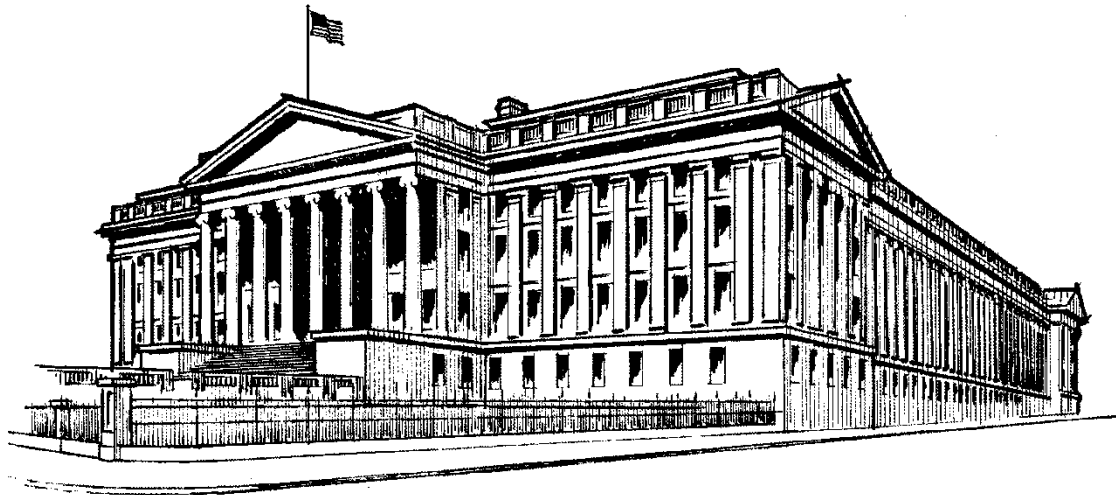


# **TERRORIST ASSETS REPORT**

## **Calendar Year 2019 Twenty-eighth Annual Report to the Congress on Assets in the United States Relating to Terrorist Countries and Organizations Engaged in International Terrorism**



**Office of Foreign Assets Control  
U.S. Department of the Treasury**



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**Calendar Year 2019**

**Twenty-eighth Annual Report to the Congress on  
Assets in the United States Relating to Terrorist Countries and  
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**OFFICE OF FOREIGN ASSETS CONTROL  
U.S. DEPARTMENT OF THE TREASURY**

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## References

This report cites a number of sanctions-related authorities including executive orders. All of the legal materials cited in this report may be found in the legal section of OFAC's website at the following URL:

<https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library>

## **BACKGROUND**

### **A. Economic Sanctions and Terrorism**

The U.S. government uses targeted economic sanctions as an impactful tool against international terrorists and terrorist organizations. Following the events of September 11, 2001, the President issued Executive Order 13224 (E.O. 13224), significantly expanding the scope of then-existing U.S. sanctions against terrorists, terrorist organizations, and their supporters. The combination of sanctions programs targeting international terrorists and terrorist organizations with those targeting terrorism-supporting governments constitutes a wide-ranging assault on international terrorism and its supporters and financiers.

The Department of the Treasury's Office of Foreign Assets Control (OFAC) is the lead U.S. Government agency responsible for implementing sanctions against the assets of international terrorist organizations and terrorism-supporting countries. OFAC implements these sanctions as part of its general mission to administer and enforce economic and trade sanctions based on U.S. foreign policy and national security goals. In administering U.S. economic sanctions programs, OFAC focuses on developing sanctions regimes; identifying persons (individuals and entities) for designation; assisting parties in complying with the sanctions prohibitions through its compliance, licensing, and regulatory efforts; enforcing sanctions by assessing civil monetary penalties against sanctions violators; cooperating with other U.S. government agencies, including law enforcement, on sanctions-related matters and strategies; and coordinating with other nations to develop and implement multilateral sanctions programs.

Currently, OFAC administers sanctions programs targeting, among others, international terrorists and terrorist organizations and their supporters, as well as those relating to countries that have been designated as state sponsors of terrorism. The impact of these sanctions programs extends beyond the blocked assets described in this report. Sanctions also expose and isolate terrorists and their organizations, help protect the international financial system from abuse, and can assist or complement the law enforcement actions of other U.S. agencies and other governments.

### **B. Nature of Blocked Assets**

The assets described below represent funds frozen under U.S. sanctions programs that block all property and interests in property in the United States or in the possession or control of a U.S. person of blocked parties. The term "interest" is broadly defined in OFAC's sanctions regulations in Chapter V of Title 31 of the Code of Federal Regulations. An interest in property may be direct or indirect and includes property interests short of full ownership. In many instances, the interest may be partial or contingent.

Because the blocked assets discussed in this report include assets not actually

owned by designated or blocked parties, they are described throughout as assets “relating to” a designated party. Many of the assets may be owned or subject to claims by third parties.

OFAC regulations generally prohibit any form of judicial disposition of blocked property, unless specifically authorized by OFAC. However, the Terrorism Risk Insurance Act of 2002 (the TRIA) includes a provision making certain blocked assets of terrorist parties available to satisfy certain judgments against terrorist parties. A similar law, 22 U.S.C. § 8772, made most of the assets reported in the 2015 Terrorist Assets Report (TAR) as blocked in relation to the Government of Iran available for certain terrorism victims.

Some, but not all, of OFAC’s sanctions prohibitions relating to terrorism entail the blocking, i.e., freezing, of assets. The implementation of sanctions programs targeting international terrorist organizations has resulted in the blocking in the United States of approximately \$63 million in which there exists an interest of an international terrorist organization or other related designated party.<sup>1</sup>

Approximately \$200.19 million in assets relating to the three designated state sponsors of terrorism (Iran, Syria, North Korea) in 2019 have been identified by OFAC as blocked pursuant to economic sanctions imposed by the United States. See Exhibit A and Table 1, below.

### **C. Nature of OFAC Information Sources**

The sources of information that OFAC uses in this report vary depending on the nature of the sanctions target. With respect to terrorists and terrorist organizations and state sponsors of terrorism, OFAC relies primarily on information that U.S. persons are obligated to report to OFAC related to blocked property.

### **D. This Report**

Section 304 of Public Law 102-138, as amended by Public Law 103-236 (22 U.S.C. § 2656g) (hereinafter referred to as “Section 304”) (Tab 1), requires the Secretary of the Treasury, in consultation with the Attorney General and appropriate investigative agencies, to provide an annual report to the Congress concerning the nature and extent of assets held in the United States by terrorism-supporting countries and organizations engaged in international terrorism. The Department of the Treasury submitted its first TAR to the Congress in April 1993. The current report, covering calendar year 2019, is the 28th successive TAR.

The TAR, which is prepared by OFAC based on information from the Department of the Treasury and other government agencies and non-government parties, is submitted to the Committee on Foreign Relations and the Committee on Finance in the

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<sup>1</sup> This figure may not include certain amounts reported to OFAC as blocked where OFAC is reviewing the appropriateness of the blocking.



Senate, and to the Committee on Foreign Affairs and the Committee on Ways and Means in the House of Representatives.

The agencies polled in developing this report are listed in Tab 2.

Both funds and real and tangible property are included in this report.<sup>2</sup> Funds are reported in the following exhibit and table:

- Exhibit A contains figures for blocked funds in the United States relating to international terrorist organizations.
- Table 1 contains figures for blocked funds in the United States relating to state sponsors of terrorism.

Descriptions of real and tangible property are reported in Part I, Section E for international terrorist organizations and Part II, Section C for state sponsors of terrorism.

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<sup>2</sup> For purposes of this report, the term “funds” means financial holdings (e.g., cash accounts, securities, and debt obligations).

## **PART I ASSETS RELATING TO INTERNATIONAL TERRORIST ORGANIZATIONS**

Section 304 requires that the Department of the Treasury report on assets with respect to “organization[s] engaged in international terrorism.” For purposes of this report, “organizations engaged in international terrorism” include only those organizations targeted for sanctions under one or more of the three OFAC-administered sanctions programs relating to terrorist organizations as discussed below.

### **A. Programs**

#### **1. Executive Order 13224 - Specially Designated Global Terrorists (SDGTs)**

On September 23, 2001, the President declared a national emergency, pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701–1706 (IEEPA), and other authorities, in Executive Order 13224 (E.O. 13224), “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism.”<sup>3</sup> E.O. 13224 was issued in response to the grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist acts committed on September 11, 2001, in New York and Pennsylvania and against the Pentagon, and the continuing and immediate threat of future attacks on U.S. nationals and the United States. The terrorist acts of September 11, 2001 were also recognized and condemned in United Nations Security Council Resolutions (UNSCR) 1368 (September 12, 2001), 1373 (September 28, 2001), and 1390 (January 16, 2002). See also UNSCR 1267 (October 15, 1999) (creating the framework for the “Consolidated List” of individuals and entities associated with al-Qa’ida, Usama bin Laden, and the Taliban); UNSCRs 1988 and 1989 (June 17, 2011) (separating the Consolidated List into separate lists targeting individuals and entities associated with the Taliban and al-Qa’ida, respectively); UNSCRs 2255 (December 21, 2015) and 2253 (December 17, 2015) (updates to the sanctions regimes targeting the Taliban, the Islamic State of Iraq and the Levant, and al-Qa’ida), and UNSCR 2368 (the most recent update to the sanctions regimes targeting the Islamic State of Iraq and the Levant and al-Qa’ida). E.O. 13224 imposes economic sanctions on persons who have been determined to have committed or pose a significant risk of committing acts of terrorism, as well as on persons determined to be owned or controlled by such persons or to provide support to such persons or acts of terrorism. It prohibits transactions or dealings in property or interests in property of any person designated under its authority, including the donation of funds, goods, or services (or receipt of donations of funds, goods, or services), and it blocks all property in the United States or within the possession or control of a U.S. person in which there is an interest of any designated person.<sup>4</sup>

In the Annex to E.O. 13224, the President listed 12 individuals and 15 entities

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<sup>3</sup> See OFAC legal document index at <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library>

<sup>4</sup> Executive Order 13372 amends E.O. 13224 to clarify that the Order prohibits donations to or receipt of donations from persons determined to be subject to E.O. 13224.

whose property and interests in property were blocked pursuant to the order. The Taliban and its leader were added to the Annex pursuant to Executive Order 13268 (E.O. 13268).<sup>5</sup> Subsequently, additional individuals and entities have been identified or designated by the Department of State and the Department of the Treasury. As of December 31, 2019, approximately 1,626 individuals and entities had been designated and remained listed as “Specially Designated Global Terrorists” or “SDGTs” for having met one or more of the criteria for designation set forth in E.O. 13224 and are therefore blocked.<sup>6</sup>

## **2. Executive Orders 12947, 13099, and 13886 - Specially Designated Terrorists (SDTs)**

On January 23, 1995, the President declared a national emergency pursuant to IEEPA and other authorities in Executive Order 12947 (E.O. 12947), “Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process.”<sup>7</sup> E.O. 12947 targets terrorists threatening the Middle East peace process (termed “Specially Designated Terrorists,” or “SDTs”) and prohibits dealings in property or interests in property of any organization or individual designated under its authority, including the donation of funds, goods, or services, and it blocks all property in the United States or within the possession or control of a U.S. person in which there is an interest of any designated person. Twelve terrorist organizations were named in the Annex to E.O. 12947.

On August 20, 1998, the President issued Executive Order 13099 (E.O. 13099) amending E.O. 12947 by adding three individuals and one organization to the Annex of E.O. 12947, including Usama bin Ladin and al-Qa’ida.<sup>8</sup>

On September 10, 2019, the President issued Executive Order 13886 (E.O. 13886), “Modernizing Sanctions to Combat Terrorism.” E.O. 13886 amended E.O. 13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism,” and terminated the national emergency declared in E.O. 12947, which resulted in the conversion of 33 Specially Designated Terrorists (SDTs) to Specially Designated Global Terrorists (SDGTs).<sup>9</sup>

## **3. Antiterrorism Act of 1996 – Foreign Terrorist Organizations (FTOs)**

On April 24, 1996, the President signed into law the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1247-58, which authorizes the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney

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<sup>5</sup> See OFAC legal document index at <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library>

<sup>6</sup> The 1,626 SDGTs designated pursuant to E.O. 13224 include 69 Foreign Terrorist Organizations (FTOs) designated by the Secretary of State pursuant to the Antiterrorism and Effective Death Penalty Act of 1996.

<sup>7</sup> See OFAC legal document index at <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library>

<sup>8</sup> See OFAC legal document index at <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library>

<sup>9</sup> See OFAC’s September 10, 2019, *Recent Action, Executive Order Amending Counter Terrorism Sanctions Authorities* at <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20190910>

General, to designate organizations meeting stated criteria as FTOs, with prior notification to the Congress of the Secretary's intent to designate. Section 303 of the Act (18 U.S.C. § 2339B) makes it a crime for persons within the United States or subject to U.S. jurisdiction to knowingly provide material support or resources to an FTO designated under Section 302. Additionally, except as authorized by the Department of the Treasury, U.S. financial institutions in possession or control of funds in which an FTO or its agent has an interest are required to block such funds and report on them to the Department of the Treasury.

As of December 31, 2019, 69 organizations or groups had been designated as FTOs by the Department of State and are also designated pursuant to E.O. 13224.<sup>10</sup>

## **B. Administering and Enforcing Terrorism Sanctions**

Terrorists, terrorist groups, and terrorist supporters that are designated pursuant to E.O. 13224, or as an FTO, are placed on OFAC's public list which is referred to as the "Specially Designated Nationals and Blocked Persons List" or "SDN List." In the context of the terrorism programs, they also may be referred to as SDGTs or FTOs, depending on the individual or entity in question.

U.S. persons<sup>11</sup> are prohibited from conducting unauthorized transactions or having other dealings with or providing services to the designated individuals or entities. Foreign persons may be held liable for effecting such transactions from or through the United States. Any property or interest in property of a designated person that is or comes within the possession or control of the United States or a U.S. person is blocked and must be reported to OFAC.

## **C. Impact of Terrorism Sanctions**

The imposition of sanctions by the United States and its international partners against terrorists, terrorist organizations, and their support structures is a powerful tool. Its effects reach far beyond the blocking of assets. Designating individuals or organizations as SDGTs or FTOs notifies the U.S. public and the world that these parties are either actively engaged in or supporting terrorism or that they are being used by terrorists and their organizations. Public notification exposes and isolates these individuals and organizations, deters would-be supporters, and forces these groups to expend time and resources to find new sources of revenue and channels for moving these funds. These sanctions are also magnified by the central role of the U.S. dollar in the international financial system, as terrorist-related funds transfers that neither originate from nor are destined for the United States can nevertheless pass through or otherwise touch a U.S. financial institution, which reacts by blocking the transaction. Beyond the U.S. financial system, these designations help protect the international financial system from terrorist abuse, as banks and other private institutions around the

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<sup>10</sup> See the U.S. Department of State's Designated Foreign Terrorist Organizations: <https://www.state.gov/j/ct/rls/other/des/123085.htm>

<sup>11</sup> U.S. persons include: all U.S. citizens, U.S. permanent resident aliens, and foreign nationals present in the United States; U.S. citizens and U.S. permanent resident aliens abroad; corporations organized under U.S. law and foreign companies' branches/subsidiaries located in the United States; and foreign branches of U.S. companies.

world frequently consult OFAC's SDN List and report denying listed persons access to their institutions to minimize their own risk, and U.S. terrorism designations will often be implemented multilaterally by foreign partners or listed at the UN.

In addition, the imposition of economic sanctions can assist or complement the law enforcement actions of other U.S. agencies or other governments. For example, U.S. and foreign prosecutors can pursue criminal charges against individuals or entities that willfully provide financial or other material support to designated terrorists and terrorist organizations. A further indicator of the impact of these sanctions is how designation targets react. The United States has seen high-ranking officials within terrorist organizations subject to U.S. sanctions programs struggling to manage the effects of U.S. measures and worrying about additional actions that may be taken against them.

#### **D. Summary of Blocked Assets Relating to International Terrorist Organizations**

As of December 31, 2019, assets blocked pursuant to E.O.s 12947 and 13224 and 18 U.S.C. § 2339B(a)(2), other than assets blocked due to an interest of a state-owned entity belonging to a state sponsor of terrorism, totaled approximately \$63 million. These assets are reported in Exhibit A.<sup>12</sup>

The value, location, and composition of reported blocked assets may change over time based on OFAC's receipt of reports from holders of blocked assets identifying additional assets relating to terrorist entities; updates of information received from holders of blocked accounts on accrued interest and fluctuating market values; and licensing of various transactions in accordance with United States foreign policy and national security objectives and applicable law, such as when OFAC identifies that funds were blocked by U.S. financial institutions as a result of false positive name matches to entries on OFAC's SDN List. The primary reasons for major changes in recent years generally involve increases in the amount of blocked assets based upon new listings of or transactions associated with terrorist-related entities or decreases in assets when victims of terrorism obtain blocked assets pursuant to TRIA or similar statutes.<sup>13</sup> In some cases, blocked funds reported in Exhibit A involve funds that were sent to third-party organizations that transact with one of the organizations listed in Exhibit A but that do not appear to support those organizations' policy or strategic objectives.

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<sup>12</sup> Funds blocked pursuant to E.O. 13224 due to an interest of a state-owned entity belonging to a state sponsor of terrorism are included in Table 1.

<sup>13</sup> Section 201(a) of the TRIA, as amended, provides:

(a) IN GENERAL-Notwithstanding any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism, or for which a terrorist party is not immune under section 1605A or 1605(a)(7) (as such section was in effect on January 27, 2008) of Title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

## E. Real and Tangible Property Relating to International Terrorist Organizations

The U.S. Government has identified and designated organizations inside the United States that are branches of, or have been determined to provide support to or be owned or controlled by, designated terrorist groups or individuals. For example, the Benevolence International Foundation owns real estate in the greater Chicago area. OFAC neither maintains nor conducts valuations or appraisals of real property, and the specific current value of such blocked real estate is not known. In some cases, tax assessments for real property are available from a local tax office, but these assessments may not reflect true market value.

Increases in the amount of blocked funds related to certain terrorist organizations in Exhibit A from the previous reporting period are primarily due to new designations as well as new blocked transactions reported to OFAC. Decreases in the amount of blocked funds related to certain terrorist organizations in Exhibit A from the previous reporting period are primarily due to OFAC authorization to release blocked funds after it determined the sanctions target identified in the relevant blocking reports were false positives or the sanctions target was delisted from OFAC's SDN List.

### Exhibit A

#### Blocked Funds in the United States Relating to the SDGT and FTO Programs

Organization/Related Designees	Blocked as of 2019	Blocked as of 2018
Abdullah Azzam Brigades	\$3,218	\$123
al-Ashtar Brigades (AAB)	\$22,858	\$10,532
al-Nusrah Front	\$4,793	\$102,213
al-Qa'ida (AQ)	\$3,957,983	\$6,416,827
Al-Qa'ida in the Arabian Peninsula (AQAP)	\$52,168	N/A
al-Shabaab	\$30,151	\$9,232
Ansar al-Islam (AAI)	\$4,667	\$667
Ansar al-Shari'a in Tunisia	\$30	N/A
Armed Islamic Group (GIA)	\$79,117	\$33,979
Aum Shinrikyo (AUM)	\$18,828	\$18,828
Basque Fatherland and Liberty (ETA)	\$326	\$308
Boko Haram	\$16,661	\$11,514
Caucasus Emirate (Imarat Kavkaz, IK)	\$99	N/A
Continuity Irish Republican Army (CIRA)	\$38	N/A
Eastern Turkistan Islamic Movement (ETIM)	\$3,857	N/A
Egyptian Islamic Jihad	\$12,771	\$7,588
HAMAS	\$927,915	\$1,364,983
Haqqani Network (HQN)	\$26,546	\$3,626

<b>Organization/Related Designees</b>	<b>Blocked as of 2019</b>	<b>Blocked as of 2018</b>
Harakat ul-Mujahidin (HUM)	\$45,798	\$11,988
Harakat-UI Jihad Islami (HUJI)	\$41,000	\$41,000
Hezb-e-Islami Gulbuddin	\$1,445	\$1,207
Hizballah	\$22,826,728	\$11,601,671
Hizbul Mujahideen (HM)	\$4,321	\$2,287
Islamic Army of Aden	\$111	\$95
Islamic Jihad Union (IJU)	\$6,000	N/A
Islamic Movement of Uzbekistan (IMU)	\$8,644	\$9,708
Islamic Revolutionary Guard Corps (IRGC)	\$1,121,760	\$14,989,761
Islamic State of Iraq and the Levant - Yemen	\$29	N/A
Islamic State of Iraq and the Levant (ISIL)	\$399,253	\$657,689
Jaish-e-Mohammed (JEM)	\$1,725	\$1,725
Jama'at ul Dawa al-Qu'ran (JDQ)	\$4,439	N/A
Jemaah Islamiyah (JI)	\$18,960	\$62,987
Kata'ib Hizballah (KH)	\$129	N/A
Kurdistan Workers Party (PKK, aka Kongra-Gel)	\$17,314	\$17,314
Lashkar i Jhangvi (LJ)	\$26,432	\$10,962
Lashkar-e Tayyiba (LeT)	\$342,676	\$397,774
Liberation Tigers of Tamil Eelam (LTTE)	\$580,811	\$580,811
Libyan Islamic Fighting Group (LIFG)	\$12,660	\$3,148
Movement for Unity and Jihad in West Africa (MUJWA, aka MUJAO)	\$3,642	\$1,255
Muhammad Jamal Network (MJN)	\$13,487	\$21,384
Mujahidin Indonesian Timur (MIT)	\$247	\$7,437
National Liberation Army (ELN)	\$1,478	\$1,478
New People's Army/Communist Party of the Philippines (NPA/CCP)	\$16,320	\$3,750
Palestinian Islamic Jihad (PIJ)	\$23,481	\$59,739
Popular Front for the Liberation of Palestine (PFLP)	\$40,000	N/A
Rajah Solaiman Movement (RSM)	\$11,379	\$14,732
Real Irish Republican Army (RIRA)	\$12	N/A
Revolutionary Armed Forces of Colombia (FARC)	\$170,956	\$193,131
Salafist Group for Call and Combat (GSPC)	\$6,802	N/A
Saudi Hezbollah	\$8,072	N/A
Taliban	\$59,065	\$206,805

<b>Organization/Related Designees</b>	<b>Blocked as of 2019</b>	<b>Blocked as of 2018</b>
Tehrik-e Taliban Pakistan (TTP)	\$5,067	\$318
United Self-Defense Forces of Colombia (AUC)	\$43,202	\$42,266
Other <sup>14</sup>	\$32,082,821	\$9,255,811
<b>Total blocked funds relating to SDGTs and FTOs<sup>15</sup></b>		
	<b>\$63,108,291</b>	<b>\$46,181,775</b>
Exhibit Source: Office of Foreign Assets Control		

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<sup>14</sup> This category contains terrorism-related blockings where the nexus to a particular terrorist organization cannot be established or disclosed.

<sup>15</sup> Funds with an apparent nexus to Yarmouk Martyrs Brigade that were reported as blocked in the 2018 TAR were released from blocked status before December 31, 2019, and therefore excluded from the 2019 TAR.



## **PART II ASSETS RELATING TO STATE SPONSORS OF TERRORISM**

### **A. State Sponsors of Terrorism**

“Terrorist countries” for purposes of this report are the state sponsors of terrorism designated by the Secretary of State under Section 6(j) of the Export Administration Act (50 U.S.C. App. § 2405), Section 40(d) of the Arms Export Control Act (22 U.S.C. § 2780(d)), and Section 620A of the Foreign Assistance Act (22 U.S.C. § 2371). States currently designated as sponsors of terrorism are: Iran, Sudan, Syria, and North Korea.<sup>16</sup>

### **B. Reported Blocked Assets Relating to State Sponsors of Terrorism**

The following information describes the nature and extent of assets held in the United States that are blocked because they relate to countries designated as state sponsors of terrorism. These assets include approximately \$210.17 million in funds, as reported in Table 1, as well as real and tangible property described in Section C, below.

As noted in Part I.D above, the value, location, and composition of reported blocked assets may change over time for a variety of factors. The primary reasons for major changes in recent years generally involve increases in the amount of blocked assets based upon new listings of or transactions associated with terrorist-related entities, decreases in assets when victims of terrorism obtain blocked assets pursuant to the TRIA or similar statutes, or decreases due to licensing activity.

#### **IRAN**

On January 19, 1984, the State Department designated Iran as a State Sponsor of Terrorism.

The fund totals relating to Iran, as set forth in Table 1, are derived from reports on blocked property submitted to OFAC pursuant to 31 C.F.R. § 501.603 of the Reporting, Procedures and Penalties Regulations. Executive Order 13599 of February 5, 2012 blocks all property and interests in property of the Government of Iran and Iranian financial institutions, and Executive Order 13876 of June 24, 2019 blocks all property and interests in property of the Supreme Leader of the Islamic Republic of Iran and the Iranian Supreme Leader’s Office. Assets blocked under Executive Orders 13224 and 13382 that contain an interest of the Government of Iran are also blocked under Executive Order 13599.<sup>17</sup> These assets are reported in Table 1.<sup>18</sup> These

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<sup>16</sup> See the U.S. Department of State’s State Sponsors of Terrorism: <https://www.state.gov/j/ct/list/c14151.htm>

<sup>17</sup> Property blocked under Executive Order 13599 may also be blocked under other authorities.

<sup>18</sup> On May 8, 2018, the President decided to cease the United States’ participation in the Joint Comprehensive Plan of Action (JCPOA) and to reimpose all of the U.S. sanctions lifted or waived in connection with the JCPOA. To implement this decision, the President issued E.O. 13846 on August 6, 2018 to reimpose relevant provisions of several executive orders that had been revoked by E.O. 13716 and to revoke E.O. 13716. Certain blocking sanctions are being reimposed pursuant to E.O. 13846 and various statutory authorities following the relevant wind-down periods, depending on the activity involved. Any assets blocked as a result of the reimposition of these sanctions are not within the temporal scope of this report.

blocked assets include, as noted on page 2, assets that may be owned by third parties, but which contain an Iranian interest of some kind.

The blocked Iranian property includes property of the Government of Iran that was blocked as a result of the 1979 hostage crisis and that has remained blocked since that crisis was resolved in 1981 under OFAC's Iranian Assets Control Regulations, 31 C.F.R. Part 535. The property remains blocked in part because of pending claims before the Iran-U.S. Claims Tribunal, under which proceedings continue in The Hague. Blocked funds in which the Government of Iran has an interest are reported in Table 1. The blocked Iranian diplomatic and consular real and tangible property is described in Section C below. The blocked funds reported in Table 1 include rental proceeds derived from the diplomatic and consular property; the security deposits of the tenants are included in the reported figure. The State Department's Office of Foreign Missions, the custodian of the diplomatic and consular real property, is authorized to use the rental proceeds to maintain the blocked properties in keeping with the treaty obligations of the United States, and certain funds may have been earmarked for these purposes. In addition to the diplomatic and consular real property and rental proceeds, there are six Government of Iran consular accounts that have been blocked since 1981.

## **SUDAN**

On August 12, 1993, the State Department designated Sudan as a State Sponsor of Terrorism.

Effective January 17, 2017, OFAC amended the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (SSR), to add a general license authorizing all transactions previously prohibited by the SSR and by Executive Orders 13067 and 13412, including transactions that involve property in which the Government of Sudan has an interest. As a result, there are no blocked assets reported in relation to Sudan. Effective October 12, 2017, certain sanctions with respect to Sudan and the Government of Sudan — namely sections 1 and 2 of Executive Order (13067 of November 3, 1997 and all of Executive Order 13412 of October 13, 2006 — were revoked, pursuant to Executive Order 13761 of January 13, 2017, as amended by Executive Order 13804 of July 11, 2017, and as a result, OFAC has removed the SSR from the Code of Federal Regulations.

## **SYRIA**

On December 29, 1979, the State Department designated Syria as a State Sponsor of Terrorism.

The majority of blocked property in which the Government of Syria has an interest is blocked pursuant to Executive Order 13582 of August 17, 2011. This includes assets that are also blocked pursuant to Executive Order 13573 of May 18, 2011, Executive Order 13382 of June 28, 2005, or Executive Order 13338 of May 11, 2004. These assets are reported in Table 1 and, as noted on page 2, may include assets owned by third parties. Although Executive Order 13399 of April 25, 2006 blocks

the property and interests in property of individuals and entities designated by the Secretary of the Treasury, in consultation with the Secretary of State, no assets relating to the individuals and entities presently targeted by such sanctions have been reported to OFAC as blocked. While assets have been blocked pursuant to Executive Order 13460 of February 13, 2008 and Executive Order 13572 of April 29, 2011, it does not appear that the Government of Syria has an interest in these assets, and they are not reported here.

## **NORTH KOREA**

On November 20, 2017, the State Department designated North Korea as a State Sponsor of Terrorism.

Because the North Korea sanctions have targeted not only the Government of North Korea, but also individuals and entities acting on its behalf or engaging in other North Korea-related activity, the reported figure may include the blocked assets of all these parties. The majority of blocked property in which the Government of North Korea has an interest is blocked pursuant to Executive Order 13551 of September 1, 2010, Executive Order 13687 of January 6, 2015, Executive Order 13722 of March 18, 2016, Executive Order 13810 of September 20, 2017, and Executive Order 13382 of June 28, 2005. The fund totals include funds owned by third parties that have been blocked due to indirect interests of the North Korean government or other blocked person. These assets are included in Table 1.

### **C. Real and Tangible Property of State Sponsors of Terrorism**

Based on available information, some of the current state sponsors of terrorism own diplomatic and consular real property in the United States. Syria owns four blocked properties in New York and Washington, D.C. Iran owns 11 blocked properties in California, Illinois, Maryland, New York, Texas, and Washington, D.C.

Bank Melli also had an interest in a building in New York, New York, through its control of Assa Corp. and Assa Co. Limited. Assa Corp. and Assa Co. Ltd. were designated pursuant to Executive Order 13382 in 2008, and their interests in property are blocked. The remainder of the interest in the building is held indirectly by an entity, the Alavi Foundation, which was held in legal proceedings in the Southern District of New York to be part of the Government of Iran. In June 2017, a jury reached a verdict in a trial relating to that building, which would have allowed the Department of Justice to seize the building in the largest terrorism-related asset forfeiture in U.S. history. The verdict was appealed to the U.S. Court of Appeals for the Second Circuit, vacated in part, and remanded to U.S. District Court, where it is still in active litigation.

OFAC does not conduct valuations of tangible property or appraisals of real property. In some cases, tax assessments for real property are available from a local tax office, but these assessments may not reflect a true market value.

In regard to tangible property, Iran has laid claim before the Iran-U.S. Claims Tribunal to miscellaneous blocked and non-blocked military and non-military property that it asserts was in the possession of private entities in the United States when the hostage crisis was resolved in 1981. In response, the United States has asserted, among other arguments, that Iran has failed to identify the property, establish that the property was in existence in 1981, prove that it owned the property, or demonstrate that, due to physical deterioration, obsolescence, or other reasons, the property had anything more than a nominal or negligible value. These issues are pending before the Tribunal.

**Table 1**

<b>Blocked Funds<sup>19</sup> in the United States Relating to State Sponsors of Terrorism</b>		
<b>(Amounts in millions of U.S. dollars)</b>		
<b>Country</b>	<b>2019</b>	<b>2018</b>
<b>Iran</b>	\$119.54	\$107.41
<b>Syria</b>	\$36.17	\$35.07
<b>North Korea</b>	\$44.48	\$74.36
<b>Total</b>	<b>\$200.19</b>	<b>\$216.83</b>
Table Source: Office of Foreign Assets Control		

<sup>19</sup> The value of real and tangible property is excluded from the amounts reported in Table 1 and is discussed separately in Part II, Section C.

## TITLE 22--FOREIGN RELATIONS AND INTERCOURSE

### CHAPTER 38-- DEPARTMENT OF STATE

#### Sec. 2656g. Report on terrorist assets in United States

##### (a) Reports to Congress

Beginning 90 days after October 28, 1991, and every 365 days thereafter, the Secretary of the Treasury, in consultation with the Attorney General and appropriate investigative agencies, shall submit to the Committee on Foreign Relations and the Committee on Finance of the Senate and the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives a report describing the nature and extent of assets held in the United States by terrorist countries and any organization engaged in international terrorism. Each such report shall provide a detailed list and description of specific assets.

##### (b) Definitions

For purposes of this section--

- (1) the term "terrorist countries", refers to countries designated by the Secretary of State under section 2780(d) of this title; and
- (2) the term "international terrorism" has the meaning given such term in section 2656f(d) of this title.

(Pub. L. 102-138, title III, Sec. 304, Oct. 28, 1991, 105 Stat. 710; Pub. L. 103-236, title I, Sec. 133(b)(2), Apr. 30, 1994, 108 Stat. 396.)

#### Amendments

1994--Subsec. (a). Pub. L. 103-236 substituted "Secretary of the Treasury, in consultation with the Attorney General and appropriate investigative agencies," for "Secretary of the Treasury" and inserted at end "Each such report shall provide a detailed list and description of specific assets."

#### Change of Name

Committee on Foreign Affairs of House of Representatives treated as referring to Committee on International Relations of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress.

# TAB 2

## FEDERAL AGENCIES POLLED FOR INFORMATION

Board of Governors, Federal Reserve System
Federal Reserve Bank of New York
Department of the Treasury <ul style="list-style-type: none"><li>• Office of Terrorist Financing and Financial Crimes</li><li>• Financial Crimes Enforcement Network</li><li>• Office of Foreign Assets Control</li><li>• Internal Revenue Service</li><li>• Office of International Affairs</li><li>• Office of Intelligence and Analysis</li><li>• Office of Investment Security</li></ul>
Department of State <ul style="list-style-type: none"><li>• Office of Foreign Missions</li><li>• Bureau of Counterterrorism</li></ul>
Department of Homeland Security <ul style="list-style-type: none"><li>• Immigration and Customs Enforcement</li><li>• U.S. Customs and Border Protection</li><li>• U.S. Secret Service</li></ul>
Department of Justice <ul style="list-style-type: none"><li>• National Security Division</li><li>• Federal Bureau of Investigation, Counter Terrorism Division</li><li>• Drug Enforcement Administration</li></ul>