

A Reuters Report on Iran That Spurred US Diatribes

This year, U.S. Secretary of State Mike Pompeo made speeches about corruption and property confiscation in Iran that borrowed animating details from a skewed, 5-year-old story that is gaining influence, writes Ivan Kesic.

By Ivan Kesic

in Zagreb, Croatia

Special to Consortium News

When U.S. Secretary of State Mike Pompeo gave speeches about mega corruption in Iran this year, he did not cite a Reuters' [2013 article](#) or give credit to its three reporters; Steve Stecklow, Babak Dehghanpisheh and Yeganeh Torbati.

Instead he presented it as the kind of specialized knowledge that only a high-ranking official such as himself might be in a position to reveal. "Not many people know this," Pompeo told an audience gathered last July at the Ronald Reagan Presidential Foundation and Library in Simi Valley, California, "but the Ayatollah Khamenei has his own personal, off-the-books hedge fund called the Setad, worth \$95 billion, with a B." Pompeo went on to tell his audience that Khamenei's wealth via Setad was untaxed, ill-gotten, and used as a "slush fund" for the [Islamic Revolutionary Guard Corps](#).

But a comparison between the 5-year-old Reuters article and Pompeo's speech, which was lauded by *The Wall Street Journal's* editorial board as ["truth telling,"](#) shows a type of symbiosis that could only help cast a backward glow over

President Donald Trump's move, last summer, to reimpose all sanctions lifted by the Obama's administration's historic nuclear deal with Iran.

The imprint of the Reuters article on Pompeo's speech was obvious in an anecdote about the travails of an elderly woman living in Europe. "The ayatollah fills his coffers by devouring whatever he wants," Pompeo said. "In 2013 the Setad's agents banished an 82-year-old Baha'i woman from her apartment and confiscated the property after a long campaign of harassment. Seizing land from religious minorities and political rivals is just another day at the office for this juggernaut that has interests in everything from real estate to telecoms to ostrich farming."

The 82-year-old Baha'i woman living in Europe clearly matches Pari Vahdat-e-Hagh, a woman the Reuters team put at the very start of their extensive, three-part investigation. Here's how the Reuters article begins: "The 82-year-old Iranian woman keeps the documents that upended her life in an old suitcase near her bed. She removes them carefully and peers at the tiny Persian script."

While tapping the human-interest aspects of the story, Pompeo's speech steered clear of some of the qualifications that the Reuters reporters and editors injected into their general profile of corruption. Pompeo referred to Khamenei using Setad as a "personal hedge fund," for instance, suggesting personal decadence on the part of the Iranian leader. But the Reuters team was careful to note that it had found no evidence of Khamenei putting the assets to personal use. "Instead, Setad's holdings underpin his power over Iran."

While stipulating that Khamenei's greed was not for money but for power, the Reuters team neglected something of timely and possibly greater relevance. Earlier that same year the U.S. admitted its own longstanding greed for power over this foreign country.

Final CIA Admission

In August 2013—three months before the Reuter's article was published—the CIA finally admitted its role in the 1953 Iranian coup. “Marking the sixtieth anniversary of the overthrow of Iranian Prime Minister Mohammad Mosaddeq, the National Security Archive is today posting recently declassified CIA documents on the United States' role in the controversial operation. American and British involvement in Mosaddeq's ouster has long been public knowledge, but today's posting includes what is believed to be the CIA's first formal acknowledgement that the agency helped to plan and execute the coup,” the archive said.

This U.S. aggression led directly to two phases of property confiscation in Iran: first under the Shah and then under the religious fundamentalists who overthrew him. Unaccountably, however, the Reuters team ignored the CIA admission so relevant to their story.

To its credit, the Reuters article does allude, early on, to the two inter-related periods of property confiscation in Iran. “How Setad came into those assets also mirrors how the deposed monarchy obtained much of its fortune – by confiscating real estate,” the article says. But that sentence only functions as a muffled disclaimer since the team makes no effort to integrate that history into the

laments of people such as Pari Vahdat-e-Hagh, who emotionally drives the story.

Dubious Figure

For anyone familiar with the history of property confiscations in Iran, this ex-pat widow is a dubious figure. In the article, she claims that she lost three apartments in a multi-story building in Tehran, "built with the blood of herself and her husband." She also says her late husband Hussein was imprisoned in 1981 because he began working for a gas company that had been set up to assist unemployed members of the Baha'i faith, and finally executed a year later.

The suggestion is that he was killed as part of a widespread persecution of Bahai'i followers.

What the Reuters reporters and editors omitted to mention, however, is that Hussein had been a lieutenant in the military regime of Mohammad Reza Shah Pahlavi; the last shah of Iran who was overthrown by the uprising of 1979.

The Shah's name has become so intertwined with UK and U.S. meddling in Iran that his role in setting a pro-western foreign policy is mentioned in the opening sentence of the Encyclopedia Britannica entry on him. But the Reuters article places this mention at the end of the story, as deep background. By the time the team discloses the Shah's penchant for confiscating property and flagrant corruption, the reader is in the third section of a three-part article. By that time, the elderly Vahdat-e-Hagh has come and gone. By then, she has cemented herself in the reader's imagination as an unequivocal victim, even though some

obvious questions about her should occur to anyone familiar with the country's history.

How, for instance, did she and her husband come to own such significant property at the center of Iran's capital city? Under the Pahlavi regime, most military personnel were provided with one apartment, not three. In the article, Vahdat-e-Hagh says that she and her husband obtained the property themselves, so presumably they did not inherit it. Could her late husband, Hussein, have been of high importance to the Shah's U.S.-backed regime, which was famous for its lavish handouts to special loyalists?

Such questions float over the article, not only about this particular subject, but many others who are presented to dramatize the ayatollah's misdeeds. Several sources appear as human rights "experts" and lawyers. They are all Iranians living abroad and many have controversial biographical details that go unmentioned. There are similar well-known credibility issues with people who are introduced as respectable scholars and politicians.

The article offers the story of another aggrieved Baha'i family without ever mentioning how such people, in general, had lost property during the Shah's White Revolution of 1963 which was intended to weaken those classes that supported the traditional system, primarily landed elites.

One obvious problem with the article is the distance of the three Reuters journalists from the scene of their story. They are based in New York, London and Dubai and do not reveal their information-gathering methods about Iran, a country that admits very few foreign reporters. So far,

Yeganeh Torbati, the reporter who presumably wrote the first, human-interest part of the story, has not responded to a message to her Facebook account seeking comment. Nor has she responded to an email. Torbati, now based in Washington, was based in Dubai in 2013.

Story with Long Legs

In the years since its publication, the Reuters article has been bubbling up in book citations. Suzanne Maloney mentioned it in her 2015 book “Iran’s Political Economy since the Revolution” as did Misagh Parsa in “Democracy in Iran: Why It Failed and How It Might Succeed” published in [2016](#).

This year Pompeo relied on it in four speeches. Two books published in 2018 place some weight on the Reuters article: “Challenging Theocracy: Ancient Lessons for Global Politics” by David Tabachnick, Toivo Koivukoski and Herminio Meireles Teixeira; and “Losing Legitimacy: The End of Khomeini’s Charismatic Shadow and Regional Security” by Clifton W. Sherrill.

The name Setad, which means “headquarters” in Farsi, has been kicking around Washington for five years, ever since the U.S. imposed sanctions on the group. In June of 2013, the U.S. Treasury Department issued a [press release](#) about Setad and its subsidiaries, with a long list of Persian-named properties that were managing to avoid UN sanctions imposed on the country’s business dealings as a means of discouraging Iran’s enrichment of nuclear-weapon grade uranium.

Six months later, in November, Reuters published its

extensive, three-part investigative package, which now tops Google searches for “Setad.”

The report was the first piece of important follow-up journalism on the U.S. Treasury press release. But in one key piece of wording, editors and reporters almost seem to be straining to move their story ahead of the government’s rendition, to the primary position it now holds in Google search-terms.

“Washington,” according to the article, “had acknowledged Setad’s importance.” Acknowledged? By journalistic conventions that Reuters editors would certainly know, an acknowledgement indicates a reluctant admission, something a source would rather not reveal. Five months earlier, however, the Treasury Department sounded eager to call attention to Setad as “a massive network of front companies hiding assets on behalf of .. Iran’s leadership.”

For hardliners on Iran, the U.S. Treasury press release was important fodder. But it lacked the human drama necessary to stir an audience against the current regime. When the Reuters article came along, with all its historical omissions, it filled that gap.

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America's Absence in Istanbul: A Sign of Decline, Not Surrender

Team Trump missed the summit on Syria. In that, Patrick Lawrence sees another sign of Washington's failure to accept its loss of diplomatic primacy.

Lost in the Memory

Palace:

US Leads, But No One

Follows

By Patrick Lawrence

Special to Consortium News



You would hardly know it from reading the U.S. press, but a summit of considerable significance took place late last month. German, French, Russian, and Turkish leaders convened in Istanbul Oct. 27 to create a comprehensive plan to end the seven-year war in Syria. On the agenda: increase humanitarian aid, rebuild ruined towns and cities, assist returning refugees, draft a new constitution and arrange internationally supervised elections. All this will take time, but the Syria story is evolving from one of conflict to one of reconciliation and reconstruction.

Two features of the summit deserve special note.

The four nations are not all fast friends, to put it mildly. But they drew together to find common interests in resolving what may count as the worst crisis since the Cold War's end. Second, there was a conspicuous absence at the Istanbul gathering: the United States. Despite its prominent role in the Syrian conflict for at least the past six years, if not longer, the United States wanted no part of a many-sided summit dedicated to resolving it via negotiation.

A matter of days later came the Trump administration's sweeping new sanctions against Iran, planned for many months and put into force at midnight on Nov. 4.

Never mind Washington's adversaries: Even its traditional allies in Europe are resisting the United States. This new round of sanctions rank among the stupidest foreign policy moves of Trump's two years in office. Two others were withdrawing from the climate pact in June 2017 and unilaterally recognizing Jerusalem as Israel's capital six months later.

Three Things Now Clear

At this point, three things are clear about the Trump administration's approach to global affairs.

No. 1: Team Trump's foreign policies are easily the most incoherent of any administration in recent memory. The United States does or does not want to settle the Korean question. It does or does not have an even-handed plan for peace in the Mideast. It has or has not abandoned its campaign to depose the Assad government in Damascus. What

appears so on Monday appears otherwise by midweek.

No 2: Time and again, this administration overplays its hand. In case after case it acts on its own, expecting other nations to follow, only to discover that few or none do. Since Trump took office, misjudging U.S. prerogatives may be among the only consistent feature of his foreign policy.

No. 3: "America First" begins to shape up as "America Last" on the foreign policy side. We are a long way from "the indispensable nation," the phrase that Madeleine Albright used for the United States during her time as secretary of state in the Clinton administration. Two years into Trump's presidency, Albright's assertion—which was never more than U.S. hubris at its purest—looks like it might be headed to a museum.

This is not solely due to incompetence in the Trump White House, although this is considerable. The United States has been unable to find its place in a swiftly changing world order at least since the George W. Bush administration. It has consistently mishandled relations with China and Russia from one administration to the next, to take two prominent examples: trans-Atlantic ties with longtime allies (who too often behave like vassals) have deteriorated steadily for years due to Washington's misjudgments.

The Trump administration's confusion merely makes the gravity of our moment more difficult to deny: Absent last century's simplicities—chief among them the binary East-West division—the United States is losing its grip on leading.

Talk of Withdrawal

There is much talk in Washington these days of a U.S. withdrawal from global affairs. Ivo Daalder, a former ambassador to NATO and now president of the Chicago Council on Global Affairs, recently co-authored a book, with James Lindsay, called "The Empty Throne: America's Abdication of Global Leadership." It is a long lament about what its title suggests: the United States is surrendering—supposedly—its position as No. 1 among nations.

This is a misreading, perfectly upside down from reality. The United States is not surrendering anything. That is precisely the problem. It refuses to give up its long-asserted right to act unilaterally on the assumption other nations will either fall in line or silently acquiesce.

At the same time, Washington declines to participate in multilateral efforts to resolve wars, competing political or territorial claims, and other such problems via diplomatic negotiation, often with adversaries. This helps explain why the Trump administration repudiated the Paris climate pact and then the accord governing Iran's nuclear programs: Both implicitly demonstrate that multipolarity is an inevitable 21st Century reality.

Daalder acknowledged this during a [recent talk](#) at the Council on Foreign Relations, even if he seemed not to have grasped his own lesson. "As the U.S. withdraws," he said, "it's not involved in building coalitions bringing people together to deal with global challenges, people are going to turn to others."

The Istanbul summit on Syria is an excellent case in point. The United States should have been there. South Korea is

another. While President Moon Jae-in has to manage Seoul's traditional ties to Washington delicately, he has unmistakably seized the lead in Northeast Asia and repeatedly signals that he remains committed to a settlement with the North—ultimately with or without U.S. cooperation.

Nostalgia is part of the problem. The world turns, and Washington is lost in a kind of memory palace, where it nurses the desire to prolong those decades of unchallenged primacy that it enjoyed after World War II. It refuses to accept there is no turning back the clock. While it wants to play “follow the leader” other nations drop out of the game.

Vigorous, nearly universal opposition to the new sanctions against Iran, Seoul's determination to press on toward peace on the Korean Peninsula, the summit on Syria in Istanbul: They all make the same point. Washington must abandon its Wilsonian ambition to shape the world in its own image if it is to remain an effective power—as it can and should—in the new global order. The new Iran sanctions already appear to be a turning point in this respect: Donald Trump's Washington thought it could lead, but virtually no one is following.

There is no “abdication” and no new isolationist era in the offing. But until the U.S. accepts the new norms of statecraft in a world of rising powers, we will watch as other nations withdraw from America—a very different thing.

Patrick Lawrence, a correspondent abroad for many years, chiefly for the International Herald Tribune, is a columnist, essayist, author, and lecturer. His most recent book is *Time No Longer: Americans After the American*

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