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DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO LIBYA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS SINCE HIS LAST REPORT OF JULY 22, 1996, CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA THAT WAS DECLARED IN EXECUTIVE ORDER NO. 12543 OF JANUARY 7, 1986, PURSUANT TO 50 U.S.C. 1703(c)



JANUARY 21, 1997.—Referred to the Committee on International Relations
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WASHINGTON : 1997

THE WHITE HOUSE,
Washington, January 10, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I hereby report to the Congress on the developments since my last report of July 22, 1996, concerning the national emergency with respect to Libya that was declared in Executive Order 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 January 2, 1997, 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 have been two amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report on July 22, 1996. The Libyan Sanctions Regulations were amended on August 22, 1996, to add the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132; 110 Stat. 1214-1319 (the "Antiterrorism Act") as an authority for the Regulations. (61 Fed. Reg. 43460, August 23, 1996). On April 24, 1996, I signed into law the Antiterrorism Act. Section 321 of the Antiterrorism Act (18 U.S.C. 2332d) makes it a criminal offense for United States 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. United States persons who engage in such transactions are subject to criminal fines under title 18, United States Code, imprisonment for up to 10 years, or both. Because the Regulations already prohibited such transactions, with minor exceptions for transactions found to be in the public interest, no substantive change to the prohibitions of the Regulations was necessary. A copy of the amendment is attached.

The Regulations were amended on October 21, 1996 (61 Fed. Reg. 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for

inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The Regulations, as amended, increase the maximum civil monetary penalty provided by law from \$10,000 to \$11,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103-322; 108 Stat. 2147. The amendment strikes the \$10,000 maximum on fines imposed for fraudulent dealing with Federal agencies. Finally, the amendment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

3. During the current 6-month period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (49) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Several previously issued licenses were amended to authorize the provision of legal services to the Government of Libya in connection with actions in U.S. courts in which the Government of Libya was named as defendant.

Minister Louis Farrakhan and the Nation of Islam applied for a license to receive a gift of up to \$1 billion from the Government of Libya as well as for Minister Farrakhan to collect \$250,000 in prize money that accompanied the Ghadafi Prize for Human Rights awarded to Minister Farrakhan in Tripoli. The application was denied on Foreign policy grounds.

4. During the current 6-month period, OFAC 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 office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 100 transactions potentially involving Libya were interdicted.

5. Since my last report, OFAC collected 14 civil monetary penalties totaling more than \$165,000 for violations of the U.S. sanctions against Libya. Twelve of the violations involved the failure of banks to block funds transfers to Libyan-owned or -controlled financial institutions. Two U.S. corporations paid OFAC penalties totaling \$105,000 for export violations as part of global plea agreements with the Department of Justice. Sixty-one other cases are in active penalty processing.

On August 7, 1996, a major U.S. exporter entered a guilty plea and was sentenced in the U.S. District Court for the Western District of Kentucky for Libyan sanctions violations. The company and four co-conspirators were charged with aiding and abetting the exportation and attempted exportation of oil well drilling equipment to Libya through Italy in 1995 and 1996. The company paid \$3 million in criminal fines and aggregate criminal penalties paid by individuals totaled \$211,000. In addition, a major U.S. manufacturer in Milwaukee, Wisconsin agreed to pay \$2 million in criminal fines, in addition to the civil penalty noted above, for violation of the Libyan sanctions involving a commercial project in Libya. Numerous

investigations carried over from prior reporting periods are continuing and new reports of violations are being pursued.

6. The expenses incurred by the Federal Government in the 6-month period from July 6, 1996, through January 5, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$670,000. 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.

7. 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 Resolutions 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 will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. 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.

Sincerely,

WILLIAM J. CLINTON.

**31 CFR Parts 500, 515, 535, 550, 560,
and 575**

**Foreign Assets Control Regulations,
Cuban Assets Control Regulations,
Iranian Assets Control Regulations,
Libyan Sanctions Regulations, Iranian
Transactions Regulations, Iraqi
Sanctions Regulations;
Implementation of Section 321 of the
Antiterrorism and Effective Death
Penalty Act of 1996**

**AGENCY: Office of Foreign Assets
Control, Treasury.**

ACTION: Final rule; amendments.

**SUMMARY: This final rule amends the
Foreign Assets Control Regulations,
Cuban Assets Control Regulations,
Iranian Assets Control Regulations,
Libyan Sanctions Regulations, Iranian
Transactions Regulations, and Iraqi**

Sanctions Regulations (the "Regulations") to implement section 321 of the Antiterrorism and Effective Death Penalty Act of 1996, by adding the Act as authority for the Regulations and advising the public of the criminal penalties imposed for violations.

EFFECTIVE DATE: 12:01 a.m. EDT, August 22, 1996.

FOR FURTHER INFORMATION CONTACT: Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220; tel.: 202/622-2520.

SUPPLEMENTARY INFORMATION:

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Background

On April 24, 1996, President Clinton signed into law the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214-1319 (the "Act"). Section 321 of that Act (18 U.S.C. 2332d) makes it a criminal offense for United States 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. U.S. persons who engage in such transactions shall be fined under title 18, United States Code, or imprisoned for up to 10 years, or both. This final rule amends the Regulations to add the Act as an authority for the Regulations, and to indicate the penalties imposed for violations of the Act. No other change to the Regulations is made. A separate rule adding the Terrorism List Governments Sanctions Regulations to implement section 321 of the Act with respect to financial transactions of U.S. persons with the governments of other countries designated under section 6(j) is being published simultaneously in the Federal Register.

Since the Regulations involve a foreign affairs function, Executive Order 12866 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.

This rule contains no collection of information.

List of Subjects

31 CFR Part 500

Administrative practice and procedure, Banks, banking, Blocking of assets, Cambodia, Exports, Fines and penalties, Finance, Foreign claims, Foreign investment in the United States, Foreign trade, Imports, Information and informational materials, International organizations, North Korea, Publications, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Travel restrictions, Trusts and estates, Vietnam.

31 CFR Part 515

Administrative practice and procedure, Air carriers, Banks, banking, Blocking of assets, Cuba, Currency, Estates, Exports, Fines and penalties, Foreign investment in the United States, Foreign trade, Imports, Informational materials, Publications, Reporting and recordkeeping requirements, Securities, Shipping, Specially designated nationals, Travel restrictions, Trusts and trustees, Vessels.

31 CFR Part 535

Administrative practice and procedure, Banks, banking, Blocking of assets, Currency, Foreign investment in

the United States, Iran, Penalties, Reporting and recordkeeping requirements, Securities.

31 CFR Part 550

Administrative practice and procedure, Banks, banking, Blocking assets, Exports, Foreign investment, Foreign trade, Government of Libya, Imports, Libya, Loans, penalties, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Travel restrictions.

31 CFR Part 560

Administrative practice and procedure, Agriculture commodities, Banking and finance, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Transportation.

31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Travel restriction

For the reasons set forth in the preamble, 31 CFR chapter V is amended as follows:

PART 500—FOREIGN ASSETS CONTROL REGULATIONS

1. The authority citation for part 500 is revised to read as follows:
Authority: 50 U.S.C. App. 1-44; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 9183, 7 FR 8205, 3 CFR, 1936-1943 Comp., p. 1174; E.O. 9889, 13 FR 489; 3 CFR, 1943-1948 Comp., p. 748.

Subpart C—Penalties

2. Section 500.701 is amended by adding paragraph (c) to read as follows:

§ 500.701 Penalties.

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be

ined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

PART 515—CUBAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 515 is revised to read as follows:

Authority: 50 U.S.C. App. 1-44; 22 U.S.C. 6001-6010; 22 U.S.C. 2370(a); Pub. L. 104-114, 106 Stat. 785 (22 U.S.C. 6021-6091); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Proc. 3447, 27 FR 1081, 3 CFR, 1959-1963 Comp., p. 157; E.O. 9183, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1147; E.O. 9889, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748; E.O. 12834, 58 FR 36387, 3 CFR, 1993 Comp., p. 814.

Subpart G—Penalties

2. Section 515.701 is amended by adding paragraph (e) to read as follows:

§ 515.701 Penalties.

(e) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(f) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 535 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 12710, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26885, 3 CFR, 1980 Comp., p. 253; E.O. 12278, 46 FR 7913, 3 CFR, 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR, 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 112; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12282, 46 FR 7927, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; and E.O. 12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

Subpart G—Penalties

2. Section 535.701 is amended by adding paragraph (c) to read as follows:

§ 535.701 Penalties.

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(f) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

PART 560—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1812; 50 U.S.C. 287c; 48 U.S.C. App. 1514; 22 U.S.C. 2349a-6 and 2349a-8; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; E.O. 12943, 51 FR 873, 3 CFR, 1986 Comp., p. 182; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

Subpart G—Penalties

2. Section 560.701 is amended by redesignating the existing paragraph (c) as (d) and adding paragraph (c) to read as follows:

§ 560.701 Penalties.

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(f) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1811; 22 U.S.C. 2349a-6; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; E.O. 12813, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O.

12958, 60 FR 24757, 3 CFR, 1995 Comp., p. 356.

Subpart G—Penalties

2. Section 560.701 is amended by adding paragraph (e) to read as follows:

§ 560.701 Penalties.

(e) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(f) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

PART 575—IRACI SANCTIONS REGULATIONS

1. The authority citation for part 575 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1801-1811; 22 U.S.C. 287c; Pub. L. 101-613, 104 Stat. 2067-85 (50 U.S.C. 1701 Note); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; E.O. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 3 CFR, 1992 Comp., p. 317.

Subpart G—Penalties

2. Section 575.701 is amended by redesignating the existing paragraph (d) as (e) and adding paragraph (d) to read as follows:

§ 575.701 Penalties.

(d) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(f) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

43482 Federal Register / Vol. 61, No. 165 / Friday, August 23, 1996 / Rules and Regulations

Dated: August 16, 1996.
Loren L. Dehm,
*Acting Director, Office of Foreign Assets
Control.*
Approved: August 20, 1996.
James E. Johnson,
Assistant Secretary (Enforcement).
[FR Doc. 96-21704 Filed 8-21-96; 3:11 pm]
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of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, UNITA (Angola) Sanctions Regulations, and Terrorism Sanctions Regulations (collectively, the "Regulations") to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The rule also amends the penalty provisions of the Regulations to reflect a 1994 amendment to 18 U.S.C. 1001. Certain of the Regulations are also amended to note the availability of higher criminal fines under 18 U.S.C. 3571.

EFFECTIVE DATE: October 21, 1996.

FOR FURTHER INFORMATION CONTACT: Mrs. B.S. Scott, Chief, Civil Penalties Program (tel.: 202/622-6140); or William B. Hoffman, Chief Counsel (tel.: 202/622-2416), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

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Office of Foreign Assets Control

31 CFR Parts 500, 515, 535, 550, 560, 575, 585, 590 and 595

Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, Iraqi Sanctions Regulations; Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, UNITA (Angola) Sanctions Regulations, Terrorism Sanctions Regulations; Implementation of Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as Amended by the Debt Collection Improvement Act of 1996

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: This final rule amends the Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, Iraqi Sanctions Regulations, Federal Republic

Background

Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1994 (Pub. L. 101-410, 104 Stat. 890, 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, sec. 31001(a)(1), Apr. 26, 1996, 110 Stat. 1321-373—the "DCIA") (jointly, the "FCPIA"), requires each Federal agency with statutory authority to assess civil monetary penalties ("CMPs") to adjust CMPs for inflation according to a formula described in section 5 of the FCPIA. The purpose of the FCPIA is to maintain the deterrent effect of CMPs through periodic cost-of-living based adjustments. The first inflation adjustment is required by October 23, 1996—180 days after the enactment of the DCIA. Thereafter, agencies are to make inflation adjustments at least once every four years. Adjustments of CMPs are to be made by regulation published in the Federal Register. Any increase in a CMP made pursuant to the FCPIA applies only to violations that occur after the date the increase takes effect.

Section 5 of the FCPIA requires that each CMP having a specified or maximum monetary amount provided for by Federal law be increased by the percentage by which the Consumer Price Index for all urban consumers (the "CPI") for the month of June of the calendar year preceding the adjustment exceeds the CPI for the month of June of the calendar year in which the amount of the CMP was last set or adjusted pursuant to law. Section 5 also provides a formula for rounding the final CMP amount. Finally, section 31001(a)(2) of the DCIA mandates that the first inflation adjustment of a CMP may not exceed 10 percent of the penalty prior to adjustment.

The Office of Foreign Assets Control currently imposes CMPs pursuant to three statutes: the Trading with the Enemy Act (50 U.S.C. App. 16—"TWEA"), the International Emergency Economic Powers Act (50 U.S.C. 1705—"IEEPA"), and section 580E of the Iraq Sanctions Act of 1990 (Pub. L. 101-513, 104 Stat. 2049, 50 U.S.C. 1701 note—"ISA"). The CMP amount of \$50,000 under TWEA was set in 1992. Thus, pursuant to the FCPIA, the TWEA statutory CMP must be increased by the difference between the CPI for 1995 and the CPI for 1992, or 8.6%, which, after rounding, equals \$5,000. Thus, this final rule amends the maximum TWEA-based CMP per violation to be the inflation-adjusted amount of \$55,000.

The CMP amount of \$10,000 under IEEPA was set in 1977. Applying the CPI inflator of the FCPIA would

increase the CMP under IEEPA by 151.2%, exceeding the DCIA's 10% cap. The adjustment is limited to \$1,000. Thus, this rule fixes the maximum IEEPA-based CMP per violation at \$11,000.

The CMP amount of \$250,000 under the ISA was set in 1990. The CPI inflator under the FCPIA (17.4%) again exceeds the DCIA 10% cap of \$25,000. Thus, this rule amends the maximum ISA-based CMP per violation to be \$275,000.

This rule also amends the penalty provisions of the Regulations to reflect an amendment to 18 U.S.C. 1501 contained in section 330016(1)(JL) of Public Law 103-322, Sept. 13, 1994, 108 Stat. 2147. The amendment strikes the \$10,000 cap on fines imposed for fraudulent dealing with Federal agencies. Finally, this rule amends the Regulations to note the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571.

Since the Regulations involve a foreign affairs function, Executive Order 12866 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.

This rule contains no collection of information.

List of Subjects**31 CFR Part 500**

Administrative practice and procedure, Banks, banking, Blocking of assets, Cambodia, Exports, Finance, Foreign claims, Foreign investment in the United States, Foreign trade, Imports, Information and informational materials, International organizations, North Korea, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions, Trusts and estates, Vietnam.

31 CFR Part 515

Administrative practice and procedure, Air carriers, Banks, banking, Blocking of assets, Cuba, Currency, Estates, Exports, Foreign investment in the United States, Foreign trade, Imports, Informational materials, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Shipping, Specially designated nationals, Terrorism, Travel restrictions, Trusts and trustees, Vessels.

31 CFR Part 535

Administrative practice and procedure, Banks, banking, Blocking of assets, Currency, Foreign investment in the United States, Iran, Penalties, Reporting and recordkeeping requirements, Securities, Terrorism.

31 CFR Part 550

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, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 560

Administrative practice and procedure, Agriculture commodities, Banking and finance, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 585

Administrative practice and procedure, Banking and finance, Blocking of assets, Exports, Federal Republic of Yugoslavia (Serbia and Montenegro), Foreign trade, Imports, Intellectual property, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Shipping, Telecommunications, Transfer of assets, Vessels.

31 CFR Part 590

Administrative practice and procedure, Angola, Exports, Foreign trade, National Union for the Total Independence of Angola, Penalties, Reporting and recordkeeping requirements, Shipping, UNITA, Vessels.

31 CFR Part 595

Administrative practice and procedure, Banking and finance, Blocking of assets, Penalties, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Transfer of Assets.

For the reasons set forth in the preamble, 31 CFR chapter V is amended as follows:

PART 600—FOREIGN ASSETS CONTROL REGULATIONS

1. The authority citation for part 500 is revised to read as follows:

Authority: 50 U.S.C. App. 1044; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 3205, 3 CFR 1939-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR 1943-48 Comp., p. 748.

Subpart G—Penalties

2. Section 500.701 is amended by removing paragraph (a)(6), redesignating existing paragraphs (b) and (c) as paragraphs (c) and (d), respectively, adding a new paragraph (b), and revising introductory paragraph (a), paragraph (a)(3), and redesignated paragraph (c) to read as follows:

§ 500.701 Penalties.

(a) Attention is directed to section 16 of the Trading with the Enemy Act (50 U.S.C. App. 16), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), which provides that:

(1) * * *

(2) * * *

(3) The Secretary of the Treasury may impose a civil penalty of not more than \$55,000 per violation on any person who violates any license, order, or regulation issued under that act:

(4) * * *

(5) * * *

(b) The criminal penalties provided in the Trading with the Enemy Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 515—CUBAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 515 is revised to read as follows:

Authority: 50 U.S.C. App. 1-44; 22 U.S.C. 6001-6010; 22 U.S.C. 2370(a); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Proc. 3447 27 FR 1085, 3 CFR 1959-1963 Comp., p. 157; E.O. 8183, 7 FR 3205, 3 CFR 1939-1943 Comp., p. 1147; E.O. 9989, 13 FR 4891, 3 CFR 1943-48 Comp., p. 748; E.O. 12854, 58 FR 36887, 3 CFR 1993 Comp., p. 814.

Subpart G—Penalties

2. Section 515.701 is amended by removing paragraph (a)(5), redesignating paragraphs (b), (c), (d) and (e) as paragraphs (c), (d), (e) and (f), respectively, adding a new paragraph (b), and revising introductory paragraph (a), paragraph (a)(3), and redesignated paragraph (d) to read as follows:

§ 515.701 Penalties.

(a) Attention is directed to section 16 of the Trading with the Enemy Act (50 U.S.C. App. 16), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), which provides that:

(1) * * *

(2) * * *

(3) The Secretary of the Treasury may impose a civil penalty of not more than \$55,000 per violation on any person who violates any license, order, or regulation issued under that act:

(4) * * *

(b) The criminal penalties provided in the Trading with the Enemy Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 535 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12170, 44 FR 63729, 3 CFR 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR 1980 Comp., p. 248; E.O.

12211, 45 FR 28685, 3 CFR 1980 Comp., p. 257; E.O. 12276, 46 FR 7913, 3 CFR 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR 1981 Comp., p. 106; E.O. 12290, 46 FR 7921, 3 CFR 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR 1981 Comp., p. 110; E.O. 12282, 46 FR 7925, 3 CFR 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR 1981 Comp., p. 114; and E.O. 12294, 46 FR 14111, 3 CFR 1981 Comp., p. 139.

Subpart G—Penalties

2. Section 535.701 is amended by redesignating existing paragraphs (b) and (c) as paragraphs (c) and (d), respectively, adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 535.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code,

or imprisoned not more than five years, or both.

PART 550—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for part 550 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 287c; 40 U.S.C. App. 1514; 22 U.S.C. 2349aa-6 and 2349aa-6; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 875, 3 CFR 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

Subpart G—Penalties

2. Section 550.701 is amended by redesignating existing paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e), respectively, adding a new paragraph (b), and revising paragraph (e) and redesignated paragraph (c) to read as follows:

§ 550.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act.

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up

by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 2349aa-6; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12813, 52 FR 41940, 3 CFR, 1987 Comp., p. 236; E.O. 12957, 60 FR 14615, 3 CFR 1995 Comp., p. 232; E.O. 12959, 60 FR 24757, 3 CFR 1995 Comp., p. 356.

Subpart G—Penalties

2. Section 560.701 is amended by redesignating existing paragraphs (b), (c) and (d) as paragraphs (c), (e) and (f), respectively, adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 560.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act.

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code or imprisoned not more than five years, or both.

PART 575—IRAQI SANCTIONS REGULATIONS

1. The authority citation for part 575 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 287c; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12722, 85 FR 31803, 3 CFR, 1980 Comp., p. 294; E.O. 12724, 85 FR 33088, 3 CFR, 1982 Comp., p. 317.

Subpart G—Penalties

2. Section 575.701 is amended by redesignating existing paragraphs (b), (c), (d) and (e) as paragraphs (c), (d), (e) and (f), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising introductory paragraph (a), paragraph (e)(1), and redesignated paragraph (d) to read as follows:

§ 575.701 Penalties.

(a) Section 580E of the Iraq Sanctions Act of 1990 (Public Law 101-513, 104 Stat. 2048), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that, notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)):

(1) A civil penalty of not to exceed \$275,000 per violation may be imposed on any person who, after the enactment of this Act, violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725, or any license, order, or regulation issued under any such Executive Order;

(2) * * *

(3) * * *

(b) The criminal penalties provided in the Iraq Sanctions Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations

Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

* * * * *

PART 585—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO) AND THE BOSNIAN SERB-CONTROLLED AREAS OF THE REPUBLIC OF BOSNIA AND HERZEGOVINA SANCTIONS REGULATIONS

1. The authority citation for part 585 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 287c; 49 U.S.C. App. 1514; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12806, 57 FR 23295, P.L. 12810, 57 FR 24347; E.O. 12831, 58 FR 5253

Subpart G—Penalties

2. Section 585.701 is amended by redesignating existing paragraphs (b), (c), and (d) as paragraphs (c), (d), and (e), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising paragraph (a) and redesignated paragraph (d) to read as follows:

§ 585.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

* * * * *

PART 590—UNITA (ANGOLA) SANCTIONS REGULATIONS

1. The authority citation for part 590 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 3 U.S.C. 301; E.O. 12865, 58 FR 51005.

Subpart G—Penalties

2. Section 590.701 is amended by redesignating existing paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e), respectively, adding a new paragraph (b), adding a new final sentence to redesignated paragraph (c), and revising paragraph (a) and redesignated paragraph (d) to read as follows:

§ 590.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of

1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) * * * The criminal penalties provided in the United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

* * * * *

PART 585—TERRORISM SANCTIONS REGULATIONS

1. The authority citation for part 585 is revised to read as follows:

Authority: 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 3 U.S.C. 301; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12947, 60 FR 5079.

Subpart G—Penalties

2. Section 585.701 is amended by redesignating existing paragraph (b) as paragraph (c), adding a new paragraph (b), and revising paragraph (a) and redesignated paragraph (c) to read as follows:

§ 585.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the "Act") (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or

authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-416, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$11,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act:

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

Dated: October 17, 1996.

R. Richard Newcomb,
Director, Office of Foreign Assets Control

Approved: October 18, 1996.

James E. Johnson,
Assistant Secretary (Enforcement)
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am)

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