

U.S. Payment of \$1.7 Billion to Iran Raises Questions of Ransom

*Wiring of disputed money to Tehran coincided
with departure of plane carrying 3 Americans*



Jason Rezaian, one of the U.S. citizens recently released from detention in Iran, waving with his wife and mother outside the Landstuhl Regional Medical Center in Germany on Wednesday

By Jay Solomon

A deal that sent \$1.7 billion in U.S. funds to Iran, announced alongside the freeing of five Americans from Iranian jails, has emerged as a new flashpoint amid a claim in Tehran that the transaction amounted to a ransom payment.

The U.S. Treasury Department wired the money to Iran around the same time its theocratic government allowed three American prisoners to fly out of Tehran on Sunday aboard a Dassault Falcon jet owned by the Swiss air force.

The prisoner swap also involved freedom for two other Americans held in Iran as well as for seven Iranians charged or convicted by the U.S.

The announcements coincided with the implementation of the nuclear agreement with Iran, lifting international economic sanctions in exchange for Iran curtailing its nuclear program.

The \$1.7 billion financial settlement ended a 35-year legal saga that centered on a purchase of U.S. arms by Iran's last monarch, Shah Mohammad Reza Pahlavi, that were never delivered because of the Iranian revolution in 1979.

The White House described the settlement as a victory for taxpayers, arguing that the U.S. was likely to lose in arbitration under way in *The Hague, Netherlands*, and could have been held liable for billions more if the process had dragged on.

“Iran will be returned its own funds, including appropriate interest, but much less than the amount Iran sought,” President Barack Obama said on Sunday.

But the transaction is stirring a debate here over whether the funds were essentially a ransom paid to Iran's leadership.

A senior Iranian military official has publicly stated that the clearing of the \$1.7 billion was a key factor in Tehran's decision to release the imprisoned Americans, most of whom were charged with espionage.

“Taking this much money back was in return for the release of the American spies and doesn't have to do with the [nuclear] talks,” said Gen. Mohammad Reza-Naghdi, commander of Iran's powerful Basij militia, in state media on Wednesday. “The way to take our rights back from the arrogants [Americans] is to become powerful, and we must grow stronger and stronger every day.”

Iranian government spokesmen in Tehran and New York didn't respond to requests for comment on Thursday.

White House and State Department officials have denied any connection between the payout of the disputed funds and the prisoners' release.

“This is actually the result of a long-running claims process,” White House spokesman Josh Earnest said Tuesday.

But Republican lawmakers are calling for an inquiry. They've also criticized what they said was an imbalance in the prisoner exchange: The White House freed seven Iranians and dropped extradition proceedings against another 14 in exchange for the five Americans.

“*There's no way the recent events occurred randomly*,” said Rep. Mike Pompeo (R. Kan.), who wrote Secretary of State John Kerry this week to ask about the payment. “We will do our best to find out if this was in our interest.”