

Message to the Congress Reporting on the Economic Sanctions Against Libya January 11, 1991

To the Congress of the United States:

1. I hereby report to the Congress on developments since my last report of July 13, 1990, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

2. Since my last report on July 13, 1990, there have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control ("FAC") of the Department of the Treasury. Additionally, since July 13, 1990, there have been no amendments or changes to orders of the Department of Commerce or the Department of Transportation implementing aspects of Executive Order No. 12543 relating to exports from the United States and air transportation, respectively.

3. During the current 6-month period, FAC approved only one license application authorizing the renewal of a patent. Twenty licensing decisions were made prohibiting transactions in connection with Libya.

4. Various enforcement actions mentioned in previous reports continue to be pursued. In October 1990, based upon violations of IEEPA, the U.S. Customs Service seized \$3 million in funds at a New York bank and \$800,000 at a bank in Florida. The U.S. attorneys for the respective jurisdictions utilized 18 U.S.C. 1956, the Money Laundering Control Act, to effect the seizures. This marks the first time that this statute has been used to effect seizures

based upon an IEEPA violation. This continuing investigation centers around an alleged conspiracy to invest Libyan funds in various U.S. businesses and technology.

In November 1990, FAC blocked a letter of credit in the amount of \$332,124, drawn on the account of a U.S. manufacturer to pay a South Korean firm for the shipment of industrial equipment to Libya. The funds have been placed into a blocked account, and the investigation into the actions of the U.S. firm continues.

5. The expenses incurred by the Federal Government in the 6-month period from July 13, 1990, through December 14, 1990, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at \$407,603. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Department of Commerce, the Department of Justice, the Federal Reserve Board, and the National Security Council.

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

GEORGE BUSH

The White House,
January 11, 1991.