

United States Senate

WASHINGTON, DC 20510

August 3, 2016

Secretary Jacob Lew
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20500

Secretary John Kerry
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretaries Lew and Kerry:

I am writing because I am disturbed by recent reporting in *The Wall Street Journal* that the United States arranged for \$400 million in cash to be flown to Iran on an unmarked cargo plane in January of this year. This shipment of euros and Swiss francs reportedly occurred just as four U.S. hostages were released by the Iranian regime. This report makes plain what the Administration can no longer deny: this was a ransom payment to Iran for U.S. hostages.

Since January, I have asked officials of your agencies repeatedly and directly how and in what currencies this \$400 million amount—as well as the additional \$1.3 billion in purported interest payments—was to be paid. In none of the responses—whether during a May 25 hearing before the Senate Banking Committee or in written responses received by my office two weeks ago—did your officials indicate that the \$400 million was paid in cash, that the cash would be in euro and Swiss franc denominations, or that the payment was made simultaneously with the release of U.S. hostages.

That your officials have been reluctant to disclose to me and my colleagues the full nature and timing of the \$400 million cash payment is discomfiting. I am also frustrated that these revelations had to be uncovered by the press seven months after the fact instead of honestly and openly conveyed to the Senate and to the American people in a timely fashion.

The revelations raise serious issues we can now only begin to consider. Below are a number of questions. I respectfully request full and honest answers.

1. The timing and nature of the payment makes plain that the payment was a ransom for U.S. hostages. I understand that the administration insists that the negotiation over the \$1.7 billion and the negotiation over the hostages occurred on separate tracks. However, are you willing to clearly state that the January release of the hostages would have occurred even if the administration had not agreed to pay \$1.7 billion to Iran?
2. Have any Iranian officials or their intermediaries discussed with the administration or its intermediaries further cash payments to be made in connection with the release of U.S. hostages currently being detained by Iran?

3. That the \$400 million was paid in cash form in currencies that are generally accepted for international trade purposes increases the risk that Iran can transfer that cash to terrorist proxies or to sellers of illicit arms and military technology. Is the administration tracking how Iran is using the \$400 million in cash? Has any of that cash gone toward funding terrorism or advancing Iran's attempts to acquire weapons and military technology?
4. In what manner and in what currencies will the remaining \$1.3 billion be paid? Will it be paid in cash and also flown to Iran?

As you are intimately aware, Iran has a history of illegally detaining U.S. persons as hostages, and it has shown a continued propensity to seize such hostages. Iran is the top state sponsor of terrorism in the world and a destabilizing force throughout the Middle East. Iran has also persistently pursued illicit weapons technology, from ballistic missiles to nuclear weapons capability. I am afraid that the cash payment of a \$400 million ransom to the ayatollahs makes all of these problems exponentially worse.

Sincerely,



Tom Cotton
United States Senator

CC: The Honorable Adam Szubin, Acting Under Secretary of the Treasury for Terrorism &
Financial Intelligence
The Honorable Stephen Mull, Lead Coordinator for Iran Nuclear Implementation