they don't want to run afoul of Iran of -- of the United States sanction regime, they want access to the international financial system, and so just it's in their economic self-interest to comply.

And as I said, we have seen over 100 companies already announce that they are leaving; more and more companies are going to -- every week we get an update on companies that are leaving Iran. They're -- they're leaving for the right reasons. So when we have countries that decide -- they have companies that don't want to access the financial system or if we have companies or individuals or entities that don't comply, we will impose secondary sanctions.

ZARATE: And you may have the good prosecutors and investigators from SDN taking a good look at...

HOOK: Exactly. I love SDNY.

ZARATE: Congratulations to them.

HOOK: Yes, congratulations. They're a great partner at DOJ. As an alumnus of DOJ...

ZARATE: Likewise.

HOOK: Yes, Juan and I both are.

(APPLAUSE)

ZARATE: Let's move to other venues where Iran is involved, mainly Syria. We saw on the news this past weekend, sort of announced further collaboration between the Iranian military and support to the Assad regime.

Secretary Tillerson articulated a Syria policy for the U.S. that had five parts. The third part had to do with pushing back on Iranian influence, trying to avoid the establishment of Iran's sort of arc, sort of the crescent toward the Mediterranean.

Let me ask you two questions. First, is that still a core part of our Syria policy to push back on Iran? And, secondly, what do you see as the next set of actions that we need to take in the Syrian context to push back on Iranian influence?

HOOK: Yes, it is still an important part of our policy in Syria to deny Iran the presence that it needs to conduct its operations. And Secretary last week announced the appointment of Ambassador Jim Jeffrey, who's no stranger to the folks at FDD and former member of the Foreign Service.

ZARATE: A great, great American diplomat.

HOOK: Great American diplomat. And so Jim and I -- Jim and I he's been there for four or five days and I think we've met everyday he's been there.

ZARATE: He'll work you to death by the way.

HOOK: He will. No, he already has.

ZARATE: I felt -- I felt the sting of Jim's whip.

HOOK: So what I like is the Secretary has asked me to be the special representative for Iran. He's asked Jim Jeffrey to be the special representative for Syria engagement. We also have Joel Rayburn who is working there. He was at the NSC working on Iran and Syria. Joel's over now. Jim Jeffrey is over.

We've got a lot of really smart, good, elite diplomats. And what I like is, as I said, Ambassador Jeffrey and I are meeting almost every day and we're talking about the interplay of Syria and Iran and how important it is to deny Iran, as I said, the presence that it needs to conduct its operations as part of its efforts to Lebanonize Syria.

And those are its ambitions and we are -- we have a number of troops there to insure the enduring defeat of ISIS, to prevent its reemergence. Iran obviously has a deep presence there. It acts against our interests. It certainly acts against the interests of our great ally

Israel. So I like the secretary has made -- he's setting up a very good structure for success I think in the way that we're all working together very closely.

ZARATE: Brian, given your experience, do you think a U.S. military presence is important if not essential to kind of our policy goals in Syria? I know this is a thorny, difficult question, but what do you think?

HOOK: Well we're there under AUMF authorities, and we're there, as I said, for the -- to ensure the enduring defeat of ISIS and to prevent its -- its reemergence. And so we have -- but there are a number of equities that we obviously have in Syria, and we will continue to talk about the need to -- to deny Iran the presence that it needs to conduct operations.

ZARATE: Do you see any weakening of the Russian-Iranian alliance in the Syrian context? I know there's been a lot of discussion about that post Helsinki, whether or not that's even possible, whether or not the Russians have the will or capacity to influence Iranian behavior on the ground in Syria.

What are your thoughts about the nature of that relationship in that context?

HOOK: Well, we would like Russia to be living up to its -- better living up to its commitments. Russia often says one thing and does another. And in the context of Syria, this administration inherited the Russian military in Syria.

And so, when you look at our options in Syria, they're very challenging. We have the Russian military there. And so, they saved the Assad -- they saved Assad. And so, we have been working, our efforts have been focused on the political track being led by Staffan De Mistura, whom we've -- we've met with and worked with very closely.

Ambassador Jeffrey has been in touch with him. And so, what we are working on is really accelerating a diplomatic solution while we have this -- some troop level -- sufficient troop level to accomplish our national security objectives.

While that's there, we have Jim Jeffrey and others, David Satterfield, others, who are doing everything they can to accelerate political progress toward a new constitution and free elections.

ZARATE: Just one last question on Syria. There's an interesting discussion underway about reconstruction, right, with the Assad regime really wanting to sort of demonstrate control of the government as well as demonstrate that the country can be rebuilt. Have you all thought about what that means, what reconstruction means, both for the political solution you've just described, but also even for sanctions issues?

For example, our sanctions against the Assad regime, our sanctions against the Iranians, who would no doubt be involved. Have you thought about what reconstruction means, both for the Syrian people, the political process and the sanctions?

HOOK: Well for -- for the territories controlled by Assad, we -- we do not support reconstruction assistance to those territories held by Assad until -- we need to have a political solution first.

And we do not support reconstruction assistance prior to achieving a -- a political solution.

ZARATE: Let me switch to a different venue, different part of the world, the Strait of Hormuz. The Iranians have threatened to shut it down, threatened the sea lanes. What's sort of the U.S. posture, the naval posture, security posture with respect to those Iranian threats?

HOOK: The Iranians, for many years, have made threats about closing the Strait of Hormuz. The most recent threat was yesterday where they said that they have control of the Strait of Hormuz.

Secretary Pompeo issued a statement saying that they do not have control of the Strait of Hormuz. The Strait of Hormuz is an international waterway, and the United States and its partners will ensure that the Strait of Hormuz is open to commercial navigation and that it maintains its current and future status as an international waterway.

ZARATE: Brian, can you speak to -- and you did in your remarks, but can you speak more directly to the nature of Iranian support to various terrorist groups? Because, I think, most observers who follow Iran understand Iranian support to Hezbollah, may know that their support to Palestinian rejectionist groups -- terrorist groups like Hamas.

But there's also been Iranian support to the Taliban, Iranian support to Al-Qaeda, which seems counterintuitive given that these are supposed enemies of Iran and Sunni groups. So can you speak to kind of the nature of that kind of support and how that affects U.S. policy?

HOOK: A lot of its support -- Iran support to terrorist groups gets underreported. And this is one of the things that Secretary Pompeo and the president, the vice president, that we're all trying to, as I said in my speech mentioning Afghanistan, that's one of the 12 requirements.

Iran really has achieved so many of its gains in this grey zone, where they finance and mobilize, catalyze these Shia proxies and their ambitions to form a Shia crescent. And some of it's revenue, a lot of it's revenue, some of it's organization.

And so we want to deny them the money that they use to fund these. I gave you the statistics earlier. But then also to the best extent we can disrupt the -- the organization and mobilization of these Shia proxies.

But they're doing it in Afghanistan. It's a -- as I said, when we talk about looking at the totality of Iran's threats, we mean the totality. And it's -- it's not just limited to the Middle East, it goes beyond there.

When I was recently talking to the Argentina foreign minister and that -- the terrorist attack there in Iran is still the worst terrorist attack in Argentina's history.

ZARATE: In Buenos Aires, yes.

HOOK: In Buenos Aires. So they don't limit their revolutionary ideology to just the Middle East. And we released a month or two ago a list of every act of assassination, terrorism, bombing, cyber in every region of the world conducted by Iran and Hezbollah since 1979.

And you can go see it on the State Department website. And it's really breathtaking and how long it has been going on. And what we're very encouraged by is we're sick and tired of it, we think the Iranian people are increasingly sick and tired of it.

ZARATE: First of all, thank you for mentioning Argentina, because it raises both the memory and the - the great work of Alberto Nisman to having raised the -- the red flag around Iranian activity, not just in Argentina, but the region.

But your point is also important because of the recent attacks for example in Bulgaria and the plot that was recently disrupted.

HOOK: Bulgaria's had two, they had the Iranians attacked and killed -- there were 30 people on a bus, I believe 29 were Israeli and one wasn't, the bus driver who was Argentinean was killed.

And they also foiled another, there was -- there was some surveillance of some Jewish places of worship. And so, they're active. So it's just remarkable that while Iran is trying to keep Europe in the Iran deal, at the same time they've got this terrible history of terrorist attacks, airplane -- hijacking airplanes, assassinations, bombings. It is something which we need to not forget.

And we need to -- we -- just because it happened 20, 30, 35 years ago, we need to honor the memory of all of those people who've been killed and we can't let it keep happening.

ZARATE: Brian, you mentioned, not just kinetic attacks, but cyberattacks. I want to touch on Iranian activity in the cyber domain, because it has been increasing. We've seen, in fact, in recent days Facebook and Twitter announcing revelation of Iranian pages and accounts that have been discovered and disabled by those companies. Iran has been involved in probing of U.S. infrastructure. They were part of the attack on Saudi Aramco, which bricked a number of the computers and systems there, attack on the Sands Casino, the DDOS attacks against Western Banks, going on.

How do you view Iranian cyber behavior and how does that play into what your new role is as a -- as head of the Action Group?

HOOK: Yes, cyber is -- we have Rob Strayer at the State Department who came -- he was working for Chairman Corker on the Senate Foreign Relations Committee, and we recruited Rob Strayer at State Department to be our lead on cyber. And so, we're working very closely with him and his team. Cyber, for all the reasons that you just mentioned, Juan, in the same way that they spread lies and disinformation to their own people, they also do it around the world.

The most recent example was, they're creating these false -- these fake Facebook accounts that they've been using for some time to spread lies and false -- false news, fake news. So, we are trying to get at the whole range of Iranian cyber behavior. And it's -- it's big; it's quite significant. So that is a real part of our new strategy of addressing the entire range of Iran's threats.

ZARATE: Brian, are you ever surprised -- I mean, just given the breadth of your diplomatic roles over the years -- are you surprised that other countries haven't been more active and more exercised about, sort of, the range of the Iranian behavior? I mean, the question, for example, to the Russians is, are you sure you want to be in -- in bed with the Iranians long-term?

HOOK: Yes.

ZARATE: The question to the Chinese is, are you comfortable with the systemic risks and challenges that Iran presents not only to United States but to the rest of the world in the cyber domain and elsewhere? With Europe, clearly with direct and indirect threats, are you ever, sort of, shocked that there isn't more opprobrium and pushback against Iran or do you think we've just, sort of, normalized the nature of our perception of Iran?

HOOK: I think that once the IAEA reported the Iran nuclear program at the U.N. Security Council in 2005, that is when, I thought, we started to make a lot of progress to isolate and pressure the regime to change its behavior. And so, we set up this pretty effective sanctions architecture that started in 2006 and continued up until the time of the Iran nuclear deal, and we just started tolerating a lot of bad behavior, in order to get the deal and keep it going.

And we are trying to get people back into a place that really is prior to the Iran nuclear deal, that period from 2006 up until 2013, 2014, when there was a global consensus about the nature of this vast threat that Iran presents. And we're doing that. The secretary is doing it through his leadership, he is devoting an enormous amount of time to our new Iran strategy, as is so many of our colleagues in the interagency -- Secretary Mnuchin, CIA director, Ambassador Bolton -- and I worked for him on the U.N. Security Council.

We really have a whole-of-government approach to this and we are in this, we're deeply invested in our new strategy; deeply committed to it.

We're proud of our new strategy because we really do want to educate people about the nature of this brutal regime. And we want to support the Iranian people and we think we're going about it the right way.

ZARATE: Brian, let me -- let me ask you just two more questions; one difficult, one -- one less difficult. What's the -- what's the end state here? I mean, it's -- it's obviously hard to look into a crystal ball and -- and divine what will happen.

But what -- what comes of -- of the strategy? Detractors will say look, this is an administration that really just wants to go to war, they want to confront Iran or is involved and engaged in a -- kind of a subtle or not-so-subtle regime change policy.

You've described something altogether different. But what is the end state of U.S. relations with Iran or at least Iranian behavior at the day?

HOOK: The end state is that Iran behaves like a normal country. It sounds simple but what we're just asking for is normalcy. And so much of what it does is -- is highly irregular, very abnormal.

So we are trying to get Iran to change its behavior in these 12 areas. And those areas you can divide into really three categories. It's around its nuclear and missile program, it's around its support for terrorism and the third area is the arbitrary detention of foreigners, especially American citizens.

After we -- we -- we worked out -- in the Obama administration, there were five Americans who were released and then Iranians picked up five more. This is the -- this is the game they play. They cannot be trusted on -- on these sorts of matters. So, we would like them to start changing their behavior around the nuclear and missile program, around their support for terrorism.

It -- it -- it's not unreasonable to ask Iran to not have ambitions for a nuclear and missile program to destroy Israel and the United States.

It's not unreasonable to ask them to stop funding all these Shia militias that have created enormous crises in the Middle East that then have second and third order consequences, creating refugee crises in Europe. It's not unreasonable to ask them to stop arbitrarily detaining American citizens.

And these are the things that we're going to keep asking for. And I -- I -- I'm hopeful that -- that as we invest the time in diplomacy that we're going to see other -- I know other nations share our concerns around all of this behavior.

And now we are trying to create a, really, a new security architecture that we can get the world to support so that we can, really, it's about -- really, at the end of the day, Juan, your question is about a more peaceful and stable Middle East.

And when you look at all the different hotspots in the Middle East, there is always -- almost always a direct line back to Tehran. And whether it's funding or organization or whatever it is, you can always connect it back to Iran. So that's what we're focusing on in our diplomacy and -- and we're very happy to have it end in a treaty relationship and entirely new relations we have with Iran, but it's a long way to get there.

ZARATE: Let me just ask this follow on question because I didn't ask you but it's important. Do you worry about potential conflict -- further conflict, broader conflict between Iran and Sunni Arab sort of enemies or competitors? Do you worry about a flashpoint with Israel, given Iranian activity and presence in the Golan and -- and in Syria?

HOOK: Well, when -- when -- when the -- when President Trump went to -- his first trip overseas was to -- he organized -- I think it was over 55 Arab Muslim nations. And we went to Riyadh for the Riyadh summit and that was an historic summit. And if you -- at the time, the president talked about rallying the Arab and Muslim world to address the common threats that we face coming out of Iran.

And what I found in my work with Arab Muslim nations, many of the people -- many of the nations who attended that, they share our threat assessment. And I find that we are working together in -- in just fabulous ways. Our ties are much deeper. We came into office, there was a great deal of -- there was, I would say, a trust deficit.

And so we've invested time diplomatically, the secretary making trips to the region, the president, the vice president, all members of the cabinet spending a lot of time with our partners in the region so that we can -- whether it's intelligence sharing, helping to organize new diplomatic initiatives, to push back on Iranian hegemony, its hegemonic ambitions.

So I feel like there is a new esprit de corps between the United States and Arab Muslim nations to make more progress. The president very much wants to improve the

competencies and the capabilities of a lot of our partners in the region so that they can push back on Iran's ambitions. And so, you saw a lot of the agreements that we signed during the Riyadh summit were designed to achieve that and we're going to keep working on that.

ZARATE: Final question, Brian. Really want to thank you again for your time and your insights, but you've been now at the State Department is -- it's like you're a veteran, right? You've been here for a couple of years. Have you gotten your swagger back? Or a swagger tattoo?

HOOK: Swagger. Yes, you know, there's -- we've had a lot of good new appointments, as I mentioned earlier, that -- that have -- that -- that we really think that -- we -- we've got so many good strategies that are in place and I feel like we're -- we're working through a lot of personnel appointments, getting them nominated, getting them through committee, getting them on floor votes.

And so much -- as you know, personnel is policy. And Secretary Pompeo has made personnel a priority. And that's -- we're -- we're, I think, seeing some really good results there. We have a number of people that we're still waiting on floor votes that we hope to get confirmed soon.

And every time we get a new under secretary or assistant secretary confirmed, new ambassador confirmed, it just means more energy for the important diplomatic work that we're doing.

ZARATE: Think you've gotten your swagger back. Brian, thank you again. We wish you the best of luck in your new role.

HOOK: Thank you very much.

ZARATE: Thank you again for your time.

(APPLAUSE)