

# United States Senate

October 6, 2016

The Honorable John Kerry  
Secretary of State  
United States Department of State  
2201 C Street, NW  
Washington DC, 20520

The Honorable Jack Lew  
Secretary of the Treasury  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington DC, 20220

Dear Secretary Kerry and Secretary Lew:

On September 30, a State Department spokesperson stated that the department conducted “a very thorough review” of the consequences of lifting U.S., United Nations, and European Union sanctions on Iran’s Bank Sepah and its wholly-owned subsidiary, Bank Sepah International Plc (hereinafter referred to collectively as “Bank Sepah”). According to the spokesperson, this review included an assessment of Bank Sepah’s role in Iran’s ongoing efforts to illicitly obtain ballistic missile technology. To assist the Senate in its oversight role, I am writing to request that your agencies expeditiously share any and all assessments related to the lifting of sanctions on Bank Sepah with the Senate Committee on Banking, Housing, and Urban Affairs and the Senate Select Committee on Intelligence, and the Senate Committee on Foreign Relations.

Senate oversight on this matter is of the utmost urgency. The Obama administration’s decision to grant U.S. and U.N. sanctions relief to Bank Sepah raises numerous issues that will negatively impact the national security of the United States.

First, as you are aware, Bank Sepah has long been the financial facilitator of Iran’s illicit ballistic missile procurement efforts, a program whose sole purpose is to create delivery systems for nuclear weapons. When levying sanctions on Bank Sepah in 2007, the Treasury Department called the bank “the financial linchpin of Iran’s missile procurement network.” The U.N. followed with its own sanctions that same year, and the EU and SWIFT imposed new sanctions and restrictions on Bank Sepah in 2012. By freeing Bank Sepah from this array of sanctions, the Obama administration may have expedited Iran’s efforts to obtain viable delivery vehicles for nuclear weapons.

Second, the sanctions relief may have constituted a major component of a ransom payment. The Obama administration agreed to allow U.N. sanctions relief for Bank Sepah on January 17, 2016. That was the same day the administration agreed to pay \$1.7 billion to Iran and release or pardon several Iranian agents, while Iran agreed to release five U.S. hostages. In fact, these agreements were all finalized on the same day, by the same U.S. and Iranian negotiators, meeting in the same Geneva hotel conference room. That the sanctions relief for Bank Sepah was apparently part of

a tightly orchestrated ransom payment will create a strong incentive for Iran and other malign actors around the world to capture and detain Americans for use as bargaining chips.

Third, the decision to lift of U.N. and EU sanctions on Bank Sepah appears to violate the terms of the Iran nuclear deal. Annex V of the Joint Comprehensive Plan of Action indicates that these sanctions on Bank Sepah were not to be lifted until a milestone date in 2023 referred to as "Transition Day," or until the Director General of the IAEA issued a report that "all nuclear material in Iran remains in peaceful activities." To my knowledge, the IAEA Director General has issued no such report. It is deeply concerning that the Obama administration is granting to Iran new concessions beyond the four corners of the JCPOA. While I did not support the Iran nuclear deal, a number of my Senate colleagues relied on its text when they decided to block a Senate vote on the agreement. It may come as an unpleasant surprise to them that the text of the agreement is not in fact binding and may change to suit the desires of Iran's ayatollahs.

The production of your agencies' assessments of the sanctions relief granted to Bank Sepah is a matter of deep importance. I appreciate your urgent attention to this request.

Sincerely,



Tom Cotton  
United States Senator

CC James Clapper, Director of National Intelligence