

Union Calendar No. 600

114TH CONGRESS
2^D SESSION

H. R. 5931

[Report No. 114-767]

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. YOHO, Mr. ROTHFUS, Mr. CHABOT, and Mr. WILLIAMS) introduced the following bill; which was referred to the Committee on Foreign Affairs

SEPTEMBER 20, 2016

Additional sponsors: Mr. SALMON, Mr. BARR, Mr. EMMER of Minnesota, Mr. ABRAHAM, Mr. GARRETT, Mr. MARINO, Mr. GIBSON, Mr. POSEY, Mr. KELLY of Mississippi, Mr. MESSER, Mr. BURGESS, Mr. WEBER of Texas, Mr. FLORES, Mr. HUIZENGA of Michigan, Mr. KING of New York, Mr. OLSON, Mrs. WAGNER, Mr. BLUM, Mr. LAMALFA, Mr. GOODLATTE, Mr. JODY B. HICE of Georgia, Mr. COLLINS of New York, Mr. ROSS, Mr. POMPEO, Mr. ALLEN, Mr. MULVANEY, Mr. ROKITA, Mr. BOST, Mr. HARPER, Mr. BUCSHON, Mr. VALADAO, Mr. BISHOP of Michigan, Mr. SMITH of New Jersey, Mr. WILSON of South Carolina, Mr. RATCLIFFE, Mr. MARCHANT, Mr. ROE of Tennessee, Mr. CALVERT, Mr. SHIMKUS, Mr. SMITH of Texas, Mr. MURPHY of Pennsylvania, Mr. GOSAR, Mr. TURNER, and Mr. WENSTRUP

SEPTEMBER 20, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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

[For text of introduced bill, see copy of bill as introduced on September 6, 2016]

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 Ran-*
5 *som Payments to Iran Act”.*

6 **SEC. 2. FINDINGS.**

7 *Congress makes the following findings:*

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

11 *(2) Presidential Policy Directive 30 issued by*
12 *President Barack Obama on June 24, 2015, states*
13 *that “It is United States policy to deny hostage-takers*
14 *the benefits of ransom, prisoner releases, policy*
15 *changes, or other acts of concession.”.*

16 *(3) On January 17, 2016, the President an-*
17 *nounced that Iran would release several United States*
18 *citizens while the United States would grant clemency*
19 *to and release seven Iranian nationals serving sen-*
20 *tences or awaiting trial in the United States for seri-*
21 *ous crimes.*

22 *(4) Senior officials of the Department of State*
23 *have acknowledged that these United States citizens*
24 *were released as part of a “prisoner swap” and Ira-*
25 *nian negotiators reportedly asked for a cash payment.*

1 (5) *On January 17, 2016, the President also an-*
2 *nounced that “The United States and Iran are now*
3 *settling a longstanding Iranian government claim*
4 *against the United States Government.”.*

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

7 (7) *Subsequent reports revealed that*
8 *\$400,000,000 of this \$1,700,000,000 settlement was se-*
9 *cretly flown to Iran, in cash, simultaneously with the*
10 *release of these United States citizens.*

11 (8) *One of the United States citizens released*
12 *that night, Pastor Saeed Abedini, has stated that Ira-*
13 *nian officials explained a delay in their departure*
14 *was due to the status of another plane.*

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

19 (10) *On August 18, 2016, a Department of State*
20 *spokesman admitted that the \$400,000,000 cash pay-*
21 *ment was “leverage” to gain the release of Americans*
22 *held hostage by Iran.*

23 (11) *Iranian State Television quoted General*
24 *Mohammad Reza Naghdi, commander of the Basij*

1 militia, as claiming “Taking this much money back
2 was in return for the release of the American spies.”.

3 (12) According to Presidential Policy Directive
4 30, the United States policy against paying ransom
5 and releasing prisoners “protects United States na-
6 tionals and strengthens national security by removing
7 a key incentive for hostage-takers to target United
8 States nationals, thereby interrupting the vicious
9 cycle of hostage-takings, and by helping to deny ter-
10 rorists and other malicious actors the money, per-
11 sonnel, and other resources they need to conduct at-
12 tacks against the United States, its nationals, and its
13 interests.”.

14 (13) Since the United States released Iranians
15 serving sentences or awaiting trial in the United
16 States for serious crimes and provided Iran with
17 \$400,000,000 in cash, Iran has taken several more
18 United States citizens hostage.

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

1 (15) *The Government of the United States has*
2 *designated Iran as a state sponsor of terrorism since*
3 *1984 and a jurisdiction of primary money laun-*
4 *dering concern since 2011.*

5 (16) *The Department of State’s most recent*
6 *Country Reports on Terrorism makes clear that “Iran*
7 *continued its terrorist-related activity in 2015, in-*
8 *cluding support for Hizballah, Palestinian terrorist*
9 *groups in Gaza, and various groups in Iraq and*
10 *throughout the Middle East.”.*

11 (17) *In announcing Iran’s designation as a ju-*
12 *risdiction of primary money laundering concern, the*
13 *Department of the Treasury made clear that “any*
14 *and every financial transaction with Iran poses grave*
15 *risk of supporting” Iran’s ongoing illicit activities,*
16 *including terrorism.*

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

22 **SEC. 3. STATEMENT OF POLICY.**

23 *It shall be the policy of the United States Government*
24 *not to pay ransom or release prisoners for the purpose of*

1 *securing the release of United States citizens taken hostage*
2 *abroad.*

3 **SEC. 4. PROHIBITION ON CASH PAYMENTS TO THE GOVERN-**
4 **MENT OF IRAN.**

5 (a) *PROHIBITION.*—*Notwithstanding any other provi-*
6 *sion of law, beginning on the date of the enactment of this*
7 *Act, the United States Government may not provide, di-*
8 *rectly or indirectly, promissory notes (including currency)*
9 *issued by the United States Government or promissory*
10 *notes (including currency) issued by a foreign government,*
11 *to the Government of Iran.*

12 (b) *LICENSING REQUIREMENT.*—

13 (1) *IN GENERAL.*—*Beginning on the date of the*
14 *enactment of this Act, the conduct of a transaction or*
15 *payment in connection with an agreement to settle a*
16 *claim or claims brought before the Iran-United States*
17 *Claims Tribunal may be made only—*

18 (A) *on a case-by-case basis and pursuant to*
19 *a specific license by the Office of Foreign Assets*
20 *Control of the Department of the Treasury; and*

21 (B) *in a manner that is not in contraven-*
22 *tion of the prohibition in subsection (a).*

23 (2) *PUBLICATION IN FEDERAL REGISTER.*—*The*
24 *President shall publish in the Federal Register a list*
25 *of transactions and payments, including the amount*

1 *and method of each such transaction and payment, by*
2 *the United States Government to the Government of*
3 *Iran in connection with the agreement described in*
4 *paragraph (1).*

5 *(c) TERMINATION.—The prohibition in subsection (a)*
6 *and the licensing requirement in subsection (b) shall re-*
7 *main in effect until the date on which the President certifies*
8 *to the appropriate congressional committees that—*

9 *(1) the President has rescinded a preliminary*
10 *draft rule or final rule (as in effect on the day before*
11 *the date of the enactment of this Act) that provides*
12 *for the designation of Iran as a jurisdiction of pri-*
13 *mary money laundering concern pursuant to section*
14 *5318A of title 31, United States Code; and*

15 *(2) the Secretary of State has removed Iran from*
16 *the list of countries determined to have repeatedly*
17 *provided support for acts of international terrorism*
18 *under section 6(j) of the Export Administration Act*
19 *of 1979 (as continued in effect pursuant to the Inter-*
20 *national Emergency Economic Powers Act), section*
21 *40 of the Arms Export Control Act, section 620A of*
22 *the Foreign Assistance Act of 1961, or any other pro-*
23 *vision of law.*

1 (d) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
2 *FINED.*—*In this section, the term “appropriate congres-*
3 *sional committees” means—*

4 (1) *the Committee on Foreign Affairs and the*
5 *Committee on Financial Services of the House of Rep-*
6 *resentatives; and*

7 (2) *the Committee on Foreign Relations and the*
8 *Committee on Banking, Housing, and Urban Affairs*
9 *of the Senate.*

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

12 (a) *REPORT.*—*The President shall submit to the ap-*
13 *propriate congressional committees a report that lists and*
14 *evaluates each outstanding claim before the Iran-United*
15 *States Claims Tribunal.*

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

18 (1) *The total value of each outstanding claim.*

19 (2) *The current status of each outstanding claim.*

20 (3) *The likelihood that each claim will be re-*
21 *solved in the next 6 months.*

22 (c) *SUBMISSION TO CONGRESS.*—*The report required*
23 *under subsection (a) shall be submitted to the appropriate*
24 *congressional committees not later than 30 days after the*

1 *date of the enactment of this Act and every 180 days there-*
2 *after for a period not to exceed 3 years.*

3 (d) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
4 *FINED.—In this section, the term “appropriate congress-*
5 *sional committees” means—*

6 (1) *the Committee on Foreign Affairs of the*
7 *House of Representatives; and*

8 (2) *the Committee on Foreign Relations of the*
9 *Senate.*

10 **SEC. 6. NOTIFICATION AND CERTIFICATION RELATING TO**
11 **SETTLEMENTS OF OUTSTANDING CLAIMS BE-**
12 **FORE THE IRAN-UNITED STATES CLAIMS TRI-**
13 **BUNAL.**

14 (a) *NOTIFICATION.—The President shall notify the ap-*
15 *propriate congressional committees not later than 30 days*
16 *prior to conducting a transaction or payment from the Gov-*
17 *ernment of the United States to the Government of Iran*
18 *in connection with an agreement to settle a claim or claims*
19 *brought before the Iran-United States Claims Tribunal.*

20 (b) *MATTERS TO BE INCLUDED.—The notification re-*
21 *quired under subsection (a) shall include the following:*

22 (1) *The total amount of the settlement, including*
23 *the total principal and interest, and an explanation*
24 *of the calculation of the interest.*

1 (2) *A legal analysis of why the settlement was*
2 *made, including a detailed description of all claims*
3 *and counter-claims covered by the settlement.*

4 (3) *A certification by the President that the set-*
5 *tlement is not a ransom for the release of individuals*
6 *held hostage by Iran.*

7 (4) *An identification of each entity of the Gov-*
8 *ernment of Iran that will receive amounts from the*
9 *settlement.*

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

14 (6) *Whether an equal amount of Iranian funds*
15 *are available and accessible in the United States to*
16 *satisfy judgments against Iran by victims of Iranian-*
17 *sponsored terrorism.*

18 (7) *A copy of the settlement agreement.*

19 (8) *A description of the disposition of any re-*
20 *lated claims that have been subrogated to the United*
21 *States Government.*

22 (9) *A certification that the settlement is in the*
23 *best interest of the United States.*

1 (c) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
2 *FINED.*—*In this section, the term “appropriate congres-*
3 *sional committees” means—*

4 (1) *the Committee on Foreign Affairs of the*
5 *House of Representatives; and*

6 (2) *the Committee on Foreign Relations of the*
7 *Senate.*

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

9 *Nothing in this Act shall apply to any activities sub-*
10 *ject to the reporting requirements of title V of the National*
11 *Security Act of 1947.*

12 **SEC. 8. RULE OF CONSTRUCTION.**

13 *Nothing in this Act shall be construed to authorize any*
14 *payment by the Government of the United States to the*
15 *Government of Iran.*

16 **SEC. 9. DEFINITIONS.**

17 *In this Act:*

18 (1) *GOVERNMENT OF IRAN.*—*The term “Govern-*
19 *ment of Iran” means—*

20 (A) *the state and the Government of Iran,*
21 *as well as any political subdivision, agency, or*
22 *instrumentality thereof;*

23 (B) *any entity owned or controlled directly*
24 *or indirectly by the foregoing;*

1 (C) any person to the extent that such per-
2 son is, or has been, or to the extent that there is
3 reasonable cause to believe that such person is, or
4 has been, acting or purporting to act directly or
5 indirectly on behalf of any of the foregoing; and

6 (D) any person or entity identified by the
7 Secretary of the Treasury to be the Government
8 of Iran under part 560 of title 31, Code of Fed-
9 eral Regulations.

10 (2) *IRAN-UNITED STATES CLAIMS TRIBUNAL.*—
11 *The term “Iran-United States Claims Tribunal”*
12 *means the tribunal established pursuant to the Algiers*
13 *Accords on January 19, 1981, to resolve certain*
14 *claims by nationals of one party against the other*
15 *party and certain claims between the parties.*

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