

FACT SHEET: Giuliani & Trump Efforts to Free an Iran Sanctions Violator

What Happened: In 2017, President Trump reportedly directed then-Secretary of State Tillerson to work with Rudy Giuliani on a diplomatic deal with Turkey and stop the U.S. prosecution of an individual who helped Turkey violate U.S. sanctions on Iran. In doing so, the President used his office to advance Giuliani's financial interests—as well as the President's own implicit financial interests—at the expense of U.S. national security.

The Case: According to U.S. prosecutors, Reza Zarrab, an international gold trader, was at the “heart of [a] massive and brazen scheme that blew a billion-dollar hole in the Iran sanctions regime.” [[DOJ Press Release](#), 1/3/18]. Zarrab helped funnel Turkish gold through Halkbank, a state-owned Turkish bank, in exchange for Iranian oil. The scheme involved “high-ranking government officials in Iran and Turkey,” many of whom received tens of millions of dollars in bribes, including the Turkish Minister of the Economy. [[DOJ Indictment](#)]. Among other things, Zarrab disguised the transactions to make them appear as if they involved food, making them eligible for a humanitarian sanctions exception. [[DOJ Press Release](#), 5/16/18].

Enter Giuliani: After his arrest in March 2016, Zarrab initially hired 16 lawyers to defend him [[NYT](#), 8/2/16]. Following their unsuccessful efforts to secure a favorable bail arrangement or get the case dismissed, Zarrab hired Giuliani. [[New Yorker](#), 4/14/17]. Giuliani's role was to try to negotiate a diplomatic resolution to his case, and, in February 2017, Giuliani met with President Erdogan to do just that. In March 2017, Trump fired U.S. Attorney Preet Bharara, who had been prosecuting the case. Around that time, Giuliani wrote DOJ that freeing Zarrab could be “part of some agreement between the United States and Turkey that will promote the national security interests of the United States.” [[NYT](#), 4/20/17]. It remains unknown how much Zarrab paid Giuliani, or where the funds came from.

Erdogan's Interest: In 2013, Zarrab was detained in an investigation of businessmen with close ties to then-Prime Minister Erdogan. U.S. prosecutors said Zarrab secured his release through his influence with the Turkish government. [[NYT](#), 4/20/17]. Erdogan has showed a strong interest in Zarrab's case, declaring there were “malicious” intentions. In September 2016, Erdogan personally appealed to U.S. officials about Zarrab's case, and demanded his release and Bharara's firing. In March 2017, Erdogan's foreign minister told Tillerson that Bharara was a pawn of anti-Turkish forces. [[NYT](#), 4/20/17]. In April 2017, a Turkish prosecutor reportedly opened an investigation into Bharara and other senior U.S. officials, accusing them of fomenting a coup. [[NYT](#), 4/15/17]. Turkey's justice minister said the charges in the Zarrab case were another “coup attempt” against Erdogan [[WaPo](#), 10/12/17]. In late 2017, Zarrab implicated Erdogan in the sanctions-evasion scheme, suggesting he had approved of it as prime minister [[WaPo](#), 11/30/17].

Trump Intervenes: In the fall of 2017, at an Oval Office meeting with Secretary Tillerson and Giuliani, President Trump reportedly pressed Tillerson to work with Giuliani to persuade DOJ to drop Zarrab's case and get diplomatic concessions from Turkey [[Bloomberg](#), 10/9/19]. Around the same time, Giuliani also visited DOJ to request that the case be dropped. [[WaPo](#), 10/10/19]. Trump has previously said that “I have a little conflict of interest” when it comes to Turkey because of a revenue stream that has earned him millions through licensing his brand to two towers in Istanbul (Zarrab reportedly has an office in one of the towers) that are owned by a close confidant of Erdogan's [[NYMAG](#), 10/8/19].

Current Status: In November 2017, Zarrab pleaded guilty to charges including sanctions evasion and money laundering, and began cooperating with U.S. authorities. [[WSJ](#), 11/29/17]. His cooperation led to the conviction of another Halkbank banker, Mehmet Hakan Atill in January 2018. [[DOJ Press Release](#), 1/3/18]. On October 15, 2019, U.S. prosecutors filed multiple charges against Halkbank for money laundering and “one of the most serious Iran sanctions violations” DOJ has prosecuted. [[DOJ Press Release](#), 10/15/19].