

# After Greek Seizure of Iranian Tanker, Iran Escalates

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*Iran detained two Greek-flagged tankers on May 27 in retaliation for Greece's seizure, announced a day earlier and carried out at the behest of the United States, of an Iranian-flagged vessel carrying Iranian oil to Turkey. The almost routine Iranian escalation comes straight from its counter-pressure playbook designed to deter both U.S. pressure and sanctions enforcement in a bid to continue reaping the benefits of the current open-ended but dead-end nuclear negotiations.*

*More curious is the case of the Iranian oil-laden tanker seized by Greece. Strangely, it remains uncertain if it was detained due to its attempts to circumvent sanctions on Iranian oil exports or because of the ships seeming ties to sanctioned Russian entities. Yet, the ship had reportedly been in the Mediterranean, trying to sell its illicit cargo, for at least eight months, indicating that although European buyers abide by American sanctions, U.S. officials have been lax in stopping Iranian attempts to circumvent them. And the combination of Iranian oil on a Kremlin connected tanker headed to a Turkish port demonstrates how U.S. adversaries and frenemies are increasingly interconnected, requiring a more concerted U.S. response.*

## What Happened?

- On May 26, it was [reported](#) that Greece had seized, at the request of the United States and European authorities, the crude oil cargo of an Iranian-flagged tanker, the *Lana*. However, it remains uncertain both when and why exactly the ship was stopped.
  - » The *Lana* had reportedly been in the Mediterranean since at least September 2021, albeit under a different name and flag, unsuccessfully seeking a European buyer for the over 100,000 tons of Iranian oil it was carrying in violation of U.S. and European sanctions.
    - Prior to March 1, the *Lana* had been named the *Pegas*. It flew a Russian flag until May 1, when it changed to sailing with an Iranian flag.
  - » On April 15, the *Lana* was first detained by Greek authorities, while still flying a Russian flag and moored at the Karystos anchorage before it was [set to sail](#) to the Marmara terminal in Turkey, due to suspicions it had [breached EU sanctions](#) on Russia.

- The *Pegas* was one of five tankers that the United States designated on February 22 in connection to Promsvyazbank, a bank with close ties to Russia's defense industry.
- Further, the U.S. Treasury Department designated the ship's Russian owner, Transmorflot, on March 8.
- » However, Greek anti-money laundering ordered the tanker to be released due to uncertainty about whether it was still owned by sanctioned Russian entities.
- » The tanker then remained in the Mediterranean until it was again seized by Greek authorities at an unspecified date.
- Greece later [transferred](#) the oil to the United States via another ship.
- » However, it remains unclear if the oil was confiscated because of sanctions on Russia or Iran.



Nigel Lowry, "Two laden Greek tankers seized by Iranian forces," *Lloyd's List*, May 27, 2022,

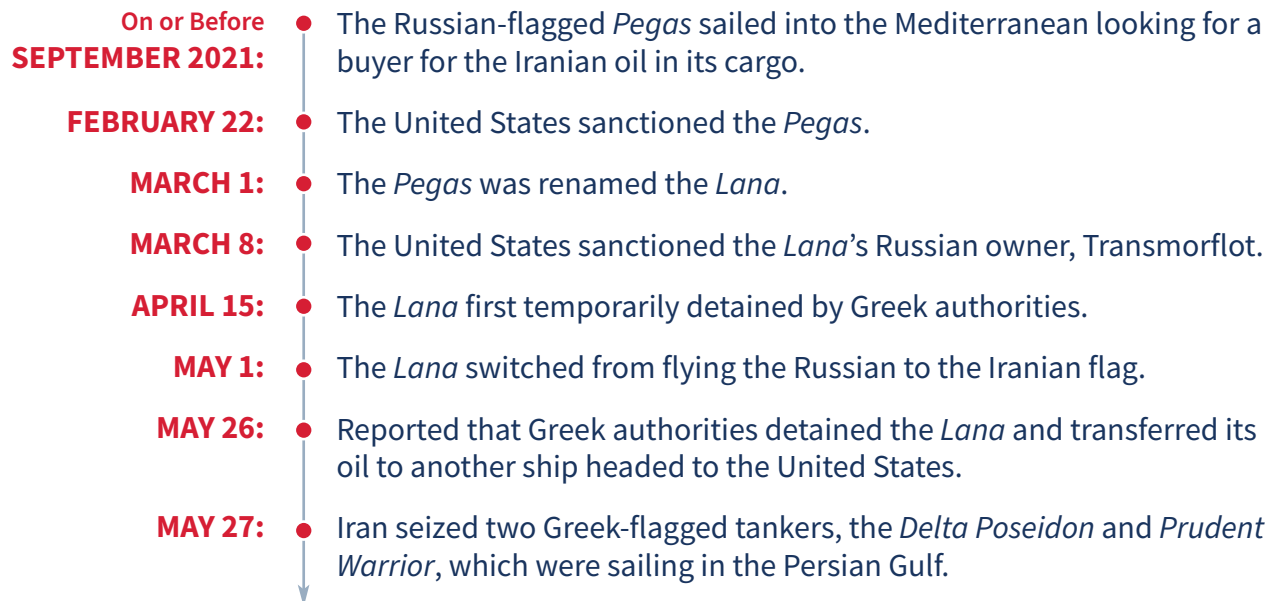
<https://lloydslist.maritimeintelligence.informa.com/LL1141049/Two-laden-Greek-tankers-seized-by-Iranian-forces>

- On May 27, Iranian military forces [seized](#) two Greek-flagged oil tankers in Persian Gulf waters, the *Delta Poseidon* and *Prudent Warrior*. The former was [reportedly](#) carrying U.S.-bound cargo from Iraq and the latter was traveling from Iraq to Greece.
- » According to the Greek Foreign Affairs Ministry, an Iranian Navy helicopter [boarded](#) the *Delta Poseidon* as it sailed in international waters with a crew of twenty-five. The Ministry said a similar incident was reported off the Iranian coast on another Greek-flagged ship, *Prudent Warrior*, with a crew of twenty-four Greek and Filipino nationals.

- » A spokesman for Iran’s paramilitary Islamic Revolutionary Guard Corps (IRGC) said the vessels had been impounded due to maritime violations. Iran has [urged](#) Greece to cooperate without involving the United States.
  - The IRGC [reportedly](#) warned that more [of the 17](#) other Greek tankers currently in the Persian Gulf could be seized in the near future. Iranian state sponsored media Nour News [said](#), “Iran will not remain passive in the face of any threat to its interests, and testing Iran's will is a strategic error that will entail heavy costs for the United States and its entourage.”
- » On June 4, Iran’s Supreme Leader Ayatollah Khamenei [clarified](#) that seizing the two Greek ships was a response to the earlier confiscation of Iranian oil, claiming “Our oil was stolen off the Greek coasts. ... We took back what was stolen from us.”
- » U.S. Secretary of State Antony Blinken [condemned](#) the “unjustified seizure” of the ships, while both U.S. and Greek diplomats have [called](#) on Iran to immediately release the Greek tankers along with their cargoes and crews.
- » European [nations](#) condemned Iran’s actions, including the French foreign ministry saying the seizures constitute “a serious violation of international law.”



## Tanker Timeline



## Why Is It Important?

- The strange case of the *Lana* is perhaps just as remarkable as what it reveals about Iranian sanctions evasion and the lack of U.S. efforts to stop it as it is for Iran’s retaliation.
  - » That the *Lana* spent at least eight months trying to find a European buyer for its cargo suggests that European buyers are abiding by U.S. sanctions and unwilling to buy Iranian oil—even amid global supply issues caused by the Russian invasion of Ukraine and despite the cut-rate price Iran must have been willing to accept.
  - » At the same time, that a tanker could spend eight months in the Mediterranean carrying illicit Iranian oil before it was stopped suggests that U.S. and EU efforts to stop Iran’s attempts to evade sanctions are limited, at best.
  - » That the *Lana* might not even have been initially seized due to its Iranian oil cargo but instead its connections to sanctioned Russian entities suggest an even weaker U.S. effort to rein in Iranian efforts to smuggle its oil.
  - » Finally, that a potentially Russian owned ship was illegally carrying Iranian oil to a buyer in Turkey highlights the interconnected nature of the challenges and threats facing the United States and its European partners.
- Iran’s retaliation against Greek-flagged ships after an Iranian tanker was seized in Greek water is the predictable result of two key Iranian strategic priorities: deterring any attempts to (a) pressure it or (b) enforce sanctions against its illicit oil sales.
  - » Whenever the United States has attempted to respond to Iranian malign activity with limited pressure, Tehran has always responded with an escalation of pressure in order to deter further U.S. attempts to change its behavior. So far, this Iranian counter-pressure strategy has been largely successful.
    - Despite President Biden ordering airstrikes in Syria on February 25, 2021 and again in Syria and Iraq on June 27, 2021 in retaliation for attacks on positions hosting U.S. military and civilian personnel, Iranian-backed Shia militias [further escalated](#) their attacks shortly afterward. Not only did the limited and inconsistent U.S. use of force fail to deter Iran but the absence of further U.S. actions seems to suggest that Tehran successfully deterred the United States.
    - Iran is now applying similar counter-pressure in an attempt to achieve similar deterrence of further oil seizures.
  - » In addition to deterring U.S. pressure against it, Iran is also trying to prevent any attempts to further curtail its growing oil exports, although these appear few and far between.
    - From 2017-2020, Iran’s average daily crude oil exports dropped 79 percent during the Trump administration’s “maximum pressure” sanctions, [according to the IMF](#). However, there has been a 250 percent increase since nuclear talks began last spring as the Biden administration has underenforced sanctions, allowing Iranian exports to China to grow significantly.

- Yet, Iran has also been seeking other markets for its oil and, on occasion, the United States has acted to stop shipments of Iranian crude. In March, a [previously sealed indictment](#) revealed details of a U.S. seizure of Iranian oil that had been transferred at sea from the Iranian-flagged *Stark I* to the Panamanian-flagged and Greek-managed *Arina*. The *Arina* then transferred part of this oil to the Liberia-flagged and Piraeus-based *Nostos* before both ships tried to unload their cargo in Turkey but were detected by U.S. authorities and ordered to offload the oil in the Bahamas and Houston.
- Blocking limited U.S. attempts to exert pressure and enforce sanctions is vital for Iran at this pivotal moment when nuclear negotiations have stalemated.
  - » Responding to U.S. pressure with greater pressure is intended to signal to Washington that it does not have an effective option beyond diplomacy.
  - » And blocking attempts to enforce sanctions ensures that Iran can keep its struggling economy afloat during drawn-out, open-ended negotiations.
- Iran and the Iranian-backed Houthis in Yemen have attacked, harassed, and seized tankers in and around the Strait of Hormuz over the past several years.
  - » On January 2, the Houthis attacked and illegally detained the UAE-flagged MV *Rwabee* and [held the crew](#) for several months.
  - » On January 1, the IRGC [seized](#) a South Korean oil tanker traveling to the UAE from Saudi Arabia and held the ship until April 9, after South Korea [unfroze](#) roughly \$7 billion in Iranian assets.
  - » In 2019, Iran illegally [held](#) a British tanker for over two months after an Iranian oil tanker was blocked in Gibraltar. Both vessels were eventually released.
- Greece is the largest tanker-owning nation and one-fifth of daily crude oil passes through the strait of Hormuz into the Persian Gulf and Indian Ocean, raising the potential for any additional seizures or escalation between Greece and Iran to further decrease global oil supply.
  - » As a sign of possible disruption, Ioannis Plakiotakis, Greece’s shipping minister, [told](#) the Financial Times he had issued a “strong recommendation” to Greece-flagged vessels to avoid all “sea waters under Iran’s jurisdiction.”
- Turkey has previously helped Iran evade U.S. sanctions on its energy trade and has also resisted the sanctions that all other NATO countries have imposed on Russia as a result of its invasion of Ukraine.
  - » Between March 2012 and July 2013, Turkish officials and the state-owned Halkbank exploited a “[golden loophole](#)” in U.S. sanctions to transfer \$13 billion in gold to Iran in exchange for natural gas and oil.
  - » While Turkey supplied Ukraine with weaponry, notably TB2 drones, Ankara has [resisted](#) joining Western sanctions against Russia for Putin’s invasion of Ukraine, continued to import Russian oil, and stalled progress on Sweden and Finland joining NATO.

- Iran has resorted to naval aggression, specifically against tankers in the Persian Gulf, before, including during the Iran-Iraq War in the 1980s. As the U.S. experience from that time demonstrates, deterring Iranian naval aggression requires a forceful, persistent, and integrated response from the United States and its regional partners that denies Iran the ability to launch such attacks and signals intolerable punishments if they continue. Otherwise, Iran will continue this hostile behavior.
  - » During the Iran-Iraq War, the United States attempted to solve the problem of Iranian small-boat attacks on commercial shipping through [Operation Earnest Will](#) to reflag Kuwaiti oil tankers sailing through the Persian Gulf. However, U.S. reflagging was not enough to deter Iran, who attacked ships after they were escorted and vessels that were not part of the reflagging. It was not until the United States increased its use of force that Iran changed its behavior.
    - After operations began in 1987, Iran [significantly reduced](#) the number of attacks but immediately challenged the first convoy, which did not trigger a U.S. response. Tehran then ramped its maritime attacks, including efforts to avoid a U.S. redline by launching missiles from outside of the Strait of Hormuz.
    - In February 1988, the United States adopted a [more aggressive policy](#). After a series of tit-for-tat attacks, the United States launched Operation Praying Mantis, during which it sank an Iranian missile boat, frigate, and a small boat, as well as damaging several other vessels. This operation effectively ended Iran’s naval mining, and the perception that the United States would enter the war on behalf of Iraq after the USS *Vincennes* accidentally downed an Iranian Airbus passenger aircraft, contributed to Tehran’s decision to end the war.
- Senate Foreign Relations Committee Ranking Member Jim Risch (R-ID) [called](#) on the Biden administration to “prioritize efforts to address this egregious behavior, which continues to threaten the US, it’s partners, & freedom of navigation everywhere.”
- Greece has proved to be a [dependable NATO ally](#) who is also developing close strategic ties with Israel, which could strengthen regional security and energy development in the Eastern Mediterranean as well as the Black Sea and Balkans regions.
  - » On October 14, 2021, U.S. Secretary of State Antony Blinken and Greek Foreign Minister Nikos Dendias signed an [extension](#) of the two countries’ Mutual Defense Cooperation Agreement (MDCA) for another five years that outlined an American commitment to fund the modernization of facilities at Souda Bay, Larissa, Stefanovikeio, and Alexandroupoli.
  - » Since Russia’s invasion of Ukraine, Greece has [bolstered](#) NATO forces in Eastern Europe and Greek bases have served as [staging points](#) for U.S. troop and military equipment deployments to the region.
- On the other hand, the *Pegas*’s attempt to offload Iranian oil in Turkey, despite it being a sanctioned ship, and the previous scheme by the *Arina* and *Nostos* to do the same indicates that Iran has identified gaps in Turkey’s sanctions enforcement. Officially, Turkey [stopped purchasing](#) Iranian oil in May 2019 when previous waiver exemptions expired. Turkish officials have expressed [desire](#) to access to Iranian oil.



## What Should the United States Do Next?

- With Iran's regional aggression continuing and little chance of reaching a nuclear agreement, the Biden administration should adopt a Plan B strategy on Iran, as argued in a recent [JINSA report](#), that includes recommitting to the Middle East by bolstering U.S. and partner capabilities in the region and stringently enforcing sanctions on Iran, including oil sales.
  - » A bipartisan group of legislators should follow-up on U.S. Special Envoy for Iran Rob Malley's recent testimony before the Senate Committee on Foreign Relations by demanding that the Biden administration present a feasible Plan B on Iran.
- U.S. Naval Forces Central Command (NAVCENT) should expand maritime domain awareness and cooperation among America's partners in the Middle East and prepare for further Iranian naval aggression through joint training and planning.
  - » Incorporating Israel into NAVCENT's Combined Maritime Forces (CMF), in particular its Combined Task Force (CTF) 152 for Arabian Gulf security and CTF 153 for Red Sea security, and possibly the International Maritime Security Construct (IMSC), would greatly strengthen the capabilities and deterrence of these initiatives.
  - » The Fifth Fleet should conduct additional multilateral exercises involving its unmanned system's initiative, [Task Force 59](#), which enables the fleet to cover a wider area and the deployment of capabilities that do not require the commitment of crewed vessels.
- The U.S. Fifth Fleet should also conduct freedom of navigation operations alongside regional partners.