AN ACT

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Hizballah International Financing Prevention Amendments Act of 2017”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS
Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage in certain transactions.

Sec. 103. Sanctions against foreign states that support Hizballah.

Sec. 104. Prohibitions and conditions with respect to certain accounts held by foreign financial institutions.

Sec. 105. United States strategy to prevent hostile activities by Iran and disrupt and degrade Hizballah’s illicit networks in the Western Hemisphere.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

Sec. 201. Blocking of property of affiliated networks of Hizballah.


Sec. 203. Modification of report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

Sec. 204. Report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Implementation; penalties; judicial review; exemptions.
“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO FUNDRAISING AND RECRUITMENT ACTIVITIES FOR HIZBALLAH.

“(a) In General.—The President shall, on or after the date of the enactment of this section, impose the sanctions described in subsection (b) with respect to any foreign person that the President determines knowingly assists, sponsors, or, provides significant financial, material, or technological support for—

“(1) Bayt al-Mal, Jihad al-Bina, the Islamic Resistance Support Association, the Foreign Relations Department of Hizballah, the External Security Organization of Hizballah, or any successor or affiliate thereof;

“(2) al-Manar TV, al Nour Radio, or the Lebanese Media Group, or any successor or affiliate thereof;

“(3) a foreign person determined by the President to be engaged in fundraising or recruitment activities for Hizballah; or

“(4) a foreign person owned or controlled by a foreign person described in paragraph (1), (2), or (3).

“(b) Sanctions Described.—

“(1) In General.—The sanctions described in this subsection are the following:
“(A) Asset blocking.—The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of a foreign person determined by the President to be subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

“(B) Aliens ineligible for visas, admission, or parole.—

“(i) Visas, admission, or parole.—An alien who the Secretary of State or the Secretary of Homeland Security (or designee of one of such Secretaries) determines is subject to subsection (a) is—

“(I) inadmissible to the United States;
“(II) ineligible to receive a visa or other documentation to enter the United States; and

“(III) otherwise ineligible to be admitted or paroled into the United States or to receive any other benefit under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

“(ii) CURRENT VISAS REVOKED.—

“(I) IN GENERAL.—The Secretary of State or the Secretary of Homeland Security shall revoke any visa or other entry documentation issued to an alien who the President determines is subject to subsection (a), regardless of when issued.

“(II) EFFECT OF REVOCATION.—

A revocation under subclause (I) shall take effect immediately and shall automatically cancel any other valid visa or entry documentation that is in the possession of the alien.

“(2) 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)(A) to the same extent that such penalties apply to a person that commits an unlawful act described in subsection (a) of such section 206.

“(c) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

“(d) WAIVER.—

“(1) IN GENERAL.—The President may, for periods not to exceed 180 days, waive the imposition of sanctions under this section with respect to a foreign person or foreign persons if the President certifies to the appropriate congressional committees that such waiver is in the national security interests of the United States.

“(2) CONSULTATION.—

“(A) BEFORE WAIVER EXERCISED.—Before a waiver under paragraph (1) takes effect with respect to a foreign person, the President shall notify and brief the appropriate congressional committees on the status of the involve-
ment of the foreign person in activities de-
scribed in subsection (a).

“(B) AFTER WAIVER EXERCISED.—Not
later than 90 days after the issuance of a waiv-
er under paragraph (1) with respect to a for-
eign person, and every 120 days thereafter
while the waiver remains in effect, the Presi-
dent shall brief the appropriate congressional
committees on the status of the involvement of
the foreign person in activities described in sub-
section (a).

“(e) REPORT.—Not later than 90 days after the date
of the enactment of the Hizballah International Financing
Prevention Amendments Act of 2017, and every 180 days
thereafter, the President shall submit to the appropriate
congressional committees and the Permanent Select Com-
mittee on Intelligence of the House of Representatives and
the Select Committee on Intelligence of the Senate a re-
port that lists the foreign persons that the President has
credible evidence knowingly assists, sponsors, or provides
significant financial, material, or technological support for
the foreign persons described in paragraph (1), (2), (3),
or (4) of subsection (a).

“(f) DEFINITIONS.—In this section:
“(1) ADMITTED; ALIEN.—The terms ‘admitted’ and ‘alien’ have meanings given those terms in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101).

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on the Judiciary, and the Committee on Financial Services of the House of Representatives; and

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

“(3) ENTITY.—The term ‘entity’—

“(A) means a partnership, association, corporation, or other organization, group, or subgroup; and

“(B) includes a governmental entity

“(4) FUNDRAISING OR RECRUITMENT ACTIVITIES.—The term ‘fundraising or recruitment activities’ includes online fundraising and other online commercial activities, or other means of such fund-
raising, recruitment, and retention, as determined by the President.

“(5) HIZBALLAH.—The term ‘Hizballah’ has the meaning given such term in section 102(f).

“(6) PERSON.—The term ‘person’ means an individual or entity.

“(7) UNITED STATES PERSON.—The term ‘United States person’ means a United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or a person in the United States.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by striking the item relating to section 101 and inserting the following new item:

“Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.”.

SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.

(a) IN GENERAL.—Subsection (d) of section 102 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:
“(d) Report on Financial Institutions Organized Under the Laws of State Sponsors of Terrorism.—

“(1) In general.—Not later than 90 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for a period not to exceed 3 years, the President shall submit to the appropriate congressional committees and the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate a report that—

“(A) identifies each foreign financial institution described in paragraph (2) that the President determines engages in one or more activities described in subsection (a)(2);

“(B) provides a detailed description of each such activity; and

“(C) contains a determination with respect to each such foreign financial institution that is identified under subparagraph (A) as engaging in one or more activities described in subsection (a)(2) as to whether or not such foreign financial institution is in violation of Executive Order No. 13224 (50 U.S.C. 1701 note; relat-
ing to blocking property and prohibiting trans-
actions with persons who commit, threaten to
commit, or support terrorism) or section 2339B
of title 18, United States Code, by reason of en-
gaging in one or more such activities.

“(2) FOREIGN FINANCIAL INSTITUTION DE-
SCRIBED.—

“(A) IN GENERAL.—A foreign financial in-
stitution described in this paragraph is a for-
eign financial institution—

“(i) that, wherever located, is—

“(I) organized under the laws of
a state sponsor of terrorism or any ju-
risdiction within a state sponsor of
terrorism;

“(II) owned or controlled by the
government of a state sponsor of ter-
rorism;

“(III) located in the territory of
a state sponsor of terrorism; or

“(IV) owned or controlled by a
foreign financial institution described
in subclause (I), (II), or (III); and

“(ii) the capitalization of which ex-
ceeds $10,000,000.
“(B) State sponsor of terrorism.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(i) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j))

(as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

“(ii) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

“(iii) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(iv) any other provision of law.”.

(b) Sense of Congress.—It is the sense of the Congress that—

(1) all countries should designate the entirety of Hizballah as a terrorist organization; and

(2) the notion of separate Hizballah political and military “wings” is an artificial construct that attempts to legitimize Hizballah members of parliament and Hizballah cabinet officials who are
complicit in Hizballah’s use of violence and coercion
against its political opponents.

(c) Modification of Definition of Hizballah.—Clause (ii) of section 102(f)(1)(E) of the
Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amend-
ed—

(1) by striking “(I)” and inserting “(I)(aa)”; 
(2) by striking “(II)” and inserting “(bb)”; 
(3) by striking “of Hizballah.” and inserting “of Hizballah; or”; and
(4) by adding at the end the following:

“(II) who the President deter-
mines is an agent or affiliate of, or is
owned or controlled by Hizballah.”.

(d) Report.—

(1) In general.—Not later than 120 days
after the date of the enactment of this Act, the
President shall transmit to the appropriate congres-
sional committees a report that contains a descrip-
tion of any sanctions described in section 102 of the
Hizballah International Financing Prevention Act of
2015 (Public Law 114–102; 50 U.S.C. 1701 note)
apply with respect to a foreign financial institution
by reason of engaging in an activity described in
subsection (a)(2) of such section with a member of the Lebanese parliament or any cabinet official of the Lebanese Republic who is a member of Hizballah or identifies as such.

(2) FORM.—The report required by this subsection shall be transmitted in unclassified form but may include a classified annex.

(3) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term “appropriate congressional committees” means—

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

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

SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

(a) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law
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114–102; 50 U.S.C. 1701 note) is amended by adding at the end the following:

“SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

“(a) Sanctions Against Certain Agencies and Instrumentalities of Foreign States.—

“(1) In general.—Not later than 90 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions described in paragraph (3) with respect to any agency or instrumentality of a foreign state described in paragraph (2).

“(2) Agency or instrumentality described.—An agency or instrumentality of a foreign state described in this paragraph is an agency or instrumentality of a foreign state that the President determines has, on or after the date of the enactment of this section, knowingly—

“(A) directly or indirectly conducted combat operations with, or supported combat operations of, Hizballah or an entity owned or controlled by Hizballah; or

“(B) directly or indirectly provided significant financial or material support for, or sig-
significant arms or related material to, Hizballah
or an entity owned or controlled by Hizballah.

“(3) Sanctions described.—The sanctions
described in this paragraph are the exercise of all
powers granted to the President by the International
et seq.) (except that the requirements of section 202
of such Act (50 U.S.C. 1701) shall not apply) to the
extent necessary to block and prohibit all trans-
actions in all property and interests in property of
an agency or instrumentality of a foreign state if
such property and interests in property are in the
United States, come within the United States, or are
or come within the possession or control of a United
States person.

“(b) Sanctions Against State Sponsors of Ter-
rorism.—

“(1) In general.—In the case of an agency or
instrumentality of a foreign state that engages in
the activities described in subsection (a) that is an
agency or instrumentality of a foreign state de-
scribed in paragraph (3), the President shall, pursu-
ant to section 6 of the Export Administration Act of
1979 (as continued in effect pursuant to the Inter-
national Emergency Economic Powers Act (50
U.S.C. 1701 et seq.), require a license under the
Export Administration Regulations to export or re-
export to that foreign state any item designated by
the Secretary of Commerce as ‘EAR 99’, other than
food, medicine, medical devices, or similarly licensed
items.

“(2) AUDITING REQUIREMENTS.—In the case of
an agency or instrumentality of a foreign state that
engages in the activities described in subsection (a)
that is an agency or instrumentality of a foreign
state described in paragraph (3), or the Government
of the Russian Federation if the President deter-
mines such Government is engaged in the activities
described in subsection (a), the President shall—

“(A) ensure that United States persons,
and foreign persons subject to United States ju-
risdiction, exercise enhanced due diligence in
the jurisdiction of that foreign state to ensure
such persons do not directly or indirectly fi-
nance Hizballah or engage in transactions with
foreign persons that directly or indirectly fi-
nance Hizballah;

“(B) ensure that United States persons,
and foreign persons subject to United States ju-
risdiction, maintain—
“(i) internal controls to prevent such persons from engaging in a transaction or transactions with Hizballah; and

“(ii) full compliance with relevant laws and regulations;

“(C) ensure that United States persons, and foreign persons subject to United States jurisdiction, engage an auditor to perform due diligence to ascertain whether—

“(i) the internal controls of such person are effective; and

“(ii) any transactions of such person are directly or indirectly financing Hizballah; and

“(D) ensure the accuracy of the independent private sector audits and other due diligence processes by providing recommendations for the processes used to carry out such audits, including to—

“(i) improve the accuracy of such audits; and

“(ii) establish standards of best practices.
“(3) Foreign state described.—A foreign state described in this paragraph is a foreign state that—

“(A) the President determines has, on or after the date of the enactment of this section, knowingly provided significant financial or material support for, or arms or related material to—

“(i) Hizballah; or

“(ii) an entity owned or controlled by Hizballah; and

“(B) is a state sponsor of terrorism.

“(c) Waiver.—

“(1) In general.—The President may, for periods not to exceed 180 days, waive the imposition of sanctions under this section with respect to a foreign state or an agency or instrumentality of a foreign state if the President certifies to the appropriate congressional committees that such waiver is vital to the national security interests of the United States.

“(2) Consultation.—

“(A) Before waiver exercised.—Before a waiver under paragraph (1) takes effect with respect to a foreign state or an agency or
instrumentality of a foreign state, the President
shall notify and brief the appropriate congres-
sional committees on the status of the involve-
ment of the foreign state in activities described
in subsection (b)(3) or involvement of the agen-
cy or instrumentality of a foreign state in ac-
tivities described in subsection (a)(2), as the
case may be.

“(B) After waiver exercised.—Not
later than 90 days after the issuance of a waiv-
er under paragraph (1) with respect to a for-
eign state or an agency or instrumentality of a
foreign state, and every 120 days thereafter
while the waiver remains in effect, the Presi-
dent shall brief the appropriate congressional
committees on the status of the involvement of
the foreign state in activities described in sub-
section (b)(3) or involvement of the agency or
instrumentality of a foreign state in activities
described in subsection (a)(2), as the case may
be.

“(d) Report on Supply Chain of Hizballah’s
Missile Production Facilities.—

“(1) In general.—Not later than 120 days
after the date of the enactment of this subsection,
the President shall submit to the appropriate con-
gressional committees and the Committee on Approp-
riations and the Permanent Select Committee on
Intelligence of the House of Representatives and the
Committee on Appropriations and the Select Com-
mittee on Intelligence of the Senate on a report that
contains the following:

“(A) An analysis of the foreign and domes-
tic supply chain that significantly facilitates,
supports, or otherwise aids Hizballah’s acquisi-
tion or development of missile production facili-
ties.

“(B) A description of the geographic dis-
tribution of the foreign and domestic supply
chain described in subparagraph (A).

“(C) An assessment of the provision of
goods, services, or technology transferred to
Hizballah by the Government of Iran or its af-
filiates to indigenously manufacture or other-
wise produce missiles.

“(D) An identification of foreign persons
that have, on or after the date of the enactment
of this subsection, and based on credible evi-
dence—
“(i) knowingly provided significant financial or material support for, or significant arms or related material to, Hizballah or an entity owned or controlled by Hizballah; or

“(ii) knowingly facilitated the transfer of significant arms or related materiel to Hizballah utilizing commercial aircraft or air carriers.

“(E) A description of the steps that the President is taking to disrupt the foreign and domestic supply chain described in subparagraph (A).

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

“(e) DEFINITIONS.—In this section:

“(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE; FOREIGN STATE.—The terms ‘agency or instrumentality of a foreign state’ and ‘foreign state’ have the meanings given those terms in section 1603 of title 28, United States Code.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—
“(A) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Judiciary, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

“(B) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Judiciary, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

“(3) ARMS OR RELATED MATERIAL.—The term ‘arms or related material’ means—

“(A) nuclear, biological, chemical, or radiological weapons or materials or components of such weapons;

“(B) ballistic or cruise missile weapons or materials or components of such weapons;

“(C) destabilizing numbers and types of advanced conventional weapons;

“(D) defense articles or defense services, as those terms are defined in paragraphs (3)
and (4), respectively, of section 47 of the Arms Export Control Act (22 U.S.C. 2794); or

“(E) defense information, as that term is defined in section 644 of the Foreign Assistance Act of 1961 (22 U.S.C. 2403).

“(4) EXPORT ADMINISTRATION REGULATIONS.—The term ‘Export Administration Regulations’ means subchapter C of chapter VII of title 15, Code of Federal Regulations (as in effect on the date of the enactment of this Act).

“(5) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(6) STATE SPONSOR OF TERRORISM.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(A) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

“(B) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);
“(C) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(D) any other provision of law.”.

(b) Clerical Amendment.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 102 the following new item:

“Sec. 103. Sanctions against foreign states that support Hizballah.”.

(c) Report on Significant Material Support and Arms or Related Materiel Provided by the Russian Federation to Hizballah.—

(1) In General.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that contains the following:

(A) A description of significant material support and arms or related material that the Government of the Russian Federation has, on or after the date of the enactment of this Act, knowingly, directly or indirectly, provided to Hizballah or an entity owned or controlled by Hizballah.

(B) An analysis of the extent to which Russian strategic weapons deployed in Syria,
including air defense systems, have provided protection for Hizballah fighters in Syria.

(C) An assessment of whether Russian counter-proliferation safeguards can ensure that any arms or related materiel described in subparagraph (A) will not be used against Israel in the future.

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

(3) DEFINITIONS.—In this subsection:

(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” has the meaning given such term in section 103 of the Hizballah International Financing Prevention Act of 2015, as added by this section.

(B) ARMS OR RELATED MATERIAL.—The term “arms or related material” has the meaning given such term in section 103 of the Hizballah International Financing Prevention Act of 2015, as added by this section.
SEC. 104. PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.

Section 104(c)(2)(A)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(A)(ii)) is amended by inserting before “or support for acts of international terrorism” the following “, including Hizballah (as defined in section 102(f)(1)(E) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note)), and any affiliates or successors thereof,”.

SEC. 105. UNITED STATES STRATEGY TO PREVENT HOSTILE ACTIVITIES BY IRAN AND DISRUPT AND DEGRADE HIZBALLAH’S ILLICIT NETWORKS IN THE WESTERN HEMISPHERE.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a strategy to prevent hostile activities by Iran and disrupt and degrade Hizballah’s illicit networks in the Western Hemisphere that—

(1) identifies Department of State priorities, in coordination with other executive branch agencies, for defining United States policy to protect United States interests from Iranian and Hizballah threats in the Western Hemisphere;
(2) coordinates with other executive branch agencies to ensure that information-sharing, interdictions, arrests, investigations, indictments, sanctions, and designations related to Hizballah individuals or networks in the Western Hemisphere are integrated, coordinated, and publicly communicated by the United States in a manner that supports United States interests;

(3) describes Iranian and Hizballah activities in the Western Hemisphere, their relationships with transnational criminal organizations in the region, their use of the region’s commodities trade to engage in illicit activities, and their use of Latin American and Caribbean visas, including through Citizenship by Investment Programs to seek admittance into the United States, as well as a plan to address any security vulnerabilities to the United States;

(4) includes a review of all relevant United States sanctions that relate to Hizballah’s activities in Latin America and the Caribbean and an assessment of their use, effectiveness, and any capability gaps;

(5) includes a review of the use of the Department of State’s rewards program under section 36 of the State Department Basic Authorities Act (22
U.S.C. 2708) to obtain information related to Latin America-based Hizballah operatives and illicit networks and an assessment of the effectiveness of this program for targeting Hizballah in the Western Hemisphere;

(6) includes a review of all relevant United States sanctions on financial institutions in Latin America and the Caribbean that engage in activities outlined by section 102 of Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) and an assessment of the use of the authorities outlined, their effectiveness, and recommendations for improvement;

(7) describes Hizballah criminal support networks, including country facilitation, in the Western Hemisphere and outlines a United States approach to partners in the region to address those illicit networks and build country capacity to combat the transnational criminal activities of Hizballah; and

(8) includes a review of the actions of governments in the Western Hemisphere to identify, investigate, and prosecute Latin America-based Hizballah operatives, and enforce sanctions either personally or to their business interests of Latin America-based Hizballah operatives as well as recommendations for
United States action towards governments who refuse to impose sanctions or who willingly facilitate Latin America-based Hizballah illicit activities.

(b) **FORM.**—The strategy required by subsection (a) shall be submitted in unclassified form to the greatest extent possible but may include a classified annex.

(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, the Committee on Appropriations, 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, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(d) **DIPLOMATIC ENGAGEMENT.**—

(1) **IN GENERAL.**—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 129 Stat. 2206; 50 U.S.C. 1701 note), as amended by section 103 of this Act, is further amended by adding at the end the following:
“SEC. 104. DIPLOMATIC INITIATIVES.

“Not later than 90 days after the date of the enactment of this section, the President shall instruct—

“(1) the Secretary of State to increase cooperation with countries in the Western Hemisphere to assist in strengthening the capacity of governments to prevent hostile activity by Iran and disrupt and degrade Hizballah’s illicit networks operating in the region, including diplomatic engagement that involves—

“(A) efforts to target and expose illicit networks, arrest perpetrators, freeze assets, and attack Iran and Hizballah’s use of illicit networks using international trade and banking systems;

“(B) efforts to revoke or deny visas from those implicated in Hizballah’s activity in the region, including lawyers, accountants, business partners, service providers, and politicians who knowingly facilitate or fail to take measures to counter Hizballah’s illicit finance in their own jurisdictions;

“(C) efforts to assist willing nations with the development of counter-organized crime legislation, the strengthening of financial investigative capacity, and a fully-vetted counter-or-
organized crime judicial model in places plagued
with corruption; and

“(D) efforts to persuade governments in
the region to list Hizballah as a terrorist orga-
nization;

“(2) the United States Permanent Representa-
tive to the Organization of American States to work
to secure support at the Organization of American
States for a resolution that would declare Hizballah
as a terrorist organization and address Hizballah’s
illicit networks operating in the region;

“(3) the United States Ambassador to the Or-
ganization for Security and Cooperation in Europe
(OSCE) to work to secure a report on compliance by
participating states with OSCE Decision Number
1063, the ‘Consolidated Framework for the Fight
Against Terrorism’, in regard to Hizballah, with
particular focus on the mandate to ‘suppress the fi-
nancing of terrorism, including its links with money-
laundering and illegal economic activities’, especially
as it relates transatlantic relations, including with
Latin America and the Caribbean; and

“(4) United States diplomats to work with
international forums, including the Financial Action
Task Force, to identify government entities within
Latin America and the Caribbean that provide support, facilitation, or assistance to individuals affiliated with Hizballah in the Western Hemisphere.”.

(2) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item related to section 103 the following new item:

“Sec. 104. Diplomatic initiatives.”.

**TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH**

**SEC. 201. BLOCKING OF PROPERTY OF AFFILIATED NETWORKS OF HIZBALLAH.**

(a) In General.—Section 201 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“**SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO AFFILIATED NETWORKS OF HIZBALLAH.**

“(a) In General.—Not later than 120 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions described in subsection (b) with respect to affiliated net-
works of Hizballah, including by reason of significant
transnational criminal activities of such networks.

“(b) SANCTIONS DESCRIBED.—The sanctions de-
scribed in this subsection are sanctions applied with re-
spect to a foreign person pursuant to Executive Order No.
13581 (75 Fed. Reg. 44,757) (as such Executive order
was in effect on the day before the date of the enactment
of this section).

“(c) DEFINITION.—In this section, the term
‘Hizballah’ has the meaning given such term in section
102(f).”.

(b) CLERICAL AMENDMENTS.—The table of contents
for the Hizballah International Financing Prevention Act
of 2015 is amended—

(1) by striking the item relating to title II and
inserting the following:

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO
AFFILIATED NETWORKS OF HIZBALLAH AND REPORTS AND
BRIEFINGS ON NARCOTICS TRAFFICKING AND SIGNIFICANT
TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH”;

and

(2) by striking the item relating to section 201
and inserting the following:

“Sec. 201. Imposition of sanctions with respect to affiliated networks of
Hizballah.”.

(c) EFFECTIVE DATE.—The amendments made by
this section take effect on the date that is 90 days after
the date of the enactment of this Act.
SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

(a) In General.—Section 202 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

"SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

"(a) In General.—Not later than 120 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years, the Assistant Attorney General for the Criminal Division of the Department of Justice and the Administrator of the Drug Enforcement Administration, in coordination with the Secretary of the Treasury and the heads of other applicable Federal agencies, shall jointly submit to the appropriate congressional committees a report on the following:

“(1) Activities that Hizballah, and agents and affiliates of Hizballah, have engaged in that are racketeering activities.

“(2) The extent to which Hizballah, and agents and affiliates of Hizballah, engage in a pattern of such racketeering activities."
“(b) FORM OF REPORT.—Each report required under subsection (a) shall be submitted in an unclassified form but may contain a classified annex.

“(c) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on the Judiciary, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

“(B) the Committee on the Judiciary, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

“(2) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(3) RACKETEERING ACTIVITY.—The term ‘racketeering activity’ has the meaning given that term in section 1961(1) of title 18, United States Code.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by striking the item relating to section 202 and inserting the following:

“Sec. 202. Report on racketeering activities engaged in by Hizballah.”.
SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF FOREIGN GOVERNMENTS TO DISRUPT GLOBAL LOGISTICS NETWORKS AND FUND-RAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES OF HIZBALLAH.

(a) IN GENERAL.—Section 204(a)(1) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended—

(1) in the matter preceding subparagraph (A), by striking “this Act” and inserting “the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years”;

(2) in subparagraph (D)(ii)(II), by striking “and” at the end;

(3) in subparagraph (E), by striking “and free-trade zones.” and inserting “free-trade zones, business partnerships and joint ventures, and other investments in small and medium-sized enterprises;”; and

(4) by adding at the end the following:

“(F) a list of provinces, municipalities, and local governments outside of Lebanon that expressly consent to, or with knowledge allow, tolerate, or disregard the use of their territory by
Hizballah to carry out terrorist activities, including training, financing, and recruitment;

“(G) a description of the total aggregate revenues and remittances that Hizballah receives from the global logistics networks of Hizballah, including—

“(i) a list of Hizballah’s sources of revenue, including sources of revenue based on illicit activity, revenues from Iran, charities, and other business activities; and

“(ii) a list of Hizballah’s expenditures, including expenditures for ongoing military operations, social networks, and external operations;

“(H) a survey of national and transnational legal measures available to target Hizballah’s financial networks;

“(I) an assessment of Hizballah’s financial operations in areas under its operational or political control in Lebanon and Syria and available measures to target Hizballah’s financial operations in those areas;
“(J) a review of Hizballah’s international operational capabilities, including in the United States; and

“(K) a review of—

“(i) the total number and value of Hizballah-related assets seized and forfeited; and

“(ii) the total number of indictments, prosecutions, and extraditions of Hizballah members or affiliates.”.

(b) Report on Estimated Net Worth of and Determination With Respect to Senior Hizballah Members.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, and not less frequently than annually thereafter for the following 2 years, the President shall submit to the appropriate congressional committees a report that contains—

(A) the estimated total net worth of each individual described in paragraph (2);

(B) a description of how funds of each individual described in paragraph (2) were acquired, and how such funds have been used or employed; and
(C) a determination of whether each individual described in paragraph (2) meets the criteria described in paragraph (3) or (4) of section 1263(a) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 22 U.S.C. 2656 note).

(2) INDIVIDUALS DESCRIBED.—The individuals described in this paragraph are the following:

(A) The Secretary General of Hizballah.

(B) Members of the Hizballah Politburo.

(C) Any other individual that the President determines is a senior foreign political figure of Hizballah, is associated with Hizballah, or otherwise provides significant support to Hizballah.

(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

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

(B) PUBLIC AVAILABILITY.—The unclassified portion of the report required under paragraph (1) shall be made available to the public and posted on the website of the Department of State and all United States Embassy websites.

(4) DEFINITIONS.—In this subsection:
(A) Appropriate Congressional Committees.—The term “appropriate congressional committees” means—

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

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

(B) Funds.—The term “funds” means—

(i) cash;

(ii) equity;

(iii) any other intangible asset the value of which is derived from a contractual claim, including bank deposits, bonds, stocks, a security (as defined in section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a))), or a security or an equity security (as those terms are defined in sec-
tion 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)); and

(iv) anything else of value that the President determines to be appropriate.

(C) SENIOR FOREIGN POLITICAL FIGURE.—The term “senior foreign political figure” has the meaning given that term in section 1010.605 of title 31, Code of Federal Regulations (or any successor regulation).

SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO TRAFFICKING NETWORKS USED BY HIZBALLAH AND OTHER FOREIGN TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations to finance their operations, as described in the report submitted to Congress in December 2015 by the Department of State, the Department of Justice, the Department of the Treasury, the Department of Homeland Security, and the Department of Health and Human Services entitled, “The Global Illicit Trade in Tobacco: A Threat to National Security.”
(b) MATTERS TO BE ADDRESSED.—The report required by subsection (a) shall include the following:

(1) A description of the steps to be taken by Federal agencies to combat the illicit tobacco trafficking networks used by Hizballah, other foreign terrorist organizations, and other illicit actors.

(2) A description of the steps to be taken to engage State and local law enforcement authorities in efforts to combat illicit tobacco trafficking networks operating within the United States.

(3) A description of the steps to be taken to engage foreign government law enforcement and intelligence authorities in efforts to combat illicit tobacco trafficking networks operating outside the United States.

(4) Recommendations for legislative or administrative action needed to address the threat of illicit tobacco trafficking networks.

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

(1) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Homeland Security, the Committee on the Judiciary, the Committee on Financial Services, the Committee
on Ways and Means, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, the Committee on the Judiciary, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

**TITLE III—GENERAL PROVISIONS**

**SEC. 301. REGULATORY AUTHORITY.**

(a) **In General.**—The President shall, not later than 180 days after the date of the enactment of this Act, prescribe regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) **Briefing to Congress.**—Not later than 10 days before the prescription of regulations under subsection (a), the President shall brief the appropriate congressional committees of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.
(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 Committee on Ways and Means of the House of Representatives; and

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

SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS.

(a) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note), as amended by sections 103 and 105 of this Act, is further amended by adding at the end the following:

“SEC. 105. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS; RULE OF CONSTRUCTION.

“(a) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out sections 101 and 103.
“(b) Penalties.—The penalties provided for in subsections (b) and (e) 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 to carry out section 101 or 103 to the same extent that such penalties apply to a person that commits an unlawful act described in subsection (a) of such section 206.

“(e) Procedures for Judicial Review of Classified Information.—

“(1) In general.—If a finding, or a prohibition, condition, or penalty imposed as a result of any such finding, is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the President may submit such information to the court ex parte and in camera.

“(2) Rule of construction.—Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under section 101 or 103 or any prohibition, condition, or penalty imposed as a result of any such finding.
“(d) EXEMPTIONS.—The following activities shall be exempt from sections 101 and 103:

“(1) Any authorized intelligence, law enforcement, or national security activities of the United States.


“(e) RULE OF CONSTRUCTION.—Nothing in section 101 or 103 shall be construed to limit the authority of the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or under any other provision of law.”

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 104, as added by section 105(c) of this Act, the following new item:
“Sec. 105. Implementation; penalties; judicial review; exemptions; rule of construction.”.

Passed the House of Representatives October 25, 2017.

Attest: 

KAREN L. HAAS,  

Clerk.
AN ACT

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

H. R. 3329

OCTOBER 26, 2017

Received; read twice and placed on the calendar