

114TH CONGRESS
2D SESSION

H. R. 5931

To provide for the prohibition on cash payments to the Government of Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2016

Mr. ROYCE (for himself, Mr. ZELDIN, Ms. ROS-LEHTINEN, Mr. NUNES, Mr. MEADOWS, Mr. THORNBERRY, Mr. SESSIONS, Mr. DONOVAN, Mr. MCCAUL, Mr. DENT, Mr. CHAFFETZ, Mr. CONAWAY, Mr. ROHR-ABACHER, Mr. RIBBLE, Mr. TROTT, Mr. YOUNG of Iowa, Mr. DESJARLAIS, Mr. COOK, Mr. PITTENGER, Mr. DESANTIS, Mr. DUFFY, Mr. STIVERS, Mr. FITZPATRICK, Mr. YOHIO, Mr. ROTHFUS, Mr. CHABOT, and Mr. WILLIAMS) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To provide for the prohibition on cash payments to the Government of Iran, 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 “Prohibiting Future
5 Ransom Payments to Iran Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) Since 1979, when it held more than 50
2 United States citizens for 444 days, Iran has repeat-
3 edly held United States citizens hostage.

4 (2) Presidential Policy Directive 30 issued by
5 President Barack Obama on June 24, 2015, states
6 that “It is United States policy to deny hostage-tak-
7 ers the benefits of ransom, prisoner releases, policy
8 changes, or other acts of concession.”.

9 (3) On January 17, 2016, the President an-
10 nounced that Iran would release several United
11 States citizens while the United States would grant
12 clemency to and release seven Iranian nationals serv-
13 ing sentences or awaiting trial in the United States
14 for serious crimes.

15 (4) Senior officials of the Department of State
16 have acknowledged that these United States citizens
17 were released as part of a “prisoner swap” and Ira-
18 nian negotiators reportedly asked for a cash pay-
19 ment.

20 (5) On January 17, 2016, the President also
21 announced that “The United States and Iran are
22 now settling a longstanding Iranian government
23 claim against the United States Government.”.

24 (6) The overall amount of the settlement is ap-
25 proximately \$1,700,000,000.

1 (7) Subsequent reports revealed that
2 \$400,000,000 of this \$1,700,000,000 settlement was
3 secretly flown to Iran, in cash, simultaneously with
4 the release of these United States citizens.

5 (8) One of the United States citizens released
6 that night, Pastor Saeed Abedini, has stated that
7 Iranian officials explained a delay in their departure
8 was due to the status of another plane.

9 (9) Senior officials at the National Security Di-
10 vision of the Department of Justice reportedly ob-
11 jected to the \$400,000,000 cash payment, warning
12 that Iran would see it as a ransom.

13 (10) On August 18, 2016, a Department of
14 State spokesman admitted that the \$400,000,000
15 cash payment was “leverage” to gain the release of
16 Americans held hostage by Iran.

17 (11) Iranian State Television quoted General
18 Mohammad Reza Naghdi, commander of the Basij
19 militia, as claiming “Taking this much money back
20 was in return for the release of the American
21 spies.”.

22 (12) According to Presidential Policy Directive
23 30, the United States policy against paying ransom
24 and releasing prisoners “protects United States na-
25 tionals and strengthens national security by remov-

1 ing a key incentive for hostage-takers to target
2 United States nationals, thereby interrupting the vi-
3 cious cycle of hostage-takings, and by helping to
4 deny terrorists and other malicious actors the
5 money, personnel, and other resources they need to
6 conduct attacks against the United States, its na-
7 tionals, and its interests.”.

8 (13) Since the United States released Iranians
9 serving sentences or awaiting trial in the United
10 States for serious crimes and provided Iran with
11 \$400,000,000 in cash, Iran has taken several more
12 United States citizens hostage.

13 (14) On August 22, 2016, the Department of
14 State issued an “Iran Travel Warning” noting that
15 “Iranian authorities continue to unjustly detain and
16 imprison U.S. citizens, particularly Iranian-Ameri-
17 cans, including students, journalists, business trav-
18 elers, and academics, on charges including espionage
19 and posing a threat to national security.”.

20 (15) The Government of the United States has
21 designated Iran as a state sponsor of terrorism since
22 1984 and a jurisdiction of primary money laun-
23 dering concern since 2011.

24 (16) The Department of State’s most recent
25 Country Reports on Terrorism makes clear that

1 “Iran continued its terrorist-related activity in 2015,
2 including support for Hizballah, Palestinian terrorist
3 groups in Gaza, and various groups in Iraq and
4 throughout the Middle East.”.

5 (17) In announcing Iran’s designation as a ju-
6 risdiction of primary money laundering concern, the
7 Department of the Treasury made clear that “any
8 and every financial transaction with Iran poses
9 grave risk of supporting” Iran’s ongoing illicit activi-
10 ties, including terrorism.

11 (18) On March 17, 2016, the Department of
12 State acknowledged in a letter to Congress that
13 there remain some “large claims” pending before the
14 Iran-United States Claims Tribunal, “many of which
15 are against the United States”.

16 **SEC. 3. STATEMENT OF POLICY.**

17 It shall be the policy of the United States Govern-
18 ment not to pay ransom or release prisoners for the pur-
19 pose of securing the release of United States citizens taken
20 hostage abroad.

21 **SEC. 4. PROHIBITION ON CASH PAYMENTS TO THE GOV-**
22 **ERNMENT OF IRAN.**

23 (a) PROHIBITION.—Notwithstanding any other provi-
24 sion of law, beginning on the date of the enactment of
25 this Act, the United States Government may not provide,

1 directly or indirectly, promissory notes (including cur-
2 rency) issued by the United States Government or promissory notes (including currency) issued by a foreign govern-
3 ment, to the Government of Iran.

5 (b) LICENSING REQUIREMENT.—

6 (1) IN GENERAL.—Beginning on the date of the
7 enactment of this Act, the conduct of a transaction
8 or payment in connection with an agreement to set-
9 tle a claim or claims brought before the Iran-United
10 States Claims Tribunal may be made only—

11 (A) on a case-by-case basis and pursuant
12 to a specific license by the Office of Foreign As-
13 sets Control of the Department of the Treasury;
14 and

15 (B) in a manner that is not in contraven-
16 tion of the prohibition in subsection (a).

17 (2) PUBLICATION IN FEDERAL REGISTER.—The
18 President shall publish in the Federal Register a list
19 of transactions and payments, including the amount
20 and method of each such transaction and payment,
21 by the United States Government to the Government
22 of Iran in connection with the agreement described
23 in paragraph (1).

24 (c) TERMINATION.—The prohibition in subsection (a)
25 and the licensing requirement in subsection (b) shall re-

1 main in effect until the date on which the President cer-
2 tifies to the appropriate congressional committees that—

3 (1) the President has rescinded a preliminary
4 draft rule or final rule (as in effect on the day be-
5 fore the date of the enactment of this Act) that pro-
6 vides for the designation of Iran as a jurisdiction of
7 primary money laundering concern pursuant to sec-
8 tion 5318A of title 31, United States Code; and

9 (2) the Secretary of State has removed Iran
10 from the list of countries determined to have repeat-
11 edly provided support for acts of international ter-
12 rorism under section 6(j) of the Export Administra-
13 tion Act of 1979 (as continued in effect pursuant to
14 the International Emergency Economic Powers Act),
15 section 40 of the Arms Export Control Act, section
16 620A of the Foreign Assistance Act of 1961, or any
17 other provision of law.

18 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
19 DEFINED.—In this section, the term “appropriate con-
20 gressional committees” means—

21 (1) the Committee on Foreign Affairs and the
22 Committee on Financial Services of the House of
23 Representatives; and

1 (2) the Committee on Foreign Relations and
2 the Committee on Banking, Housing, and Urban Af-
3 fairs of the Senate.

4 **SEC. 5. REPORT ON OUTSTANDING CLAIMS BEFORE THE**
5 **IRAN-UNITED STATES CLAIMS TRIBUNAL.**

6 (a) REPORT.—The President shall submit to the ap-
7 propriate congressional committees a report that lists and
8 evaluates each outstanding claim before the Iran-United
9 States Claims Tribunal.

10 (b) MATTERS TO BE INCLUDED.—The report re-
11 quired under subsection (a) shall include the following:

12 (1) The total value of each outstanding claim.

13 (2) The current status of each outstanding
14 claim.

15 (3) The likelihood that each claim will be re-
16 solved in the next 6 months.

17 (c) SUBMISSION TO CONGRESS.—The report required
18 under subsection (a) shall be submitted to the appropriate
19 congressional committees not later than 30 days after the
20 date of the enactment of this Act and every 180 days
21 thereafter for a period not to exceed 3 years.

22 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
23 DEFINED.—In this section, the term “appropriate con-
24 gressional committees” means—

1 (1) the Committee on Foreign Affairs of the
2 House of Representatives; and

3 (2) the Committee on Foreign Relations of the
4 Senate.

5 **SEC. 6. NOTIFICATION AND CERTIFICATION RELATING TO**
6 **SETTLEMENTS OF OUTSTANDING CLAIMS BE-**
7 **FORE THE IRAN-UNITED STATES CLAIMS TRI-**
8 **BUNAL.**

9 (a) NOTIFICATION.—The President shall notify the
10 appropriate congressional committees not later than 30
11 days prior to conducting a transaction or payment from
12 the Government of the United States to the Government
13 of Iran in connection with an agreement to settle a claim
14 or claims brought before the Iran-United States Claims
15 Tribunal.

16 (b) MATTERS TO BE INCLUDED.—The notification
17 required under subsection (a) shall include the following:

18 (1) The total amount of the settlement, includ-
19 ing the total principal and interest, and an expla-
20 nation of the calculation of the interest.

21 (2) A legal analysis of why the settlement was
22 made.

23 (3) A certification by the President that the
24 settlement is not a ransom for the release of individ-
25 uals held hostage by Iran.

1 (4) An identification of each entity of the Gov-
2 ernment of Iran that will receive amounts from the
3 settlement.

4 (5) A certification that the funds provided to
5 Iran under the settlement will not be used to provide
6 support to foreign terrorist organizations, the regime
7 of Bashar al-Assad, or other destabilizing activities.

8 (6) Whether an equal amount of Iranian funds
9 are available and accessible in the United States to
10 satisfy judgments against Iran by victims of Iranian-
11 sponsored terrorism.

12 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
13 FINED.—In this section, the term “appropriate congres-
14 sional committees” means—

15 (1) the Committee on Foreign Affairs of the
16 House of Representatives; and

17 (2) the Committee on Foreign Relations of the
18 Senate.

19 **SEC. 7. EXCLUSION OF CERTAIN ACTIVITIES.**

20 Nothing in this Act shall apply to any activities sub-
21 ject to the reporting requirements of title V of the Na-
22 tional Security Act of 1947.

1 **SEC. 8. RULE OF CONSTRUCTION.**

2 Nothing in this Act shall be construed to authorize
3 any payment by the Government of the United States to
4 the Government of Iran.

5 **SEC. 9. DEFINITIONS.**

6 In this Act:

7 (1) GOVERNMENT OF IRAN.—The term “Gov-
8 ernment of Iran” means—

9 (A) the state and the Government of Iran,
10 as well as any political subdivision, agency, or
11 instrumentality thereof;

12 (B) any entity owned or controlled directly
13 or indirectly by the foregoing;

14 (C) any person to the extent that such per-
15 son is, or has been, or to the extent that there
16 is reasonable cause to believe that such person
17 is, or has been, acting or purporting to act di-
18 rectly or indirectly on behalf of any of the fore-
19 going; and

20 (D) any person or entity identified by the
21 Secretary of the Treasury to be the Government
22 of Iran under part 560 of title 31, Code of Fed-
23 eral Regulations.

24 (2) IRAN-UNITED STATES CLAIMS TRIBUNAL.—
25 The term “Iran-United States Claims Tribunal”
26 means the tribunal established pursuant to the Al-

1 giers Accords on January 19, 1981, to resolve cer-
2 tain claims by nationals of one party against the
3 other party and certain claims between the parties.

○