Iran's Political Infighting Intensifies

For the past several months, Rouhani's team has been availing itself of the levers of power to prevent Ahmadinejad from returning to public life. Rouhani's operatives have been using targeted strikes against Ahmadinejad's inner circle, without hurting him directly for the time being. Accusations of incompetence and corruption are being levied, and the current Iranian administration says those factors are the primary reason for the country's dire economic straits.

They single out former First Vice President Mohammad Reza Rahimi. He is accused of using his high-level government position to pressure leaders of the National Insurance Company, forcing them to transfer large sums of US currency to accounts under his control. On September 30, Iranian authorities formally indicted Rahimi, charging him with embezzling public funds. Taking Iran's decision-making structure into account, Rouhani first enlisted the support of Iran's Supreme Leader Ayatollah Ali Khamenei before setting out after one of Ahmadinejad's closest associates.

Another prominent person who has come under criminal investigation is Iranian multimillionaire Babak Zenjani, the owner of numerous companies and assets. His net worth, according to Western experts, is estimated at nearly $14 billion. During Ahmadinejad's presidency, shady contracts for the sale of crude oil were funneled through Zenjani to skirt sanctions on shell corporations. This was necessary to supplement the country's budget. According to the testimony of Iranian Oil Minister Bijan Namdar Zangene, Zenjani owes his agency $2.7 billion, which was transferred to Malaysia's First Islamic Investment Bank. The money was earmarked to pay contractors for their work in Iran's oil refining sector. Zenjani is also accused of not paying back a large amount of money he obtained from black-market oil transactions, a sum of about several billion dollars. As for Zenjani himself, he says that Western sanctions are to blame. Because of the sanctions a portion of the money "is stuck" in foreign banks, he says.

The unfolding scandal surrounding the alleged misuse of funds allocated for construction of affordable housing for low-income families, a program also known as Mehr, could deal another blow to Ahmadinejad. Opponents of the former president are demanding a thorough probe, claiming that he stole tens of billions of dollars.

External observers say reformers led by Rouhani are using the attacks to try to weaken the conservatives' influence on politics and the economy. We can expect that in the time leading up to the next parliamentary elections, which are slated for March 2016, Iran's political infighting will not only worsen but also may present some unexpected surprises.

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