

114TH CONGRESS
1ST SESSION

S. 1617

To prevent Hizballah and associated entities from gaining access to international financial and other institutions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2015

Mr. RUBIO (for himself and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To prevent Hizballah and associated entities from gaining access to international financial and other institutions, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Hizballah International Financing Prevention Act of
6 2015”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Statement of policy.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO
INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

- Sec. 101. Briefing on imposition of sanctions on certain satellite providers that carry al-Manar TV.
- Sec. 102. Sanctions with respect to financial institutions that engage in certain transactions.

TITLE II—REPORTS ON DESIGNATION OF HIZBALLAH AS A SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER AND A SIGNIFICANT TRANSNATIONAL CRIMINAL ORGANIZATION

- Sec. 201. Report on designation of Hizballah as a significant foreign narcotics trafficker.
- Sec. 202. Report on designation of Hizballah as a significant transnational criminal organization.
- Sec. 203. Rewards for Justice and Hizballah's fundraising, financing, and money laundering activities.
- Sec. 204. Report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Rule of construction.
- Sec. 302. Regulatory authority.
- Sec. 303. Termination.

1 SEC. 2. STATEMENT OF POLICY.

2 It shall be the policy of the United States to—

3 (1) prevent Hizballah's global logistics and fi-
4 nancial network from operating in order to curtail
5 funding of its domestic and international activities;
6 and

7 (2) utilize all available diplomatic, legislative,
8 and executive avenues to combat the global criminal
9 activities of Hizballah as a means to block that orga-
10 nization's ability to fund its global terrorist activi-
11 ties.

1 **TITLE I—PREVENTION OF AC-**
2 **CESS BY HIZBALLAH TO**
3 **INTERNATIONAL FINANCIAL**
4 **AND OTHER INSTITUTIONS**

5 **SEC. 101. BRIEFING ON IMPOSITION OF SANCTIONS ON**
6 **CERTAIN SATELLITE PROVIDERS THAT**
7 **CARRY AL-MANAR TV.**

8 (a) IN GENERAL.—Not later than 90 days after the
9 date of the enactment of this Act, and annually thereafter,
10 the President shall provide to the appropriate congres-
11 sional committees a briefing on the following:

12 (1) The activities of all satellite, broadcast,
13 Internet, or other providers that have knowingly en-
14 tered into a contractual relationship with al-Manar
15 TV, and any affiliates or successors thereof.

16 (2) With respect to all providers described in
17 paragraph (1)—

18 (A) an identification of those providers
19 that have been sanctioned pursuant to Execu-
20 tive Order 13224 (50 U.S.C. 1701 note; relat-
21 ing to blocking property and prohibiting trans-
22 actions with persons who commit, threaten to
23 commit, or support terrorism); and

24 (B) an identification of those providers
25 that have not been sanctioned pursuant to Ex-

1 executive Order 13224 and, with respect to each
2 such provider, the reason why sanctions have
3 not been imposed.

4 (b) APPROPRIATE CONGRESSIONAL COMMITTEES
5 DEFINED.—In this section, the term “appropriate con-
6 gressional committees” means—

7 (1) the Committee on Foreign Affairs and the
8 Committee on Financial Services of the House of
9 Representatives; and

10 (2) the Committee on Foreign Relations and
11 the Committee on Banking, Housing, and Urban Af-
12 fairs of the Senate.

13 **SEC. 102. SANCTIONS WITH RESPECT TO FINANCIAL INSTI-**
14 **TUTIONS THAT ENGAGE IN CERTAIN TRANS-**
15 **ACTIONS.**

16 (a) PROHIBITIONS AND CONDITIONS WITH RESPECT
17 TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL
18 INSTITUTIONS.—

19 (1) IN GENERAL.—Not later than 120 days
20 after the date of the enactment of this Act, the
21 President shall prohibit, or impose strict conditions
22 on, the opening or maintaining in the United States
23 of a correspondent account or a payable-through ac-
24 count by a foreign financial institution that the
25 President determines, on or after such date of enact-

1 ment, engages in an activity described in paragraph
2 (2).

3 (2) ACTIVITIES DESCRIBED.—A foreign finan-
4 cial institution engages in an activity described in
5 this paragraph if the foreign financial institution—

6 (A) knowingly facilitates a significant
7 transaction or transactions for Hizballah;

8 (B) knowingly facilitates a significant
9 transaction or transactions of a person identi-
10 fied on the list of specially designated nationals
11 and blocked persons maintained by the Office of
12 Foreign Asset Control of the Department of the
13 Treasury and the property and interests in
14 property of which are blocked pursuant to the
15 International Emergency Economic Powers Act
16 (50 U.S.C. 1701 et seq.) for acting on behalf
17 of or at the direction of, or owned or controlled
18 by, Hizballah;

19 (C) knowingly engages in money laun-
20 dering to carry out an activity described in sub-
21 paragraph (A) or (B); or

22 (D) knowingly facilitates a significant
23 transaction or transactions or provides signifi-
24 cant financial services to carry out an activity
25 described in subparagraph (A), (B), or (C).

1 (3) PENALTIES.—The penalties provided for in
2 subsections (b) and (c) of section 206 of the Inter-
3 national Emergency Economic Powers Act (50
4 U.S.C. 1705) shall apply to a person that violates,
5 attempts to violate, conspires to violate, or causes a
6 violation of regulations prescribed under this sub-
7 section to the same extent that such penalties apply
8 to a person that commits an unlawful act described
9 in subsection (a) of such section 206.

10 (4) PROCEDURES FOR JUDICIAL REVIEW OF
11 CLASSIFIED INFORMATION.—

12 (A) IN GENERAL.—If a finding under this
13 subsection, or a prohibition, condition, or pen-
14 alty imposed as a result of any such finding, is
15 based on classified information (as defined in
16 section 1(a) of the Classified Information Pro-
17 cedures Act (18 U.S.C. App.)) and a court re-
18 views the finding or the imposition of the prohi-
19 bition, condition, or penalty, the President may
20 submit such information to the court *ex parte*
21 and *in camera*.

22 (B) RULE OF CONSTRUCTION.—Nothing in
23 this paragraph shall be construed to confer or
24 imply any right to judicial review of any finding
25 under this subsection or any prohibition, condi-

1 tion, or penalty imposed as a result of any such
2 finding.

3 (5) REGULATIONS.—The President shall pre-
4 scribe and implement regulations to carry out this
5 subsection.

6 (b) WAIVER.—

7 (1) IN GENERAL.—The President may waive,
8 on a case-by-case basis, the application of a prohibi-
9 tion or condition imposed with respect to a foreign
10 financial institution pursuant to subsection (a) for a
11 period of not more than 180 days, and may renew
12 the waiver for additional periods of not more than
13 180 days, on and after the date on which the Presi-
14 dent—

15 (A) determines that such a waiver is in the
16 national security interests of the United States;
17 and

18 (B) submits to the appropriate congres-
19 sional committees a report describing the rea-
20 sons for such determination.

21 (2) FORM.—The report required by paragraph
22 (1)(B) shall be submitted in unclassified form, but
23 may contain a classified annex.

24 (c) SPECIAL RULE TO ALLOW FOR TERMINATION OF
25 SANCTIONABLE ACTIVITY.—The President shall not be re-

1 required to apply sanctions to a foreign financial institution
2 described in subsection (a) if the President certifies in
3 writing to the appropriate congressional committees
4 that—

5 (1) the foreign financial institution—

6 (A) is no longer engaging in the activity
7 described in subsection (a)(2); or

8 (B) has taken and is continuing to take
9 significant verifiable steps toward terminating
10 the activity described in that subsection; and

11 (2) the President has received reliable assur-
12 ances from the government with primary jurisdiction
13 over the foreign financial institution that the foreign
14 financial institution will not engage in any activity
15 described in subsection (a)(2) in the future.

16 (d) REPORT ON FOREIGN CENTRAL BANKS.—

17 (1) IN GENERAL.—Not later than 90 days after
18 the date of the enactment of this Act, and every 180
19 days thereafter, the Secretary of the Treasury shall
20 submit to the appropriate congressional committees
21 a report that—

22 (A) identifies each foreign central bank
23 that the Secretary determines engages in one or
24 more activities described in subsection
25 (a)(2)(D); and

1 (B) provides a detailed description of each
2 such activity.

3 (2) FORM OF REPORT.—Each report required
4 by paragraph (1) shall be submitted in unclassified
5 form, but may include a classified annex.

6 (e) DEFINITIONS.—

7 (1) IN GENERAL.—In this section:

8 (A) ACCOUNT; CORRESPONDENT ACCOUNT;
9 PAYABLE-THROUGH ACCOUNT.—The terms “ac-
10 count”, “correspondent account”, and “payable-
11 through account” have the meanings given
12 those terms in section 5318A of title 31, United
13 States Code.

14 (B) APPROPRIATE CONGRESSIONAL COM-
15 MITTEES.—The term “appropriate congress-
16 sional committees” means—

17 (i) the Committee on Foreign Affairs
18 and the Committee on Financial Services
19 of the House of Representatives; and

20 (ii) the Committee on Foreign Rela-
21 tions and the Committee on Banking,
22 Housing, and Urban Affairs of the Senate.

23 (C) FINANCIAL INSTITUTION.—The term
24 “financial institution” means a financial insti-
25 tution specified in subparagraph (A), (B), (C),

1 (D), (E), (F), (G), (H), (I), (J), (K), (M), (N),
2 (P), (R), (T), (Y), or (Z) of section 5312(a)(2)
3 of title 31, United States Code.

4 (D) FOREIGN FINANCIAL INSTITUTION;
5 DOMESTIC FINANCIAL INSTITUTION.—

6 (i) FOREIGN FINANCIAL INSTITU-
7 TION.—The term “foreign financial institu-
8 tion” has the meaning given that term in
9 section 1010.605 of title 31, Code of Fed-
10 eral Regulations, and excludes the Central
11 Bank of Lebanon.

12 (ii) DOMESTIC FINANCIAL INSTITU-
13 TION.—The term “domestic financial insti-
14 tution” has the meaning of that term as
15 determined by the Secretary of the Treas-
16 ury.

17 (E) HIZBALLAH.—The term “Hizballah”
18 means—

19 (i) the entity known as Hizballah and
20 designated by the Secretary of State as a
21 foreign terrorist organization pursuant to
22 section 219 of the Immigration and Na-
23 tionality Act (8 U.S.C. 1189); or

24 (ii) any person—

1 (I) the property or interests in
2 property of which are blocked pursu-
3 ant to the International Emergency
4 Economic Powers Act (50 U.S.C.
5 1701 et seq.); and

6 (II) who is identified on the list
7 of specially designated nationals and
8 blocked persons maintained by the Of-
9 fice of Foreign Asset Control of the
10 Department of the Treasury as an
11 agent, instrumentality, or affiliate of
12 Hizballah.

13 (F) MONEY LAUNDERING.—The term
14 “money laundering” means the movement of il-
15 licit cash or cash equivalent proceeds into, out
16 of, or through a country, or into, out of, or
17 through a financial institution.

18 (2) OTHER DEFINITIONS.—The President may
19 further define the terms used in this section in the
20 regulations prescribed under this section.

1 **TITLE II—REPORTS ON DES-**
2 **IGNATION OF HIZBALLAH AS**
3 **A SIGNIFICANT FOREIGN**
4 **NARCOTICS TRAFFICKER AND**
5 **A SIGNIFICANT TRANS-**
6 **NATIONAL CRIMINAL ORGA-**
7 **NIZATION**

8 **SEC. 201. REPORT ON DESIGNATION OF HIZBALLAH AS A**
9 **SIGNIFICANT FOREIGN NARCOTICS TRAF-**
10 **FICKER.**

11 (a) **REPORT REQUIRED.**—Not later than 120 days
12 after the date of the enactment of this Act, the President
13 shall transmit to the appropriate congressional committees
14 a detailed report on whether Hizballah meets the criteria
15 for designation under the Foreign Narcotics Kingpin Des-
16 ignation Act (21 U.S.C. 1901 et seq.) as a significant for-
17 eign narcotics trafficker, and if the President determines
18 that Hizballah does not meet such criteria, a detailed jus-
19 tification as to which criteria have not been met.

20 (b) **FORM.**—The report required by subsection (a)
21 shall be transmitted in unclassified form, but may include
22 a classified annex.

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

1 nificant transnational criminal organization under
2 Executive Order 13581, and if the President deter-
3 mines that Hizballah does not meet such criteria, a
4 detailed justification as to which criteria have not
5 been met.

6 (2) FORM.—The report required by paragraph
7 (1) shall be transmitted in unclassified form, but
8 may include a classified annex.

9 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
10 FINED.—In this section, the term “appropriate congres-
11 sional committees” means—

12 (1) the Committee on Foreign Affairs, the
13 Committee on Financial Services, and the Com-
14 mittee on the Judiciary of the House of Representa-
15 tives; and

16 (2) the Committee on Foreign Relations, the
17 Committee on Finance, and the Committee on the
18 Judiciary of the Senate.

19 **SEC. 203. REWARDS FOR JUSTICE AND HIZBALLAH’S FUND-**
20 **RAISING, FINANCING, AND MONEY LAUN-**
21 **DERING ACTIVITIES.**

22 (a) REPORT.—Not later than 90 days after the date
23 of the enactment of this Act, the Secretary of State shall
24 submit to the appropriate congressional committees a re-
25 port that details actions taken by the Department of State

1 through the Department of State rewards program under
2 section 36 of the State Department Basic Authorities Act
3 (22 U.S.C. 2708) to obtain information on fundraising,
4 financing, and money laundering activities of Hizballah
5 and its agents and affiliates.

6 (b) BRIEFING.—Not later than 90 days after the date
7 of the enactment of this Act, and annually thereafter, the
8 Secretary of State shall provide a briefing to the appro-
9 priate congressional committees on the status of the ac-
10 tions described in subsection (a).

11 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
12 FINED.—In this section, the term “appropriate congres-
13 sional committees” means—

14 (1) the Committee on Foreign Affairs and the
15 Committee on Financial Services of the House of
16 Representatives; and

17 (2) the Committee on Foreign Relations and
18 the Committee on Banking, Housing, and Urban Af-
19 fairs of the Senate.

20 **SEC. 204. REPORT ON ACTIVITIES OF FOREIGN GOVERN-**
21 **MENTS TO DISRUPT GLOBAL LOGISTICS NET-**
22 **WORKS AND FUNDRAISING, FINANCING, AND**
23 **MONEY LAUNDERING ACTIVITIES OF**
24 **HIZBALLAH.**

25 (a) REPORT.—

1 (1) IN GENERAL.—Not later than 90 days after
2 the date of the enactment of this Act, the President
3 shall submit to the appropriate congressional com-
4 mittees a report that includes—

5 (A) a list of countries that support
6 Hizballah or in which Hizballah maintains im-
7 portant portions of its global logistics networks;

8 (B) with respect to each country on the list
9 required by subparagraph (A)—

10 (i) an assessment of whether the gov-
11 ernment of the country is taking adequate
12 measures to disrupt the global logistics
13 networks of Hizballah within the territory
14 of the country; and

15 (ii) in the case of a country the gov-
16 ernment of which is not taking adequate
17 measures to disrupt such networks—

18 (I) an assessment of the reasons
19 that government is not taking such
20 adequate measures; and

21 (II) a description of measures
22 being taken by the United States to
23 encourage that government to improve
24 measures to disrupt such networks;

1 (C) a list of countries in which Hizballah,
2 or any of its agents or affiliates, conducts sig-
3 nificant fundraising, financing, or money laun-
4 dering activities;

5 (D) with respect to each country on the
6 list required by subparagraph (C)—

7 (i) an assessment of whether the gov-
8 ernment of the country is taking adequate
9 measures to disrupt the fundraising, fi-
10 nancing, or money laundering activities of
11 Hizballah and its agents and affiliates
12 within the territory of the country; and

13 (ii) in the case of a country the gov-
14 ernment of which is not taking adequate
15 measures to disrupt such activities—

16 (I) an assessment of the reasons
17 that government is not taking such
18 adequate measures; and

19 (II) a description of measures
20 being taken by the United States to
21 encourage that government to improve
22 measures to disrupt such activities;
23 and

24 (E) a list of methods that Hizballah, or
25 any of its agents or affiliates, utilizes to raise

1 or transfer funds, including trade-based money
2 laundering, the use of foreign exchange houses,
3 and free-trade zones.

4 (2) FORM.—The report required by paragraph
5 (1) shall be submitted in unclassified form to the
6 greatest extent possible, and may contain a classified
7 annex.

8 (3) GLOBAL LOGISTICS NETWORKS OF
9 HIZBALLAH.—In this subsection, the term “global
10 logistics networks of Hizballah”, “global logistics
11 networks”, or “networks” means financial, material,
12 or technological support for, or financial or other
13 services in support of, Hizballah.

14 (b) BRIEFING ON HIZBALLAH’S ASSETS AND ACTIVI-
15 TIES RELATED TO FUNDRAISING, FINANCING, AND
16 MONEY LAUNDERING WORLDWIDE.—Not later than 90
17 days after the date of the enactment of this Act, and every
18 180 days thereafter, the Secretary of State, the Secretary
19 of the Treasury, and the heads of other applicable Federal
20 departments and agencies shall provide to the appropriate
21 congressional committees a briefing on the disposition of
22 Hizballah’s assets and activities related to fundraising, fi-
23 nancing, and money laundering worldwide.

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, the
5 Committee on Financial Services, and the Perma-
6 nent Select Committee on Intelligence of the House
7 of Representatives; and

8 (2) the Committee on Foreign Relations, the
9 Committee on Banking, Housing, and Urban Af-
10 fairs, and the Select Committee on Intelligence of
11 the Senate.

12 **TITLE III—MISCELLANEOUS** 13 **PROVISIONS**

14 **SEC. 301. RULE OF CONSTRUCTION.**

15 Nothing in this Act or any amendment made by this
16 Act shall apply to the authorized intelligence activities of
17 the United States.

18 **SEC. 302. REGULATORY AUTHORITY.**

19 (a) IN GENERAL.—The President shall, not later
20 than 90 days after the date of the enactment of this Act,
21 promulgate regulations as necessary for the implementa-
22 tion of this Act and the amendments made by this Act.

23 (b) NOTIFICATION TO CONGRESS.—Not less than 10
24 days before the promulgation of regulations under sub-
25 section (a), the President shall notify the appropriate con-

1 gressional committees of the proposed regulations and the
2 provisions of this Act and the amendments made by this
3 Act that the regulations are implementing.

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

7 (1) the Committee on Foreign Affairs and the
8 Committee on Financial Services of the House of
9 Representatives; and

10 (2) the Committee on Foreign Relations and
11 the Committee on Banking, Housing, and Urban Af-
12 fairs of the Senate.

13 **SEC. 303. TERMINATION.**

14 This Act shall terminate on the date that is 30 days
15 after the date on which the President certifies to Congress
16 that Hizballah—

17 (1) is no longer designated as a foreign ter-
18 rorist organization pursuant to section 219 of the
19 Immigration and Nationality Act (8 U.S.C. 1189);
20 and

21 (2) is no longer listed in the Annex to Executive
22 Order 13224 (50 U.S.C. 1701 note; relating to
23 blocking property and prohibiting transactions with

- 1 persons who commit, threaten to commit, or support
- 2 terrorism).

