

2023 Iranian tea smuggling scandal

The Debsh Tea company has set a new financial record for a corruption case in Iran by diverting over \$3.37 billion^[1] from the government's subsidised foreign currency for importing tea and equipment for the tea sector. The local media revealed that the government grants subsidised foreign currency for importing essential goods and medicines, but only

privileged individuals can obtain these funds. This incident exposed the endemic corruption that plagues the economy while the government introduces new measures to increase taxes and limit resources for social assistance to disadvantaged segments of society. Officials have denied any involvement, but the complicity of high-ranking politicians is essential for such a massive corruption to occur.^[2]

This case clearly reveals a systematic corruption scheme. In Iran, no matter who governs, corruption is inevitable in any situation due to Favoritism and lack of

control and surveillance, said Ahmad Alirezabeigi to Khabar Online.^{[2][3]}

Overview

Iran's Inspection Organization had revealed on November 30, 2023, that a leading tea importer was being investigated for dubious financial dealings. A leading tea importer is being investigated for dubious financial dealings, as revealed by Iran's Inspection Organization last week. The corruption case, worth almost \$3.5 billion, implicates various government offices from the present and past presidential administrations. These comprise the agriculture and industry ministers, along

with the heads of the Iranian Customs Administration and the Central Bank of Iran. The company, which managed the majority of the nation's tea imports, allegedly got \$3.37 billion in foreign currency at a lower government rate for importing tea and machinery from 2019 to 2022. However, it supposedly traded \$1.4 billion of the currency on the open market at a higher rate. The government gave US dollars to the Debsh Tea Company at a favorable exchange rate with no oversight. However, the case has more aspects such as trading poor-quality tea from Kenya as superior-quality tea from India. At the same time, the company has also

committed what has been called fraud by bringing back less expensive Iranian tea and keeping the gap in foreign currency.^[4]

The teas were imported from Kenya in cahoots with an equally unscrupulous company called Cup Of Joe. Cup of Joe was embroiled in an scandal of importing cheap Vietnamese tea into Kenya and repackaging as made in Kenya for shipment to Iran^[5]

Reactions

Numerous individuals, ranging from politicians to analysts and political activists, suggest that this corruption reveals a systematic corruption, involving

various high-ranking government officials.^{[2][1]} Heshmatollah Falahatpisheh contended that the corruption case reveals the parliament's "major shortcoming" in overseeing the actions of the executive branch, stressing that the government has always respected the Iranian parliament before but today they ignore it, also Ali Khamenei denied any systemic corruption in Iran without explicitly referring to this corruption.^[4] Iran's leading Sunni cleric, Molavi Abdulhamid, denounced the government's inability to curb rampant financial corruption, referring to a huge scandal involving a tea importer and high-ranking officials. In his sermon on

December 8, he also expressed his worries about the arrests, executions, and torture of protesters, and called for fundamental reforms in the country. He said that capital punishment contradicted Islamic law. His sermon was broadcast on YouTube after his Instagram was blocked. He delivered his speech in Zahedan, a city where Sunni Baluch protesters have faced violent repression from security forces.^[6]

Company

Debsh Tea Company is a tea producer and distributor based in Iran. It also has a customer club, a media channel, and a blog that provides information about tea

and its benefits.^[7] They also have exchanges with Keniya.^{[8][9]}

See also

- [2011 Iranian embezzlement scandal](#)

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