



One Hundred Fourteenth Congress  
U.S. House of Representatives  
Committee on Foreign Affairs  
2170 Rayburn House Office Building  
Washington, DC 20515  
[www.foreignaffairs.house.gov](http://www.foreignaffairs.house.gov)

June 16, 2016

The Honorable Jacob Lew  
Secretary  
U.S. Department of the Treasury

Dear Mr. Secretary:

When the Financial Action Task Force meets next week, I urge the Treasury Department to use the influence of the United States to ensure that Iran remains on the list of countries designated by the Task Force as “high-risk and non-cooperative jurisdictions” for money laundering and terrorist financing. Maintaining this designation is essential to protect the national security of the United States, our allies, and partners—as well as the integrity of the international financial system—from Iran’s support for terrorism and the illicit financial practices that the regime uses to fund this violence.

As you know, the Financial Action Task Force is a technical organization that sets international standards for anti-money laundering and counter-terrorist financing. The Task Force reaffirmed Tehran’s “high-risk” designation in February, declaring that it “remains particularly and exceptionally concerned about Iran’s failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system” and calling upon its members to “consider the steps already taken and possible additional safeguards.” The Task Force went so far as to warn that “it will consider calling on its members and urging all jurisdictions to strengthen counter-measures in June.”

I understand that Iran has recently engaged the Task Force to seek the removal of this designation. As part of this effort, the Governor of Iran’s Central Bank claimed that the country is implementing reforms which include new laws against terrorism and money laundering. Yet a former top Treasury Department official recently testified to the Committee that “Iran has been recalcitrant across the board” in its dealings with the Task Force and warned that Iran cannot be given a “free pass” based on “paper reforms.” In this regard, I was disappointed to hear a senior Department official appear to take Iranian claims at face value and say that Iran “should get credit for in trying to come off of that list.”

Terror finance in Iran is not the result of inadequate laws or lax enforcement. Support for terrorism is central to this radical regime’s dangerous foreign policy. As you know, Iran has been designated as a State Sponsor of Terrorism since 1984. Your own department has labeled Iran as “primary money laundering concern” since 2011—a recognition that any financial transaction with an Iranian bank or entity risks supporting the regime’s ongoing illicit activity.

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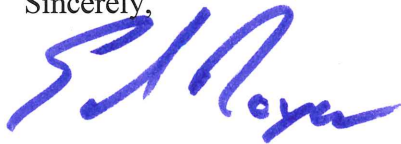
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Hezbollah, Iran's leading terrorist proxy, is currently playing a central role in Iran's effort to prop up the murderous Assad regime in Syria. This U.S. designated "Foreign Terrorist Organization" also has tens of thousands of rockets pointed at Israel. At the same time, as the State Department's most recent terrorism report makes clear, Iran's support for "Palestinian terrorist groups in Gaza...and various groups in Iraq and throughout the Middle East" has continued.

The Task Force has long called on countries to "apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing risks emanating from" Iran. This should remain the case so long as terrorism remains central to Iran's destabilizing foreign policy.

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Royce", is written over the word "Sincerely,".

EDWARD R. ROYCE  
Chairman