

Union Calendar No. 268

115TH CONGRESS
1ST SESSION

H. R. 3329

[Report No. 115–366, Part I]

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2017

Mr. ROYCE of California (for himself and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

OCTOBER 24, 2017

Additional sponsors: Mr. FITZPATRICK, Mr. ROSKAM, Mr. O'HALLERAN, Ms. HANABUSA, Mr. MURPHY of Pennsylvania, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. DEUTCH, Mr. BROOKS of Alabama, Mrs. NAPOLITANO, Mr. HUDSON, Ms. FRANKEL of Florida, Mr. PALAZZO, Ms. WASSERMAN SCHULTZ, Mr. CULBERSON, Mr. HASTINGS, Mr. HIGGINS of New York, Mr. WALKER, Mr. GARRETT, Mr. POE of Texas, Mrs. WALORSKI, Mr. CONAWAY, Mr. JENKINS of West Virginia, Mr. HARRIS, Ms. MENG, Mr. GENE GREEN of Texas, Mr. JEFFRIES, Mr. GAETZ, Mr. ZELDIN, Mr. SCHNEIDER, Mr. CARBAJAL, Mr. COFFMAN, Mr. DELANEY, Mr. POSEY, Mr. GOHMERT, Mr. KUSTOFF of Tennessee, Ms. ROSEN, Mr. BROWN of Maryland, Mr. CARTER of Georgia, Mr. HOLLINGSWORTH, Mr. PERRY, Mr. COLE, Mr. MESSER, Mrs. NOEM, Mr. SHERMAN, Mr. CICILLINE, Mr. DUNCAN of South Carolina, Mrs. DEMINGS, Ms. SINEMA, Mr. FRELINGHUYSEN, Mr. COOK, Mrs. LOWEY, Mr. BUDD, Mr. GROTHMAN, Mr. BUCHANAN, Mr. SEAN PATRICK MALONEY of New York, Mrs. MCMORRIS RODGERS, Mr. HIMES, Mr. PASCRELL, Mr. GOTTHEIMER, Mr. GRAVES of Georgia, Mr. GOMEZ, Mr. CARTER of Texas, Mr. BILIRAKIS, Mr. COSTELLO of Pennsylvania, Mr. MCHENRY, Mr. KING of New York, Mr. VEASEY, Mr. FRANCIS ROONEY of Florida, Mr. ROKITA, Mr. TED

LIEU of California, Mr. DUNN, Mr. BACON, Mr. SUOZZI, Mr. HOYER, Mr. McCAUL, Mr. QUIGLEY, Mr. LAMBORN, Mrs. LOVE, Ms. TENNEY, Mr. JOYCE of Ohio, Ms. GRANGER, Mr. WILLIAMS, Mr. SMITH of Texas, Mr. JOHNSON of Georgia, Mr. RYAN of Ohio, Mr. PAYNE, Ms. KAPTUR, Mr. CURBELO of Florida, Mr. BARR, Mr. LOBIONDO, Mr. BARLETTA, Mr. VALADAO, Mr. THOMPSON of Pennsylvania, Mr. SOTO, Mr. CRAMER, Mr. BISHOP of Georgia, Mr. YOUNG of Iowa, Mr. THOMAS J. ROONEY of Florida, Mr. O'ROURKE, Mr. PALLONE, Mr. KILMER, Mr. LARSON of Connecticut, Mr. MEADOWS, Mr. SESSIONS, Mr. ROSS, Mr. MOULTON, Ms. ROS-LEHTINEN, Mr. NADLER, Ms. CHENEY, Ms. ESTY of Connecticut, Mr. NORCROSS, Mr. SCALISE, and Mr. GIBBS

OCTOBER 24, 2017

Reported from the Committee on Foreign Affairs with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

OCTOBER 24, 2017

The Committees on Financial Services and the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on July 20, 2017]

A BILL

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, 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 Amend-*
 6 *ments Act of 2017”.*

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

Sec. 1. Short title; table of contents.

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

Sec. 101. Mandatory sanctions with respect to fundraising and recruitment ac-
tivities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage
in certain transactions.

Sec. 103. Sanctions against foreign states that support Hizballah.

Sec. 104. Prohibitions and conditions with respect to certain accounts held by for-
ign financial institutions.

Sec. 105. United States strategy to prevent hostile activities by Iran and disrupt
and degrade Hizballah’s illicit networks in the Western Hemi-
sphere.

**TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT
TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH**

Sec. 201. Blocking of property of affiliated networks of Hizballah.

Sec. 202. Report on racketeering activities engaged in by Hizballah.

Sec. 203. Modification of report on activities of foreign governments to disrupt
global logistics networks and fundraising, financing, and money
laundering activities of Hizballah.

Sec. 204. Report on combating the illicit tobacco trafficking networks used by
Hizballah and other foreign terrorist organizations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Implementation; penalties; judicial review; exemptions.

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

5 **SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
 6 **FUNDRAISING AND RECRUITMENT ACTIVI-**
 7 **TIES FOR HIZBALLAH.**

8 *(a) IN GENERAL.—Section 101 of the Hizballah Inter-*
 9 *national Financing Prevention Act of 2015 (Public Law*
 10 *114–102; 50 U.S.C. 1701 note) is amended to read as fol-*
 11 *lows:*

12 **“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
 13 **FUNDRAISING AND RECRUITMENT ACTIVI-**
 14 **TIES FOR HIZBALLAH.**

15 *“(a) IN GENERAL.—The President shall, on or after*
 16 *the date of the enactment of this section, impose the sanc-*
 17 *tions described in subsection (b) with respect to any foreign*
 18 *person that the President determines knowingly assists,*
 19 *sponsors, or, provides significant financial, material, or*
 20 *technological support for—*

21 *“(1) Bayt al-Mal, Jihad al-Bina, the Islamic*
 22 *Resistance Support Association, the Foreign Relations*
 23 *Department of Hizballah, the External Security Or-*
 24 *ganization of Hizballah, or any successor or affiliate*
 25 *thereof;*

1 “(2) *al-Manar TV, al Nour Radio, or the Leba-*
2 *nese Media Group, or any successor or affiliate there-*
3 *of;*

4 “(3) *a foreign person determined by the Presi-*
5 *dent to be engaged in fundraising or recruitment ac-*
6 *tivities for Hizballah; or*

7 “(4) *a foreign person owned or controlled by a*
8 *foreign person described in paragraph (1), (2), or (3).*

9 “(b) *SANCTIONS DESCRIBED.—*

10 “(1) *IN GENERAL.—The sanctions described in*
11 *this subsection are the following:*

12 “(A) *ASSET BLOCKING.—The exercise of all*
13 *powers granted to the President by the Inter-*
14 *national Emergency Economic Powers Act (50*
15 *U.S.C. 1701 et seq.) (except that the require-*
16 *ments of section 202 of such Act (50 U.S.C.*
17 *1701) shall not apply) to the extent necessary to*
18 *block and prohibit all transactions in all prop-*
19 *erty and interests in property of a foreign person*
20 *determined by the President to be subject to sub-*
21 *section (a) if such property and interests in*
22 *property are in the United States, come within*
23 *the United States, or are or come within the pos-*
24 *session or control of a United States person.*

1 “(B) *ALIENS INELIGIBLE FOR VISAS, ADMIS-*
2 *SION, OR PAROLE.—*

3 “(i) *VISAS, ADMISSION, OR PAROLE.—*
4 *An alien who the President determines is*
5 *subject to subsection (a) is—*

6 “(I) *inadmissible to the United*
7 *States;*

8 “(II) *ineligible to receive a visa or*
9 *other documentation to enter the*
10 *United States; and*

11 “(III) *otherwise ineligible to be*
12 *admitted or paroled into the United*
13 *States or to receive any other benefit*
14 *under the Immigration and Nation-*
15 *ality Act (8 U.S.C. 1101 et seq.).*

16 “(ii) *CURRENT VISAS REVOKED.—*

17 “(I) *IN GENERAL.—The issuing*
18 *consular officer, the Secretary of State,*
19 *or the Secretary of Homeland Security*
20 *shall revoke any visa or other entry*
21 *documentation issued to an alien who*
22 *the President determines is subject to*
23 *subsection (a), regardless of when*
24 *issued.*

1 “(II) *EFFECT OF REVOCATION.*—

2 *A revocation under subclause (I) shall*
3 *take effect immediately and shall auto-*
4 *matically cancel any other valid visa*
5 *or entry documentation that is in the*
6 *possession of the alien.*

7 “(2) *PENALTIES.*—*The penalties provided for in*
8 *subsections (b) and (c) of section 206 of the Inter-*
9 *national Emergency Economic Powers Act (50 U.S.C.*
10 *1705) shall apply to a person that violates, attempts*
11 *to violate, conspires to violate, or causes a violation*
12 *of regulations prescribed under paragraph (1)(A) to*
13 *the same extent that such penalties apply to a person*
14 *that commits an unlawful act described in subsection*
15 *(a) of such section 206.*

16 “(c) *IMPLEMENTATION.*—*The President may exercise*
17 *all authorities provided under sections 203 and 205 of the*
18 *International Emergency Economic Powers Act (50 U.S.C.*
19 *1702 and 1704) to carry out this section.*

20 “(d) *WAIVER.*—

21 “(1) *IN GENERAL.*—*The President may, for peri-*
22 *ods not to exceed 180 days, waive the imposition of*
23 *sanctions under this section with respect to a foreign*
24 *person or foreign persons if the President certifies to*
25 *the appropriate congressional committees that such*

1 *waiver is in the national security interests of the*
2 *United States.*

3 “(2) *CONSULTATION.*—

4 “(A) *BEFORE WAIVER EXERCISED.*—*Before*
5 *a waiver under paragraph (1) takes effect with*
6 *respect to a foreign person, the President shall*
7 *notify and brief the appropriate congressional*
8 *committees on the status of the involvement of*
9 *the foreign person in activities described in sub-*
10 *section (a).*

11 “(B) *AFTER WAIVER EXERCISED.*—*Not later*
12 *than 90 days after the issuance of a waiver*
13 *under paragraph (1) with respect to a foreign*
14 *person, and every 120 days thereafter while the*
15 *waiver remains in effect, the President shall brief*
16 *the appropriate congressional committees on the*
17 *status of the involvement of the foreign person in*
18 *activities described in subsection (a).*

19 “(e) *REPORT.*—*Not later than 90 days after the date*
20 *of the enactment of the Hizballah International Financing*
21 *Prevention Amendments Act of 2017, and every 180 days*
22 *thereafter, the President shall submit to the appropriate*
23 *congressional committees a report that lists the foreign per-*
24 *sons that the President has credible evidence knowingly as-*
25 *sists, sponsors, or provides significant financial, material,*

1 *or technological support for the foreign persons described*
 2 *in paragraph (1), (2), (3), or (4) of subsection (a).*

3 “(f) *DEFINITIONS.—In this section:*

4 “(1) *ADMITTED; ALIEN.—The terms ‘admitted’*
 5 *and ‘alien’ have meanings given those terms in sec-*
 6 *tion 101 of the Immigration and Nationality Act (8*
 7 *U.S.C. 1101).*

8 “(2) *APPROPRIATE CONGRESSIONAL COMMIT-*
 9 *TEES.—The term ‘appropriate congressional commit-*
 10 *tees’ means—*

11 “(A) *the Committee on Foreign Affairs, the*
 12 *Committee on Ways and Means, the Committee*
 13 *on the Judiciary, and the Committee on Finan-*
 14 *cial Services of the House of Representatives;*
 15 *and*

16 “(B) *the Committee on Foreign Relations,*
 17 *the Committee on Banking, Housing, and Urban*
 18 *Affairs, and the Committee on the Judiciary of*
 19 *the Senate.*

20 “(3) *ENTITY.—The term ‘entity’—*

21 “(A) *means a partnership, association, cor-*
 22 *poration, or other organization, group, or sub-*
 23 *group; and*

24 “(B) *includes a governmental entity*

1 “(4) *FUNDRAISING OR RECRUITMENT ACTIVITIES.*—*The term ‘fundraising or recruitment activities’ includes online fundraising and other online*
 2 *commercial activities, or other means of such fund-*
 3 *raising, recruitment, and retention, as determined by*
 4 *the President.*

7 “(5) *HIZBALLAH.*—*The term ‘Hizballah’ has the*
 8 *meaning given such term in section 102(f).*

9 “(6) *PERSON.*—*The term ‘person’ means an in-*
 10 *dividual or entity.*

11 “(7) *UNITED STATES PERSON.*—*The term*
 12 *‘United States person’ means a United States citizen,*
 13 *permanent resident alien, entity organized under the*
 14 *laws of the United States (including foreign*
 15 *branches), or a person in the United States.’.*

16 “(b) *CLERICAL AMENDMENT.*—*The table of contents for*
 17 *the Hizballah International Financing Prevention Act of*
 18 *2015 is amended by striking the item relating to section*
 19 *101 and inserting the following new item:*

“Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.”.

20 **SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FI-**
 21 **NANCIAL INSTITUTIONS THAT ENGAGE IN**
 22 **CERTAIN TRANSACTIONS.**

23 “(a) *IN GENERAL.*—*Subsection (d) of section 102 of the*
 24 *Hizballah International Financing Prevention Act of 2015*

1 *(Public Law 114–102; 50 U.S.C. 1701 note) is amended to*
2 *read as follows:*

3 “(d) *REPORT ON FINANCIAL INSTITUTIONS ORGA-*
4 *NIZED UNDER THE LAWS OF STATE SPONSORS OF TER-*
5 *RORISM.—*

6 “(1) *IN GENERAL.—Not later than 90 days after*
7 *the date of the enactment of the Hizballah Inter-*
8 *national Financing Prevention Amendments Act of*
9 *2017, and annually thereafter for a period not to ex-*
10 *ceed three years, the President shall submit to the ap-*
11 *propriate congressional committees a report that—*

12 “(A) *identifies each foreign financial insti-*
13 *tution described in paragraph (2) that the Presi-*
14 *dent determines engages in one or more activities*
15 *described in subsection (a)(2);*

16 “(B) *provides a detailed description of each*
17 *such activity; and*

18 “(C) *contains a determination with respect*
19 *to each such foreign financial institution that is*
20 *identified under subparagraph (A) as engaging*
21 *in one or more activities described in subsection*
22 *(a)(2) as to whether or not such foreign financial*
23 *institution is in violation of Executive Order*
24 *13224 (50 U.S.C. 1701 note; relating to blocking*
25 *property and prohibiting transactions with per-*

1 *sons who commit, threaten to commit, or support*
2 *terrorism) or section 2339B of title 18, United*
3 *States Code, by reason of engaging in one or*
4 *more such activities.*

5 “(2) *FOREIGN FINANCIAL INSTITUTION DE-*
6 *SCRIBED.—*

7 “(A) *IN GENERAL.—A foreign financial in-*
8 *stitution described in this paragraph is a foreign*
9 *financial institution—*

10 “(i) *that, wherever located, is—*

11 “(I) *organized under the laws of a*
12 *state sponsor of terrorism or any juris-*
13 *diction within a state sponsor of ter-*
14 *rorism;*

15 “(II) *owned or controlled by the*
16 *government of a state sponsor of ter-*
17 *rorism;*

18 “(III) *located in the territory of a*
19 *state sponsor of terrorism; or*

20 “(IV) *owned or controlled by a*
21 *foreign financial institution described*
22 *in subclause (I), (II), or (III); and*

23 “(ii) *the capitalization of which ex-*
24 *ceeds \$10,000,000.*

1 “(B) *STATE SPONSOR OF TERRORISM.*—*In*
 2 *this paragraph, the term ‘state sponsor of ter-*
 3 *rorism’ means a country the government of*
 4 *which the Secretary of State has determined is*
 5 *a government that has repeatedly provided sup-*
 6 *port for acts of international terrorism for pur-*
 7 *poses of—*

8 “(i) *section 6(j) of the Export Admin-*
 9 *istration Act of 1979 (50 U.S.C. 4605(j))*
 10 *(as continued in effect pursuant to the*
 11 *International Emergency Economic Powers*
 12 *Act (50 U.S.C. 1701 et seq.));*

13 “(ii) *section 620A of the Foreign As-*
 14 *sistance Act of 1961 (22 U.S.C. 2371);*

15 “(iii) *section 40 of the Arms Export*
 16 *Control Act (22 U.S.C. 2780); or*

17 “(iv) *any other provision of law.”.*

18 (b) *SENSE OF CONGRESS.*—*It is the sense of the Con-*
 19 *gress that—*

20 (1) *all countries should designate the entirety of*
 21 *Hizballah as a terrorist organization; and*

22 (2) *the notion of separate Hizballah political*
 23 *and military “wings” is an artificial construct that*
 24 *attempts to legitimize Hizballah members of par-*
 25 *liament and Hizballah cabinet officials who are*

1 *complicit in Hizballah's use of violence and coercion*
 2 *against its political opponents.*

3 (c) *MODIFICATION OF DEFINITION OF HIZBALLAH.*—
 4 *Clause (ii) of section 102(f)(1)(E) of the Hizballah Inter-*
 5 *national Financing Prevention Act of 2015 (Public Law*
 6 *114–102; 50 U.S.C. 1701 note) is amended—*

7 (1) *by striking “(I)” and inserting “(I)(aa)”;*

8 (2) *by striking “(II)” and inserting “(bb)”;*

9 (3) *by striking “of Hizballah.” and inserting “of*
 10 *Hizballah; or”; and*

11 (4) *by adding at the end the following:*

12 *“(II) who the President deter-*
 13 *mines is an agent or affiliate of, or is*
 14 *owned or controlled by Hizballah.”.*

15 (d) *REPORT.*—

16 (1) *IN GENERAL.*—*Not later than 120 days after*
 17 *the date of the enactment of this Act, the President*
 18 *shall transmit to the appropriate congressional com-*
 19 *mittee a report that contains a description of any*
 20 *sanctions described in section 102 of the Hizballah*
 21 *International Financing Prevention Act of 2015*
 22 *(Public Law 114–102; 50 U.S.C. 1701 note) apply*
 23 *with respect to a foreign financial institution by rea-*
 24 *son of engaging in an activity described in subsection*
 25 *(a)(2) of such section with a member of the Lebanese*

1 *parliament or any cabinet official of the Lebanese Re-*
 2 *public who is a member of Hizballah or identifies as*
 3 *such.*

4 (2) *FORM.—The report required by this sub-*
 5 *section shall be transmitted in unclassified form but*
 6 *may include a classified annex.*

7 **SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUP-**
 8 **PORT HIZBALLAH.**

9 (a) *IN GENERAL.—Title I of the Hizballah Inter-*
 10 *national Financing Prevention Act of 2015 (Public Law*
 11 *114–102; 50 U.S.C. 1701 note) is amended by adding at*
 12 *the end the following:*

13 **“SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT**
 14 **SUPPORT HIZBALLAH.**

15 **“(a) SANCTIONS AGAINST CERTAIN AGENCIES AND IN-**
 16 **STRUMENTALITIES OF FOREIGN STATES.—**

17 **“(1) IN GENERAL.—Not later than 90 days after**
 18 **the date of the enactment of this section, and as ap-**
 19 **propriate thereafter, the President shall impose the**
 20 **sanctions described in paragraph (3) with respect to**
 21 **any agency or instrumentality of a foreign state de-**
 22 **scribed in paragraph (2).**

23 **“(2) AGENCY OR INSTRUMENTALITY DE-**
 24 **SCRIBED.—An agency or instrumentality of a foreign**
 25 **state described in this paragraph is an agency or in-**

1 *strumentality of a foreign state that the President de-*
2 *termines has, on or after the date of the enactment of*
3 *this section, knowingly—*

4 *“(A) directly or indirectly conducted combat*
5 *operations with, or supported combat operations*
6 *of, Hizballah or an entity owned or controlled by*
7 *Hizballah; or*

8 *“(B) directly or indirectly provided signifi-*
9 *cant financial or material support for, or sig-*
10 *nificant arms or related material to, Hizballah*
11 *or an entity owned or controlled by Hizballah.*

12 *“(3) SANCTIONS DESCRIBED.—The sanctions de-*
13 *scribed in this paragraph are the exercise of all pow-*
14 *ers granted to the President by the International*
15 *Emergency Economic Powers Act (50 U.S.C. 1701 et*
16 *seq.) (except that the requirements of section 202 of*
17 *such Act (50 U.S.C. 1701) shall not apply) to the ex-*
18 *tent necessary to block and prohibit all transactions*
19 *in all property and interests in property of an agency*
20 *or instrumentality of a foreign state if such property*
21 *and interests in property are in the United States,*
22 *come within the United States, or are or come within*
23 *the possession or control of a United States person.*

24 *“(b) SANCTIONS AGAINST STATE SPONSORS OF TER-*
25 *RORISM.—*

1 “(1) *IN GENERAL.*—*In the case of an agency or*
 2 *instrumentality of a foreign state that engages in the*
 3 *activities described in subsection (a) that is an agen-*
 4 *cy or instrumentality of a foreign state described in*
 5 *paragraph (2), the President shall, pursuant to sec-*
 6 *tion 6 of the Export Administration Act of 1979 (as*
 7 *continued in effect pursuant to the International*
 8 *Emergency Economic Powers Act (50 U.S.C. 1701 et*
 9 *seq.)), require a license under the Export Administra-*
 10 *tion Regulations to export or re-export to that foreign*
 11 *state any item designated by the Secretary of Com-*
 12 *merce as ‘EAR 99’, other than food, medicine, med-*
 13 *ical devices, or similarly licensed items.*

14 “(2) *FOREIGN STATE DESCRIBED.*—*A foreign*
 15 *state described in this paragraph is a foreign state*
 16 *that—*

17 “(A) *the President determines has, on or*
 18 *after the date of the enactment of this section,*
 19 *knowingly provided significant financial or ma-*
 20 *terial support for, or arms or related material*
 21 *to—*

22 “(i) *Hizballah; or*

23 “(ii) *an entity owned or controlled by*
 24 *Hizballah; and*

25 “(B) *is a state sponsor of terrorism.*

1 “(c) *WAIVER.*—

2 “(1) *IN GENERAL.*—*The President may, for peri-*
3 *ods not to exceed 180 days, waive the imposition of*
4 *sanctions under this section with respect to a foreign*
5 *state or an agency or instrumentality of a foreign*
6 *state if the President certifies to the appropriate con-*
7 *gressional committees that such waiver is vital to the*
8 *national security interests of the United States.*

9 “(2) *CONSULTATION.*—

10 “(A) *BEFORE WAIVER EXERCISED.*—*Before*
11 *a waiver under paragraph (1) takes effect with*
12 *respect to a foreign state or an agency or instru-*
13 *mentality of a foreign state, the President shall*
14 *notify and brief the appropriate congressional*
15 *committees on the status of the involvement of*
16 *the foreign state in activities described in sub-*
17 *section (b)(2) or involvement of the agency or in-*
18 *strumentality of a foreign state in activities de-*
19 *scribed in subsection (a)(2), as the case may be.*

20 “(B) *AFTER WAIVER EXERCISED.*—*Not later*
21 *than 90 days after the issuance of a waiver*
22 *under paragraph (1) with respect to a foreign*
23 *state or an agency or instrumentality of a for-*
24 *ign state, and every 120 days thereafter while*
25 *the waiver remains in effect, the President shall*

1 *brief the appropriate congressional committees*
2 *on the status of the involvement of the foreign*
3 *state in activities described in subsection (b)(2)*
4 *or involvement of the agency or instrumentality*
5 *of a foreign state in activities described in sub-*
6 *section (a)(2), as the case may be.*

7 “(d) *REPORT ON SUPPLY CHAIN OF HIZBALLAH’S*
8 *MISSILE PRODUCTION FACILITIES.—*

9 “(1) *IN GENERAL.—Not later than 120 days*
10 *after the date of the enactment of this subsection, the*
11 *President shall submit to the appropriate congres-*
12 *sional committees a report that contains the fol-*
13 *lowing:*

14 “(A) *An analysis of the foreign and domes-*
15 *tic supply chain that significantly facilitates,*
16 *supports, or otherwise aids Hizballah’s acquisi-*
17 *tion or development of missile production facili-*
18 *ties.*

19 “(B) *A description of the geographic dis-*
20 *tribution of the foreign and domestic supply*
21 *chain described in subparagraph (A).*

22 “(C) *An assessment of the provision of*
23 *goods, services, or technology transferred to*
24 *Hizballah by the Government of Iran or its af-*

1 *filiates to indigenously manufacture or otherwise*
2 *produce missiles.*

3 “(D) *An identification of foreign persons*
4 *that have, on or after the date of the enactment*
5 *of this subsection, and based on credible evi-*
6 *dence—*

7 “(i) *knowingly provided significant fi-*
8 *nancial or material support for, or signifi-*
9 *cant arms or related material to, Hizballah*
10 *or an entity owned or controlled by*
11 *Hizballah; or*

12 “(ii) *knowingly facilitated the transfer*
13 *of significant arms or related materiel to*
14 *Hizballah utilizing commercial aircraft or*
15 *air carriers.*

16 “(E) *A description of the steps that the*
17 *President is taking to disrupt the foreign and*
18 *domestic supply chain described in subpara-*
19 *graph (A).*

20 “(2) *FORM.—The report required under para-*
21 *graph (1) shall be submitted in unclassified form, but*
22 *may contain a classified annex.*

23 “(e) *DEFINITIONS.—In this section:*

24 “(1) *AGENCY OR INSTRUMENTALITY OF A FOR-*
25 *EIGN STATE; FOREIGN STATE.—The terms ‘agency or*

1 *instrumentality of a foreign state’ and ‘foreign state’*
2 *have the meanings given those terms in section 1603*
3 *of title 28, United States Code.*

4 “(2) *APPROPRIATE CONGRESSIONAL COMMIT-*
5 *TEES.—The term ‘appropriate congressional commit-*
6 *tees’ means—*

7 “(A) *the Committee on Foreign Affairs, the*
8 *Committee on Financial Services, the Committee*
9 *on Ways and Means, and the Committee on the*
10 *Judiciary of the House of Representatives; and*

11 “(B) *the Committee on Foreign Relations,*
12 *the Committee on Banking, Housing, and Urban*
13 *Affairs, and the Committee on the Judiciary of*
14 *the Senate.*

15 “(3) *ARMS OR RELATED MATERIAL.—The term*
16 *‘arms or related material’ means—*

17 “(A) *nuclear, biological, chemical, or radio-*
18 *logical weapons or materials or components of*
19 *such weapons;*

20 “(B) *ballistic or cruise missile weapons or*
21 *materials or components of such weapons;*

22 “(C) *destabilizing numbers and types of ad-*
23 *vanced conventional weapons;*

24 “(D) *defense articles or defense services, as*
25 *those terms are defined in paragraphs (3) and*

1 (4), respectively, of section 47 of the Arms Ex-
2 port Control Act (22 U.S.C. 2794); or

3 “(E) defense information, as that term is
4 defined in section 644 of the Foreign Assistance
5 Act of 1961 (22 U.S.C. 2403).

6 “(4) *EXPORT ADMINISTRATION REGULATIONS.*—
7 The term ‘Export Administration Regulations’ means
8 subchapter C of chapter VII of title 15, Code of Fed-
9 eral Regulations (as in effect on the date of the enact-
10 ment of this Act).

11 “(5) *HIZBALLAH.*—The term ‘Hizballah’ has the
12 meaning given that term in section 102(f).

13 “(6) *STATE SPONSOR OF TERRORISM.*—In this
14 paragraph, the term ‘state sponsor of terrorism’
15 means a country the government of which the Sec-
16 retary of State has determined is a government that
17 has repeatedly provided support for acts of inter-
18 national terrorism for purposes of—

19 “(A) section 6(j) of the Export Administra-
20 tion Act of 1979 (50 U.S.C. 4605(j)) (as contin-
21 ued in effect pursuant to the International
22 Emergency Economic Powers Act (50 U.S.C.
23 1701 et seq.));

24 “(B) section 620A of the Foreign Assistance
25 Act of 1961 (22 U.S.C. 2371);

1 “(C) *section 40 of the Arms Export Control*
 2 *Act (22 U.S.C. 2780); or*

3 “(D) *any other provision of law.*”.

4 (b) *CLERICAL AMENDMENT.—The table of contents for*
 5 *the Hizballah International Financing Prevention Act of*
 6 *2015 is amended by inserting after the item relating to sec-*
 7 *tion 102 the following new item:*

 “*Sec. 103. Sanctions against foreign states that support Hizballah.*”.

8 (c) *REPORT ON SIGNIFICANT MATERIAL SUPPORT AND*
 9 *ARMS OR RELATED MATERIEL PROVIDED BY THE RUSSIAN*
 10 *FEDERATION TO HIZBALLAH.—*

11 (1) *IN GENERAL.—Not later than 120 days after*
 12 *the date of the enactment of this Act, the President*
 13 *shall submit to the appropriate congressional commit-*
 14 *tees a report that contains the following:*

15 (A) *A description of significant material*
 16 *support and arms or related material that the*
 17 *Government of the Russian Federation has, on or*
 18 *after the date of the enactment of this Act, know-*
 19 *ingly, directly or indirectly, provided to*
 20 *Hizballah or an entity owned or controlled by*
 21 *Hizballah.*

22 (B) *An analysis of the extent to which Rus-*
 23 *sian strategic weapons deployed in Syria, in-*
 24 *cluding air defense systems, have provided pro-*
 25 *tection for Hizballah fighters in Syria.*

1 (C) *An assessment of whether Russian*
 2 *counter-proliferation safeguards can ensure that*
 3 *any arms or related materiel described in sub-*
 4 *paragraph (A) will not be used against Israel in*
 5 *the future.*

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

9 (3) *DEFINITIONS.—In this subsection:*

10 (A) *APPROPRIATE CONGRESSIONAL COMMIT-*
 11 *TEES.—The term “appropriate congressional*
 12 *committees” means the Committee on Foreign*
 13 *Affairs of the House of Representatives and the*
 14 *Committee on Foreign Relations of the Senate.*

15 (B) *ARMS OR RELATED MATERIAL.—The*
 16 *term “arms or related material” has the mean-*
 17 *ing given such term in section 103 of the*
 18 *Hizballah International Financing Prevention*
 19 *Act of 2015, as added by this section.*

20 **SEC. 104. PROHIBITIONS AND CONDITIONS WITH RESPECT**
 21 **TO CERTAIN ACCOUNTS HELD BY FOREIGN**
 22 **FINANCIAL INSTITUTIONS.**

23 *Section 104(c)(2)(A)(ii) of the Comprehensive Iran*
 24 *Sanctions, Accountability, and Divestment Act of 2010 (22*
 25 *U.S.C. 8513(c)(2)(A)(ii)) is amended by inserting before*

1 “or support for acts of international terrorism” the fol-
 2 lowing “, including Hizballah (as defined in section
 3 102(f)(1)(E) of the Hizballah International Financing Pre-
 4 vention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701
 5 note)), and any affiliates or successors thereof.”.

6 **SEC. 105. UNITED STATES STRATEGY TO PREVENT HOSTILE**
 7 **ACTIVITIES BY IRAN AND DISRUPT AND DE-**
 8 **GRADE HIZBALLAH’S ILLICIT NETWORKS IN**
 9 **THE WESTERN HEMISPHERE.**

10 (a) *IN GENERAL.*—Not later than 180 days after the
 11 date of the enactment of this Act, the Secretary of State
 12 shall submit to the relevant congressional committees a
 13 strategy to prevent hostile activities by Iran and disrupt
 14 and degrade Hizballah’s illicit networks in the Western
 15 Hemisphere that—

16 (1) identifies Department of State priorities, in
 17 coordination with other executive branch agencies, for
 18 defining United States policy to protect United States
 19 interests from Iranian and Hizballah threats in the
 20 Western Hemisphere;

21 (2) coordinates with other executive branch agen-
 22 cies to ensure that information-sharing, interdictions,
 23 arrests, investigations, indictments, sanctions, and
 24 designations related to Hizballah individuals or net-
 25 works in the Western Hemisphere are integrated, co-

1 *ordinated, and publicly communicated by the United*
2 *States in a manner that supports United States in-*
3 *terests;*

4 *(3) describes Iranian and Hizballah activities in*
5 *the Western Hemisphere, their relationships with*
6 *transnational criminal organizations in the region,*
7 *their use of the region's commodities trade to engage*
8 *in illicit activities, and their use of Latin American*
9 *and Caribbean visas, including through Citizenship*
10 *by Investment Programs to seek admittance into the*
11 *United States, as well as a plan to address any secu-*
12 *rity vulnerabilities to the United States;*

13 *(4) includes a review of all relevant United*
14 *States sanctions that relate to Hizballah's activities*
15 *in Latin America and the Caribbean and an assess-*
16 *ment of their use, effectiveness, and any capability*
17 *gaps;*

18 *(5) includes a review of the use of the Depart-*
19 *ment of State's rewards program under section 36 of*
20 *the State Department Basic Authorities Act (22*
21 *U.S.C. 2708) to obtain information related to Latin*
22 *America-based Hizballah operatives and illicit net-*
23 *works and an assessment of the effectiveness of this*
24 *program for targeting Hizballah in the Western*
25 *Hemisphere;*

1 (6) includes a review of all relevant United
2 States sanctions on financial institutions in Latin
3 America and the Caribbean that engage in activities
4 outlined by section 102 of Hizballah International Fi-
5 nancing Prevention Act of 2015 (Public Law 114–
6 102; 50 U.S.C. 1701 note) and an assessment of the
7 use of the authorities outlined, their effectiveness, and
8 recommendations for improvement;

9 (7) describes Hizballah criminal support net-
10 works, including country facilitation, in the Western
11 Hemisphere and outlines a United States approach to
12 partners in the region to address those illicit networks
13 and build country capacity to combat the
14 transnational criminal activities of Hizballah; and

15 (8) includes a review of the actions of govern-
16 ments in the Western Hemisphere to identify, inves-
17 tigate, and prosecute Latin America-based Hizballah
18 operatives, and enforce sanctions either personally or
19 to their business interests of Latin America-based
20 Hizballah operatives as well as recommendations for
21 United States action towards governments who refuse
22 to impose sanctions or who willingly facilitate Latin
23 America-based Hizballah illicit activities.

1 (b) *FORM.*—*The strategy required by subsection (a)*
 2 *shall be submitted in unclassified form to the greatest extent*
 3 *possible but may include a classified annex.*

4 (c) *DIPLOMATIC ENGAGEMENT.*—

5 (1) *IN GENERAL.*—*Title I of the Hizballah Inter-*
 6 *national Financing Prevention Act of 2015 (Public*
 7 *Law 114–102; 129 Stat. 2206; 50 U.S.C. 1701 note),*
 8 *as amended by section 103 of this Act, is further*
 9 *amended by adding at the end the following:*

10 **“SEC. 104. DIPLOMATIC INITIATIVES.**

11 *“Not later than 90 days after the date of the enactment*
 12 *of this section, the President shall instruct—*

13 *“(1) the Secretary of State to increase coopera-*
 14 *tion with countries in the Western Hemisphere to as-*
 15 *sist in strengthening the capacity of governments to*
 16 *prevent hostile activity by Iran and disrupt and de-*
 17 *grade Hizballah’s illicit networks operating in the re-*
 18 *gion, including diplomatic engagement that in-*
 19 *volves—*

20 *“(A) efforts to target and expose illicit net-*
 21 *works, arrest perpetrators, freeze assets, and at-*
 22 *tack Iran and Hizballah’s use of illicit networks*
 23 *using international trade and banking systems;*

24 *“(B) efforts to revoke or deny visas from*
 25 *those implicated in Hizballah’s activity in the*

1 region, including lawyers, accountants, business
2 partners, service providers, and politicians who
3 knowingly facilitate or fail to take measures to
4 counter Hizballah's illicit finance in their own
5 jurisdictions;

6 “(C) efforts to assist willing nations with
7 the development of counter-organized crime legis-
8 lation, the strengthening of financial investiga-
9 tive capacity, and a fully-vetted counter-orga-
10 nized crime judicial model in places plagued
11 with corruption; and

12 “(D) efforts to persuade governments in the
13 region to list Hizballah as a terrorist organiza-
14 tion;

15 “(2) the United States Permanent Representative
16 to the Organization of American States to work to se-
17 cure support at the Organization of American States
18 for a resolution that would declare Hizballah as a ter-
19 rorist organization and address Hizballah's illicit
20 networks operating in the region;

21 “(3) the United States Ambassador to the Orga-
22 nization for Security and Cooperation in Europe
23 (OSCE) to work to secure a report on compliance by
24 participating states with OSCE Decision Number
25 1063, the ‘Consolidated Framework for the Fight

1 *Against Terrorism’, in regard to Hizballah, with par-*
 2 *ticular focus on the mandate to ‘suppress the financ-*
 3 *ing of terrorism, including its links with money-laun-*
 4 *dering and illegal economic activities’, especially as it*
 5 *relates transatlantic relations, including with Latin*
 6 *America and the Caribbean; and*

7 “(4) United States diplomats to work with inter-
 8 national forums, including the Financial Action Task
 9 Force, to identify government entities within Latin
 10 America and the Caribbean that provide support, fa-
 11 cilitation, or assistance to individuals affiliated with
 12 Hizballah in the Western Hemisphere.”.

13 (2) CLERICAL AMENDMENT.—The table of con-
 14 tents for the Hizballah International Financing Pre-
 15 vention Act of 2015 is amended by inserting after the
 16 item related to section 103 the following new item:

“Sec. 104. Diplomatic initiatives.”.

17 **TITLE II—NARCOTICS TRAF-**
 18 **FICKING AND SIGNIFICANT**
 19 **TRANSNATIONAL CRIMINAL**
 20 **ACTIVITIES OF HIZBALLAH**

21 **SEC. 201. BLOCKING OF PROPERTY OF AFFILIATED NET-**
 22 **WORKS OF HIZBALLAH.**

23 (a) IN GENERAL.—Section 201 of the Hizballah Inter-
 24 national Financing Prevention Act of 2015 (Public Law

1 114–102; 50 U.S.C. 1701 note) is amended to read as fol-
2 lows:

3 **“SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO**
4 **AFFILIATED NETWORKS OF HIZBALLAH.**

5 “(a) *IN GENERAL.*—Not later than 120 days after the
6 date of the enactment of this section, and as appropriate
7 thereafter, the President shall impose the sanctions de-
8 scribed in subsection (b) with respect to affiliated networks
9 of Hizballah, including by reason of significant
10 transnational criminal activities of such networks.

11 “(b) *SANCTIONS DESCRIBED.*—The sanctions described
12 in this subsection are sanctions applied with respect to a
13 foreign person pursuant to Executive Order 13581 (75 Fed.
14 Reg. 44,757) (as such Executive order was in effect on the
15 day before the date of the enactment of this section).

16 “(c) *DEFINITION.*—In this section, the term
17 ‘Hizballah’ has the meaning given such term in section
18 102(f).”.

19 (b) *CLERICAL AMENDMENTS.*—The table of contents for
20 the Hizballah International Financing Prevention Act of
21 2015 is amended—

1 (1) *by striking the item relating to title II and*
 2 *inserting the following:*

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO
 AFFILIATED NETWORKS OF HIZBALLAH AND REPORTS AND
 BRIEFINGS ON NARCOTICS TRAFFICKING AND SIGNIFICANT
 TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH”;

3 *and*

4 (2) *by striking the item relating to section 201*
 5 *and inserting the following:*

“Sec. 201. Imposition of sanctions with respect to affiliated networks of
 Hizballah.”.

6 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 7 *section take effect on the date that is 90 days after the date*
 8 *of the enactment of this Act.*

9 **SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
 10 **GAGED IN BY HIZBALLAH.**

11 (a) *IN GENERAL.*—*Section 202 of the Hizballah Inter-*
 12 *national Financing Prevention Act of 2015 (Public Law*
 13 *114–102; 50 U.S.C. 1701 note) is amended to read as fol-*
 14 *lows:*

15 **“SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
 16 **GAGED IN BY HIZBALLAH.**

17 “(a) *IN GENERAL.*—*Not later than 120 days after the*
 18 *date of the enactment of the Hizballah International Fi-*
 19 *nancing Prevention Amendments Act of 2017, and annu-*
 20 *ally thereafter for the following 5 years, the Assistant Attor-*
 21 *ney General for the Criminal Division of the Department*
 22 *of Justice and the Administrator of the Drug Enforcement*

1 *Administration, in coordination with the Secretary of the*
 2 *Treasury and the heads of other applicable Federal agen-*
 3 *cies, shall jointly submit to the appropriate congressional*
 4 *committees a report on the following:*

5 “(1) *Activities that Hizballah, and agents and*
 6 *affiliates of Hizballah, have engaged in that are rack-*
 7 *eteering activities.*

8 “(2) *The extent to which Hizballah, and agents*
 9 *and affiliates of Hizballah, engage in a pattern of*
 10 *such racketeering activities.*

11 “(b) *FORM OF REPORT.—Each report required under*
 12 *subsection (a) shall be submitted in an unclassified form*
 13 *but may contain a classified annex.*

14 “(c) *DEFINITIONS.—In this section:*

15 “(1) *APPROPRIATE CONGRESSIONAL COMMIT-*
 16 *TEES.—The term ‘appropriate congressional commit-*
 17 *tees’ means—*

18 “(A) *the Committee on the Judiciary and*
 19 *the Committee on Foreign Affairs of the House*
 20 *of Representatives; and*

21 “(B) *the Committee on the Judiciary and*
 22 *the Committee on Foreign Relations of the Sen-*
 23 *ate.*

24 “(2) *HIZBALLAH.—The term ‘Hizballah’ has the*
 25 *meaning given that term in section 102(f).*

1 “(3) *RACKETEERING ACTIVITY*.—The term ‘rack-
 2 *eteering activity*’ has the meaning given that term in
 3 *section 1961(1) of title 18, United States Code.*”.

4 (b) *CLERICAL AMENDMENT*.—The table of contents for
 5 the *Hizballah International Financing Prevention Act of*
 6 2015 is amended by striking the item relating to section
 7 202 and inserting the following:

 “Sec. 202. *Report on racketeering activities engaged in by Hizballah.*”.

8 **SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF**
 9 **FOREIGN GOVERNMENTS TO DISRUPT GLOB-**
 10 **AL LOGISTICS NETWORKS AND FUNDRAISING,**
 11 **FINANCING, AND MONEY LAUNDERING AC-**
 12 **TIVITIES OF HIZBALLAH.**

13 (a) *IN GENERAL*.—Section 204(a)(1) of the *Hizballah*
 14 *International Financing Prevention Act of 2015 (Public*
 15 *Law 114–102; 50 U.S.C. 1701 note)* is amended—

16 (1) in the matter preceding subparagraph (A),
 17 by striking “this Act” and inserting “the *Hizballah*
 18 *International Financing Prevention Amendments Act*
 19 *of 2017, and annually thereafter for the following 5*
 20 *years*”;

21 (2) in subparagraph (D)(ii)(II), by striking
 22 “and” at the end;

23 (3) in subparagraph (E), by striking “and free-
 24 trade zones.” and inserting “free-trade zones, business

1 *partnerships and joint ventures, and other invest-*
2 *ments in small and medium-sized enterprises;”;* and

3 *(4) by adding at the end the following:*

4 *“(F) a list of provinces, municipalities, and*
5 *local governments outside of Lebanon that ex-*
6 *pressly consent to, or with knowledge allow, tol-*
7 *erate, or disregard the use of their territory by*
8 *Hizballah to carry out terrorist activities, in-*
9 *cluding training, financing, and recruitment;*

10 *“(G) a description of the total aggregate*
11 *revenues and remittances that Hizballah receives*
12 *from the global logistics networks of Hizballah,*
13 *including—*

14 *“(i) a list of Hizballah’s sources of rev-*
15 *enue, including sources of revenue based on*
16 *illicit activity, revenues from Iran, char-*
17 *ities, and other business activities; and*

18 *“(ii) a list of Hizballah’s expenditures,*
19 *including expenditures for ongoing military*
20 *operations, social networks, and external*
21 *operations;*

22 *“(H) a survey of national and*
23 *transnational legal measures available to target*
24 *Hizballah’s financial networks;*

1 “(I) a review of Hizballah’s international
 2 operational capabilities, including in the United
 3 States; and

4 “(J) a review of—

5 “(i) the total number and value of
 6 Hizballah-related assets seized and forfeited;
 7 and

8 “(ii) the total number of indictments,
 9 prosecutions, and extraditions of Hizballah
 10 members or affiliates.”.

11 (b) *REPORT ON ESTIMATED NET WORTH OF AND DE-*
 12 *TERMINATION WITH RESPECT TO SENIOR HIZBALLAH*
 13 *MEMBERS.—*

14 (1) *IN GENERAL.—*Not later than 180 days after
 15 the date of the enactment of this Act, and not less fre-
 16 quently than annually thereafter for the following 2
 17 years, the President shall submit to the appropriate
 18 congressional committees a report that contains—

19 (A) the estimated total net worth of each in-
 20 dividual described in paragraph (2);

21 (B) a description of how funds of each indi-
 22 vidual described in paragraph (2) were acquired,
 23 and how such funds have been used or employed;
 24 and

1 (C) a determination of whether each indi-
 2 vidual described in paragraph (2) meets the cri-
 3 teria described in paragraph (3) or (4) of section
 4 1263(a) of the National Defense Authorization
 5 Act for Fiscal Year 2017 (Public Law 114–328;
 6 22 U.S.C. 2656 note).

7 (2) *INDIVIDUALS DESCRIBED.*—The individuals
 8 described in this paragraph are the following:

9 (A) *The Secretary General of Hizballah.*

10 (B) *Members of the Hizballah Politburo.*

11 (C) *Any other individual that the President*
 12 *determines is a senior foreign political figure of*
 13 *Hizballah, is associated with Hizballah, or other-*
 14 *wise provides significant support to Hizballah.*

15 (3) *FORM OF REPORT; PUBLIC AVAILABILITY.*—

16 (A) *FORM.*—The report required under
 17 paragraph (1) shall be submitted in unclassified
 18 form but may include a classified annex.

19 (B) *PUBLIC AVAILABILITY.*—The unclassi-
 20 fied portion of the report required under para-
 21 graph (1) shall be made available to the public
 22 and posted on the website of the Department of
 23 State and all United States Embassy websites.

24 (4) *DEFINITIONS.*—In this subsection:

1 (A) *APPROPRIATE CONGRESSIONAL COMMIT-*
2 *TEES.*—*The term “appropriate congressional*
3 *committees” means—*

4 (i) *the Committee on Foreign Affairs*
5 *and the Committee on Financial Services of*
6 *the House of Representatives; and*

7 (ii) *the Committee on Foreign Rela-*
8 *tions and the Committee on Banking, Hous-*
9 *ing, and Urban Affairs of the Senate.*

10 (B) *FUNDS.*—*The term “funds” means—*

11 (i) *cash;*

12 (ii) *equity;*

13 (iii) *any other intangible asset the*
14 *value of which is derived from a contractual*
15 *claim, including bank deposits, bonds,*
16 *stocks, a security (as defined in section 2(a)*
17 *of the Securities Act of 1933 (15 U.S.C.*
18 *77b(a))), or a security or an equity security*
19 *(as those terms are defined in section 3(a)*
20 *of the Securities Exchange Act of 1934 (15*
21 *U.S.C. 78c(a)); and*

22 (iv) *anything else of value that the*
23 *President determines to be appropriate.*

24 (C) *SENIOR FOREIGN POLITICAL FIGURE.*—

25 *The term “senior foreign political figure” has the*

1 *meaning given that term in section 1010.605 of*
 2 *title 31, Code of Federal Regulations (or any*
 3 *successor regulation).*

4 **SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO**
 5 **TRAFFICKING NETWORKS USED BY**
 6 **HIZBALLAH AND OTHER FOREIGN TERRORIST**
 7 **ORGANIZATIONS.**

8 *(a) IN GENERAL.—Not later than 180 days after the*
 9 *date of the enactment of this Act, the President shall submit*
 10 *to the appropriate congressional committees a report on*
 11 *combating the illicit tobacco trafficking networks used by*
 12 *Hizballah and other foreign terrorist organizations to fi-*
 13 *nance their operations, as described in the report submitted*
 14 *to Congress in December 2015 by the Department of State,*
 15 *the Department of Justice, the Department of the Treasury,*
 16 *the Department of Homeland Security, and the Department*
 17 *of Health and Human Services entitled, “The Global Illicit*
 18 *Trade in Tobacco: A Threat to National Security.”.*

19 *(b) MATTERS TO BE ADDRESSED.—The report re-*
 20 *quired by subsection (a) shall include the following:*

21 *(1) A description of the steps to be taken by Fed-*
 22 *eral agencies to combat the illicit tobacco trafficking*
 23 *networks used by Hizballah, other foreign terrorist or-*
 24 *ganizations, and other illicit actors.*

1 (2) *A description of the steps to be taken to en-*
 2 *gage State and local law enforcement authorities in*
 3 *efforts to combat illicit tobacco trafficking networks*
 4 *operating within the United States.*

5 (3) *A description of the steps to be taken to en-*
 6 *gage foreign government law enforcement and intel-*
 7 *ligence authorities in efforts to combat illicit tobacco*
 8 *trafficking networks operating outside the United*
 9 *States.*

10 (4) *Recommendations for legislative or adminis-*
 11 *trative action needed to address the threat of illicit to-*
 12 *bacco trafficking networks.*

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

16 (1) *the Committee on Foreign Affairs, the Com-*
 17 *mittee on Armed Services, the Committee on Home-*
 18 *land Security, the Committee on the Judiciary, the*
 19 *Committee on Financial Services, and the Committee*
 20 *on Ways and Means of the House of Representatives;*
 21 *and*

22 (2) *the Committee on Foreign Relations, the*
 23 *Committee on Armed Services, the Committee on*
 24 *Homeland Security and Governmental Affairs, the*
 25 *Committee on the Judiciary, the Committee on Bank-*

1 *ing, Housing, and Urban Affairs, and the Committee*
2 *on Finance of the Senate.*

3 ***TITLE III—GENERAL***
4 ***PROVISIONS***

5 ***SEC. 301. REGULATORY AUTHORITY.***

6 (a) *IN GENERAL.*—*The President shall, not later than*
7 *180 days after the date of the enactment of this Act, pre-*
8 *scribe regulations as necessary for the implementation of*
9 *this Act and the amendments made by this Act.*

10 (b) *BRIEFING TO CONGRESS.*—*Not later than 10 days*
11 *before the prescription of regulations under subsection (a),*
12 *the President shall brief the appropriate congressional com-*
13 *mittees of the proposed regulations and the provisions of*
14 *this Act and the amendments made by this Act that the*
15 *regulations are implementing.*

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

19 (1) *the Committee on Foreign Affairs and the*
20 *Committee on Financial Services of the House of Rep-*
21 *resentatives; and*

22 (2) *the Committee on Foreign Relations and the*
23 *Committee on Banking, Housing, and Urban Affairs*
24 *of the Senate.*

1 **SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
 2 **VIEW; EXEMPTIONS.**

3 (a) *IN GENERAL.*—*Title I of the Hizballah Inter-*
 4 *national Financing Prevention Act of 2015 (Public Law*
 5 *114–102; 50 U.S.C. 1701 note), as amended by sections 103*
 6 *and 105 of this Act, is further amended by adding at the*
 7 *end the following:*

8 **“SEC. 105. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
 9 **VIEW; EXEMPTIONS; RULE OF CONSTRUC-**
 10 **TION.**

11 “(a) *IMPLEMENTATION.*—*The President may exercise*
 12 *all authorities provided under sections 203 and 205 of the*
 13 *International Emergency Economic Powers Act (50 U.S.C.*
 14 *1702 and 1704) to carry out sections 101 and 103.*

15 “(b) *PENALTIES.*—*The penalties provided for in sub-*
 16 *sections (b) and (c) of section 206 of the International*
 17 *Emergency Economic Powers Act (50 U.S.C. 1705) shall*
 18 *apply to a person that violates, attempts to violate, con-*
 19 *spires to violate, or causes a violation of regulations pre-*
 20 *scribed to carry out section 101 or 103 to the same extent*
 21 *that such penalties apply to a person that commits an un-*
 22 *lawful act described in subsection (a) of such section 206.*

23 “(c) *PROCEDURES FOR JUDICIAL REVIEW OF CLASSI-*
 24 *FIED INFORMATION.*—

25 “(1) *IN GENERAL.*—*If a finding, or a prohibi-*
 26 *tion, condition, or penalty imposed as a result of any*

1 *such finding, is based on classified information (as*
 2 *defined in section 1(a) of the Classified Information*
 3 *Procedures Act (18 U.S.C. App.)) and a court reviews*
 4 *the finding or the imposition of the prohibition, con-*
 5 *dition, or penalty, the President may submit such in-*
 6 *formation to the court ex parte and in camera.*

7 *“(2) RULE OF CONSTRUCTION.—Nothing in this*
 8 *subsection shall be construed to confer or imply any*
 9 *right to judicial review of any finding under section*
 10 *101 or 103 or any prohibition, condition, or penalty*
 11 *imposed as a result of any such finding.*

12 *“(d) EXEMPTIONS.—The following activities shall be*
 13 *exempt from sections 101 and 103:*

14 *“(1) Any authorized intelligence, law enforce-*
 15 *ment, or national security activities of the United*
 16 *States.*

17 *“(2) Any transaction necessary to comply with*
 18 *United States obligations under the Agreement be-*
 19 *tween the United Nations and the United States of*
 20 *America regarding the Headquarters of the United*
 21 *States, signed at Lake Success June 26, 1947, and en-*
 22 *tered into force November 21, 1947, or under the Con-*
 23 *vention on Consular Relations, done at Vienna April*
 24 *24, 1963, and entered into force March 19, 1967, or*
 25 *any other United States international agreement.*

1 “(e) *RULE OF CONSTRUCTION.*—*Nothing in section*
2 *101 or 103 shall be construed to limit the authority of the*
3 *President under the International Emergency Economic*
4 *Powers Act (50 U.S.C. 1701 et seq.) or under any other*
5 *provision of law.*”.

6 (b) *CLERICAL AMENDMENT.*—*The table of contents for*
7 *the Hizballah International Financing Prevention Act of*
8 *2015 is amended by inserting after the item relating to sec-*
9 *tion 104, as added by section 105(c) of this Act, the fol-*
10 *lowing new item:*

“*Sec. 105. Implementation; penalties; judicial review; exemptions; rule of construction.*”.

Union Calendar No. 268

115TH CONGRESS
1ST Session

H. R. 3329

[Report No. 115-366, Part I]

A BILL

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

OCTOBER 24, 2017

Reported from the Committee on Foreign Affairs with an amendment

OCTOBER 24, 2017

The Committees on Financial Services and the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed