

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN THAT WAS DECLARED IN EXECUTIVE
ORDER 13067 OF NOVEMBER 3, 1997, PURSUANT TO 50 U.S.C.
1641(c) AND 50 U.S.C. 1703(c)



MAY 7, 2002.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

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 (IEEPA), 50 U.S.C. 1703(c), I am providing herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 7, 2002.*

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
SUDAN

This report to the Congress covers developments over the course of the past 6 months concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997. This report 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. The Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued 44 licenses during the current reporting period. The majority of licenses were issued releasing blocked funds after it was determined that there was no Sudanese Government property interest in the funds. Nineteen licenses were issued authorizing commercial sales and exportation to Sudan of bulk agricultural commodities, food and agriculture products, medicine, and medical equipment. One additional license was issued authorizing the provision of very limited banking services, and one license was issued permitting the liquidation of tangible assets belonging to the Government of Sudan that are currently in the possession of a U.S. company, with the proceeds to be deposited into a blocked account. Twenty-five license applications were denied, including 18 applications involving blocked funds that, after review, were determined to involve a Sudanese Government property interest. The remainder of the denials involved commercial goods or services.

2. As of March 11, 2002, 25 transactions totaling more than \$443,000 had been blocked during this reporting period. Under the Regulations, transactions in violation of the sanctions where there is no blockable interest of the Government of Sudan must be returned to remitters ("rejected"). During the reporting period, 142 such transactions were entered into OFAC's database as being rejected by U.S. banks indicating a disruption of at least \$3.4 million in business for Sudan. In addition, as of March 11, 2002, OFAC has authorized nine non-governmental organizations to conduct humanitarian relief operations in Sudan, bringing the total number of such authorizations to 84.

3. Since the last report, OFAC has collected 11 civil monetary penalties totaling nearly \$53,000 for violations of IEEPA and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations"), from nine U.S. financial institutions and one carrier. Three defaulted penalties totaling more than \$19,000 have been referred for debt collection. An additional 35 cases are undergoing penalty action for violation of the Regulations and IEEPA.

4. On February 26, 2002, OFAC issued a Notice of Blocking to a U.S. company in possession of a commercial shipment consigned to the Greater Nile Petroleum Operating Company ("GNPOC"), a Specially Designated National of Sudan.

5. The expenses incurred by the Federal Government in the 6-month period from November 3, 2001, through May 2, 2002, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$295,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary of Enforcement, and the Office of the General Counsel), the Department of State, and the Department of Commerce.

6. The situation in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the United States Government's opposition to the actions and policies of the Government of Sudan, particularly its support of international terrorism and its failure to respect basic human rights, including its restrictions on religious freedom. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the anti-terrorism and human rights policies of the United States.