

Union Calendar No. 579

114TH CONGRESS
2^D SESSION

H. R. 5461

[Report No. 114-746, Part I]

To require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2016

Mr. POLIQUIN (for himself and Mr. HILL) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Foreign Affairs, 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

SEPTEMBER 13, 2016

Reported from the Committee on Financial Services

SEPTEMBER 13, 2016

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

A BILL

To require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iranian Leadership
5 Asset Transparency Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Iran is characterized by high levels of offi-
9 cial and institutional corruption, and substantial in-
10 involvement by Iran’s security forces, particularly the
11 Islamic Revolutionary Guard Corps (IRGC), in the
12 economy.

13 (2) Many members of Iran’s senior political and
14 military leadership have acquired significant per-
15 sonal and institutional wealth by using their posi-
16 tions to secure control of significant portions of
17 Iran’s national economy.

18 (3) Sanctions relief provided through the Joint
19 Comprehensive Plan of Action has resulted in the re-
20 moval of many Iranian entities that are tied to gov-
21 ernmental corruption from the list of entities sanc-
22 tioned by the United States.

23 (4) The Department of Treasury in 2011 des-
24 ignated the Islamic Republic of Iran’s financial sec-
25 tor as a jurisdiction of primary money laundering

1 concern under section 311 of the USA PATRIOT
2 Act, stating “Treasury has for the first time identi-
3 fied the entire Iranian financial sector; including
4 Iran’s Central Bank, private Iranian banks, and
5 branches, and subsidiaries of Iranian banks oper-
6 ating outside of Iran as posing illicit finance risks
7 for the global financial system.”.

8 (5) Iran continues to be listed by the Financial
9 Action Task Force (FATF) among the “Non-Coop-
10 erative Countries or Territories”—countries which it
11 perceived to be non-cooperative in the global fight
12 against terror finance and money laundering.

13 (6) Iran and North Korea are the only coun-
14 tries listed by the FATF as “Non-Cooperative Coun-
15 tries or Territories” against which FATF countries
16 should take measures.

17 (7) The Transparency International index of
18 perceived public corruption ranks Iran 130th out of
19 168 countries surveyed.

20 (8) The State Department identified Iran as a
21 country/jurisdiction of “primary concern” for money
22 laundering in its 2014 International Narcotics Con-
23 trol Strategy Report (INCSR).

24 (9) The State Department currently identifies
25 Iran, along with Sudan and Syria, as a state sponsor

1 of terrorism, “having repeatedly provided support
2 for acts of international terrorism”.

3 (10) The State Department’s “Country Reports
4 on Terrorism”, published last in June 2015 noted
5 that “Iran continued to sponsor terrorist groups
6 around the world, principally through its Islamic
7 Revolutionary Guard Corps–Qods Force (IRGC–
8 QF). These groups included Lebanese Hizballah,
9 several Iraqi Shia militant groups, Hamas, and Pal-
10 estine Islamic Jihad. Iran, Hizballah, and other Shia
11 militia continued to provide support to the Asad re-
12 gime, dramatically bolstering its capabilities, pro-
13 longing the civil war in Syria, and worsening the
14 human rights and refugee crisis there.”.

15 (11) The Iranian Government’s tolerance of
16 corruption and nepotism in business limits opportu-
17 nities for foreign and domestic investment, particu-
18 larly given the significant involvement of the IRGC
19 in many sectors of Iran’s economy.

20 (12) The IRGC and the leadership-controlled
21 bonyads (foundations) control an estimated one-third
22 of Iran’s total economy, including large portions of
23 Iran’s telecommunications, construction, and airport
24 and port operations. These operations give the IRGC

1 and bonyads vast funds to support terrorist organi-
2 zations such as Hezbollah and Hamas.

3 (13) By gaining control of major economic sec-
4 tors, the IRGC and bonyads have also served to fur-
5 ther disadvantage the average Iranian.

6 **SEC. 3. REPORT REQUIREMENT RELATING TO ASSETS OF**
7 **IRANIAN LEADERS AND CERTAIN SENIOR PO-**
8 **LITICAL FIGURES.**

9 (a) IN GENERAL.—Not later than 270 days after the
10 date of enactment of this Act, and annually thereafter (or
11 more frequently if the Secretary of the Treasury deter-
12 mines it appropriate based on new information received
13 by the Secretary) for the following 2 years, the Secretary
14 of the Treasury shall, in furtherance of the Secretary’s
15 efforts to prevent the financing of terrorism, money laun-
16 dering, or related illicit finance and to make financial in-
17 stitutions’ required compliance with remaining sanctions
18 more easily understood, submit a report to the appropriate
19 congressional committees containing—

20 (1) the estimated total funds or assets held in
21 accounts at U.S. and foreign financial institutions
22 that are under direct or indirect control by each nat-
23 ural person described in subsection (b) and a de-
24 scription of such assets;

1 (2) an identification of any equity stake such
2 natural person has in an entity on the Department
3 of the Treasury's list of Specially Designated Na-
4 tionals or in any other sanctioned entity;

5 (3) a description of how such funds or assets or
6 equity interests were acquired, and how they have
7 been used or employed; and

8 (4) a description of any new methods or tech-
9 niques used to evade anti-money laundering and re-
10 lated laws, including recommendations to improve
11 techniques to combat illicit uses of the U.S. financial
12 system by each natural person described in sub-
13 section (b).

14 (b) PERSONS DESCRIBED.—The natural persons de-
15 scribed in this subsection are the following:

16 (1) The Supreme Leader of Iran.

17 (2) The President of Iran.

18 (3) Members of the Council of Guardians.

19 (4) Members of the Expediency Council.

20 (5) The Minister of Intelligence and Security.

21 (6) The Commander and the Deputy Com-
22 mander of the IRGC.

23 (7) The Commander and the Deputy Com-
24 mander of the IRGC Ground Forces.

1 (8) The Commander and the Deputy Com-
2 mander of the IRGC Aerospace Force.

3 (9) The Commander and the Deputy Com-
4 mander of the IRGC Navy.

5 (10) The Commander of the Basij-e-
6 Mostaz'afin.

7 (11) The Commander of the Qods Force.

8 (12) The Commander in Chief of the Police
9 Force.

10 (13) The head of the IRGC Joint Staff.

11 (14) The Commander of the IRGC Intelligence.

12 (15) The head of the IRGC Imam Hussein Uni-
13 versity.

14 (16) The Supreme Leader's Representative at
15 the IRGC.

16 (17) The Chief Executive Officer and the
17 Chairman of the IRGC Cooperative Foundation.

18 (18) The Commander of the Khatam-al-Anbia
19 Construction Head Quarter.

20 (19) The Chief Executive Officer of the Basij
21 Cooperative Foundation.

22 (20) The head of the Political Bureau of the
23 IRGC.

24 (c) FORM OF REPORT; PUBLIC AVAILABILITY.—

1 (1) FORM.—The report required under sub-
2 section (a) shall be submitted in unclassified form
3 but may contain a classified annex.

4 (2) PUBLIC AVAILABILITY.—The unclassified
5 portion of such report shall be made available to the
6 public and posted on the website of the Department
7 of the Treasury—

8 (A) in English, Farsi, Arabic, and Azeri;
9 and

10 (B) in precompressed, easily downloadable
11 versions that are made available in all appro-
12 priate formats.

13 (d) SOURCES OF INFORMATION.—In preparing a re-
14 port described under subsection (a), the Secretary of the
15 Treasury may utilize any credible publication, database,
16 web-based resource, and any credible information compiled
17 by any government agency, nongovernmental organization,
18 or other entity provided to or made available to the Sec-
19 retary.

20 (e) DEFINITIONS.—For purposes of this section:

21 (1) APPROPRIATE CONGRESSIONAL COMMIT-
22 TEES.—The term “appropriate congressional com-
23 mittees” means the Committee on Financial Services
24 of the House of Representatives and the Committee

1 on Banking, Housing, and Urban Affairs of the Sen-
2 ate.

3 (2) FUNDS.—The term “funds” means—

4 (A) cash;

5 (B) equity;

6 (C) any other intangible asset whose value
7 is derived from a contractual claim, including
8 bank deposits, bonds, stocks, a security as de-
9 fined in section 2(a) of the Securities Act of
10 1933 (15 U.S.C. 77b(a)), or a security or an
11 equity security as defined in section 3(a) of the
12 Securities Exchange Act of 1934 (15 U.S.C.
13 78c(a)); and

14 (D) anything else that the Secretary deter-
15 mines appropriate.

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