Supreme Leadership, Economics, and Clout in Iran: The Importance of Astan Quds Razavi

By Mike Saidi

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Key Points

- Hojjat ol Eslam Ebrahim Raisi is a top contender to become Iran’s next supreme leader. His increasing prominence and power calls for a study of his actual power base, particularly Astan Quds Razavi, the large and powerful bonyad he controlled until recently.

- An examination of Quds Razavi’s holdings reveals its close connections with the Islamic Revolutionary Guards Corps and already sanctioned entities.

- A US designation of Astan Quds Razavi and its entire network of companies would strike a major blow to the regime’s elite and their personal pocketbooks, enhancing the “maximum pressure” campaign the US is now waging on the Iranian regime.

The elevation of Hojjat ol Eslam Ebrahim Raisi to head of Iran’s Judiciary is the latest indication that Supreme Leader Ayatollah Ali Khamenei is positioning Raisi as his successor.® Raisi’s increasing prominence and power call for a study of his actual power base, particularly Astan Quds Razavi, the large and powerful bonyad he controlled until recently. This Mashhad-based organization has a regional economic reach and religious significance as well; it controls the Imam Reza Shrine in Mashhad, one of Iran’s holiest sites. An examination of Astan Quds Razavi’s holdings reveals its close connections with the Islamic Revolutionary Guards Corps (IRGC) and the scope of Raisi’s potential power base and influence in the coming contest to follow Khamenei.

Bonyads are parastatal organizations that act as enormous holding companies for the regime, with diversified economic portfolios under the guise of charitable foundations. They are indispensable financial vehicles for the regime’s elite, including the supreme leader and the armed forces. Many of these organizations and their hundreds of subsidiaries have tax exemptions. The supreme leader also has direct oversight over many key bonyads. The supreme leader directly appoints the heads of many key regime bonyads, such as Bonyad-e Mostazafan, Astaneh-ye Moghaddas-e Hazrat-e Masoumeh, the Execution of Imam Khomeini’s Order (EIKO), and Astan Quds Razavi. The supreme leader appoints loyalists and those he can trust for these sensitive positions, similar to IRGC senior commands.

Astan Quds Razavi, one of Iran’s largest bonyads, holds significance for the supreme leader. It rivals the depth and financial worth of Khamenei’s own economic conglomerate, EIKO, also known by its Farsi name, Setad.® Khamenei accordingly retains tight control over the leadership and performance of Astan Quds Razavi. An auditing company under
the Office of the Supreme Leader currently functions as the chief inspector and official auditor for an overwhelming number of Astan Quds Razavi’s subsidiary companies.³

Khamenei appointed Raisi to lead Astan Quds Razavi in 2016 because⁴ Raisi is close to Khamenei. Raisi and his father-in-law Ayatollah Ahmad Alam ol Hoda are both loyalists to Khamenei, and Raisi was a former student of Khamenei during his seminary education. Then, one year after appointing Raisi to lead Astan Quds Razavi, Khamenei threw his support behind Raisi’s candidacy for president in 2017 against President Hassan Rouhani. With Raisi’s latest appointment, Khamenei appointed Hojjat ol Eslam Ahmad Marvi to replace Raisi on April 4, 2019.⁵ Marvi is also a former student of Khamenei and served as a senior deputy in the Office of the Supreme Leader.⁶ Khamenei’s appointment of trusted and vetted individuals to lead Astan Quds Razavi indicates the post’s importance for the regime. Khamenei needs to have somebody close and trusted to lead the religious institution and manage the diverse economic portfolio.

Raisi is a top contender to succeed Khamenei as Iran’s next supreme leader, as Khamenei has been grooming Raisi to take over. Raisi’s recent appointment to Iran’s Judiciary to replace Ayatollah Sadegh Amoli Larijani is part of a series of Khamenei-led appointments to prepare Raisi to have the necessary bonafides to be Iran’s next supreme leader.⁷

Raisi’s time at the helm of Astan Quds Razavi provided him with significant leadership experience. More importantly, Raisi gained invaluable experience in the direct management of an enormous economic empire. Raisi’s business and personal network will not only help him in managing other key economic empires, such as EIKO,⁸ but also serve him well if he is selected to succeed Khamenei as Iran’s next supreme leader.

**Razavi Economic Organization, Astan Quds’ Economic Wing**

Astan Quds Razavi is one the regime’s most vital and well-entrenched economic organs. Its custodianship

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**Astan Quds Razavi’s Economic Network of Companies and Holdings**

- **Active Company**
- **Already Sanctioned**
- **Dissolved**

Source: Author’s original research available upon request.

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of the Imam Reza Shrine in Mashhad is complemented by its ownership of diversified financial interests in various sectors of Iran’s economy. Its economic interests are handled chiefly via its economic wing, the Razavi Economic Organization (REO).

REO maintains a vast network of businesses through various subordinate holding companies in pharmaceuticals, food production, mining, construction, transportation, automobile manufacturing, and financial services. REO’s commercial interests extend into the government. REO maintains verifiable ties to the Guardian Council, the Roads and Urban Development Ministry, and the Tehran Municipality.9 The organization also claims to maintain a representative office in the United States for its bread company. According to the organization’s website, it claims to control over 70 companies and institutions.10

The Critical Threats Project (CTP) has leveraged publicly available data sources to investigate on Astan Quds Razavi’s economic network. We used Iranian media reports, company websites, corporate report filings, the Tehran Stock Exchange, and official government registries. CTP has identified over 70 whole subsidiaries and partially owned companies tied to Astan Quds Razavi. (Explore our interactive graphic of Astan Quds Razavi at http://www.aei.org/publication/supreme-leadership-economics-and-clout-in-iran-the-importance-of-astan-quirazavi/)

Key REO whole subsidiaries and partially owned companies include:

- Quds Razavi Bread Company (Private Shares);
- Razavi Oil and Gas Development Company (Private Shares);
- Ghods Niroo Engineering Company (Private Shares);
- MAPNA Group Company;
- Shahab Khodro Company (Public Shares);
- FAVA Razavi, or Razavi Information and Communication Technology Company (Private Shares); and
- Razavi Housing and Construction Company (Private Shares).

Quds Razavi Bread Company (Private Shares). Quds Razavi Bread Company (Naan-e Razavi) offers various food goods such as baked goods and cakes that are common throughout Iran. Its products are also found regionally, including in Afghanistan, Pakistan, and Iraq. Razavi Bread Company also maintains more than 20 international representative offices. In fact, Razavi Bread Company’s website claims to have a representative office in California.11

CTP was unable to verify this claim. Current California state records do not include the alleged representative office listed as an official business entity.

Razavi Bread Company’s global reach is noteworthy and reveals Astan Quds Razavi’s internationally focused business interests, even for less conspicuous business interests.

Razavi Oil and Gas Development Company (Private Shares). Razavi Oil and Gas Development Company is Astan Quds Razavi’s energy-focused subsidiary under its energy holdings. Razavi Oil and Gas maintains ongoing projects in northeastern Iran, southern Iran, Iraq, and Malaysia.

Ghods Niroo Engineering Company (Private Shares). Astan Quds Razavi maintains a plurality of the shares in Ghods Niroo Engineering Company, according to its website and official state registries.12 Astan Quds Razavi holds a plurality of the seats on its board of directors. Ghods Niroo, initially a Canadian company that underwent structural and managerial changes in 1983, is one of Iran’s most prominent engineering consultancies. It has completed or is negotiating projects globally, including in Cuba, Iraq, and Syria. It also works closely on power plant projects with MAPNA Group and the Iranian Energy Ministry.13

MAPNA Group Company (Public Shares). Astan Quds Razavi once had a 47 percent stake in MAPNA Group before it divested its majority share to the Energy Ministry-owned SABA Water and Power Industries Investment Company.14 Despite its ostensible divestment of shares and interest, Astan Quds Razavi still holds considerable interest in this prominent Iranian engineering conglomerate. Astan Quds Razavi holds two of the five board-of-director seats for MAPNA Group, and MAPNA
Group’s current managing director serves on the board of directors for REO.15

More unapparent, the current majority shareholder of MAPNA Group, SABA Water and Power Industries Investment Company, is effectively dominated by Astan Quds Razavi. Four of the five board seats for SABA are filled by an Astan Quds Razavi subsidiary, including the already-sanctioned Mahab Ghods Engineering Consultancy Company.16 Additionally, Alireza Khojasteh Vahab Zadeh—a current board of directors member for MAPNA—is a known Astan Quds Razavi associate and serves on the board of directors for Razavi Supply Chain Management Company (Private Shares), a subsidiary of REO.17

MAPNA Group is involved in power plant construction, energy, and transportation projects. Canada has sanctioned MAPNA Group over its procurement of dual-use technologies tied to Iran’s weapons of mass destruction program.18

MAPNA Group is heavily involved in energy and power plant projects in the region, including in Syria and Iraq. MAPNA Group’s Managing Director Abbas Ali Abadi met with Syrian Electricity Minister Mohammad Zuhair Kharboutli during his visit to Tehran in September 2018 and signed a memorandum of understanding to construct a power generation station in Latakia Province.19 MAPNA Group maintains multiple global offices, including in Algeria, Indonesia, Syria, and Turkey.

MAPNA Group also maintains close ties to the IRGC. It worked together with the IRGC-owned engineering giant Khatam ol Anbia Construction Headquarters to construct a refinery in Phase 13 of
the South Pars Gas Field in March 2019. Its former Managing Director Mousa Refan served as the Islamic Republic of Iran’s first IRGC Aerospace Force commander. Refan played a key role in the IRGC’s missile and drone research during the Iran-Iraq War, too.

MAPNA Group also maintains close ties to the regime and the Office of the Supreme Leader. Mofid Raahbar Auditing Institution, which services institutions of the Office of the Supreme Leader, serves as the official auditor of MAPNA Group. MAPNA Group Oil and Gas Division deputy Seyyed Nasrallah Hezaveh stated that MAPNA Group “considers itself as tied to the state.” Moreover, MAPNA Group employees were present for Supreme Leader Ayatollah Ali Khamenei’s speech to Iranian workers on April 24 following the Trump administration’s decision not to extend the eight significant reduction exemptions for Iranian oil exports.

MAPNA Group’s relevance to the regime is undeniable. Its ties to Astan Quds Razavi are readily apparent, too.

**Shahab Khodro Company (Public Shares)**. Shahab Khodro Company manufactures buses and trucks. According to its website, some of its most important customers include the Atomic Energy Organization of Iran, the Ministry of Defense and Armed Forces Logistics, the Artesh Navy, and Khatam ol Anbia Construction Headquarters. Shahab Khodro also seeks to establish a foothold in the region alongside other Iranian vehicle manufacturers, such as SAIPA. Shahab Khodro had a booth in the Iranian Pavilion of the 59th International Damascus Fair.

**Razavi Information and Communication Technology Company (Private Shares)**. FAVA Razavi is Astan Quds Razavi’s telecommunication and computer services provider. FAVA Razavi develops software and hardware for information and communication technologies for use in Iran, both for private companies and those in the Astan Quds Razavi network. FAVA Razavi sells servers and hosting platforms.

**Quds Razavi Housing and Construction Company (Private Shares)**. Quds Razavi Housing and Construction Company is Astan Quds Razavi’s larger and more active civil construction company alongside its Razavi International Construction Company (Private Shares). Quds Razavi Housing and Construction Company operates both in Iran and internationally. Razavi Housing and Construction participated in the construction of a rail project as the primary contractor for the erection of a bridge across the Euphrates River in Syria. The project was completed in 2010.28

**Should the US Sanction Quds Razavi?**

US designations in the past have deliberately targeted IRGC entities and persons. The US Treasury Department has also occasionally targeted key regime economic conglomerates close to the regime’s clerical leadership, including EIKO. However, US designations have overwhelmingly focused on targeting the IRGC Quds Force and IRGC affiliates more than bonyads not obviously controlled by the IRGC. Astan Quds Razavi is an interesting example of an organization that might merit an exception to this targeting focus.

Astan Quds Razavi serves as one of the regime’s key financial vehicles, has direct and verifiable ties to the IRGC, and is involved in Syrian reconstruction efforts. Astan Quds Razavi also maintains ownership over an engineering consultancy sanctioned for its role in Iran’s nuclear program and purportedly holds a representative office in California for one of its most successful subsidiary organizations.

Astan Quds Razavi is likely involved in sanctionable activities and serves as a vital economic artery for the regime. Targeting Astan Quds Razavi and its entire network of companies would strike a major blow to the regime’s elite and their personal pocketbooks, enhancing the “maximum pressure” campaign the US is now waging on the Iranian regime. Designating more parastatal organizations, similar in essence to Khamenei’s EIKO, would build the precedent that rapacious regime officials cannot hide their illicit financial activities and profiteering under the guise of religious pledges and pseudo-charitable foundations.
About the Author

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Notes

3. The company is called Mofid Raahbar Auditing Institution. Its national ID number is 1086019631, and its registration number is 7355. According to its website, Mofid Raahbar Auditing Institution was formed to provide professional services to organs and institutions under the cover of the Office of the Supreme Leader. See Mofid Raahbar Auditing Institution, http://mofidraahbar.org/?aspxAutoDetectCookieSupport=1.
5. Office of the Supreme Leader, “Hojjat ol Eslam Marvi beh towliat Astan-e Quds-e Razavi mansoub shod” [Hojjat ol Eslam Marvi was appointed as Astan Quds Razavi’s custodian], April 4, 2019, https://www.leader.ir/fa/content/22874.
9. Guardian Council jurisprudential member Abbas Ali Kadkhodaei Elyaderani (national ID number 1284589668) serves on the board of directors for the Astan Quds Razavi Tehran Province Endowments Institute, as of October 2017. Tehran Province Endowments Institute’s national ID number is 10100382080, and its registration number is 9071. Current Tehran Mayor Pirouz Hanachi (national ID number 0051511029) served as the vice chairman of the board of directors for Samangan Cement Industries Company (Private Shares) in 2013.
16. The US Treasury Department Office of Foreign Assets Controls sanctioned Mahab Ghods Engineering Consultancy Company (Private Shares) in 2010 for its involvement in constructing a nuclear power plant in Iran. Its national ID number is 10103104361, and its registration number is 48962. Mahab Ghods came under Astan Quds Razavi’s control during President Mahmoud Ahmadinejad’s tenure. As of January 2015 Astan Quds Razavi hekll three of the four board-of-director seats for Mahab Ghods before all four board seats, and full control of the company returned to the Energy Ministry of Iran in May 2018, according to company registry filings and reports from the Iranian Privatization Organization. US Department of the Treasury, “Treasury Identifies 21 Entities Determined to Be Owned or Controlled by the Government of Iran Treasury Exposes Iran’s Foreign Trade Network, Identifies Entities Operating in Belarus, Germany, Iran, Italy, Japan, and Luxemburg,” August 3, 2010, https://www.treasury.gov/press-center/press-releases/Pages/pr9811.aspx and Taadol Newspaper, “Jodaee-e Mahab Ghods az Astan?” [Mahab Ghods’ split from Astan?], August 26, 2018, http://www.taadolnewsir/%D8%A8%D8%AE%D8%B4-%D9%86%D9%88%D8%AA-%D8%A7%D9%86%D8%B1-%DA%98%DB%8C-%128300-%D8%AC-%D8%A7%DB%8C-%D9%85%D8%87%D8%A7%D8%82%D8%AF-%D8%B3-%D8%A7%D8%B2-%D8%A2-%D8%B3-%D8%AA-%D8%A7%D9%86

17. Alireza Khojasteh Vahab Zadeh is a regular member on the board of directors for Razavi Supply Chain Management Company (Private Shares). He represents Razavi Quality Institute, another Astan Quds Razavi-tied company, on its board of directors. His national ID number is 0941800385. The information is current as of June 19, 2018.


22. Ba Eghtesad, “Ravand-e gharaardaad haay-e MAPNA dar gir o darar tahrem haa” [The course of MAPNA’s deals is in battle with sanctions], December 2, 2018, http://www.baeghtesad.com/%D8%A8%D8%AE%D8%B4-%D8%A8%D8%BD%D8%B1%D8%B3-3-%D8%AF-%D9%85%D9%86-%D8%AF-%D9%82-%D8%B1-%D8%A7-%D8%B1-%D8%AF-%D8%A7-%D8%AF-%D9%87-%D8%A7-%D8%8C-%D9%85-%D9%86-%D8%A7-%D8%B1-%D8%AF-%D8%AC-%D8%B1-%D8%BD-%D8%8C-%D9%85-%D9%87-%D8%A7.


24. Shahab Khodro, “Eezaar khreb-yeh Sherkat-e Shahab Khodro” [The history of Shahab Khodro Co.], http://www.shahabkhodro.co.ir/%D8%A8-%D8%B9-%D8%B1-%D9%88-%D8%B4-%D8%B4-%D9%85-%D8%B1-%D8%A7-%D8%A8-%D8%AC-%D8%A8-%D8%AF-%D8%B1-%D9%88;


27. Razavi International Construction Company (Private Shares) is currently active. However, it is not listed on the Razavi Economic Organization’s website as a subsidiary. Its national ID number is 10102408559, and its registration number is 199039. Three different Razavi Economic Organization subsidiary companies hold all three seats and the managing director post. Mohammad Abdollahi (national ID number 448666918) is the chairman of the board, Nasser Oliaei (national ID number 0567628731) is a regular board member, and Abbas Ali Kargar Hoorieh Abadi (national ID number 443477898) is the managing director and the vice chairman of the board (as of April 2018). Abdollahi currently serves as the chairman of the board of directors for SABA Water and Power Industries Investment Company as a representative of the already-sanctioned Mahab Ghods Engineering Consultancy Company, according to SABA’s website. Another key Astan Quds Razavi economic network member, Yousef Pasha Nejad, served on the Razavi International Construction Company’s board of directors up until 2018.


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