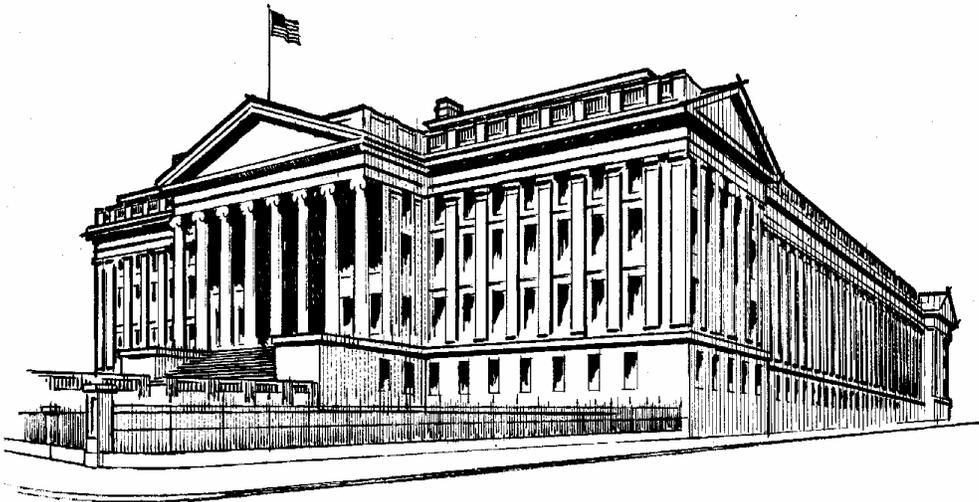


TERRORIST ASSETS REPORT

**Calendar Year 2004
Thirteenth Annual Report to the Congress
on
Assets in the United States
of Terrorist Countries
and International Terrorism Program
Designees**



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

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INTRODUCTION

The U.S. Government has used economic sanctions as a tool against international terrorist organizations since 1995, marking a significant departure from the traditional use of sanctions against countries or regimes posing a threat to U.S. national security. Following the events of September 11, 2001, President Bush issued Executive Order 13224, significantly expanding the scope of U.S. sanctions against international terrorists and terrorist organizations. The combination of innovative programs targeting international terrorist organizations with those targeting terrorism-supporting governments represents a wide-ranging assault on international terrorism and its supporters and financiers.

The lead office for the blocking of assets of international terrorist organizations and terrorism-supporting countries is the Department of the Treasury's Office of Foreign Assets Control (OFAC). Since 1995, OFAC has come to administer three sanctions programs targeting international terrorists and terrorist organizations. OFAC also administers five sanctions programs targeting terrorism-supporting governments and regimes.

Implementation of programs targeting international terrorist organizations has resulted in the blocking in the United States of almost \$10 billion in which there exists an interest of an international terrorist organization or other related designated party.¹ More than \$1.6 billion² in assets of six designated state sponsors of terrorism also are located within U.S. jurisdiction.³ Of that amount, over \$1.5 billion⁴ are blocked pursuant to economic sanctions imposed by the United States. Unless otherwise noted, this report provides data for the calendar year ending December 31, 2004.

¹ This figure does not include amounts under review or investigation.

² This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$424.81 million. (See discussion in Part II.)

³ In addition to "assets held in the United States by terrorist countries," this figure includes (1) obligations of U.S. banks' large foreign branches and subsidiaries to terrorist countries and (2) bank liabilities to, and investments in U.S.-issued securities by, non-governmental entities and individuals located in Syria and Iran.

⁴ This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$307.80 million. (See discussion in Part II.)

BACKGROUND

Section 304 of Public Law 102-138, as amended by Public Law 103-236 (22 U.S.C. § 2656g), 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 Terrorist Assets Report to the Congress in April 1993. The current report, covering calendar year 2004, is the thirteenth successive Terrorist Assets Report.

The Terrorist Assets Report is submitted to the Committee on Foreign Relations and the Committee on Finance in the Senate and to the Committee on International Relations and the Committee on Ways and Means in the House. It was prepared by OFAC, which is responsible for administering and enforcing economic sanctions programs mandated either by the President pursuant to his declaration of a national emergency with respect to particular foreign governments or non-state parties or by specific Act of Congress.

More than 20 Federal agencies and offices were polled in developing the report. They included:

Department of State	Joint Chiefs of Staff
Department of Justice	Federal Bureau of Investigation
Department of Defense	Bureau of Alcohol, Tobacco, and Firearms
Intelligence Community	Board of Governors of the Federal Reserve
Drug Enforcement Administration	National Drug Intelligence Center
Department of Homeland Security	
<i>Immigration and Customs Enforcement</i>	<i>Information Analysis and Infrastructure Protection</i>
<i>U.S. Customs and Border Protection</i>	<i>U.S. Secret Service</i>
Department of the Treasury	
<i>Financial Crimes Enforcement Network</i>	<i>Internal Revenue Service</i>
<i>Office of Foreign Assets Control</i>	<i>Office of General Counsel</i>
<i>Office of International Affairs</i>	<i>Office of International Investment</i>
<i>Terrorist Financing and Financial Crime</i>	

With three exceptions -- the assets of Iran and Libya, which are not subject to a current blocking program, and Syria, which has been the focus of a targeted blocking program since March 2004 but which has not had any assets blocked under that authority as of December 31, 2004 -- the amounts reported below for all organizations and countries represent amounts frozen under U.S. sanctions programs that, in most cases, block all property in which the target (including entities owned or controlled by it and

persons acting for or on its behalf) is believed to have any interest of any nature whatsoever, direct or indirect. In many instances the interest may be partial, or may fall short of title to the property. Determinations concerning these interests are made based on all relevant information before OFAC. Many of the assets are also the subjects of other claims, sometimes by multiple parties.

OFAC regulations generally prohibit any form of judicial attachment of or lien on blocked property. However, the Terrorism Risk Insurance Act of 2002 (the TRIA), Public Law No. 107-297, includes a provision making blocked assets of a terrorist party available to satisfy judgments based on acts of terrorism or claims for which sovereign immunity of foreign states is waived by 28 U.S.C. 1605 (a)(7) (certain claims for personal injury or death).⁵

PART I -- ASSETS OF INTERNATIONAL TERRORIST ORGANIZATIONS

For purposes of this report, the Department of the Treasury has relied on three counterterrorism programs administered by OFAC to establish a baseline for determining which groups may fall within the phrase "organization engaged in international terrorism."

Executive Order 13224 (SDGTs)

On September 23, 2001, President Bush 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 (EO 13224), "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (Tab 1). EO 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, 1373 and 1390 of September 12, 2001, September 28, 2001 and January 28, 2002, respectively. EO 13224 imposes economic sanctions on persons who commit, threaten to commit, or

⁵ Section 201(a) of the TRIA provides that,

(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 1605 (a)(7) 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.

support certain acts of terrorism. It prohibits transfers, including donations of funds, goods, or services, to any person, i.e., an individual or entity, designated under its authority, 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.

President Bush identified, in the Annex to EO 13224, 12 individuals and 15 entities whose assets are blocked (Tab 1). The Taliban and its leader were added to the Annex pursuant to Executive Order 13268 (EO 13268) (Tab 10). Additional individuals and entities have subsequently been designated by the Secretary of State or the Secretary of the Treasury. The Secretary of State, in consultation with the Secretary of the Treasury, the Attorney General, and the Secretary of Homeland Security, has identified 46 foreign individuals and entities who, pursuant to subsection 1(b) of EO 13224, have been determined to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy or economy of the United States. The Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and the Secretary of Homeland Security, has designated 321 individuals and entities who, pursuant to subsections 1(c) and 1(d) of EO 13224, have been determined to be owned or controlled by, or to act for or on behalf of, persons listed in the Annex to EO 13224 or designated pursuant to subsections 1(b), 1(c) or 1(d)(i) of EO 13224; to assist in, sponsor, or provide financial or other support for, or financial or other services to or in support of, acts of terrorism or persons listed in the Annex or designated pursuant to EO 13224; or to be otherwise associated with persons listed in the Annex or designated pursuant to EO 13224. As of December 31, 2004, a total of 396 individuals and entities have been identified or designated as "Specially Designated Global Terrorists" or "SDGTs" (Tab 2).⁶

Executive Orders 12947 and 13099 (SDTs)

On January 23, 1995, President Clinton declared a national emergency pursuant to IEEPA (50 U.S.C. § 1701 *et seq.*) and other authorities in Executive Order 12947 (EO 12947), "Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process" (Tab 3). EO 12947 prohibits transfers, including donations of funds, goods, or services, to any organizations or individuals designated under its authority, 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 Middle East terrorist organizations were named in the Annex to EO 12947.⁷ The order also applies to persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any designated person. Finally, EO 12947 blocks the property and interests in property of persons found by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the

⁶ The 396 SDGTs designated pursuant to EO 13224 include the 40 Foreign Terrorist Organizations (FTOs) designated by the Secretary of State pursuant to the Antiterrorism Act of 1996. (See page 5.)

⁷ **Tab 3** -- Executive Order 12947. The terrorist organizations identified in the Annex as originally published are: (1) Abu Nidal Organization (ANO), (2) Democratic Front for the Liberation of Palestine (DFLP), (3) Hizballah, (4) Islamic Gama'at (IG), (5) Islamic Resistance Movement (HAMAS), (6) Jihad, (7) Kach, (8) Kahane Chai, (9) Palestinian Islamic Jihad -- Shiqaqi faction (PIJ), (10) Palestine Liberation Front -- Abu Abbas faction (PLF-Abu Abbas), (11) Popular Front for the Liberation of Palestine (PFLP), and (12) Popular Front for the Liberation of Palestine -- General Command (PFLP-GC).

Middle East Peace Process, or (2) to be assisting in, sponsoring or providing financial, material, or technological support for, or services in support of, terrorist activities. Collectively, these persons are known as "Specially Designated Terrorists" or "SDTs" (Tab 4).⁸

On August 20, 1998, President Clinton issued Executive Order 13099 (EO 13099), "Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process" (Tab 5), to amend EO 12947 by adding three individuals and one organization to the Annex of EO 12947:

Usama bin Muhammad bin Awad bin Ladin
Islamic Army (a.k.a. Al-Qaida)
Abu Hafs al-Masri
Rifa'i Ahmad Taha Musa

(See Tab 6) EO 13099 was issued under the same authority as EO 12947.

Antiterrorism Act of 1996 (FTOs)

On April 24, 1996, Congress passed the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1247-1258 (the Antiterrorism Act of 1996) (Tab 7). Section 302 of the Antiterrorism Act (8 U.S.C. § 1189) authorizes the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to designate organizations meeting stated criteria as foreign terrorist organizations, 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 a foreign terrorist organization 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 a foreign terrorist organization or its agent has an interest are required to block such funds and report on the funds to the Department of the Treasury.

From January 30, 2003, to December 23, 2003, the Secretary of State designated or redesignated 30 organizations as FTOs (Tab 8). From March 22, 2004, to December 17, 2004, 10 designations or redesignations occurred, including four new designations on March 22, 2004; July 13, 2004; October 15, 2004 (amended December 17, 2004); and December 17, 2004 (Tab 8). The 40 FTOs include 12 of the 13 Middle East terrorist

⁸ **Tab 4** –See 60 *Federal Register* 5084, January 25, 1995. This *Federal Register* Notice of the Specially Designated Terrorists List included the 12 organizations named in EO 12947, 31 pseudonyms and name variations for the groups, and 18 key individuals, including nine aliases. The designation of Mohammad Abd El-Hamid Khalil SALAH as a Specially Designated Terrorist was published in the *Federal Register* on August 11, 1995 (60 *Federal Register* 41152) (Tab 4). The designation of Mousa Mohammed ABU MARZOOK as a Specially Designated Terrorist was published in the *Federal Register* on August 29, 1995 (60 *Federal Register* 44932) (Tab 4). The designation of Dr. Ramadan Abdullah SHALLAH as a Specially Designated Terrorist was published in the *Federal Register* on November 27, 1995 (60 *Federal Register* 58435) (Tab 4), and that of the Al-Aqsa Martyrs Brigade in the *Federal Register* on March 27, 2002 (67 *Federal Register* 14761)(Tab 4).

organizations previously designated under EOs 12947 and 13099 and 28 other foreign organizations located in South America, Europe, Asia, and Africa.

Summary of Blocked Assets of International Terrorist Organizations

Currently, assets blocked by OFAC under terrorism EOs 12947, 13099, and 13224 total \$9,896,335.⁹ Total amounts blocked have been and will continue to be subject to change for a number of reasons. TRIA permits the use of blocked assets to satisfy certain judgments for compensatory damages.¹⁰ Additionally, fluctuation has occurred in the value of blocked assets due to the authorized withdrawal of blocked funds to pay the costs of legal defense, and in some cases basic maintenance expenses, for U.S. citizens and juridical persons designated as SDGTs. Certain accounts of agents acting on behalf of the terrorist organization HAMAS that had been blocked by OFAC were seized in 1998 by the Department of Justice. The disposition of those seized assets is subject to proceedings still pending in the United States District Court for the Northern District of Illinois. The values of these assets are not included in the total below. Also not included is real property of an unknown value in Springfield, Missouri related to al Haramain United States branch that was blocked earlier this year.

The following chart (Exhibit A) details the assets in which international terrorist organizations and related designated parties have an interest that are blocked pursuant to EOs 13224, 12947, and 13099.

⁹ Taliban assets are blocked pursuant to EO 13224. Executive Order 13129 (EO 13129) (**Tab 9**), effective July 6, 1999, imposed trade sanctions and blocked property and interests in property of the Taliban and specified related persons, if those assets were in the United States, came within the United States, or were or came within the possession or control of U.S. persons. EO 13129 was issued in response to the use of territory under the control of the Taliban by Usama bin Ladin and al-Qaida as a safe-haven and base of operations. On July 2, 2002, the President issued EO 13268 (**Tab 10**) terminating the emergency with respect to the Taliban because the U.S. military campaign in Afghanistan ended the Taliban's territorial control. The Taliban and its leader, Mohammed Omar, were added to the Annex to EO 13224 pursuant to EO 13268. Accordingly, the remaining blocked assets of the Taliban and its leader have been incorporated into the above section of this report dealing with SDGTs. Approximately \$261.5 million in Afghan assets were unblocked and turned over to the Afghan Interim Authority between February and April 2002 as the Authority established control over Afghanistan following the U.S. military campaign.

¹⁰ See footnote number 5.

Exhibit A

Blocked Assets in the United States under the SDGT, SDT and FTO Programs

ORGANIZATION/RELATED DESIGNEES	AMOUNT
AL-QAIDA	\$3,889,655 ¹¹
HAMAS	\$5,893,101
MUJAHEDIN-E KHALQ ORGANIZATION	\$ 90,073
NEW PEOPLE'S ARMY	\$ 3,750
PALESTINIAN ISLAMIC JIHAD	\$ 17,746
KAHANE CHAI	\$ 201
TALIBAN	\$ 1,809
Total assets of SDGTs, SDTs, and FTOs	\$9,896,335

Summary of Seized Assets of International Terrorist Organizations

Assets seized under the FTO program included \$39,500 in vehicles and \$24,500 in jewels/precious stones, all of which related to Hamas.

PART II -- ASSETS OF STATE SPONSORS OF TERRORISM¹²

"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) and Section 40(d) of the Arms Export Control Act, 22 U.S.C. § 2780(d). States currently designated as sponsors of terrorism are: Cuba, Iran, Libya, North Korea, Sudan, and Syria. Iraq is no longer designated as a state sponsor of terrorism. On September 24, 2004, President Bush certified in Presidential Determination No. 2004-52 (Tab 14) that Iraq had undergone a change in leadership, was no longer supporting acts of international terrorism, and had provided assurances that it would not support such acts in the future, prompting the Secretary of State to rescind Iraq's designation as a state sponsor of terrorism on October 7, 2004 (Tab 15).¹³

¹¹ This figure includes blocked assets of entities other than al-Qaida that have proven terrorist links with al-Qaida.

¹² See footnote number 3.

¹³ On July 29, 2004 President Bush issued Executive Order 13350 terminating the national emergency (Tab 13) declared in Executive Order 12722 of August 2, 1990, amending Executive Order 13290 of March 20, 2003 (Tab 11), and taking additional steps regarding the national emergency declared in Executive Order 13303 of May 22, 2003, and expanded in Executive Order 13315 of August 28, 2003 (Tab 12). The President determined that the situations that gave rise to these national emergencies had been significantly altered by the removal of the regime of Saddam Hussein and other developments. Under the terms of Executive Order 13350, property blocked under Executive Order 12722 and related orders and regulations remains blocked. On November 29, 2004, President Bush issued Executive Order 13364 (Tab 16) modifying the scope of the national emergency declared in Executive Order 13303 of May 22, 2003, expanded in Executive Order 13315 of August 28, 2003, and further modified in Executive Order 13350 of July 29, 2004, to extend the protections granted therein against any attachment, judgment,

There has been no new blocking of the assets of the Government of Iran since January 1981 or of the assets of North Korea since June 2000. Although Libya also remains a designated state sponsor of terrorism, the Libya sanctions program, including the blocking of Libyan assets, ended after President Bush issued Executive Order 13357 on September 20, 2004 (Tab 18), terminating the national emergency declared in Executive Order 12543 of January 7, 1986, and revoking that Executive Order, Executive Order 12544, Executive Order 12801, and Executive Order 12538. The President determined that the situation that gave rise to the declaration of national emergency contained in Executive Order 12543, and led to the steps taken in subsequent executive orders, had been significantly altered by Libya's commitments and actions to eliminate its weapons of mass destruction programs and its Missile Technology Control Regime class missiles and by other developments. After the unblocking, the amount of Libyan assets remaining in the United States in unblocked status is in flux. Since these assets are no longer blocked, they are no longer subject to OFAC reporting requirements. Finally, pursuant to the criteria in Executive Order 13338 of May 11, 2004,¹⁴ assets of persons supporting certain actions of the Government of Syria are subject to a blocking program, but the order has yet to serve as the basis for any blockings.

The existing blocking of assets, financial prohibitions, trade embargoes, and other restrictions are administered under the authority of the Trading with the Enemy Act, 50 U.S.C. App. 1-44, (Cuba and North Korea); IEEPA (Iran, Syria¹⁵, and Sudan); the International Security and Development Cooperation Act, 22 U.S.C. §§ 2349aa-8 & -9 (Iran); and Title III of the Antiterrorism Act of 1996, Pub. L. 104-132, 110 Stat. 1247-1258 (Cuba, Iran, Libya, North Korea, Sudan, and Syria). Section 321 of the Antiterrorism Act of 1996 (18 U.S.C. § 2332d) makes it a criminal offense for U.S. persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act (50 U.S.C. App. 2405) as supporting international terrorism. The countries listed pursuant to section 6(j) are the same as those listed pursuant to section 40(d).

decree, lien, execution, garnishment, or other judicial process to any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by the Central Bank of Iraq, or held, maintained, or otherwise controlled by any financial institution of any kind in the name of, on behalf of, or otherwise for the Central Bank of Iraq. The President also determined that steps taken in Executive Order 13303 to deal with the national emergency declared therein needed to be revised in light of United Nations Security Council Resolutions 1483 and 1546 of May 22, 2003 and June 8, 2004, respectively, so that such steps do not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any agency or instrumentality thereof, after June 30, 2004, and so that, with respect to Iraqi petroleum and petroleum products and interests therein, such steps shall apply only until title passes to the initial purchaser.

¹⁴ On May 11, 2004, President Bush signed Executive Order 13338 (**Tab 17**), in which he declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the actions of the Government of Syria in supporting terrorism, continuing its occupation of Lebanon, pursuing weapons of mass destruction and missile programs, and undermining United States and international efforts with respect to the stabilization and reconstruction of Iraq. EO 13338 bans the exportation of products of the United States, with the exception of food and medicine, to Syria, restricts Syrian air transport to the United States, and blocks all property and interests in property of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State, to meet any one of five criteria. No persons have been designated pursuant to EO 13338 to date.

¹⁵ The targets of blocking under Executive Order 13338 may include components of the Government of Syria as well as non-governmental entities in or outside of Syria. See footnote number 14.

The following information describes the nature and extent of (1) assets held in the United States or in offshore branches or subsidiaries of U.S. banks¹⁶ (see below) that are blocked or otherwise regulated under sanctions programs against countries designated as state sponsors of terrorism and (2) known nonblocked assets of individuals and public and private entities in the cases of Iran and Syria. These countries and the amounts of reported assets attributed to them are (in millions of U.S. dollars): Cuba - \$192.00; Iran - \$82.21;¹⁷ Libya - \$1247.90¹⁸; North Korea - \$31.70; Sudan - \$60.50; and Syria - \$58.00, for a total of \$1.672 billion¹⁹.

The nonblocked assets of Syria and Iran are not subject to reporting requirements under current U.S. sanctions against those countries. The blocked Iranian Government assets shown in Exhibit B (\$23.2 million) are principally diplomatic properties remaining blocked since the 1979-81 hostage crisis. A variety of other obligations to the Government of Iran may ultimately be determined to exist, depending on the outcome of cases before the Iran-U.S. Claims Tribunal in The Hague.

As reflected in Exhibit B, the majority of the amount of nonblocked Iranian assets shown and the totality of Syrian assets shown reflect data from the Department of the Treasury's reporting systems on U.S. international capital movements and portfolio investment. These systems are designed primarily to collect information concerning the U.S. balance of payments and international investment positions. The information provided to the Department of the Treasury through these reporting systems, together with the Federal Reserve System's data on assets and liabilities of U.S. banks' large foreign offices, represent comprehensive U.S. surveys of bank liabilities and portfolio investment gathered on foreign countries. There are statutory restrictions on the use of the data to preserve the anonymity of reporters and asset holders. Some of the data are based on a June 30, 2003 investment survey. Data on nonblocked assets held in large offshore branches and subsidiaries of U.S. banks are taken from quarterly reports to the Federal Reserve System.

¹⁶ See footnote number 3.

¹⁷ Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000, Public Law No. 106-386 (the "Act"), directs the Secretary of the Treasury to make payments to persons who hold certain categories of judgments against Cuba or Iran on claims brought under 28 U.S.C. § 1605(a)(7). The Act specifies that funds available for payment to these persons come from the following sources:

(a) For purposes of funding payments in connection with judgments and sanctions against Cuba, the Act provides that the President shall vest and liquidate up to and not exceeding the amount of property of the Government of Cuba and sanctioned entities in the United States that is blocked pursuant to section 5(b) of the Trading with the Enemy Act (50 U.S.C. App. 5(b)), sections 202 and 203 of the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*), or any other proclamation, order, or regulation issued thereunder. Further, for paying amounts of judicial sanctions against Cuban entities related to litigation brought by certain victims, the Act provides that payment of these sanctions shall be made from funds or accounts of such entities subject to these sanctions.

(b) For funding payments in connection with judgments against Iran, the Act directs the Secretary of the Treasury to make payments: (1) from appropriated funds in an amount not to exceed the total of the amount in the Iran sub-account of the Foreign Military Sales Program account within the Foreign Military Sales Fund on the date of enactment of the Act; and (2) from amounts paid and liquidated from rental proceeds accrued on the date of the enactment of the Act from Iranian diplomatic and consular property located in the United States

¹⁸ Assets blocked under the Libyan sanctions regulations as of September 20, 2004. (See discussion in Part II.)

¹⁹ This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$424.41 million. (See discussion in Part II.)

Not all of the blocked assets of state sponsors of terrorism within U.S. jurisdiction are physically located in the United States. Substantial amounts, identified further below, are in foreign branches and subsidiaries of U.S. banks. They are blocked because, under U.S. law, those bank branches (and, in certain cases involving Cuba and North Korea, subsidiaries) are subject to sanctions programs. Consequently, those assets are not blocked at institutions within the United States, and may be subject to conflicting legal requirements of the host government.

Changes in the value, location, and composition of the blocked assets identified below occur over time as OFAC receives reports from holders of blocked assets identifying additional assets of sanctioned countries, updates information received from holders of blocked accounts on accrued interest and fluctuating market values, or licenses various transactions in accordance with U.S. foreign policy objectives and applicable law.

Exhibit B

Assets of State Sponsors of Terrorism²⁰ (Amounts in millions of U.S. dollars)

Country	Amount	Explanation
CUBA	\$192.0	Cuban blocked assets. Does not include blocked assets of individual Cuban nationals. Primarily bank accounts. Source: OFAC, Department of the Treasury.
	\$192.0	<i>Net Blocked Cuban Assets in U.S.</i>
IRAN	\$23.2	Government of Iran's properties remaining blocked since the 1979-81 hostage crisis. Primarily diplomatic real estate. Source: OFAC, Department of the Treasury. (See discussion in Part II above.)
	\$39.0	Total liabilities to Iranian individuals and entities reported by banks in the United States, by non-banking institutions in the United States, and by large offshore branches and subsidiaries of U.S. banks. Sources: Treasury International Capital Reporting System (as of September 30, 2004) and Federal Reserve System (as of September 30, 2004).

²⁰ See footnote number 3.

	\$20.0²¹	Total U.S. long-term securities held domestically and offshore by Iranian individuals and entities. Source: The Department of the Treasury's Survey of Foreign Holdings of U.S. Securities (as of June 30, 2003).
	\$82.21	<i>Net Iranian Assets</i>
LIBYA²²	\$1253.3	Libyan blocked assets. Third-party interests exist in a substantial portion of these assets. Primarily in bank deposits. Source: OFAC, Department of the Treasury.
	(\$5.4)	(Blocked in U.S. banks' foreign branches.)
	\$1247.9	<i>Net Blocked Libyan Assets in U.S.</i>
NORTH KOREA	\$32.0	North Korean blocked bank deposits. Primarily third-party assets in which North Korea has some interest. Source: OFAC, Department of the Treasury.
	(\$0.3)	(Blocked in U.S. banks' foreign branches or subsidiaries.)
	\$31.7	<i>Net Blocked North Korean Assets in U.S.</i>
SUDAN	\$60.6	Sudanese blocked bank deposits. Source: OFAC, Department of the Treasury.
	(\$ 0.1)	(Blocked in U.S. banks' foreign branches.)
	\$60.5	<i>Net Blocked Sudanese Assets in U.S.</i>
SYRIA	\$61.0	Total liabilities to Syrian individuals and entities reported by banks in the United States, by non-banking institutions in the United States, and by large offshore branches and subsidiaries of U.S. banks. Sources: Treasury International Capital Reporting System (as of September 30, 2004) and the Federal Reserve System (as of

²¹ The value may have changed significantly since June 2003. (See discussion in Part II.)

²² See footnote number 18.

September 30, 2004).

\$15.0²³ Total U.S. long-term securities held domestically and offshore by Syrian individuals and entities. Source: Department of the Treasury's Survey of Foreign Holdings of U.S. Securities as of June 30, 2003.

(\$-18.0) Net Syrian purchases of U.S. long-term securities, July 1, 2003 – September 30, 2004. Source: Treasury International Capital Reporting System.

\$58.0 ***Net Syrian Assets***

TOTALS: **\$1678.11**²⁴ **Total terrorist country assets within U.S. jurisdiction.**²⁵

(\$117.01) **(Nonblocked assets of Syrian and Iranian individuals and entities.)**

\$1561.10²⁶ **Total blocked terrorist country assets within U.S. jurisdiction.**

(\$5.8)²⁷ **(Total blocked in U.S. banks' foreign branches.)**

\$1555.30²⁸ ***Total blocked terrorist country assets within the United States.***

²³ The value may have changed significantly since June 2003. (See discussion in Part II.)

²⁴ This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$424.81 million. (See discussion in Part II.)

²⁵ See footnote number 3.

²⁶ This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$307.80 million (See discussion in Part II.)

²⁷ This figure includes Libyan assets blocked in U.S. banks' foreign branches. Without Libyan assets included, this figure totals \$400,000 (See discussion in Part II.)

²⁸ This figure includes Libyan assets blocked as of September 20, 2004. Without Libyan assets included, this figure totals \$307.40 million. (See discussion in Part II.)

List of Exhibits & Attachments

Exhibits

- Exhibit A Chart of "Blocked Assets under the SDGT, SDT, and FTO Programs" (included at page 7 of this report).
- Exhibit B Chart of "Assets of State Sponsors of Terrorism" (included at pages 10-12 of this report).

Attachments

- Tab 1 Executive Order 13224 -- "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism," September 23, 2001. (66 *Federal Register* 49079, September 25, 2001.)
- Tab 2 "Terrorism: What You Need To Know About U.S. Sanctions," December 24, 2003. (U.S. Department of the Treasury, OFAC).
- Tab 3 Executive Order 12947 -- "Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process," January 23, 1995. (60 *Federal Register* 5079, January 25, 1995.)
- Tab 4 Department of the Treasury, Office of Foreign Assets Control, "List of Specially Designated Terrorists Who Threaten To Disrupt the Middle East Peace Process," 60 *Federal Register* 5084, January 25, 1995; Notices adding SDT names: 60 *Federal Register* 41152, August 11, 1995; 60 *Federal Register* 44932, August 29, 1995; 60 *Federal Register* 58435, November 27, 1995; 67 *Federal Register* 14761, March 27, 2002.
- Tab 5 Executive Order 13099 — "Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process," August 20, 1998. (63 *Federal Register* 45167, August 25, 1998.)
- Tab 6 Notice adding SDT names: 64 *Federal Register* 35575, July 1, 1999.
- Tab 7 Antiterrorism and Effective Death Penalty Act of 1996 (Pub. L. 104-132, 110 Stat. 1214-1319.), §§ 301-303 & 321-330.
- Tab 8 Department of State, Office of the Coordinator for Counter-Terrorism, Notices adding FTO names: 68 *Federal Register* 4811, January 30, 2003; 68 *Federal Register* 24531, May 7, 2003 (adding aliases); 68 *Federal Register* 25672, May 13, 2003 (redesignation); 68 *Federal Register* 48984, August 15, 2003 (adding aliases); 68 *Federal Register* 53420, September 10, 2003 (redesignation); 68 *Federal Register* 56860, October 2, 2003 (redesignations); 68 *Federal Register* 74282, December 23, 2003 (redesignation); 69 *Federal Register* 2036, January 13, 2004 (amending designation); 69 *Federal Register* 13347, March 22, 2004; 69 *Federal Register* 42076, July 13, 2004; 69 *Federal Register* 48269, August 9, 2004 (redesignation); 69 *Federal Register* 57373, September 24, 2004

(redesignation); 69 *Federal Register* 61292, October 15, 2004; 69 *Federal Register* 62112, October 22, 2004 (redesignation); 69 *Federal Register* 75587, December 17, 2004.

- Tab 9 Executive Order 13129 – "Blocking Property and Prohibiting Transactions With the Taliban," July 4, 1999. (64 *Federal Register* 36759, July 7, 1999.)
- Tab 10 Executive Order 13268 – "Termination of Emergency With Respect to the Taliban and Amendment of Executive Order 13224 of September 23, 2001," July 2, 2002. (67 *Federal Register* 44751, July 3, 2002.)
- Tab 11 Executive Order 13290 – "Confiscating and Vesting Certain Iraqi Property," March 20, 2003. (68 *Federal Register* 14307, March 24, 2003.)
- Tab 12 Executive Order 13315 – "Blocking Property of the Former Iraqi Regime, Its Senior Officials and Their Family Members, and Taking Certain Other Actions," August 28, 2003. (68 *Federal Register* 52315, September 3, 2003.)
- Tab 13 Executive Order 13350 – "Termination of the Emergency Declared in Executive Order 12722 With Respect to Iraq and Modification of Executive Order 13290, Executive Order 13303, and Executive Order 13315," July 29, 2004. (69 *Federal Register* 46055, July 30, 2004.)
- Tab 14 Presidential Determination No. 2004-52 of September 24, 2004 – "Certification Permitting Rescission of Iraq as a Sponsor of Terrorism" (69 *Federal Register* 58793, September 30, 2004.)
- Tab 15 Notice of October 7, 2004 rescinding determination that Iraq is a country supporting acts of international terrorism: "69 *Federal Register* 61702, October 20, 2004.
- Tab 16 Executive Order 13364 – "Modifying the Protection Granted to the Development Fund for Iraq and Certain Property in Which Iraq Has an Interest and Protecting the Central Bank of Iraq," November 29, 2004. (69 *Federal Register* 70177, December 2, 2004.)
- Tab 17 Executive Order 13338 – "Blocking Property of Certain Persons and Prohibiting the Export of Certain Goods to Syria," May 11, 2004. (69 *Federal Register* 26751, May 13, 2004.)
- Tab 18 Executive Order 13357 – "Termination of Emergency Declared in Executive Order 12543 With Respect to the Policies and Actions of the Government of Libya and Revocation of Related Executive Orders," September 20, 2004. (69 *Federal Register* 56665, September 22, 2004.)