

DEVELOPMENTS CONCERNING THE NATIONAL  
EMERGENCY WITH RESPECT TO LIBYA

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MESSAGE

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A REPORT ON DEVELOPMENTS SINCE HIS LAST REPORT OF JULY  
18, 1994, CONCERNING THE NATIONAL EMERGENCY WITH RE-  
SPECT TO LIBYA, PURSUANT TO 50 U.S.C. 1703(c)



JANUARY 31 (legislative day of JANUARY 30), 1995.—Message and accom-  
panying papers referred to the Committee on International Relations,  
and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

*To the Congress of the United States:*

I hereby report to the Congress on the developments since my last report of July 18, 1994, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On December 22, 1994, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There has been one amendment to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on July 18, 1994. The amendment (59 Fed. Reg. 51106, October 7, 1994) identified Arab Hellenic Bank (AHB), an Athens-based financial institution, 4 other entities, and 10 individuals as Specially Designated Nationals (SDNs) of Libya. (In addition to the recent SDN action against AHB, the Greek central bank has recently announced that AHB's banking license has been revoked.) Included among the individuals are three Italian shareholders in Oilinvest (Netherlands) B.V., who increased their positions in the Libyan government-controlled firm shortly before United Nations Security Council Resolution (UNSCR) 883 directed a freeze on certain Libyan assets owned or controlled by the Government or public authorities of Libya.

Pursuant to section 550.304(a) of the Regulations, FAC has determined that these entities and individuals designated as SDNs are owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of Libya, or are agencies, instrumentalities, or entities of that government. By virtue of this determination, all property and interests in property of these entities or persons that are in the United States or in the possession or control of U.S. persons are blocked. Further, U.S. persons are prohibited from engaging in transactions with these individuals or entities unless the transactions are licensed by FAC. The designations were made in consultation with the Department of State and announced by FAC in notices issued on June 17 and July 22 and 25, 1994. A copy of the amendment is attached to this report.

3. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in trans-

actions under the Regulations, issuing 136 licensing determinations—both approvals and denials. Consistent with FAC's ongoing scrutiny of banking transactions, the largest category of license approvals (73) concerned requests by non-Libyan persons or entities to unblock bank accounts initially blocked because of an apparent Government of Libya interest. The largest category of denials (41) was for banking transactions in which FAC found a Government of Libya interest. Three licenses were issued authorizing intellectual property protection in Libya.

In addition, FAC issued eight determinations with respect to applications from attorneys to receive fees and reimbursement of expenses for provision of legal services to the Government of Libya in connection with wrongful death civil actions arising from the Pan Am 103 bombing. Civil suits have been filed in the U.S. District Court for the District of Columbia and in the Southern District of New York. Representation of the Government of Libya when named as a defendant in or otherwise made a party to domestic U.S. legal proceedings is authorized by section 550.517(b)(2) of the Regulations under certain conditions.

4. During the current 6-month period, FAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The FAC worked closely with the banks to implement new interdiction of software systems to identify such payments. As a result, during the reporting period, more than 210 transactions involving Libya, totaling more than \$14.8 million, were blocked. As of December 9, 1994, 13 of these transactions had been licensed to be released, leaving a net amount of more than \$14.5 million blocked.

Since my last report, FAC collected 15 civil monetary penalties totaling more than \$76,000 for violations of the U.S. sanctions against Libya. Nine of the violations involved the failure of banks to block funds transfers to Libyan-owned or -controlled banks. Two other penalties were received for corporate export violations. Four additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 76 cases of similar violations are in active penalty processing.

In October 1994, two U.S. businessmen, two U.S. corporations, and several foreign corporations were indicted by a Federal grand jury in Connecticut on three counts of violating the Regulations and IEEPA for their roles in the illegal exportation of U.S. origin fuel pumps to Libya. Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. The FAC has continued its efforts under the Operation Roadblock initiative. This ongoing program seeks to identify U.S. persons who travel to and/or work in Libya in violation of U.S. law.

Several new investigations of potentially significant violations of the Libyan sanctions have been initiated by FAC and cooperating U.S. law enforcement agencies, primarily the U.S. Customs Service. Many of these cases are believed to involve complex conspiracies to circumvent the various prohibitions of the Libyan sanctions, as well as the utilization of international diversionary shipping routes to and from Libya. The FAC has continued to work closely with the Departments of State and Justice to identify U.S. persons who

enter into contracts or agreements with the Government of Libya, or other third-country parties, to lobby United States Government officials or to engage in public relations work on behalf of the Government of Libya without FAC authorization. In addition, during the period FAC hosted or attended several bilateral and multilateral meetings with foreign sanctions authorities, as well as with private foreign institutions, to consult on issues of mutual interest and to encourage strict adherence to the U.N.-mandated sanctions.

5. The expenses incurred by the Federal Government in the 6-month period from July 7, 1994, through January 6, 1995, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$1.4 million. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting UNSCR 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in UNSCRs 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States continues to believe that still stronger international measures than those mandated by UNSCR 883, possibly including a worldwide oil embargo, should be imposed if Libya continues to defy the will of the international community as expressed in UNSCR 731. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 30, 1995.*

## Office of Foreign Assets Control

## 31 CFR Part 589

Libyan Sanctions Regulations;  
Specially Designated Nationals ListAGENCY: Office of Foreign Assets  
Control, Treasury.ACTION: Final rule; amendments to the  
list of specially designated nationals.SUMMARY: The Office of Foreign Assets  
Control is amending the Libyan

Sanctions Regulations to add Arab  
Hellenic Bank, S.A., Leftrada Holdings  
BV, and three other entities to appendix  
A, Organizations Determined to be  
within the Term "Government of Libya"  
(Specially Designated Nationals of  
Libya); to note a name change for an  
entity previously listed in appendix A;  
to identify certain blocked property in  
appendix A; and to add the names of 10  
individuals to appendix B, Individuals  
Determined to be Specially Designated  
Nationals of the Government of Libya.

EFFECTIVE DATE: October 7, 1994.

ADDRESS: Copies of the list of persons  
whose property is blocked pursuant to  
the Libyan Sanctions Regulations are  
available upon request at the following  
location: Office of Foreign Assets  
Control, U.S. Department of the  
Treasury, Annex, 2350 Pennsylvania  
Avenue, N.W., Washington, D.C. 20520.  
The full list of persons blocked pursuant  
to economic sanctions programs  
administered by the Office of Foreign  
Assets Control is available electronically  
on The Federal Bulletin Board (see  
Supplementary Information).  
FOR FURTHER INFORMATION CONTACT: J.  
Robert Mullen, Chief, International  
Programs Division, Office of Foreign  
Assets Control, tel: 202/633-9628.

## SUPPLEMENTARY INFORMATION:

## Electronic Availability

This document is available on an  
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Federal Register. By medium dial 202/  
512-1267 or call 202/512-5300 for disks  
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Postscript, WordPerfect 8.1 and ASCII.

## Background

The Office of Foreign Assets Control  
("FAC") is amending the Libyan  
Sanctions Regulations, 31 CFR part 589  
(the "Regulations"), to add new entities  
to appendix A and B. Appendix A,  
Organizations Determined to be Within  
the Term "Government of Libya"

(Specially Designated Nationals of  
Libya), is a list of organizations  
determined by the Director of FAC to be  
within the definition of the term  
"Government of Libya," as set forth in  
§ 589.304(a) of the Regulations, because  
they are owned or controlled by or act  
or purport to act directly or indirectly  
on behalf of the Government of Libya.  
Appendix B, Individuals Determined to  
be Specially Designated Nationals of the  
Government of Libya, lists individuals  
determined by the Director of FAC to be  
acting or purporting to act directly or  
indirectly on behalf of the Government  
of Libya, and those in fall within the term  
"Government of Libya" in § 589.304(a).

Appendix A to part 589 is amended  
to provide public notice of the  
designation of Arab Hellenic Bank, S.A.,  
Leftrada Holdings BV, Subcon Limited,  
Tehran Oil Services (Overseas)  
Limited, and Trintex (UK) Limited as  
Specially Designated Nationals of Libya.  
In addition, the listing for The Libyan  
Arab Uganda Bank for Foreign Trade  
and Development is amended to note  
the bank's new name, Tropical Africa  
Bank Limited. Finally, Justice House,  
located at 6 Crutched Place, London  
EC2N 2HT, England, is identified as  
blocked property of the Government of  
Libya.

Appendix B to part 589 is amended to  
provide public notice of ten individuals  
determined to be Specially Designated  
Nationals of the Government of Libya:  
Dino Armani, Giuseppe Armani, Dr.  
Nejmehine Abdellatif Azzit, Dr. Nuri  
Abdellatif Ibrahim, Mustafa Bazzani, Dr.  
Mohammed Ali El-Azabi, Abdel Fattah El  
Azzit, Mohammed Ali El-Azabi, Saoud  
El-Wakil El-Nahit, and Hussein Bassant  
Zaghal. Messrs. Dino and Giuseppe  
Armani and Mr. Bazzani are  
shareholders in Gilinvest (Netherlands)  
B.V., previously identified as a  
Specially Designated National, and the  
remaining individuals are officers or  
directors in other institutions named as  
Specially Designated Nationals in this  
amendment.

All prohibitions in the Regulations  
pertaining to the Government of Libya  
apply to the entities and individuals  
identified in appendices A and B. All  
unlicensed transactions with such  
entities or persons, or transactions in  
property in which they have an interest,  
are prohibited unless otherwise  
contemplated or expressly allowed in the  
Regulations.

Determinations that persons fall  
within the definition of the term  
"Government of Libya" and are thus  
Specially Designated Nationals of Libya

are effective upon the date of  
determination by the Director of FAC,  
acting under authority delegated by the  
Secretary of the Treasury. Public notice  
is effective upon the date of publication  
or upon actual notice, whichever is  
sooner.

The list of Specially Designated  
Nationals in appendices A and B is a  
partial one, since FAC may not be aware  
of all agencies and officers of the  
Government of Libya, or of all persons  
that might be owned or controlled by, or  
acting on behalf of the Government of  
Libya within the meaning of  
§ 589.304(a). Therefore, one may not  
rely on the fact that a person is not  
listed in appendix A or B as a Specially  
Designated National on evidence that it  
is not owned or controlled by, or acting

or purporting to act directly or  
indirectly on behalf of the Government  
of Libya. The Treasury Department  
regards it as incumbent upon all persons  
governed by the Regulations to take  
reasonable steps to ascertain for  
themselves whether persons with whom  
they deal are owned or controlled by, or  
acting or purporting to act on behalf of,  
the Government of Libya, or on behalf  
of other countries subject to blocking or  
transactional restrictions administered  
by FAC.

Section 206 of the International  
Emergency Economic Powers Act, 50  
U.S.C. 1704, provides for civil penalties  
not to exceed \$10,000 for each violation  
of the Regulations. Criminal violations  
of the Regulations are punishable by  
fines of up to \$200,000 or imprisonment  
for up to 10 years per count, or both, for  
individuals and criminal fines of up to  
\$600,000 per count for organizations.  
See 50 U.S.C. 1706; 18 U.S.C. 3571.

Because the Regulations involve a  
foreign affairs function, Executive Order  
12958 and the provisions of the  
Administrative Procedure Act, 5 U.S.C.  
553, requiring notice of proposed  
rulemaking, opportunity for public  
participation, and delay in effective  
date, are inapplicable. Because no  
notice of proposed rulemaking is  
required for this rule, the Regulatory  
Flexibility Act, 5 U.S.C. 601-612, does  
not apply.

## List of Subjects in 31 CFR Part 589

Administrative practice and  
procedure, Banks, Banking, Blocking of  
assets, Exports, Foreign Investment,  
Foreign Trade, Government of Libya,  
Imports, Libya, Loans, Penalties,  
Reporting and recordkeeping  
requirements, Sanctions, Services,  
Specially designated nationals, Travel  
restrictions.

**PART 590—LIBYAN SANCTIONS REGULATIONS**

For the reasons set forth in the preamble, 31 CFR part 590 is amended as set forth below:

1. The authority citation for part 590 continues to read as follows:
- Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1804; 22 U.S.C. 2670; 50 U.S.C. App. 1814; 22 U.S.C. 2340a-6 and 2340a-8; 3 U.S.C. 301; E.O. 12849, 3 CFR, 1988 Comp., p. 181; E.O. 12844, 3 CFR, 1988 Comp., p. 182; E.O. 12881, 3 CFR, 1982 Comp., p. 294.

2. Appendix A to part 590 is amended by adding the following entries in alphabetical order, to read as follows:

**APPENDIX A TO PART 590—  
ORGANIZATIONS DETERMINED TO BE  
WITHIN THE TERM "GOVERNMENT OF  
LIBYA" (SPECIALLY DESIGNATED  
NATIONALS OF LIBYA)**

- ARAB HELLENIC BANK S.A.,  
80-88 Syngrou Avenue, GR-117 41  
Athens, Greece.  
P.O. Box 19136, GR-117, 10 Athens,  
Greece.  
43 Panselation Street, GR-105 64  
Athens, Greece.
- LAFITRADE HOLDINGS BV,  
De Lakenstraat 133, 1075 HJ Amsterdam,  
Netherlands.  
P.O. Box 78968, 1070 AG Amsterdam,  
Netherlands.
- SABTINA LIMITED,  
530-532 Elder House, Elder Gate, Central  
Milton Keynes MK10 1LR, England.
- TEKNICA OIL SERVICES (OVERSEAS)  
LIMITED,  
Cyprus.
- TEKNICA (UK) LIMITED,  
(f.k.a. FCO803 Limited),  
15/17 Lodge Road, St. Johns Wood, London  
NW8 7JA, England.  
Aven House, 360-366 Oxford Street,  
London W1N 6JA, England.  
Tripoli, Libya.
- TROPICAL AFRICA BANK LIMITED,  
(f.k.a. The Libyan Arab Uganda Bank for  
Foreign Trade and Development),  
P.O. Box 9468, Kampala, Uganda.

3. Appendix A to part 590 is further amended by adding the following entry at the end thereof:
- Maximal Property:  
JARDINE WILSON,  
6 Cuthbert Place, London EC3N 2HT,  
England.

4. Appendix B to part 590 is amended by adding the following entries in alphabetical order, to read as follows:

**APPENDIX B TO PART 590—  
INDIVIDUALS DETERMINED TO BE  
SPECIALLY DESIGNATED NATIONALS  
OF THE GOVERNMENT OF LIBYA**

- ARMANI, Dino,  
Via San Francesco d'Assisi 16, Milan (MI),  
Italy.  
Via Abruzzi 94, Milan (MI), Italy.  
Viale Abruzzi 26, Milan (MI), Italy.  
DOB 29 Sep 28.
- ARMANI, Giuseppe,  
Viale Abruzzi 94, Milan (MI), Italy.  
DOB 15 Sep 22.
- ARIFI, Dr. Naimuddin Abdalla,  
(f.k.a. Dr. Naimuddin Abdalla Arifi),  
P.O. Box 2134, Tripoli, Libya.  
DOB 21 Nov. 47.
- BERRUBIN, Dr. Nuri Abdalla,  
c/o Arabian Gulf Oil Company, P.O. Box  
283, Benghazi, Libya.  
DOB 18 Mar 46.
- BUSENTI, Marcello,  
(f.k.a. Busesti, Marconino),  
Via Alatri 14, Rome (RM), Italy.  
DOB 30 May 38.
- EL-AGELI, Dr. Mukhtar AH,  
(f.k.a. Dr. Mukhtar AH El-Agali; Dr. Mukhtar  
AH Al-Agali),  
Apartment 18, Madala Vale, Little Venice,  
London, England.  
15/17 Lodge Road, St. Johns Wood, London  
NW8 7JA, England.  
DOB 23 Jul 44.
- EL AMIR, Bahjat Fadel,  
5 Rowrahm Dell, Gifford Park, Milton  
Keynes Bucks MK14 6PR, England.  
DOB 01 Jun 42.
- EL-KHOJA, Mostapha Ali,  
Sayed Ism Zaid, Tripoli, Libya.
- EL MALL, Smeida El-Hush,  
21 Redlands Drive, Loughton, Milton  
Keynes Bucks MK15 8LJ, England.  
DOB 19 Feb 44.

ZUCMARD, Herman Somerset,  
15/17 Lodge Road, St. Johns Wood, London  
NW8 7JA, England.

Date: September 16, 1994.

Steven I. Finster,  
Acting Director, Office of Foreign Assets  
Control.

Approved: September 16, 1994.

E. Richard Newsum,  
Acting Deputy Assistant Secretary (Law  
Enforcement).

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