

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO TERRORISTS WHO THREATEN TO
DISRUPT THE MIDDLE EAST PEACE PROCESS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY,
DECLARED IN EXECUTIVE ORDER 12947 OF JANUARY 23, 1995,
WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT
THE MIDDLE EAST PEACE PROCESS, PURSUANT TO 50 U.S.C.
1641(c) AND 50 U.S.C. 1703(c)



JANUARY 23, 2002.—Referred to the Committee on International Relations
and ordered to be printed

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THE WHITE HOUSE,
Washington, January 18, 2002.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency, declared in Executive Order 12947 of January 23, 1995, with respect to terrorists who threaten to disrupt the Middle East peace process.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST
PEACE PROCESS

I hereby report to the Congress on the developments over the course of the past 6 months concerning the national emergency, with respect to terrorists who threaten to disrupt the Middle East peace process, that was declared in Executive Order 12947 of January 23, 1995, as expanded in scope by Executive Order 13099 of August 20, 1998. This report, based upon information provided, is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

1. There have been no amendments to the Terrorism Sanctions Regulations, 31 CFR Part 595 (the "Regulations"), during the current reporting period.

2. The Department of the Treasury's Office of Foreign Assets Control ("OFAC") has issued no licenses pursuant to the Regulations during the current reporting period.

3. On December 4, 2001, OFAC added the Holy Land Foundation (HLF), a Texas-based organization with branches in several other U.S. cities, along with Al-Aqsa Islamic Bank and Beit El-Mal Holdings to its list of Specially Designated Terrorists. These entities were also simultaneously blocked pursuant to Executive Order 13224 of September 24, 2001, ("Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism"). All of their assets in the United States and all assets coming into the possession or control of U.S. persons are blocked. A preliminary accounting indicates that OFAC has blocked approximately \$6 million of the newly targeted assets subject to U.S. jurisdiction. In addition, on September 5, 2001, OFAC issued an order to a Texas-based Internet service provider blocking the financial interest of a Specially Designated Terrorist ("SDT") in the company. A total of \$102,000 in the company's bank account has been blocked and OFAC continues to investigate the nature and extent of that interest. One additional transaction totaling approximately \$3,000 was blocked during this reporting period. This brings the total blocked assets being reported to OFAC to more than \$6,150,000 as of December 4, 2001. The blocking of these funds prevents their conversion or other disposal for the benefit of the SDT. Federal agencies will continue to work closely to identify and block assets in which SDTs have an interest.

4. Since my last report, OFAC has one civil penalty case underway against a U.S. financial entity for violation of IEEPA and the Regulations by dealing in property in which an SDT has an interest.

5. The expenses incurred by the Federal Government in the 6-month period from July 23, 2001, through January 22, 2002, that

are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process are estimated at approximately \$450,000. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

6. Executive Orders 12947 and 13099 provide this Administration with a tool for combating fundraising in this country on behalf of organizations that use terror to undermine the Middle East peace process. The orders make it harder for such groups to finance these criminal activities by impeding their access to sources of support in the United States and to U.S. financial facilities. They are also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

The Executive orders demonstrate the United States determination to confront and combat those who would seek to destroy the Middle East peace process and our commitment to the global fight against terrorism.