

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)



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THE WHITE HOUSE,
Washington, July 31, 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 prepared by my Administration on 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.

Sincerely,

GEORGE W. BUSH.

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

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

2. On March 27, 2002, the Department of the Treasury's Office of Foreign Assets Control (OFAC) added the Al-Aqsa Martyrs Brigade (a.k.a. Al-Aqsa Martyrs Battalion), a Fatah-affiliated group in the West Bank, to its list of Specially Designated Nationals and Blocked Persons. The Secretary of State designated Al-Aqsa Martyrs Brigade pursuant to section 1(a)(ii)(A) of Executive Order 12947, as amended, and concurrently, pursuant to section 1(b) of Executive Order 13224 of September 23, 2001, ("Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism") and as a Foreign Terrorist Organization pursuant to the Anti-Terrorism and Effective Death Penalty Act of 1996. On May 31, 2002, OFAC issued a superseding designation of Holy Land Foundation for Relief and Development (HLF) of Richardson, Texas, its other offices in the United States, and its offices in the West Bank and Gaza Strip, as both a Special Designated Terrorist (SDT) and a Special Designated Global Terrorist (SDGT). HLF was initially designated an SDT and an SDGT on December 4, 2001.

3. As of May 29, 2002, OFAC has issued two licenses authorizing the release of blocked funds after it was determined that there was no SDT property interest in the funds.

4. As of May 29, 2002, six transactions, totaling approximately \$60,000, in which an SDT had an interest, were blocked during this reporting period. This brings the total blocked assets being reported to OFAC to more than \$6,450,000. 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.

5. Since the last report, one U.S. financial institution is undergoing civil penalty enforcement action for allegations or prohibited transactions with an SDT.

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

rectly 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 \$235,000. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

7. Executive Orders 12947 and 13099 provide 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.