IB

Union Calendar No. 409

113TH CONGRESS
2D SESSION

H. R. 4411

[Report No. 113–543, Part I]

To prevent Hezbollah and associated entities from gaining access to international financial and other institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 2014

Mr. MEADOWS (for himself, Mr. SCHNEIDER, Mr. ROYCE, and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JULY 22, 2014

Additional sponsors: Mr. DESANTIS, Mr. WEBER of Texas, Mr. COLLINS of Georgia, Mr. CONNOLLY, Mr. KINZINGER of Illinois, Mr. SALMON, Ms. MENG, Mr. DEUTCH, Mr. COOK, Mr. WESTMORELAND, Mr. FARENTHOLD, Mr. LANKFORD, Mr. HIGGINS, Mr. MCCAUL, Mr. LONG, Mr. KING of New York, Mr. BISHOP of Utah, Mr. PEARCE, Mr. ROKITA, Mr. JORDAN, Mr. WILSON of South Carolina, Mr. SESSIONS, Ms. BROWN of Florida, Ms. FOXX, Mr. NADLER, Mr. GRIFFIN of Arkansas, Mr. STIVERS, Mr. LAMALFA, Mr. COBLE, Mr. WAXMAN, Mr. GRAVES of Missouri, Mr. SMITH of New Jersey, Mr. LAMBORN, Mr. BILIRAKIS, Mr. MULLIN, Mr. MCKINLEY, Mr. FINCHER, Mr. LATTA, Mr. SIRES, Mr. HOLDING, Mr. ROSKAM, Mr. MURPHY of Florida, Mr. SCHWEIKERT, Mr. PITTENGER, Mr. GINGREY of Georgia, Mr. WALBERG, Mr. PRICE of Georgia, Mr. SHERMAN, Mr. BENTIVOLIO, Mr. ROGERS of Alabama, Mr. BUTTERFIELD, Mr. MEEKS, Ms. GABBARD, Mr. COTTON, Mr. HUDSON, Mr. KENNEDY, Mr. SCHOCK, Mr. VEASEY, Mrs. WAGNER, Mr. DUFFY, Mr. VARGAS, Mr. BISHOP of New York, Mr. FLEISCHMANN, Mr. GRAVES of Georgia, Mr. GRAYSON, Mr. ISRAEL, Mr. FORTENBERRY, Mr. BURGESS, Mr. DIAZ-BALART, Mr. RODNEY DAVIS of Illinois, Ms. FRANKEL of Florida, Ms. VELÁZQUEZ, Mr. LOWENTHAL, Mr. BROUN of Georgia, Ms. WASSERMAN SCHULTZ, Mr. LANGEVIN, Mr. GIBBS, Ms. TITUS, Mr.

BARLETTA, Mr. RUSH, Ms. JENKINS, Mr. LANCE, Mr. WILLIAMS, Ms. LINDA T. SÁNCHEZ of California, Mr. BERA of California, Mr. CICILLINE, Mr. CRAMER, Mr. DUNCAN of South Carolina, Mr. FRANKS of Arizona, Mr. GENE GREEN of Texas, Mr. KILMER, Mr. MESSER, Mr. MULVANEY, Mr. RIBBLE, Mr. SCHIFF, Mr. VALADAO, Mr. NOLAN, Mr. YOUNG of Indiana, Mr. STOCKMAN, Mr. JOYCE, Mr. GARCIA, Mrs. BLACK, Mr. COOPER, Mr. COSTA, Mr. COURTNEY, Ms. DEGETTE, Ms. HAHN, Mr. SEAN PATRICK MALONEY of New York, Mr. POCAN, Mr. AMODEI, Mr. SHIMKUS, Mr. WOMACK, Mr. JOHNSON of Ohio, Mr. CRAWFORD, Mr. QUIGLEY, Mr. PASCRELL, Mr. SWALWELL of California, Mr. HORSFORD, Mr. RANGEL, Mr. GARDNER, Mr. RUIZ, Mrs. ELLMERS, Mr. AUSTIN SCOTT of Georgia, Mr. MICA, Mr. HUELSKAMP, Ms. CASTOR of Florida, Mrs. HARTZLER, Ms. WILSON of Florida, Mr. BEN RAY LUJÁN of New Mexico, Mr. STEWART, Mr. KILDEE, Ms. DELBENE, Mr. FITZPATRICK, Mr. HALL, Mr. FOSTER, Mr. HIMES, Mr. REICHERT, Mr. PALLONE, Mr. PITTS, Mr. MEEHAN, Mr. PERRY, Mr. SMITH of Missouri, Mr. KLINE, Mr. WALDEN, Mr. SCHRADER, Mr. BARBER, Mr. HARPER, Ms. BROWNLEY of California, Mr. TURNER, Mrs. WALORSKI, Mr. JEFFRIES, Ms. BONAMICI, Mr. GIBSON, Mr. CONAWAY, Mr. PAULSEN, Mr. HARRIS, Mr. DAINES, Mr. SERRANO, Mrs. CAPITO, Mr. CHAFFETZ, Mr. SARBANES, Mr. BARR, Mr. POMPEO, Mr. NUNES, Ms. HANABUSA, Mr. BACHUS, Mr. YODER, Mr. COLLINS of New York, Mr. HANNA, Ms. KELLY of Illinois, Mr. LUETKEMEYER, Mr. BRIDENSTINE, Mr. UPTON, Mrs. MCCARTHY of New York, Ms. LOFGREN, Mrs. KIRKPATRICK, Mr. O'ROURKE, Mrs. BUSTOS, Mr. PETERS of Michigan, Ms. ROS-LEHTINEN, Mr. PALAZZO, Mr. THOMPSON of Pennsylvania, Mr. MARCHANT, Mr. PETERS of California, Mr. SHUSTER, Mr. DUNCAN of Tennessee, Mr. VISCLOSKY, Mr. RIGELL, Mr. GOSAR, Mr. TIPTON, Mr. SOUTHERLAND, Mrs. BLACKBURN, Mr. LATHAM, Mr. BRADY of Texas, Mr. KINGSTON, Mr. KING of Iowa, Mr. SCALISE, Mrs. MCMORRIS RODGERS, Mr. GOWDY, Mr. GRIMM, Mr. ROTHFUS, Mr. YOHO, Mr. ADERHOLT, Ms. ESTY, Mr. LOBIONDO, Mrs. BROOKS of Indiana, Mr. WENSTRUP, Mr. NEUGEBAUER, Mr. COFFMAN, Mr. BROOKS of Alabama, Mr. RICHMOND, Mr. REED, Ms. SEWELL of Alabama, Mr. RYAN of Ohio, Mr. GARAMENDI, Mr. DENHAM, Mr. FRELINGHUYSEN, Mr. RYAN of Wisconsin, Mr. WOODALL, Mr. MCHENRY, Mr. BISHOP of Georgia, Mr. FLEMING, Mr. HUNTER, Ms. BORDALLO, Mr. LARSON of Connecticut, Mr. GALLEGO, Mr. CARSON of Indiana, Mr. TIBERI, Mr. CRENSHAW, Mr. STUTZMAN, Ms. CLARK of Massachusetts, Mr. TERRY, Mr. SMITH of Nebraska, Mr. LEVIN, Mr. PERLMUTTER, Mr. LOEBSACK, Mr. OWENS, Mr. HUFFMAN, Mr. LIPINSKI, Mrs. NOEM, Mr. NUGENT, Mr. PRICE of North Carolina, Mr. BUCSHON, Mr. OLSON, Ms. DELAURO, Mr. FATTAH, Mr. DELANEY, Mrs. LOWEY, Mr. SENSENBRENNER, Mr. VAN HOLLEN, Mr. MATHESON, Mr. GARRETT, Mr. RENACCI, Ms. MATSUI, Mr. ENYART, Mr. MILLER of Florida, Mr. HENSARLING, Mr. TAKANO, Mr. BARROW of Georgia, Mrs. MILLER of Michigan, Mr. ROONEY, Mr. ROSS, Mr. HUIZENGA of Michigan, Mr. POE of Texas, Mr. SMITH of Washington, Ms. DUCKWORTH, Ms. HERRERA BEUTLER, Mr. FLORES, Mr. DOYLE, Mr. BRADY of Pennsylvania, Mr. CROWLEY, Mr. GERLACH, Ms. SCHWARTZ, Mr. NUNNELEE, Mr. HONDA, Mr. SIMPSON, Mr. KIND, Mr. HASTINGS of Washington, Ms. FUDGE, Mr. WEBSTER of Florida, Mr. POLIS, Mr. HURT, Mr.

BUCHANAN, Ms. SHEA-PORTER, Mrs. BEATTY, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. TIERNEY, Mr. DESJARLAIS, Mr. DANNY K. DAVIS of Illinois, Mr. ROE of Tennessee, Mr. ROHRABACHER, Mr. WOLF, Mr. KELLY of Pennsylvania, Mr. GUTHRIE, Mr. MCCLINTOCK, Mr. MCALLISTER, Mr. BYRNE, Mr. CARTWRIGHT, Mr. VELA, Mr. WHITFIELD, Mr. FORBES, Ms. BASS, Mr. GOHMERT, Mr. LABRADOR, Ms. CHU, Mr. BRALEY of Iowa, Mr. DENT, Mr. KEATING, Mr. CHABOT, Mr. SAM JOHNSON of Texas, Mr. HOLT, Mr. POSEY, Mr. GOODLATTE, Mr. CÁRDENAS, Mr. CARNEY, Mr. CLAWSON of Florida, Mr. HASTINGS of Florida, and Mr. CUMMINGS

JULY 22, 2014

Reported from the Committee on Foreign Affairs with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

JULY 22, 2014

The Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 7, 2014]

A BILL

To prevent Hezbollah and associated entities from gaining access to international financial and other institutions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Hezbollah International Financing Prevention Act of 2014".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. STATEMENT OF POLICY.

It shall be the policy of the United States to—

(1) prevent Hezbollah's global logistics and financial network from operating in order to curtail funding of its domestic and international activities; and

(2) utilize all available diplomatic, legislative, and executive avenues to combat the global criminal activities of Hezbollah as a means to block that organization's ability to fund its global terrorist activities.

TITLE I—PREVENTION OF ACCESS BY HEZBOLLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

SEC. 101. REPORT ON IMPOSITION OF SANCTIONS ON CERTAIN SATELLITE PROVIDERS THAT CARRY AL-MANAR TV.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, the President shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report that includes—

(1) a list of all satellite, broadcast, Internet, or other providers that knowingly provides material support to al-Manar TV, and any affiliates or successors thereof; and

(2) with respect to all providers included on the list pursuant to paragraph (1)—

(A) an identification of those providers that have been sanctioned pursuant to Executive Order 13224 (September 23, 2001); and

(B) an identification of those providers that have not been sanctioned pursuant to Executive Order 13224 and, with respect to each such provider, the reason why sanctions have not been imposed.

(b) FORM.—The report required by subsection (a) shall be submitted in unclassified form to the greatest extent possible, and may contain a classified annex.

SEC. 102. SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.

(a) PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury, with the concurrence of the Secretary of State and in consultation with the heads of other applicable departments and agencies, shall prohibit, or impose strict conditions on, the opening or maintain-

ing in the United States of a correspondent account or a payable-through account by a foreign financial institution that the Secretary determines, on or after the date of the enactment of this Act, engages in an activity described in paragraph (2).

(2) ACTIVITIES DESCRIBED.—A foreign financial institution engages in an activity described in this paragraph if the foreign financial institution—

(A) knowingly facilitates a significant transaction or transactions for Hezbollah;

(B) knowingly facilitates a significant transaction or transactions of a person designated for acting on behalf of or at the direction of, or owned or controlled by, Hezbollah;

(C) knowingly engages in money laundering to carry out an activity described in subparagraph (A) or (B);

(D) knowingly facilitates a significant transaction or transactions or provides significant financial services to carry out an activity described in subparagraph (A), (B), or (C), including—

(i) facilitating a significant transaction or transactions; or

(ii) providing significant financial services that involve a transaction of covered goods; or

(E)(i) knowingly facilitates, or participates or assists in, an activity described in subparagraph (A), (B), (C), or (D), including by acting on behalf of, at the direction of, or as an intermediary for, or otherwise assisting, another person with respect to the activity described in any such subparagraph;

(ii) knowingly attempts or conspires to facilitate or participate in an activity described in subparagraph (A), (B), (C), or (D); or

(iii) is owned or controlled by a foreign financial institution that the Secretary finds knowingly engages in an activity described in subparagraph (A), (B), (C), or (D).

(3) PENALTIES.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection to the same extent that such penalties

apply to a person that commits an unlawful act described in section 206(a) of that Act.

(4) REGULATIONS.—The Secretary of the Treasury shall prescribe and implement regulations to carry out this subsection.

(b) WAIVER.—

(1) IN GENERAL.—The Secretary of the Treasury, with the concurrence of the Secretary of State and in consultation with the heads of other applicable departments and agencies, may waive, on a case-by-case basis, the application of a prohibition or condition imposed with respect to a foreign financial institution pursuant to subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, on and after the date that the Secretary of the Treasury, with the concurrence of the Secretary of State—

(A) determines that such a waiver is vital to the national security interests of the United States; and

(B) submits to the appropriate congressional committees a report describing the reasons for the determination.

(2) FORM.—The report required by subparagraph (1) shall be submitted in unclassified form, but may contain a classified annex.

(c) PROVISIONS RELATING TO FOREIGN FINANCIAL INSTITUTIONS.—

(1) REPORT.—Not later than 45 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that—

(A) identifies each foreign central bank that the Secretary determines engages in one or more activities described in subsection (a)(2)(D); and

(B) provides a detailed description of each such activity.

(2) SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.—The Secretary of the Treasury shall not be required to apply sanctions to a foreign financial institution described in subsection (a) if the Secretary of the Treasury, with the concurrence of the Secretary of State and in consultation with the heads of other applicable departments and agencies, certifies in writing to the appropriate congressional committees that—

(A) the foreign financial institution—

(i) is no longer engaging in the activity described in subsection (a)(2); or

(ii) has taken and is continuing to take significant verifiable steps toward terminating the activity described in subsection (a)(2); and

(B) the Secretary has received reliable assurances from the government with primary jurisdiction over the foreign financial institution that the foreign financial institution will not engage in any activity described in subsection (a)(2) in the future.

(d) DEFINITIONS.—

(1) IN GENERAL.—In this section:

(A) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms "account", "correspondent account", and "payable-through account" have the meanings given those terms in section 5318A of title 31, United States Code.

(B) AGENT.—The term "agent" includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.

(C) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(i) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

(ii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(D) COVERED GOODS.—The term "covered goods" has the meaning given the term in section 1027.100 of title 31, Code of Federal Regulations.

(E) FINANCIAL INSTITUTION.—The term "financial institution" means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), (N), (P), (R), (T), (Y), or (Z) of section 5312(a)(2) of title 31, United States Code.

(F) FOREIGN FINANCIAL INSTITUTION; DOMESTIC FINANCIAL INSTITUTION.—

(i) FOREIGN FINANCIAL INSTITUTION.—The term "foreign financial institution" has the meaning of such term in section 1010.605 of title 31, Code of Federal

Regulations, and includes a foreign central bank.

(ii) DOMESTIC FINANCIAL INSTITUTION.—The term "domestic financial institution" has the meaning of such term as determined by the Secretary of the Treasury.

(G) HEZBOLLAH.—The term "Hezbollah" means—

(i) any person—

(I) the property of or interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(II) who is identified on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Asset Control of the Department of the Treasury as an agent, instrumentality, or affiliate of Hezbollah; and

(ii) the entity designated by the Secretary of State as a foreign terrorist organization pursuant to section 219 of the Immi-

gration and Nationality Act (8 U.S.C. 1189).

(H) MONEY LAUNDERING.—The term "money laundering" means any of the activities described in paragraph (1), (2), or (3) of section 1956(a) of title 18, United States Code, with respect to which penalties may be imposed pursuant to such section.

(2) OTHER DEFINITIONS.—The Secretary of the Treasury may further define the terms used in this section in the regulations prescribed under this section.

TITLE II—REPORTS ON DESIGNATION OF HEZBOLLAH AS A SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER AND A SIGNIFICANT TRANSNATIONAL CRIMINAL ORGANIZATION

SEC. 201. REPORT ON DESIGNATION OF HEZBOLLAH AS A SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER.

(a) FINDINGS.—Congress makes the following findings:

(1) In 2008, after the two year Operation Titan run by the U.S. Drug Enforcement Administration

and Colombian authorities dismantled an international narcotics ring that smuggled cocaine into the United States, Europe, and the Middle East, and was run by Chekry Harb, also known as "Taliban". According to lead prosecutor for the special prosecutor's office in Bogota, Gladys Sanchez, "The profits from the sales of drugs went to finance Hezbollah.".

(2) In 2011, the Department of the Treasury blacklisted the Lebanese Canadian Bank as a primary money laundering concern, alleging that it is part of a drug trafficking network that profited Hezbollah by moving approximately $200,000,000 per month.

(3) In April 2013, when the Department of the Treasury blacklisted two Lebanese exchange houses, Kassem Rmeiti & Co. and Halawi Exchange Co., for laundering drug profits for Hezbollah, it stated that Hezbollah was operating like "an international drug cartel," adding that the "Halawi Exchange, through its network of established international exchange houses, initiated wire transfers from its bank accounts to the United States without using the Lebanese banking system in order to avoid scrutiny associated with Treasury's designations of Hassan Ayash Exchange, Elissa Exchange, and its Lebanese Canadian Bank

Section 311 Action. . .Money was then wire transferred via Halawi's banking relationships indirectly to the United States through countries that included China, Singapore, and the UAE, which were perceived to receive less scrutiny by the U.S. Government.''.

(4) The Department of Justice reported that 29 of the 63 organizations on its FY 2010 Consolidated Priority Organization Targets list, which includes the most significant international drug trafficking organizations (DTOs) threatening the United States, were associated with terrorist groups, and noted with concern Hezbollah's international drug and criminal activities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Hezbollah meets the criteria for designation as a significant foreign narcotics trafficker as set forth in the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 et seq.); and

(2) the President should so designate Hezbollah as a significant foreign narcotics trafficker.

(c) REPORT.—

(1) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the

President shall submit to the appropriate congressional committees—

(A) a detailed report on whether the Hezbollah meets the criteria for designation under the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 et seq.) as a significant foreign narcotics trafficker; and

(B) if the President determines that Hezbollah does not meet the criteria for designation under the Foreign Narcotics Kingpin Designation Act as a significant foreign narcotics trafficker, a detailed justification as to which criteria have not been met.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

SEC. 202. REPORT ON DESIGNATION OF HEZBOLLAH AS A SIGNIFICANT TRANSNATIONAL CRIMINAL ORGANIZATION.

(a) FINDINGS.—Congress makes the following findings:

(1) Hezbollah is engaged array of illicit activities, from counterfeiting currencies, passport documents, to stolen automobile rings and other illicit activities.

(2) In 2002, authorities in Charlotte, North Carolina arrested members of a cell run by Mohammed and Chawki Hamoud and convicted them on various charges, including funding the activities of Hezbollah from proceeds of interstate cigarette smuggling and money laundering.

(3) In 2006 the Department of the Treasury designated operations of Assad Barakat, treasurer for Hezbollah, as providing material support for a foreign terrorist organization and noted that Barakat had engaged in mafia-style shakedowns and "threatened TBA (triborder area) shopkeepers who are sympathetic to Hezbollah's cause with having family members in Lebanon placed on a 'Hezbollah blacklist' if they did not pay their quota to Hezbollah" and also was "involved in a counterfeiting ring that distributes fake U.S. dollars and generates cash to fund Hezbollah operations".

(4) In 2009, Paraguayan authorities arrested Moussa Hamdan and three other individuals for selling fraudulent passports and trafficking in counterfeit money and sporting goods, illegally obtained consumer electronics and automobiles and then using the proceeds to buy arms for Hezbollah.

(5) In October 2011, a group of businessmen pled guilty to attempting to ship electronics to a shopping center in South America that the Department of the Treasury had designated as a Hezbollah front.

(6) A June 2014 "threat assessment" report by Canada's Integrated Terrorism Assessment Centre indicated that Hezbollah members in Canada are involved in organized crime.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Hezbollah meets the criteria for designation as a significant transnational criminal organization under Executive Order 13581 (76 Fed. Reg. 44757); and

(2) the President should so designate Hezbollah as a significant transnational criminal organization.

(c) REPORT.—

(1) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress—

(A) a detailed report on whether the Hezbollah meets the criteria for designation as a significant transnational criminal organization

under Executive Order 13581 (76 Fed. Reg. 44757); and

(B) if the President determines that Hezbollah does not meet the criteria for designation as a significant transnational criminal organization under Executive Order 13581, a detailed justification as to which criteria have not been met.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

SEC. 203. REPORT ON HEZBOLLAH'S INVOLVEMENT IN THE TRADE OF CONFLICT DIAMONDS.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives and the Committee on Foreign Relations of the Senate a report detailing Hezbollah's involvement in the trade in rough diamonds outside of the Kimberley Process Certification Scheme.

(b) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may contain a classified annex.

SEC. 204. REWARDS FOR JUSTICE AND HEZBOLLAH'S FUNDRAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report that details actions taken by the Department of State through the Department of State rewards program (22 U.S.C. 2708) to obtain information on fundraising, financing, and money laundering activities of Hezbollah and its agents and affiliates.

(b) BRIEFING.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the Secretary of State shall provide a briefing to the appropriate congressional committees on the status of the actions described in subsection (a).

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

SEC. 205. REPORT ON ACTIVITIES OF FOREIGN GOVERNMENTS TO DISRUPT GLOBAL LOGISTICS NETWORKS AND FUNDRAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES OF HEZBOLLAH.

(a) REPORT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that includes—

(A) a list of countries that support Hezbollah, or in which Hezbollah maintains important portions of its global logistics networks;

(B) with respect to each country on the list required by subparagraph (A)—

(i) an assessment of whether the government of the country is taking adequate measures to disrupt the global logistics networks of Hezbollah within the territory of the country; and

(ii) in the case of a country the government of which is not taking adequate measures to disrupt those networks—

(I) an assessment of the reasons that government is not taking adequate

measures to disrupt those networks; and

(II) a description of measures being taken by the United States Government to encourage that government to improve measures to disrupt those networks;

(C) a list of countries in which Hezbollah, or any of its agents or affiliates, conducts significant fundraising, financing, or money laundering activities;

(D) with respect to each country on the list required by subparagraph (C)—

(i) an assessment of whether the government of the country is taking adequate measures to disrupt the fundraising, financing, or money laundering activities of Hezbollah and its agents and affiliates within the territory of the country; and

(ii) in the case of a country the government of which is not taking adequate measures to disrupt those activities—

(I) an assessment of the reasons that government is not taking adequate

measures to disrupt those activities; and

(II) a description of measures being taken by the United States Government to encourage the government of that country to improve measures to disrupt those activities; and

(E) a list of methods that Hezbollah, or any of its agents or affiliates, utilizes to raise or transfer funds, including trade-based money laundering, the use of foreign exchange houses, and free-trade zones.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form to the greatest extent possible, and may contain a classified annex.

(3) GLOBAL LOGISTICS NETWORKS OF HEZBOLLAH.—In this subsection, the term ''global logistics networks of Hezbollah'', ''global logistics networks'', or ''networks'' means financial, material, or technological support for, or financial or other services in support of, Hezbollah.

(b) BRIEFING ON HEZBOLLAH'S ASSETS AND ACTIVITIES RELATED TO FUNDRAISING, FINANCING, AND MONEY LAUNDERING WORLDWIDE.—Not later than 90 days after

the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State, the Secretary of the Treasury, and the heads of other applicable Federal departments and agencies (or their designees) shall provide to the appropriate congressional committees a briefing on the disposition of Hezbollah's assets and activities related to fundraising, financing, and money laundering worldwide.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Foreign Affairs, the Committee on Financial Services, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Select Committee on Intelligence of the Senate.

SEC. 206. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

Except as otherwise provided, in this title, the term "appropriate congressional committees" means—

(1) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on the Judiciary of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Finance, and the Committee on the Judiciary of the Senate.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. RULE OF CONSTRUCTION.

Nothing in this Act or any amendment made by this Act shall apply to the authorized intelligence activities of the United States.

SEC. 302. REGULATORY AUTHORITY.

(a) IN GENERAL.—The President shall, not later than 90 days after the date of the enactment of this Act, promulgate regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) NOTIFICATION TO CONGRESS.—Not less than 10 days prior to the promulgation of regulations under subsection (a), the President shall notify the appropriate congressional committees (as defined in section 204) of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.

SEC. 303. TERMINATION.

This Act shall cease to be in effect beginning 30 days after the date on which the President certifies to Congress that Hezbollah—

(1) is no longer designated as a foreign terrorist organization pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189);

(2) is no longer listed in the Annex to Executive Order 13224 (September 23, 2001; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism); and

(3) poses no significant threat to United States national security, interests, or allies.

Union Calendar No. 409

113TH CONGRESS
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A BILL

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