



Written by [Steve Byas](#) on August 19, 2016

Obama Administration: Linking of Money With Hostages Not Ransom

“This wasn’t some nefarious deal,” insisted President Barack Obama, in defending the transfer of \$400 million in various foreign currencies, which occurred simultaneously with the release of four Americans held hostage in Iran.



Despite the claim that the money was *not* ransom, an Obama State Department spokesman, John Kirby, admitted Thursday that the United States held up the transfer of \$400 million until the hostages were released. But Kirby continued the official administration stance that the money was not ransom. Instead, Kirby explained it this way: “We had concerns that Iran may renege on the prisoner release.” So the money transfer was delayed until the release of the hostages. At least that is Kirby’s story, and as the old country and western tune put, he’s sticking to it.

The *Wall Street Journal* published a story this week that the planes — one carrying cash to Iran, and another carrying the hostages from Iran — crisscrossed. One of the prisoners, pastor Saeed Abedini, said the two events were linked. He said that he and the other hostages waited at the airport in Iran for hours, during which time a senior Iranian intelligence official told him that their release would not happen until the United States delivered some cash. Iranian officials themselves have referred to the money-hostage swap as “ransom.”

“If it quacks like a duck, it’s a duck. If a cash payment is contingent on a hostage release, it’s a ransom. The truth matters and the president owes the American people an explanation,” said Senator Ben Sasse (R-Neb.) of the exchange of money and hostages.

When it was first revealed that the United States had sent currency into Iran on the same day as the hostages’ release, Kirby was indignant, tweeting, “Reports of link between prisoner release and payment to Iran are completely false.” But now, Kirby concedes that U.S. officials would not release the cash to the Iranians at an airport in Geneva, Switzerland, until the *Swiss Air Force* plane left Tehran, Iran, carrying out the prisoners.

The payments to the Iranian mullahs were delivered in Swiss francs, euros, and other currencies on wooden pallets. While the payment has been accurately reported as \$400 million, it is actually only the first installment of a total of \$1.7 billion that Obama intends to give Iran. The settlement is based on money that the Iranian government of pro-American, anticommunist Shah Mohammed Reza Pahlavi had deposited in an account to buy American military equipment. The shah was an important American ally



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during the Cold War, who also kept the ayatollahs of his country in check. He was hated by the hard-core mullahs because he was making an effort to modernize the country, and even expanding the rights of women. When I was in college in 1974, an Iranian student told me that he recognized the shah did some things that he did not approve of, but he then told me, "If the shah were to go, there are some really crazy people there that would replace him."

After the fall of the shah, and the take-over of the American embassy in Tehran by Iranian revolutionaries loyal to the Ayatollah Khomeini, the money was frozen, and the arms never delivered. The \$1.7 billion is considered the amount the United States owes Iran, with the interest added in.

Republicans in Congress were outraged at the swap of money and hostages. They contend that this is clearly ransom, and this would only put Americans at greater risk of being kidnapped all over the world, not only by Iranians, but by other terrorist groups.

Senator Tom Cotton (R-Ark.) condemned the deal as paying ransom for hostages. "This break with longstanding U.S. policy put a price on the head of Americans, and has led Iran to continue its illegal seizures" of Americans inside Iran. At least two more U.S. citizens have been detained since the cash shipment, along with individuals from other Western countries. His comments were echoed by Senator James Lankford (R-Okla.), who feared the payment would also "fund Iran's military expansion."

Republican presidential nominee Donald Trump joined the chorus of Republicans condemning the swap as a "scandal." He noted that his Democratic opponent, Hillary Clinton, was the secretary of state at the time when negotiations with the Iranians on the Iran nuclear deal were conducted. "Our incompetent secretary of state, Hillary Clinton, was the one who started talks to give \$400 million, in cash, to Iran."

Obama's spokesman, Josh Earnest, questioned the motives of the Republicans, in denying their accusations. "The United States, under President Obama, has not paid a ransom to secure the release of Americans unjustly detained in Iran and we're not going to pay a ransom," adding that the Republican opposition was just a ploy to undermine the nuclear agreement with Iran. "They're struggling to justify their opposition to our engagement with Iran. I understand the interest in details for a more colorful story but I don't understand what this does to the broader outlines of an agreement that has been in place for six months now."

It was the Iranian nuclear deal that paved the way for the transfer of long-frozen Iranian assets controlled by the U.S. government, dating back to the breaking of diplomatic relations between the United States and Iran, by President Jimmy Carter in 1979, following the taking of the U.S. embassy in Tehran.

While Republicans are attacking Obama's nuclear agreement with Iran, they only have themselves to blame. Although the Constitution clearly states that any treaty negotiated by the president must have the approval of two-thirds of the U.S. Senate, Senator Bob Corker (R-Tenn.) paved the way for yet another Obama victory over Congress and the Republicans when he won passage of the Corker-Menendez bill. This legislation flipped the necessity of a president obtaining the vote of two-thirds of the Senate to gain treaty approval, creating a situation wherein he, in effect, must have the support of only one-third of each house of Congress.

This is because, thanks to Senator Corker and all of those members of Congress who voted for his legislation (S. 615), the president would submit the measure (which Obama insists on calling an "executive agreement" rather than a treaty) to Congress, which could then vote on a resolution of disapproval. If the measure failed to win two-thirds of both houses of Congress, then President Obama



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could simply veto the act of disapproval.

For that matter, the various trade deals, negotiated over the years by various presidents, Democrat and Republican, such as TPP and NAFTA, should also be approved by *two-thirds* of the Senate, not just by simple majorities of the House and the Senate.

The present state of affairs, in which Obama apparently believed he could brazenly swap out money for hostages, has its roots in the decision of Congress to meekly surrender its constitutional powers to the executive branch.

There is talk that when Congress returns from its extended recess after Labor Day, hearings may be held by the House Financial Services Committee on the allegations that the Obama administration paid ransom to obtain the release of the hostages. Representative Sean Duffy (R-Wis.), who chairs the committee, has reportedly asked the Treasury and Justice departments, along with the Federal Reserve system to provide all records related to the \$400 million payment, and the names of the government officials who authorized the questionable payments.

If Congress winds up doing anything about this remains to be seen. Based on their past record of buckling to Obama, it is not likely.



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