

106TH CONGRESS
1ST SESSION

S. 1171

To block assets of narcotics traffickers who pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.

IN THE SENATE OF THE UNITED STATES

MAY 27, 1999

Mr. COVERDELL (for himself, Mrs. FEINSTEIN, Mr. DEWINE, Mr. HELMS, Mr. LOTT, Mr. TORRICELLI, Mr. CRAIG, Mr. GRAHAM, and Mr. REID) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To block assets of narcotics traffickers who pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDING AND POLICY.**

4 (a) FINDING.—Congress makes the following find-
5 ings:

6 (1) Presidential Decision Directive 42, issued
7 on October 21, 1995, ordered agencies of the execu-
8 tive branch of the United States Government to,

1 inter alia, increase the priority and resources de-
2 voted to the direct and immediate threat inter-
3 national crime presents to national security, work
4 more closely with other governments to develop a
5 global response to this threat, and use aggressively
6 and creatively all legal means available to combat
7 international crime.

8 (2) Executive Order No. 12978 of October 21,
9 1995, provides for the use of the authorities in the
10 International Emergency Economic Powers Act
11 (IEEPA) to target and sanction four specially des-
12 ignated narcotics traffickers and their organizations
13 which operate from Colombia.

14 (b) POLICY.—It should be the policy of the United
15 States to impose economic and other financial sanctions
16 against foreign international narcotics traffickers and
17 their organizations worldwide.

18 **SEC. 2. PURPOSE.**

19 The purpose of this Act is to provide for the use of
20 the authorities in the International Emergency Economic
21 Powers Act to sanction additional specially designated
22 narcotics traffickers operating worldwide.

1 **SEC. 3. DESIGNATION OF CERTAIN FOREIGN INTER-**
2 **NATIONAL NARCOTICS TRAFFICKERS.**

3 (a) PREPARATION OF LIST OF NAMES.—Not later
4 than January 1, 2000 and not later than January 1 of
5 each year thereafter, the Secretary of the Treasury, in
6 consultation with the Attorney General, Director of Cen-
7 tral Intelligence, Secretary of Defense, and Secretary of
8 State, shall transmit to the Director of National Drug
9 Control Policy a list of those individuals who play a signifi-
10 cant role in international narcotics trafficking as of that
11 date.

12 (b) REVIEW BY DIRECTOR OF NATIONAL DRUG CON-
13 TROL POLICY.—Not later than February 1, 2000 and not
14 later than February 1 of each year thereafter, the Director
15 of National Drug Control Policy shall transmit to the
16 President the list submitted that year to the Director
17 under subsection (a) to the President, together with his
18 recommendations for the inclusion in, or exclusion from,
19 the list of specific individuals.

20 (c) EXCLUSION OF CERTAIN PERSONS FROM LIST.—

21 (1) IN GENERAL.—Notwithstanding any other
22 provision of this section, neither the list described in
23 subsections (a) and (b) nor the accompanying rec-
24 ommendations of the Director of National Drug
25 Control Policy under subsection (b) shall include the
26 name of any individual if the Director of Central In-

1 intelligence determines that the disclosure of that per-
2 son's role in international narcotics trafficking could
3 compromise United States intelligence sources or
4 methods. The Director of Central Intelligence shall
5 advise the President when a determination is made
6 to withhold an individual's identity under this sub-
7 section.

8 (2) REPORTS.—In each case in which the Di-
9 rector of Central Intelligence has made a determina-
10 tion under paragraph (1), the President shall submit
11 a report in classified form to the Select Committee
12 on Intelligence of the Senate and the Permanent Se-
13 lect Committee on Intelligence of the House of Rep-
14 resent setting forth the reasons for the determina-
15 tion.

16 (d) DESIGNATION OF INDIVIDUALS AS THREATS TO
17 THE UNITED STATES.—The President shall determine not
18 later than March 1 of each year whether or not to des-
19 ignate persons on the list transmitted to the President
20 that year as persons constituting an unusual and extraor-
21 dinary threat to the national security, foreign policy, and
22 economy of the United States. The President shall notify
23 the Secretary of the Treasury of any person designated
24 under this subsection. If the President determines not to
25 designate any person on such list as such a threat, the

1 President shall submit a report to Congress setting forth
2 the reasons therefore.

3 (e) CHANGES IN DESIGNATIONS OF INDIVIDUALS.—

4 (1) ADDITIONAL INDIVIDUALS DESIGNATED.—

5 If at any time after March 1 of a year, but prior to
6 January 1 of the following year, the President deter-
7 mines that a person is playing a significant role in
8 international narcotics trafficking and has not been
9 designated under subsection (d) as a person consti-
10 tuting an unusual and extraordinary threat to the
11 national security, foreign policy, and economy of the
12 United States, the President may so designate the
13 person. The President shall notify the Secretary of
14 the Treasury of any person designated under this
15 paragraph.

16 (2) REMOVAL OF DESIGNATIONS OF INDIVID-
17 UALS.—Whenever the President determines that a
18 person designated under subsection (d) or paragraph
19 (1) of this subsection no longer poses an unusual
20 and extraordinary threat to the national security,
21 foreign policy, and economy of the United States,
22 the person shall no longer be considered as des-
23 ignated under that subsection.

1 (f) REFERENCES.—Any person designated under
2 subsection (d) or (e) may be referred to in this Act as
3 a “specially designated narcotics trafficker”.

4 **SEC. 4. BLOCKING ASSETS.**

5 (a) FINDING.—Congress finds that a national emer-
6 gency exists with respect to any individual who is a spe-
7 cially designated narcotics trafficker.

8 (b) BLOCKING OF ASSETS.—Except to the extent
9 provided in section 203(b) of the International Emergency
10 Economic Powers Act (50 U.S.C. 1702(b)) and in regula-
11 tions, orders, directives, or licenses that may be issued
12 pursuant to this Act, and notwithstanding any contract
13 entered into or any license or permit granted prior to the
14 date of designation of a person as a specially designated
15 narcotics trafficker, there are hereby blocked all property
16 and interests in property that are, or after that date come,
17 within the United States, or that are, or after that date
18 come, within the possession or control of any United
19 States person, of—

20 (1) any specially designated narcotics trafficker;

21 (2) any person who materially assists in, pro-
22 vides financial or technological support for, or pro-
23 vides goods or services in support of, the narcotics
24 trafficking activities of a specially designated nar-
25 cotics trafficker; and

1 (3) any person determined by the Secretary of
2 the Treasury, in consultation with the Attorney Gen-
3 eral, Director of Central Intelligence, Secretary of
4 Defense, and Secretary of State, to be owned or con-
5 trolled by, or to act for or on behalf of, a specially
6 designated narcotics trafficker.

7 (c) PROHIBITED ACTS.—Except to the extent pro-
8 vided in section 203(b) of the International Emergency
9 Economic Powers Act or in any regulation, order, direc-
10 tive, or license that may be issued pursuant to this Act,
11 and notwithstanding any contract entered into or any li-
12 cense or permit granted prior to the effective date, the
13 following acts are prohibited:

14 (1) Any transaction or dealing by a United
15 States person, or within the United States, in prop-
16 erty or interests in property of any specially des-
17 ignated narcotics trafficker.

18 (2) Any transaction or dealing by a United
19 States person, or within the United States, that
20 evades or avoids, has the purpose of evading or
21 avoiding, or attempts to violate, subsection (b).

22 (d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVI-
23 TIES NOT AFFECTED.—Nothing in this section is intended
24 to prohibit or otherwise limit the authorized law enforce-
25 ment or intelligence activities of the United States, or the

1 law enforcement activities of any State or subdivision
2 thereof.

3 (e) IMPLEMENTATION.—The Secretary of the Treas-
4 ury, in consultation with the Attorney General, Director
5 of Central Intelligence, Secretary of Defense, and Sec-
6 retary of State, is authorized to take such actions, includ-
7 ing the promulgation of rules and regulations, and to em-
8 ploy all powers granted to the President by the Inter-
9 national Emergency Economic Powers Act as may be nec-
10 essary to carry out this section. The Secretary of the
11 Treasury may redelegate any of these functions to any
12 other officer or agency of the United States Government.
13 Each agency of the United States shall take all appro-
14 priate measures within its authority to carry out this sec-
15 tion.

16 (f) ENFORCEMENT.—Violations of licenses, orders, or
17 regulations under this Act shall be subject to the same
18 civil or criminal penalties as are provided by section 206
19 of the International Emergency Economic Powers Act (50
20 U.S.C. 1705) for violations of licenses, orders, and regula-
21 tions under that Act.

22 (g) DEFINITIONS.—In this section:

23 (1) ENTITY.—The term “entity” means a part-
24 nership, association, corporation, or other organiza-
25 tion, group or subgroup.

1 (A) is a spouse or minor child of a spe-
2 cially designated narcotics trafficker; or

3 (B) is a person described in paragraph (2)
4 or (3) of section 4(b).

5 (b) EXCEPTIONS.—Subsection (a) shall not apply—

6 (1) where the Secretary of State finds, on a
7 case-by-case basis, that the entry into the United
8 States of the person is necessary for medical rea-
9 sons;

10 (2) upon the request of the Attorney General,
11 Director of Central Intelligence, Secretary of the
12 Treasury, or the Secretary of Defense; or

13 (3) for purposes of the prosecution of a spe-
14 cially designated narcotics trafficker.

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