

115TH CONGRESS
2D SESSION

H. R. 6783

To require the Secretary of the Treasury to confiscate interest paid on certain frozen bank accounts, to require the Secretary to confiscate certain frozen assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 2018

Mr. DONOVAN (for himself, Mr. BUDD, and Mr. McCAUL) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Homeland Security, 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

A BILL

To require the Secretary of the Treasury to confiscate interest paid on certain frozen bank accounts, to require the Secretary to confiscate certain frozen assets, 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 “Terrorist Asset Seizure
5 Reform Act of 2018”.

1 **SEC. 2. CONFISCATION OF ASSETS.**

2 (a) CONFISCATION OF INTEREST.—

3 (1) INITIAL CONFISCATION.—As soon as prac-
4 ticable after the date of the enactment of this Act,
5 but in no case later than 18 months after the date
6 of the enactment of this Act, the Secretary shall re-
7 quire each financial institution to transfer to the
8 Secretary all amounts of interest paid by such finan-
9 cial institution on frozen bank accounts.

10 (2) ONGOING CONFISCATION.—One year after
11 the initial confiscation under paragraph (1), and an-
12 nually thereafter, the Secretary shall require each fi-
13 nancial institution to transfer to the Secretary all
14 amounts of interest paid by such financial institu-
15 tion on frozen bank accounts in the previous year.

16 (3) INTEREST DEPOSITED INTO CONFISCATED
17 ASSETS FUND.—The Secretary shall deposit all
18 amounts received under this subsection into the Con-
19 fiscated Assets Fund.

20 (4) RULE OF CONSTRUCTION.—Paragraphs (1)
21 and (2) shall only apply to interest paid on an ac-
22 count after the account became a frozen bank ac-
23 count.

24 (b) CONFISCATIONS RELATED TO NON-STATE TER-
25 RORISM.—

1 (1) SPECIAL RULE FOR CONFISCATIONS RE-
2 LATED TO NON-STATE TERRORISM.—

3 (A) IN GENERAL.—With respect to a fro-
4 zen asset of a person described in subparagraph
5 (B)—

6 (i) at the time such asset is frozen or
7 otherwise blocked, or within 6 months of
8 the date of the enactment of this Act with
9 respect to an asset frozen or otherwise
10 blocked before such date of enactment, the
11 Secretary shall—

12 (I) publish public notice that the
13 asset is being frozen or otherwise
14 blocked; and

15 (II) provide the owner of the
16 asset and other interested parties with
17 a 1-year period to challenge such
18 freezing or blocking; and

19 (ii) if such asset remains frozen or
20 otherwise blocked after the 1-year period
21 described under clause (i)(II), the Sec-
22 retary shall require the financial institution
23 holding the frozen asset to transfer such
24 asset to the Secretary.

1 (B) COVERED PERSONS.—A person de-
2 scribed in this subparagraph is a person that
3 is—

4 (i) designated as a foreign terrorist
5 organization under section 219(a) of the
6 Immigration and Nationality Act (8 U.S.C.
7 1189(a));

8 (ii) designated as a Specially Des-
9 ignated Global Terrorist by the Depart-
10 ment of the Treasury under Executive
11 Order 13224 (50 U.S.C. 1701); or

12 (iii) a specially designated terrorist, as
13 that term is defined in section 595.311 of
14 title 31, Code of Federal Regulations (or
15 any successor thereto).

16 (2) ASSETS DEPOSITED INTO CONFISCATED AS-
17 SETS FUND.—The Secretary shall—

18 (A) deposit all money received under this
19 subsection into the Confiscated Assets Fund;
20 and

21 (B) sell any non-monetary assets received
22 under this subsection and deposit the amounts
23 received from such sales into the Confiscated
24 Assets Fund.

1 (c) SAFE HARBOR.—Compliance with this section
2 and any regulation, instruction, or direction issued pursu-
3 ant to this section shall to the extent thereof be a full
4 acquittance and discharge for all purposes of the obliga-
5 tion of the person making the same. No person shall be
6 held liable in any court for or with respect to anything
7 done or omitted in good faith in connection with the ad-
8 ministration of, or pursuant to and in reliance on, this
9 section, or any regulation, instruction, or direction issued
10 pursuant to this section.

11 (d) DEFINITIONS.—For purposes of this section:

12 (1) FINANCIAL INSTITUTION.—The term “fi-
13 nancial institution” has the meaning given that term
14 under section 5312 of title 31, United States Code.

15 (2) FOREIGN PERSON.—The term “foreign per-
16 son” has the meaning given that term under section
17 14 of the Iran Sanctions Act of 1996 (50 U.S.C.
18 1701 note).

19 (3) FROZEN ASSET.—The term “frozen
20 asset”—

21 (A) means an asset of a foreign person or
22 foreign country that has been frozen or other-
23 wise blocked pursuant to sanctions under any
24 provision of United States law, as determined
25 by the Secretary; and

1 (B) does not include—

2 (i) any asset subject to the Vienna
3 Convention on Consular Relations (done at
4 Vienna, April 24, 1963); or

5 (ii) the blocked assets of a terrorist
6 party that are subject to execution and at-
7 tachment pursuant to section 201 of the
8 Terrorism Risk Insurance Act of 2002 (28
9 U.S.C. 1610 note).

10 (4) FROZEN BANK ACCOUNT.—The term “fro-
11 zen bank account” means a deposit account main-
12 tained at a financial institution that consists of fro-
13 zen assets.

14 (5) SECRETARY.—The term “Secretary” means
15 the Secretary of the Treasury.

16 **SEC. 3. CONFISCATED ASSETS FUND.**

17 (a) ESTABLISHMENT.—The Secretary of the Treas-
18 ury shall establish a fund to be known as the “Confiscated
19 Assets Fund”.

20 (b) USE OF FUND.—Amounts in the Confiscated As-
21 sets Fund shall be made available to the Administrator
22 of the Federal Emergency Management Agency to provide
23 grants under the Urban Area Security Initiative under
24 section 2003 of the Homeland Security Act of 2002 (6
25 U.S.C. 604).

1 **SEC. 4. REPORTS TO CONGRESS.**

2 (a) GAO STUDY AND REPORT.—

3 (1) IN GENERAL.—Not later than the end of
4 the 6-month period beginning on the date of the en-
5 actment of this Act, the Comptroller General of the
6 United States shall initiate a study on how the Of-
7 fice of Foreign Assets Control of the Department of
8 the Treasury can better track frozen assets, manage
9 data relating to such frozen assets, and improve re-
10 porting to Congress regarding frozen assets across
11 all sanctions programs administered by the Office of
12 Foreign Assets Control.

13 (2) REPORT.—Upon the completion of the
14 study required under paragraph (1), the Comptroller
15 General shall issue a report to the Congress and the
16 Office of Foreign Assets Control of the Department
17 of the Treasury containing—

18 (A) all findings and determinations made
19 in carrying out the study required under para-
20 graph (1); and

21 (B) such recommendations that the Comp-
22 troller General may determine appropriate.

23 (b) SECRETARY OF THE TREASURY REPORT.—

24 (1) IN GENERAL.—The Secretary of the Treas-
25 ury, in consultation with the Attorney General, the
26 Secretary of State, and the heads of other appro-

1 piate Federal agencies, shall issue an annual report
2 to the Congress containing—

3 (A) comprehensive and detailed data re-
4 garding frozen assets across all sanctions pro-
5 grams administered by the Office of Foreign
6 Assets Control, including, with respect to each
7 sanctions program for the prior calendar year—

8 (i) tables that show changes in frozen
9 assets totals;

10 (ii) the total amount of frozen assets;

11 (iii) the total amount of frozen assets
12 that were unblocked;

13 (iv) how many licenses were issued;

14 (v) how many names were added to
15 each list of sanctioned persons; and

16 (vi) how many names were removed
17 from each list of sanctioned persons; and

18 (B) a detailed justification for each re-
19 moval of a name from a list of sanctioned per-
20 sons under each sanctions program for the
21 prior calendar year.

22 (2) CLASSIFIED ANNEXES.—A report issued
23 under paragraph (1) may contain a classified annex
24 when necessary.

1 (3) CONSIDERATION OF GAO STUDY.—Before
2 issuing a report under paragraph (1), the Secretary
3 of the Treasury shall review any recommendations
4 made by the Comptroller General in the report
5 issued under subsection (a)(2) and include in such
6 report any plans for addressing such recommenda-
7 tions.

8 (c) DEFINITION.—In this section, the term “frozen
9 asset” has the meaning given that term in section 2(d)
10 of this Act.

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