

115TH CONGRESS
2D SESSION

H. R. 5612

To require the Secretary of State, in coordination with the Director of National Intelligence, to report on Iranian expenditures supporting foreign military and terrorist activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2018

Mr. LIPINSKI (for himself and Mr. ROSKAM) introduced the following bill;
which was referred to the Committee on Foreign Affairs

A BILL

To require the Secretary of State, in coordination with the Director of National Intelligence, to report on Iranian expenditures supporting foreign military and terrorist activities, 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 Military and
5 Terror Financing Reporting Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The Joint Comprehensive Plan of Action
2 (“JCPOA”) was agreed to on July 14, 2015, and
3 adopted in October 2015.

4 (2) According to statements by Iranian officials,
5 Iran entered into the agreement in order to improve
6 its domestic economic situation, brought about, ac-
7 cording to experts, by economic mismanagement on
8 the part of Iran’s leadership and by highly success-
9 ful sanctions targeting Iran’s energy and banking
10 sectors.

11 (3) Notwithstanding the implementation of the
12 JCPOA and the aspirations of Iran’s clerical leader-
13 ship to moderate its behavior, Iran continues to en-
14 gage in regionally destabilizing activities, including
15 support for terrorist proxies and illegal testing of
16 ballistic missiles.

17 (4) Meanwhile, Iran’s economy continued to
18 sputter after the implementation of the JCPOA, ac-
19 cording to experts, despite the lifting or easing of
20 many sanctions.

21 (5) On December 29, 2017, peaceful protests
22 broke out in several Iranian cities against Iran’s
23 leadership based on economic discontent.

24 (6) In response to the protests, Iran’s political
25 leadership criticized the United States for “failing to

1 uphold” its commitments under the JCPOA, while
2 Supreme Leader Khamenei blamed “enemies” for
3 the protests.

4 (7) However, according to the Financial Action
5 Task Force, Iran has failed to improve its banking
6 system or establish adequate accountability meas-
7 ures with respect to money laundering to attract for-
8 eign investment.

9 (8) Iran’s Islamic Revolutionary Guard Corps,
10 an entity included on the list of specially designated
11 nationals and blocked persons maintained by the Of-
12 fice of Foreign Assets Control of the Department of
13 the Treasury for its destabilizing activities, also con-
14 trols major aspects of Iran’s economy, which has a
15 further chilling effect on foreign investment in Iran.

16 **SEC. 3. SENSE OF CONGRESS.**

17 It is the sense of Congress that—

18 (1) in the absence of sanctions relating to nu-
19 clear activity, Iran’s economic woes are a function of
20 poor management, sclerotic policies, the control of
21 the Islamic Revolutionary Guard Corps (“IRGC”)
22 over major industries, and continued foreign con-
23 cerns about Iran’s destabilizing activities, including
24 ballistic missile launches and support for terrorist
25 proxies;

1 (2) Iranian leaders should dedicate resources to
2 domestic spending instead of foreign adventurism
3 and implement the financial recommendations made
4 by the Financial Action Task Force with respect to
5 money laundering; and

6 (3) the United States and its partners should
7 have a firm sense of how much Iran spends, includ-
8 ing spending by the IRGC, on hostile foreign activi-
9 ties.

10 **SEC. 4. REPORT.**

11 (a) IN GENERAL.—Not later than 90 days after the
12 enactment of this Act, and annually thereafter until the
13 date described in subsection (c), the Secretary of State,
14 in consultation with the Director of National Intelligence,
15 shall submit to Congress a report describing Iranian ex-
16 penditures in the previous calendar year on military and
17 terrorist activities outside the country, including each of
18 the following:

19 (1) The amount spent in such calendar year on
20 activities by the Islamic Revolutionary Guard Corps,
21 including activities providing support for—

22 (A) Hezbollah;

23 (B) Houthi rebels in Yemen;

24 (C) Hamas;

25 (D) proxy forces in Iraq and Syria; or

1 (E) any other entity or country the Sec-
2 retary determines to be relevant.

3 (2) The amount spent in such calendar year for
4 ballistic missile research and testing or other activi-
5 ties that the Secretary of State determines are de-
6 stabilizing to the Middle East region.

7 (b) FORM.—

8 (1) IN GENERAL.—The report required under
9 subsection (a) shall be submitted in unclassified
10 form, but may include a classified annex.

11 (2) INCLUSION IN ANNUAL COUNTRY REPORTS
12 ON TERRORISM.—The Secretary of State may issue
13 the reports required under subsection (a) by includ-
14 ing such reports in the annual reports required by
15 section 140 of the Foreign Relations Authorization
16 Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f).

17 (c) EXPIRATION DATE.—The date described in this
18 subsection is the date on which the Secretary of State de-
19 termines that the government of Iran no longer provides
20 support for international terrorism pursuant to the fol-
21 lowing:

22 (1) Section 6(j) of the Export Administration
23 Act of 1979 (as continued in effect under the Inter-
24 national Emergency Economic Powers Act (50
25 U.S.C. 1701 et seq.)).

1 (2) Section 620A of the Foreign Assistance Act
2 of 1961 (22 U.S.C. 2371).

3 (3) Section 40 of the Arms Export Control Act
4 (22 U.S.C. 2780).

○