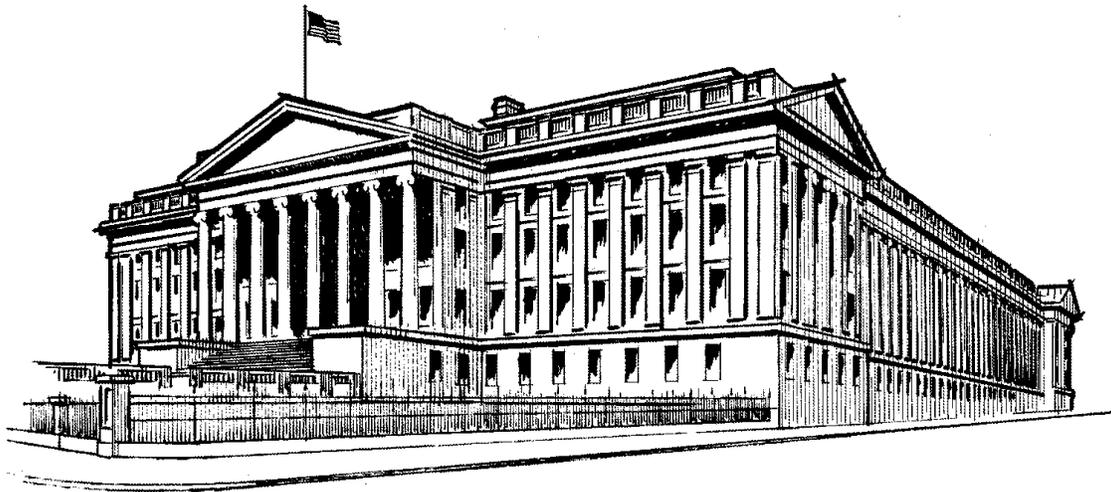


TERRORIST ASSETS REPORT

**Calendar Year 2007
Sixteenth Annual Report to Congress
on
Assets in the United States
of Terrorist Countries
and International Terrorism Program
Designees**



**Office of Foreign Assets Control
U.S. Department of the Treasury**

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**OFFICE OF FOREIGN ASSETS CONTROL
U.S. DEPARTMENT OF THE TREASURY**

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BACKGROUND

A. Economic Sanctions and Terrorism

Historically, the U.S. Government has used economic sanctions primarily as a tool to pressure foreign governments and regimes, including state sponsors of terrorism. Since 1995, the U.S. Government has also used targeted economic sanctions as a tool against international terrorists and terrorist organizations. Following the events of September 11, 2001, President Bush issued Executive Order 13224, significantly expanding the scope of then-existing U.S. sanctions against terrorists and terrorist organizations based in the Middle East. The combination of programs targeting international terrorists and terrorist organizations with those targeting terrorism-supporting governments constitutes a wide-ranging assault on international terrorism and its supporters and financiers.

The Department of the Treasury's Office of Foreign Assets Control (OFAC) is the lead office for implementing sanctions with respect to assets of international terrorist organizations and terrorism-supporting countries. OFAC implements these sanctions as part of its general mission *to administer and enforce economic and trade sanctions based on U.S. foreign policy and national security goals*. In administering and enforcing U.S. economic sanctions programs, OFAC focuses on identifying persons for designation; assisting U.S. persons in complying with the sanctions prohibitions through its compliance and licensing efforts; assessing civil monetary penalties against U.S. persons violating the prohibitions; working with other U.S. Government agencies, including law enforcement; and coordinating and working with other nations to implement similar strategies. Currently, OFAC administers sanctions programs targeting international terrorists and terrorist organizations. OFAC also administers sanctions programs relating to the five countries that have been designated as state sponsors of terrorism.

B. Nature of Blocked Assets

The blocked asset amounts described below represent amounts frozen under U.S. sanctions programs that block all property and interests in property of designated parties. The term "interest" is broadly defined in OFAC's sanctions regulations in Chapter V of Title 31 of the Code of Federal Regulations. An interest in property may be direct or indirect and include property interests short of full ownership. In many instances, the interest may be partial or contingent. Because the blocked assets discussed in this report include assets not actually owned by designated parties, they are described throughout as assets "relating to" a designated party. Many of the assets may be owned by or subject to claims by third parties.

OFAC regulations generally prohibit any form of judicial disposition of blocked property. However, the Terrorism Risk Insurance Act of 2002 (the TRIA) includes a provision making blocked assets of a terrorist party available to satisfy certain judgments against terrorist parties, including judgments based on claims for which sovereign immunity of foreign states is waived by 28 U.S.C. § 1605 (a)(7) (certain claims for personal injury or death).

Some, but not all, of OFAC's sanctions programs relating to terrorism entail the blocking, i.e., freezing, of assets. Implementation of programs targeting international terrorist organizations has resulted in the blocking in the United States of more than \$20 million in which there exists an interest of an international terrorist organization or other related designated party.¹

More than \$402 million in assets relating to five designated state sponsors of terrorism have been identified by OFAC as located within U.S. jurisdiction. Of that amount, \$315 million in assets are blocked pursuant to economic sanctions imposed by the United States and administered by OFAC. The remaining balance of \$87 million in assets represents non-blocked assets of individuals and entities from Iran and Syria.² Unless otherwise noted, this report provides data for the calendar year ending December 31, 2007.

C. Nature of OFAC Information Sources

The sources of information that OFAC uses in this report vary depending on the nature of the sanctions target. With respect to terrorists and terrorist organizations, OFAC relies solely on information that U.S. persons are obligated to report to OFAC with respect to blocked assets. With respect to state sponsors of terrorism, OFAC relies primarily on reports of blocked property when applicable, but also has obtained with respect to certain countries additional information deemed appropriate for inclusion in the report.³

D. This Report

Section 304 of Public Law 102-138, as amended by Public Law 103-236 (22 U.S.C. § 2656g) (hereinafter referred to as Section 304) (Tab 1), requires the Secretary of the Treasury, in consultation with the Attorney General and appropriate investigative agencies, to provide an annual report to the Congress concerning the nature and extent of assets held in the United States by terrorism-supporting countries and organizations engaged in international terrorism. The Department of the Treasury submitted its first Terrorist Assets Report to the Congress in April 1993. The current report, covering calendar year 2007, is the sixteenth successive Terrorist Assets Report.

The Terrorist Assets Report, which is prepared by OFAC based on information reported to it by other Government agencies and non-government parties, is submitted to the Committee on Foreign Relations and the Committee on Finance in the Senate and to the Committee on International Relations and the Committee on Ways and Means in the House of Representatives.

¹ This figure does not include amounts reported to OFAC as blocked where the appropriateness of the blocking is under review.

² See Part II, Section C, and Table 3, Non-Blocked Funds Relating to State Sponsors of Terrorism.

³ See Part II, Section C regarding non-blocked assets.

More than 20 Federal agencies and offices were polled in developing this report. These agencies and offices are listed in Tab 2.

Both funds and real and tangible property are included in this report.⁴ Funds are reported in the following exhibits and tables:

- Exhibit A contains figures for OFAC blocked funds in the United States relating to international terrorist organizations.
- Tables 1 and 2 contain figures for OFAC blocked funds relating to state sponsors of terrorism that are held in the United States or in offshore branches or subsidiaries of U.S. banks.
- Table 3 contains figures for non-blocked funds of Iran and Syria as reported to OFAC by the Treasury International Capital Reporting System and the Federal Reserve.
- Table 4 summarizes the amounts reported in Tables 1 through 3.

Descriptions of real and tangible property are reported in Part I, Section E for international terrorist organizations and Part II, Section D for state sponsors of terrorism.

⁴ For purposes of this report, the term “funds” means financial holdings (e.g., cash accounts, securities, and debt obligations).

PART I ASSETS RELATING TO INTERNATIONAL TERRORIST ORGANIZATIONS

Section 304 requires that the Department of the Treasury report on assets with respect to “organizations engaged in international terrorism.” For the purposes of this report, “organizations engaged in international terrorism” include only those organizations targeted with sanctions under any of the three OFAC-administered sanctions programs relating to terrorist organizations as discussed below.

A. Programs

1. Executive Order 13224 - Specially Designated Global Terrorists (SDGTs)

On September 23, 2001, President Bush declared a national emergency, pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706 (IEEPA), and other authorities, in Executive Order 13224 (E.O. 13224), "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (Tab 3). E.O. 13224 was issued in response to the grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist acts committed on September 11, 2001, in New York and Pennsylvania and against the Pentagon, and the continuing and immediate threat of future attacks on U.S. nationals and the United States. The terrorist acts of September 11, 2001, were also recognized and condemned in United Nations Security Council Resolutions (UNSCR) 1368 (September 12, 2001), 1373 (September 28, 2001), and 1735 (December 22, 2006).⁵ E.O. 13224 imposes economic sanctions on persons who have been determined to have committed or pose a significant risk of committing acts of terrorism, as well as on persons determined to be owned or controlled by such persons or to provide support to such persons or acts of terrorism. It prohibits any transaction or dealing in property or interests in property of any person (i.e., an individual or entity) designated under its authority, including the donation of funds, goods, or services, and it blocks all property in the United States or within the possession or control of a U.S. person in which there is an interest of any designated person.

In the Annex to E.O. 13224, President Bush identified 12 individuals and 15 entities whose assets are subject to blocking (Tab 3). The Taliban and its leader were added to the Annex pursuant to Executive Order 13268 (E.O. 13268) (Tab 4). Subsequently, additional individuals and entities have been designated by the Department of State and the Department of the Treasury. As of December 31, 2007, a total of 478 individuals and entities had been identified or designated and remain listed as “Specially Designated Global Terrorists” or “SDGTs” for having met one or more of the criteria for designation set forth in E.O. 13224.⁶

⁵ Currently more than 330 individuals and entities designated by the United States Government pursuant to E.O. 13224 have been listed on the UNSCR 1267/1735 Consolidated List.

⁶ The 478 SDGTs designated pursuant to E.O. 13224 include 42 Foreign Terrorist Organizations (FTOs) designated by the Secretary of State pursuant to the Antiterrorism and Effective Death Penalty Act of 1996.

2. Executive Orders 12947 and 13099 - Specially Designated Terrorists (SDTs)

On January 23, 1995, President Clinton declared a national emergency pursuant to IEEPA and other authorities in Executive Order 12947 (E.O. 12947), "Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process" (Tab 5). E.O. 12947 targets terrorists threatening the Middle East peace process (termed "Specially Designated Terrorists," or "SDTs") and prohibits dealings in property or interests in property of any organization or individual designated under its authority, including the donation of funds, goods, or services, and it blocks all property in the United States or within the possession or control of a U.S. person in which there is an interest of any designated person. Twelve terrorist organizations were named in the Annex to E.O. 12947.

On August 20, 1998, President Clinton issued Executive Order 13099 (E.O. 13099) amending E.O. 12947 by adding three individuals and one organization to the Annex of E.O. 12947, including Usama bin Muhammad bin Awad bin Ladin (also known as Osama bin Ladin) and Al-Qaida.

3. Antiterrorism Act of 1996 – Foreign Terrorist Organizations (FTOs)

On April 24, 1996, Congress passed the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1247-1258 (the Antiterrorism Act). Section 302 of the Antiterrorism Act (8 U.S.C. § 1189) authorizes the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to designate organizations meeting stated criteria as foreign terrorist organizations, with prior notification to the Congress of the Secretary's intent to designate. Section 303 of the Act (18 U.S.C. § 2339B) makes it a crime for persons within the United States or subject to U.S. jurisdiction to knowingly provide material support or resources to a foreign terrorist organization designated under Section 302. Additionally, except as authorized by the Department of the Treasury, U.S. financial institutions in possession or control of funds in which a foreign terrorist organization or its agent has an interest are required to block such funds and report on the funds to the Department of the Treasury.

As of December 31, 2007, 42 organizations or groups had been designated as FTOs by the Department of State. These 42 FTOs include 12 of the 13 Middle East terrorist organizations previously designated under Executive Orders 12947 and 13099 and 30 other foreign organizations located in South America, Europe, Asia, and Africa. All of these are also designated pursuant to E.O. 13224.

B. Administering and Enforcing the Terrorism Sanctions

Terrorists, terrorist groups and terrorist supporters that are designated pursuant to Executive Orders 12947, 13099 and 13224, or as an FTO, are placed on OFAC's public list and are generically referred to as "Specially Designated Nationals" or "SDNs." In the context of the terrorism programs, they may be known as SDTs, SDGTs, or FTOs, depending on the individual or entity in question.

U.S. persons⁷ are prohibited from conducting unauthorized transactions or having other dealings with or providing services to the designated individuals or entities. Any property or property interest of a designated person that comes within the control of a U.S. person is blocked and must be reported to OFAC. Foreign persons may be held liable for effecting such transactions from the United States.

C. Impact of Terrorism Sanctions

The imposition of sanctions by the United States and its international partners against terrorists, terrorist organizations and their support structures is a powerful tool. Its effects reach far beyond the blocking of terrorist assets. Designating individuals or organizations as SDGTs, SDTs, or FTOs notifies the U.S. public and the world that these parties are either actively engaged in or supporting terrorism or that they are being used by terrorists and their organizations. Notification exposes and isolates these individuals and organizations, denies them access to the U.S. financial system and, in the case of a UN designation, the global financial system. Furthermore, banks and other private institutions around the world frequently consult OFAC's SDN list and report denying listed entities access to their institutions. In addition, the imposition of economic sanctions can assist or complement the law enforcement actions of other U.S. agencies and/or other governments.

D. Summary of Blocked Assets of International Terrorist Organizations

As of December 31, 2007, assets blocked pursuant to E.O.s 12947, 13099, and 13224 totaled \$20,736,920.⁸ Total amounts blocked will be subject to change for a number of reasons, including application of the TRIA, which authorizes eligible persons who hold judgments arising out of acts of terrorism to attach certain blocked assets to

⁷ U.S. persons include: all U.S. citizens, U.S. permanent resident aliens, and foreign nationals present in the United States; U.S. citizens and U.S. permanent resident aliens abroad; corporations organized under U.S. law and foreign companies' branches/subsidiaries located in the United States; and foreign branches of U.S. companies.

⁸ Taliban assets are blocked pursuant to E.O. 13224. On July 2, 2002, the President issued E.O. 13268 (**Tab 4**), terminating Executive Order 13129 (**Tab 7**) and the emergency with respect to the Taliban because the U.S. military campaign in Afghanistan ended the Taliban's territorial control. The Taliban and its leader, Mohammed Omar, were added to the Annex to E.O. 13224 pursuant to E.O. 13268. Accordingly, the remaining blocked assets of the Taliban and its leader have been incorporated into the above section of this report dealing with SDGTs. Approximately \$261.5 million in Afghan assets were unblocked and turned over to the Afghan Interim Authority between February and April 2002 as the Authority established control over Afghanistan following the United States-led military campaign.

satisfy their compensatory damages awards.⁹ Additionally, fluctuation may occur in the value of blocked assets due to the authorized withdrawal of blocked funds under various circumstances consistent with overall sanctions policy.

The increase in blocked terrorist organization assets in 2007 is due to new or additional blockings, interest paid on blocked funds, and increased share price on certain blocked securities.

E. Real and Tangible Property of International Terrorist Organizations

The U.S. Government has identified and designated organizations inside the United States that are branches of, or have been determined to provide support to or be owned or controlled by, designated terrorist groups or individuals. The following organizations own blocked real and/or tangible property inside the United States: the Holy Land Foundation has tangible property in several warehouse locations in the United States; the Benevolence International Foundation (BIF) owns real estate and tangible property in the greater-Chicago area; the Islamic American Relief Agency (IARA) owns tangible property in Missouri; and the Al Haramain Islamic Foundation owns real estate in Missouri. The specific current values for these real and tangible properties are not known. OFAC utilizes a government contractor to ensure that blocked tangible property is stored in a safe and secure environment. Based on long-standing policy, OFAC does not conduct valuations of tangible property or appraisals of real property until the property is to be sold or auctioned. In some cases, tax assessments for real property are available from a local tax office, but these assessments may not reflect a true market value.

⁹ Section 201(a) of the TRIA provides:

(a) IN GENERAL-Notwithstanding any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism, or for which a terrorist party is not immune under section 1605 (a)(7) of Title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

EXHIBIT A

OFAC Blocked Funds in the United States Relating to SDGT, SDT and FTO Programs¹⁰

ORGANIZATION/RELATED DESIGNEES	BLOCKED AS OF 2007	BLOCKED AS OF 2006
AL-QAIDA	\$ 11,324,361	\$ 7,764,452
HAMAS	\$ 8,658,832	\$ 8,405,981
HIZBALLAH	\$ 437,281	\$ 108,176
MUJAHEDIN-E KHALQ ORGANIZATION	\$ 111,423	\$ 109,565
NEW PEOPLE'S ARMY	\$ 3,750	\$ 3,750
PALESTINIAN ISLAMIC JIHAD	\$ 63,508	\$ 19,044
KAHANE CHAI	\$ 201	\$ 201
TALIBAN	\$ 2,648	\$ 2,648
LIBERATION TIGERS OF TAMIL EELAM (LTTE)	\$ 134,916	\$ N/A ¹¹
Total assets of SDGTs, SDTs and FTOs	\$ 20,736,920	\$ 16,413,817

¹⁰ Assets reported in Exhibit A as blocked pursuant to the terrorist programs may also include assets attributable to state-sponsors of terrorism to the extent that a state-owned entity was designated on the basis of providing support to one of the listed international terrorist organizations. For administrative purposes, an allocation of blocked assets has been attributed to one terrorist organization in certain cases even though the publicly disclosed basis for designation may link an entity to more than one terrorist organization.

¹¹ Since LTTE was designated on November 5, 2007, this is the first report for which blocked assets are reportable.

PART II ASSETS RELATING TO STATE SPONSORS OF TERRORISM

A. The State Sponsors of Terrorism

"Terrorist countries" for purposes of this report are the state sponsors of terrorism designated by the Secretary of State under Section 6(j) of the Export Administration Act (50 U.S.C. App. § 2405) and Section 40(d) of the Arms Export Control Act (22 U.S.C. § 2780(d)). States currently designated as sponsors of terrorism are: Cuba, Iran, North Korea, Sudan, and Syria.

B. Reported Assets Relating to State Sponsors of Terrorism

The following information describes the nature and extent of assets held in the United States or in offshore branches or subsidiaries of U.S. banks that are blocked or that otherwise relate to countries designated as state sponsors of terrorism. These assets include funds reported in Tables 1, 2, and 3, as well as real and tangible property described in Section D below.

Tables 1, 2, and 3 include a breakdown of the funds reported to OFAC relating to the five state sponsors of terrorism. Table 4 is a summary of the amounts reported in Tables 1, 2, and 3. For each country, the nature of the referenced funds (blocked and non-blocked) is different and the sources of information may vary, as discussed below. Not all of the funds reported in Tables 1, 2, 3, and 4 are physically located in the United States. A relatively small amount is in foreign branches and subsidiaries of U.S. banks, where such funds are subject to legal requirements of the host country that may conflict with sanctions-related restrictions under U.S. law.

With respect to any blocked assets discussed below, there are changes in value, location, and composition over time consistent with OFAC's receipt of reports from holders of blocked assets identifying additional assets of sanctioned countries; updates of information received from holders of blocked accounts on accrued interest and fluctuating market values; and licensing of various transactions in accordance with United States foreign policy objectives and applicable law. Additionally, there are circumstances under which blocked assets of state sponsors of terrorism may be subject to vesting to satisfy foreign policy objectives, meet statutory obligations or subject to attachment pursuant to TRIA.

CUBA

The fund totals for Cuba, as set forth in Tables 1 and 2, are derived from annual reports of blocked property submitted to OFAC pursuant to OFAC's regulations. See 31 CFR § 501.603(b)(2). Because the Cuba sanctions target not only the Government of Cuba, but also its nationals, defined to include entities and individuals, the reported figure includes the blocked assets of all these parties. Consequently, this figure includes assets associated with blocked wire transfers intended for or sent by Cuban nationals. It also

includes assets owned by third parties that have been blocked due to the indirect or contingent interests of the Cuban government or Cuban nationals.

IRAN

Assets reported for Iran include blocked and non-blocked funds, as well as blocked diplomatic and consular property. The blocked Iranian property includes property of the Government of Iran that has remained blocked, under OFAC's Iranian Assets Control Regulations, 31 CFR part 535, since the hostage crisis was resolved in 1981. The property blocked in 1981 remains blocked in part because of pending claims before the Iran-U.S. Claims Tribunal. The blocked Iranian diplomatic and consular real and tangible property is described in Section D below. Blocked funds in which the Government of Iran has an interest are reported in Table 1, and non-blocked funds associated with Iranian entities and individuals are reported in aggregate form in Table 3. The blocked funds reported in Table 1 include rental proceeds derived from the diplomatic and consular property; the security deposits of the tenants are included in the reported figure.¹² The State Department's Office of Foreign Missions, the custodian of the diplomatic and consular real estate, is authorized to use the rental proceeds to maintain the blocked properties in keeping with the treaty obligations of the United States, and certain funds may have been earmarked for these purposes. In addition to the diplomatic and consular real estate and rental proceeds, there are eleven Government of Iran consular accounts that have been blocked since 1981.

Additionally, other sanctions authorities designed to address national emergencies distinct from terrorism have also resulted in the blocking of assets in which the Government of Iran has an interest. To the extent that assets have been blocked under such authorities, they are included in Table 1 and Table 2.¹³ The increase in blocked assets reported for Iran in Table 1 is attributable to blockings under these additional authorities.

There is no requirement for U.S. persons to report non-blocked assets to OFAC. As described in Section C below, however, non-blocked funds may be reported to OFAC by the Treasury International Capital Reporting System and the Federal Reserve, which reflect (i) the total liabilities to individuals and entities located in Iran reported by banking and non-banking institutions in the United States as well as their major offshore branches and subsidiaries, and (ii) the value of U.S. long-term securities held by individuals and entities located in Iran. These non-blocked funds associated with Iranian individuals and entities are reported in Table 3.

NORTH KOREA

The fund totals for North Korea, as set forth in Tables 1 and 2, are derived from annual reports of blocked property submitted to OFAC pursuant to OFAC's regulations. See 31 CFR § 501.603(b)(2). Because the North Korea sanctions have targeted not only

¹² Of the amount reported for Iran for 2007 in Table 1, \$718,724 represents rental proceeds.

¹³ As noted above, assets blocked pursuant to the SDT, SDGT, and FTO terrorist programs may also include assets attributable to state-sponsors of terrorism.

the Government of North Korea, but also its nationals, defined to include entities and individuals, the reported figure may include the blocked assets of all these parties. The fund totals include funds owned by third parties that have been blocked due to indirect or contingent interests of the North Korean government or North Korean nationals. Because nearly all prospective transactions in which the Government of North Korea or North Korean nationals have an interest have been authorized since June 2000, no additional North Korean assets have been blocked pursuant to the Foreign Assets Control Regulations, 31 CFR Part 500, since that time. There is no requirement for U.S. persons to report non-blocked assets to OFAC.

Sanctions authorities designed to address national emergencies distinct from terrorism have also resulted in the blocking of assets in which the Government of North Korea has an interest. To the extent that assets have been blocked under such authorities, they are also included in Table 1 and Table 2.

SUDAN

The fund totals for Sudan, as set forth in Tables 1 and 2, are derived from annual reports of blocked property submitted to OFAC pursuant to OFAC's regulations. See 31 CFR § 501.603(b)(2). While the Sudan sanctions primarily target the Government of Sudan, the blocked funds totals also include assets owned by third parties that have been blocked due to indirect or contingent interests of the Government of Sudan. There is no requirement for U.S. persons to report non-blocked assets to OFAC.

SYRIA

Although the Syrian Sanctions Regulations, 31 CFR part 542, entail the blocking of property of individuals and entities designated pursuant to the criteria in Executive Order 13338 of May 11, 2004,¹⁴ no assets of the individuals and entities presently targeted by such sanctions have been reported to OFAC.

There is no requirement for U.S. persons to report non-blocked assets to OFAC. As described in Section C below, however, non-blocked funds are reported to OFAC by the Treasury International Capital Reporting System and the Federal Reserve, which reflect (i) the total liabilities to individuals and entities located in Syria reported by banking and non-banking institutions in the United States as well as their major offshore branches and subsidiaries, and (ii) the value of U.S. long-term securities held by individuals and entities located in Syria. These non-blocked funds associated with Syrian individuals and entities are reported in Table 3.

¹⁴ In Executive Order 13338, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the actions of the Government of Syria in supporting terrorism, continuing its occupation of Lebanon, pursuing weapons of mass destruction and missile programs, and undermining United States and international efforts with respect to the stabilization and reconstruction of Iraq.

C. Non-Blocked Funds relating to State Sponsors of Terrorism

The non-blocked funds referenced above in the discussions of Iran and Syria and contained in Table 3 are derived from the Department of the Treasury's reporting systems on U.S. international capital movements and portfolio investment. These systems are designed primarily to collect information in aggregate form concerning the U.S. balance of payments and international investment position. The information provided to the Department of the Treasury through these reporting systems, together with the Federal Reserve System's data on assets and liabilities of U.S. banks' large foreign offices, represent comprehensive U.S. surveys of bank liabilities and portfolio investment gathered on individuals and public and private entities located in foreign countries. There are statutory restrictions on the use of the data to preserve the anonymity of reporters and asset holders. Data on non-blocked assets held in large offshore branches and subsidiaries of U.S. banks are taken from quarterly reports to the Federal Reserve System.

D. Real and Tangible Property of State Sponsors of Terrorism

Based on available information, each of the state sponsors of terrorism, except North Korea, owns diplomatic and consular real property in the United States. Cuba owns six blocked properties located in New York and Washington, D.C. Syria owns four non-blocked properties located in New York and Washington, D.C. Sudan owns six blocked properties located in New Jersey, New York, Virginia and Washington, D.C. Iran owns eleven blocked properties located in California, Illinois, Maryland, New York, Texas and Washington, D.C.

In addition, a Government of Iran bank owns property in New York that was blocked in connection with the bank's designation in 2007 under a sanctions authority which addresses a national emergency distinct from terrorism.

Based on long-standing policy, OFAC does not conduct valuations of tangible property or appraisals of real property until the property is to be sold or auctioned. In some cases, tax assessments for real property are available from a local tax office, but these assessments may not reflect a true market value.¹⁵

In regard to tangible property, Iran has laid claim before the Iran-U.S. Claims Tribunal to miscellaneous blocked and non-blocked military and non-military property that it asserts was in the possession of private entities in the United States when the hostage crisis was resolved in 1981. In response, the United States has asserted, among other arguments, that Iran has failed to identify the property, to establish that the property was in existence in 1981, to prove that it owned the property, to show that pre-

¹⁵ The value of Iran's diplomatic and consular property, together with the remaining diplomatic and consular furnishings, had been reported in past years in the Terrorist Assets Report as \$23.2 million. In last year's report, OFAC determined that the continued use of this figure may not provide an accurate reflection of the value of this property given the general fluctuation in property values in recent years. Because a current valuation for Iran's diplomatic and consular property is not available, OFAC has chosen not to include a figure in recent reports with respect to the value of this property.

existing liens have been satisfied, and/or to demonstrate that, due to physical deterioration, obsolescence, or other reasons, the property had anything more than a nominal or negligible value. These issues are pending before the Tribunal.

TABLE 1

OFAC Blocked Funds ^{1/} Relating to State Sponsors of Terrorism in the United States				
(Amounts in millions of U.S. dollars)				
Country	2007	2006		Source*
CUBA	\$218.1	\$196.1		
IRAN	\$16.8	\$1.1		
NORTH KOREA	\$31.8	\$31.7		
SUDAN	\$48.2	\$80.6		
SYRIA	\$0.0	\$0.0		
TOTAL	\$314.9	\$309.5		

*Table Source: Office of Foreign Assets Control, unless otherwise noted

1/ The value of real and tangible property is excluded from the amounts report in Table 1 and is discussed separately in Part II, Section D.

TABLE 2

OFAC Blocked Funds Relating to State Sponsors of Terrorism in Foreign Branches of United States Banks				
(Amounts in millions of U.S. dollars)				
Country	2007	2006		Source*
CUBA	\$0.3	\$0.3		
NORTH KOREA	\$0.2	\$0.2		
SUDAN	\$0.1	\$0.1		
TOTAL	\$0.6	\$0.6		

*Table Source: Office of Foreign Assets Control, unless otherwise noted

TABLE 3

Non-Blocked Funds Relating to State Sponsors of Terrorism in the United States (Amounts in millions of U.S. dollars)			
Country	2007	2006	Source
IRAN	\$28.0	\$44.0	Treasury International Capital Reporting System and Federal Reserve System <u>1/</u>
	\$7.0	\$7.0	Survey of Foreign Holdings of U.S. Securities (Treasury International Capital Reporting System) <u>2/</u>
	(\$0.0)	(\$0.0)	Treasury International Capital Reporting System and Federal Reserve System <u>3/</u>
Net Iranian Assets	\$35.0	\$51.0	
SYRIA	\$37.0	\$34.0	Treasury International Capital Reporting System and Federal Reserve System <u>1/</u>
	\$19.0	\$19.0	Survey of Foreign Holdings of U.S. Securities (Treasury International Capital Reporting System) <u>2/</u>
	(\$4.0)	(\$2.0)	Treasury International Capital Reporting System and Federal Reserve System <u>3/</u>
Net Syrian Assets	\$52.0	\$51.0	
TOTAL	\$87.0	\$102.0	

1/ Total liabilities to individuals and entities located in Iran/Syria reported by banks in the United States, by non-banking institutions in the U.S., and by large offshore branches and subsidiaries of United States banks as of September 30, 2007.

2/ Total United States long-term securities held by individuals and entities located in Iran/Syria reported by U.S.-resident custodians and issuers as of June 30, 2006. Final numbers as of June 30, 2007, were not available at the time this information was assembled.

3/ Net purchases by individuals and entities located in Iran/Syria of United States long-term securities reported by U.S.-resident banks, securities brokers and dealers, and other market participants, July 1, 2006 to September 30, 2007.

TABLE 4

Summary of Funds Relating to State Sponsors of Terrorism Under United States Jurisdiction (Amounts in millions of U.S. dollars)			
	2007	2006	
TABLE 1: OFAC Blocked Funds in the United States	\$314.9	\$309.5	
TABLE 2: OFAC Blocked Funds in Foreign Branches of U.S. Banks	\$0.6	\$0.6	
TABLE 3: Non-Blocked Funds in the United States	\$87.0	\$102.0	
Total State Sponsor of Terrorism funds within U.S. jurisdiction	\$402.5	\$412.1	