

115TH CONGRESS
1ST SESSION

H. R. 1638

IN THE SENATE OF THE UNITED STATES

DECEMBER 14, 2017

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Iranian Leadership
3 Asset Transparency Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

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

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

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

21 (4) The Department of Treasury in 2011 des-
22 ignated the Islamic Republic of Iran’s financial sec-
23 tor as a jurisdiction of primary money laundering
24 concern under section 311 of the USA PATRIOT
25 Act, stating “Treasury has for the first time identi-
26 fied the entire Iranian financial sector; including

1 Iran’s Central Bank, private Iranian banks, and
2 branches, and subsidiaries of Iranian banks oper-
3 ating outside of Iran as posing illicit finance risks
4 for the global financial system.”.

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

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

14 (7) The Transparency International index of
15 perceived public corruption ranks Iran 130th out of
16 168 countries surveyed.

17 (8) The State Department identified Iran as a
18 “major money-laundering country” in its Inter-
19 national Narcotics Control Strategy Report
20 (INCSR) for 2016.

21 (9) The State Department currently identifies
22 Iran, along with Sudan and Syria, as a state sponsor
23 of terrorism, “having repeatedly provided support
24 for acts of international terrorism”.

1 (10) The State Department’s “Country Reports
2 on Terrorism”, published last in July 2017, noted
3 that “Iran continued to sponsor terrorist groups
4 around the world, principally through its Islamic
5 Revolutionary Guard Corps–Qods Force (IRGC–
6 QF). These groups included Lebanese Hizballah,
7 several Iraqi Shia militant groups, Hamas, and Pal-
8 estine Islamic Jihad. Iran, Hizballah, and other Shia
9 militia continued to provide support to the Asad re-
10 gime, dramatically bolstering its capabilities, pro-
11 longing the civil war in Syria, and worsening the
12 human rights and refugee crisis there.”.

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

18 (12) The IRGC and the leadership-controlled
19 bonyads (foundations) control an estimated one-third
20 of Iran’s total economy, including large portions of
21 Iran’s telecommunications, construction, and airport
22 and port operations. These operations give the IRGC
23 and bonyads vast funds to support terrorist organi-
24 zations such as Hezbollah and Hamas.

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

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

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

18 (1) the estimated total funds or assets held in
19 accounts at United States and foreign financial in-
20 stitutions that are under direct or indirect control by
21 each natural person described in subsection (b) and
22 a description of such assets;

23 (2) an identification of any equity stake such
24 natural person has in an entity on the Department

1 of the Treasury’s list of Specially Designated Na-
2 tionals or in any other sanctioned entity;

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

6 (4) a description of any new methods or tech-
7 niques used to evade anti-money laundering and re-
8 lated laws, including recommendations to improve
9 techniques to combat illicit uses of the United States
10 financial system by each natural person described in
11 subsection (b);

12 (5) recommendations for how United States
13 economic sanctions against Iran may be revised to
14 prevent the funds or assets described under this sub-
15 section from being used by the natural persons de-
16 scribed in subsection (b) to contribute—

17 (A) to the continued development, testing,
18 and procurement of ballistic missile technology
19 by Iran; and

20 (B) to human rights abuses;

21 (6) a description of how the Department of the
22 Treasury assesses the impact and effectiveness of
23 United States economic sanctions programs against
24 Iran;

1 (7) an assessment of the impact and effective-
2 ness of United States economic sanctions programs
3 against Iran; and

4 (8) recommendations for improving the ability
5 of the Department of the Treasury to rapidly and ef-
6 fectively develop, implement, and enforce additional
7 economic sanctions against Iran if so ordered by the
8 President under the International Emergency Eco-
9 nomic Powers Act or other corresponding legislation.

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

12 (1) The Supreme Leader of Iran.

13 (2) The President of Iran.

14 (3) Members of the Council of Guardians.

15 (4) Members of the Expediency Council.

16 (5) The Minister of Intelligence and Security.

17 (6) The Commander and the Deputy Com-
18 mander of the IRGC.

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

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

23 (9) The Commander and the Deputy Com-
24 mander of the IRGC Navy.

1 (10) The Commander of the Basij-e
2 Mostaz'afin.

3 (11) The Commander of the Qods Force.

4 (12) The Commander in Chief of the Police
5 Force.

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

7 (14) The Commander of the IRGC Intelligence.

8 (15) The head of the IRGC Imam Hussein Uni-
9 versity.

10 (16) The Supreme Leader's Representative at
11 the IRGC.

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

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

16 (19) The Chief Executive Officer of the Basij
17 Cooperative Foundation.

18 (20) The head of the Political Bureau of the
19 IRGC.

20 (21) The head of the Atomic Energy Organiza-
21 tion of Iran.

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

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

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

5 (A) in English, Farsi, Arabic, and Azeri;
6 and

7 (B) in precompressed, easily downloadable
8 versions that are made available in all appro-
9 priate formats.

10 (d) SOURCES OF INFORMATION.—In preparing a re-
11 port described under subsection (a), the Secretary of the
12 Treasury may use any credible publication, database, web-
13 based resource, public information compiled by any gov-
14 ernment agency, and any information collected or com-
15 piled by a nongovernmental organization or other entity
16 provided to or made available to the Secretary, that the
17 Secretary finds credible.

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

19 (1) APPROPRIATE CONGRESSIONAL COMMIT-
20 TEES.—The term “appropriate congressional com-
21 mittees” means the Committees on Financial Serv-
22 ices and Foreign Affairs of the House of Represent-
23 atives and the Committees on Banking, Housing,
24 and Urban Affairs and Foreign Relations of the
25 Senate.

1 (2) FUNDS.—The term “funds” means—

2 (A) cash;

3 (B) equity;

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

12 (D) anything else that the Secretary deter-
13 mines appropriate.

14 **SEC. 4. SENSE OF CONGRESS.**

15 It is the sense of Congress that in preparing the re-
16 ports required under section 3, the Secretary of the Treas-
17 ury should consider acquiring information from sources
18 that—

19 (1) collect and, if necessary, translate high-ve-
20 racity, official records; or

1 (2) provide search and analysis tools that en-
2 able law enforcement to have new insights into com-
3 mercial and financial relationships.

Passed the House of Representatives December 13,
2017.

Attest:

KAREN L. HAAS,

Clerk.