

115TH CONGRESS  
1ST SESSION

# H. R. 3118

To prevent further access of Iran and Hizballah into the Western Hemisphere,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2017

Mr. DUNCAN of South Carolina (for himself, Mr. ESPAILLAT, Mr. McCAUL, Mr. DONOVAN, Mr. DESANTIS, Mrs. TORRES, Mr. SUOZZI, Mr. SCHNEIDER, Mr. YOHO, Mr. SMITH of New Jersey, and Mr. TED LIEU of California) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prevent further access of Iran and Hizballah into the  
Western Hemisphere, 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 “Iran and Hizballah  
5 Western Hemisphere Prevention Act of 2017”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) On June 26, 2017, Ali Issa Chamas, a dual  
2           Paraguayan-Lebanese national reportedly with ties  
3           to Hizballah, was indicted by a Miami Federal grand  
4           jury for drug trafficking after being arrested in the  
5           Tri-Border Area of Argentina, Paraguay, and Brazil  
6           for allegedly trying to smuggle cocaine to the United  
7           States.

8           (2) On June 8, 2017, the Department of Jus-  
9           tice announced the arrest of Ali Kourani and Samer  
10          El Debek for attempting to provide support to  
11          Hizballah, including in Panama, which involved lo-  
12          cating the United States and Israeli Embassies and  
13          easing security procedures at the Panama Canal.

14          (3) In April 2017, Commander, United States  
15          Southern Command, Admiral Kurt Tidd testified to  
16          Congress that “as a continuing state sponsor of ter-  
17          rorism, Iranian involvement in the Western Hemi-  
18          sphere is always a matter of concern [and] with the  
19          easing of economic sanctions, Iran may be seeking to  
20          rebuild its relationships in the region”.

21          (4) In February 2017, the United States im-  
22          posed sanctions on Venezuelan Vice President  
23          Tareck El Aissami, designating him as a drug king-  
24          pin for facilitating narcotics to the United States. A  
25          subsequent CNN investigation linked El Aissami to

1 “173 Venezuelan passports and IDs that were issued  
2 to individuals from the Middle East, including peo-  
3 ple connected to the terrorist group Hezbollah”.

4 (5) In September 2016, Iranian President Has-  
5 san Rouhani conducted his first visit to Latin Amer-  
6 ica, visiting Venezuela and Cuba. In the same  
7 month, Iran’s Foreign Minister Javad Zarif also vis-  
8 ited Bolivia, Chile, Cuba, Ecuador, Mexico, Nica-  
9 ragua, and Venezuela.

10 (6) In February 2016, a Federal prosecutor in  
11 Argentina alleged that Special Prosecutor Alberto  
12 Nisman’s death in January 2015 was a homicide.  
13 Nisman had previously published two reports docu-  
14 menting Iranian activities in several countries in the  
15 region and filed a judicial complaint against former  
16 Argentine President Cristina Fernández de Kirchner  
17 for minimizing Iranian involvement in the 1994 ter-  
18 rorist attack against the Argentine-Israeli Mutual  
19 Association (AMIA) that killed 85 people.

20 (7) In February 2016, the U.S. Drug Enforce-  
21 ment Administration (DEA) announced the disrupt-  
22 tion of a Hizballah network as part of DEA’s  
23 “Project Cassandra”, which affirmed that members  
24 of Hizballah’s External Security Organization Busi-  
25 ness Affairs Component (BAC) had established busi-

1       ness relationships with South American drug cartels,  
2       such as La Oficina de Envigado.

3               (8) According to the Department of State’s  
4       2015 Country Report on Terrorism, Hezbollah  
5       maintains a presence in the Western Hemisphere  
6       “with members, facilitators, and supporters engag-  
7       ing in activity in support of the organization”, which  
8       includes “efforts to build Hezbollah’s infrastructure  
9       in South America and fundraising, both through licit  
10      and illicit means”.

11              (9) In 2015, former Commander, United States  
12      Southern Command, General Kelly testified to Con-  
13      gress that “our limited intelligence capabilities make  
14      it difficult to fully assess the amount of terrorist fi-  
15      nancing generated in Latin America, or understand  
16      the scope of possible criminal-terrorist collabora-  
17      tion”.

18              (10) In November 2014, Brazilian media pub-  
19      lished police reports that revealed that Hizballah  
20      helped a Brazilian prison gang, the First Capital  
21      Command (PCC), obtain weapons in exchange for  
22      the protection of prisoners of Lebanese origin tied to  
23      Hizballah. Those same reports also found that Leba-  
24      nese traffickers tied to Hizballah helped sell C4 ex-  
25      plosives that the PCC allegedly stole in Paraguay.

1           (11) In November 2014, Peruvian counterter-  
2           rorism police arrested Mohammed Amadar, a Leba-  
3           nese citizen, who was reportedly a Hizballah opera-  
4           tive, after finding traces of explosive materials and  
5           detonators at his home. His targets reportedly in-  
6           cluded places associated with Israelis and Jews in  
7           Peru, the Israeli embassy in Lima, and Jewish com-  
8           munity institutions.

9           (12) Hizballah is classified by the Department  
10          of State as a Foreign Terrorist Organization, but  
11          multiple reports have found that Hizballah has sig-  
12          nificant and expanding ties to transnational orga-  
13          nized crime, drug trafficking, and money-laundering  
14          activities in the Western Hemisphere, including part-  
15          nerships with Mexico's Los Zetas, Colombia's Revo-  
16          lutionary Armed Forces of Colombia (FARC), and  
17          Brazil's Primeriro Comando de la Capital.

18          (13) As of June 2017, the United States has  
19          sanctioned 11 individuals and four companies in the  
20          Tri-Border Area of Argentina, Paraguay, and Brazil  
21          for their involvement with Hizballah's terror finance  
22          networks. However, multiple reports show that de-  
23          spite United States measures, some of these individ-  
24          uals who are Specially Designated Global Terrorists  
25          (SDGTs) under Executive Order 13224 of Sep-

1       tember 2001 continue to have access to the global fi-  
2       nancial system.

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

4       Congress declares that it is the policy of the United  
5 States to continue the policy outlined in the Hizballah  
6 International Financing Prevention Act of 2015 (Public  
7 Law 114–102) and the government-wide strategy outlined  
8 in Countering Iran in the Western Hemisphere Act of  
9 2012 (Public Law 112–220) to prevent further penetra-  
10 tion of Iran and Hizballah into the Western Hemisphere  
11 and prioritize United States diplomatic efforts to engage  
12 countries in the Western Hemisphere to disrupt and de-  
13 grade Hizballah’s illicit networks operating in the region.

14       **SEC. 4. DEFINITIONS.**

15       In this Act:

16               (1) WESTERN HEMISPHERE.—The term “West-  
17       ern Hemisphere” has the meaning given such term  
18       in section 4(1) of the Countering Iran in the West-  
19       ern Hemisphere Act of 2012 (Public Law 112–220;  
20       22 U.S.C. 8701 note).

21               (2) RELEVANT CONGRESSIONAL COMMIT-  
22       TEES.—The term “relevant congressional commit-  
23       tees” has the meaning given such term in section  
24       4(2) of the Countering Iran in the Western Hemi-

1 sphere Act of 2012 (Public Law 112–220; 22 U.S.C.  
2 8701 note).

3 (3) HIZBALLAH.—The term “Hizballah” has  
4 the meaning given such term in section 102(f) of the  
5 Hizballah International Financing Prevention Act of  
6 2015 (Public Law 114–102; 50 U.S.C. 1701 note).

7 (4) HOSTILE ACTIVITIES.—The term “hostile  
8 activities” means any activities that promote anti-  
9 American or undemocratic views that threaten  
10 United States national security through government-  
11 to-government, private sector, nongovernmental or-  
12 ganizations, or public diplomacy engagement.

13 **SEC. 5. UNITED STATES STRATEGY TO PREVENT HOSTILE**  
14 **ACTIVITIES BY IRAN AND DISRUPT AND DE-**  
15 **GRADE HIZBALLAH’S ILLICIT NETWORKS IN**  
16 **THE WESTERN HEMISPHERE.**

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

23 (1) identifies Department of State priorities, in  
24 coordination with other executive branch agencies,  
25 for defining United States policy to protect United

1 States interests from Iranian and Hizballah threats  
2 in the Western Hemisphere;

3 (2) involves a whole-of-government approach led  
4 by the Secretary of State, in coordination with other  
5 executive branch agencies, to ensure that informa-  
6 tion-sharing, interdictions, arrests, investigations, in-  
7 dictments, sanctions, and designations related to  
8 Hizballah individuals or networks in the Western  
9 Hemisphere are integrated, coordinated, and publicly  
10 communicated by the United States in a manner  
11 that supports United States interests;

12 (3) outlines a counter-network disruption cam-  
13 paign that includes the input of other executive  
14 branch agencies and that uses all appropriate United  
15 States national tools;

16 (4) describes Iranian and Hizballah activities in  
17 the Western Hemisphere, their relationships with  
18 transnational criminal organizations in the region,  
19 their use of the region's commodities trade to engage  
20 in illicit activities, and their use of Latin American  
21 and Caribbean visas, including through Citizenship  
22 by Investment Programs to seek admittance into the  
23 United States, as well as a plan to address any secu-  
24 rity vulnerabilities to the United States;



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

6           (6) includes a review of the use of the Depart-  
7 ment of State’s rewards program under section 36  
8 of the State Department Basic Authorities Act (22  
9 U.S.C. 2708) to obtain information related to Latin  
10 America-based Hizballah operatives and illicit net-  
11 works and an assessment of the effectiveness of this  
12 program for targeting Hizballah in the Western  
13 Hemisphere;

14           (7) includes a review of all relevant United  
15 States sanctions on financial institutions in Latin  
16 America and the Caribbean that engage in activities  
17 outlined by section 102 of Hizballah International  
18 Financing Prevention Act of 2015 (Public Law 114–  
19 102; 50 U.S.C. 1701 note) and an assessment of the  
20 use of the authorities outlined, their effectiveness,  
21 and recommendations for improvement;

22           (8) describes Hizballah criminal support net-  
23 works, including country facilitation, in the Western  
24 Hemisphere and outlines a United States approach  
25 to partners in the region to address those illicit net-

1 works and build country capacity to combat the  
2 transnational criminal activities of Hizballah; and

3 (9) includes a review of the actions of govern-  
4 ments in the Western Hemisphere to identify, inves-  
5 tigate, and prosecute Latin America-based Hizballah  
6 operatives, and enforce sanctions either personally or  
7 to their business interests of Latin America-based  
8 Hizballah operatives as well as recommendations for  
9 United States action towards governments who  
10 refuse to impose sanctions or who willingly facilitate  
11 Latin America-based Hizballah illicit activities.

12 (b) FORM.—The strategy required by subsection (b)  
13 shall be submitted in unclassified form to the greatest ex-  
14 tent possible but may include a classified annex.

15 **SEC. 6. UNITED STATES BILATERAL AND MULTILATERAL**  
16 **ENGAGEMENT ON HIZBALLAH IN THE WEST-**  
17 **ERN HEMISPHERE.**

18 (a) BILATERAL ENGAGEMENT.—Not later than 90  
19 days after the date of the enactment of this Act, the Presi-  
20 dent shall instruct the Secretary of State to prioritize  
21 United States diplomatic engagement with countries in the  
22 Western Hemisphere to increase cooperation and build  
23 governments' capacity to prevent hostile activities by Iran  
24 and disrupt and degrade Hizballah's illicit networks oper-

1 ating in the region. Such diplomatic engagement may in-  
2 clude—

3 (1) efforts to target and expose illicit networks,  
4 arrest perpetrators, freeze assets, and attack Iran  
5 and Hizballah’s use of illicit networks using inter-  
6 national trade and banking systems;

7 (2) efforts to revoke or deny visas from those  
8 implicated in Hizballah activity in the region, includ-  
9 ing lawyers, accountants, business partners, and  
10 service providers and politicians who knowingly fa-  
11 cilitate or fail to take measures to counter  
12 Hizballah’s illicit finance in their own jurisdictions;

13 (3) efforts to assist willing nations with the de-  
14 velopment of counter-organized crime legislation, the  
15 strengthening of financial investigative capacity, and  
16 a fully-vetted counter-organized crime judicial model  
17 in places plagued with corruption; and

18 (4) efforts to persuade governments in the re-  
19 gion to list Hizballah as a terrorist organization.

20 (b) MULTILATERAL ENGAGEMENT.—

21 (1) IN GENERAL.—Title I of the Hizballah  
22 International Financing Prevention Act of 2015  
23 (Public Law 114–102; 129 Stat. 2206; 50 U.S.C.  
24 1701 note) is amended by adding at the end the fol-  
25 lowing:

1 **“SEC. 103. DIPLOMATIC INITIATIVES.**

2 “(a) SENSE OF CONGRESS.—It is the sense of Con-  
3 gress that—

4 “(1) the designation of Hizballah as a terrorist  
5 organization by the Gulf Cooperation Council rep-  
6 resents a positive step; and

7 “(2) the United States should provide necessary  
8 technical and other advice to the states of the Gulf  
9 Cooperation Council to enhance the effectiveness of  
10 that designation.

11 “(b) DIPLOMATIC INITIATIVES.—Not later than 90  
12 days after the date of the enactment of this section, the  
13 President shall instruct—

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

20 “(2) the United States Ambassador to the Or-  
21 ganization for Security and Cooperation in Europe  
22 (OSCE) to work to secure a report on compliance by  
23 participating states with OSCE Decision Number  
24 1063, the ‘Consolidated Framework for the Fight  
25 Against Terrorism’, in regard to Hizballah, with  
26 particular focus on the mandate to ‘suppress the fi-

1       nancing of terrorism, including its links with money-  
2       laundering and illegal economic activities’, especially  
3       as it relates transatlantic relations, including with  
4       Latin America and the Caribbean; and

5               “(3) United States diplomats to work with  
6       international forums, including the Financial Action  
7       Task Force, to identify government entities within  
8       Latin America and the Caribbean that provide sup-  
9       port, facilitation, or assistance to individuals affili-  
10      ated with Hizballah in the Western Hemisphere.

11      “(c) REPORT.—Not later than 90 days after the date  
12      of enactment of this section, and every 180 days thereafter  
13      for a period not to exceed 3 years, the Secretary of State  
14      shall submit to the Committee on Foreign Affairs of the  
15      House of Representatives and the Committee on Foreign  
16      Relations of the Senate a report describing efforts of the  
17      United States Permanent Representative to the Organiza-  
18      tion of American States with respect to matters described  
19      in subsection (b)(1), efforts of the United States Amba-  
20      sador to the Organization for Security and Cooperation  
21      in Europe with respect to the matters described in sub-  
22      section (b)(2), and efforts by United States diplomats with  
23      respect to the matters described in subsection (b)(3).”.

24               (2) CLERICAL AMENDMENT.—The table of con-  
25      tents for the Hizballah International Financing Pre-

1       vention Act of 2015 is amended by inserting after  
2       the item related to section 102 the following new  
3       item:

“Sec. 103. Diplomatic initiatives.”.

4       **SEC. 7. CONGRESSIONAL OVERSIGHT BRIEFINGS.**

5       The Secretary of State provide to the relevant con-  
6       gressional committees annual briefings that review De-  
7       partment of State efforts to implement the strategy to pre-  
8       vent hostile activities by Iran and disrupt and degrade  
9       Hizballah’s illicit networks in the Western Hemisphere  
10      under section 5 and United States bilateral and multilat-  
11      eral engagement with respect to Hizballah in the Western  
12      Hemisphere in accordance with section 6 and the amend-  
13      ments made by section 6.

14      **SEC. 8. REGULATORY AUTHORITY.**

15      (a) IN GENERAL.—The President shall, not later  
16      than 120 days after the date of the enactment of this Act,  
17      promulgate regulations as necessary for the implementa-  
18      tion of this Act and the amendments made by this Act.

19      (b) NOTIFICATION TO CONGRESS.—Not less than 10  
20      days before the promulgation of regulations under sub-  
21      section (a), the President shall notify the relevant congres-  
22      sional committees of the proposed regulations and the pro-  
23      visions of this Act that the regulations are implementing.

1 **SEC. 9. SUNSET.**

2       This Act shall terminate on the date that is 30 days  
3 after the date on which the President certifies to Congress  
4 that Hizballah meets the requirements described in section  
5 303 of Hizballah International Financing Prevention Act  
6 of 2015 (Public Law 114–102; 50 U.S.C. 1701 note).

○