August 18, 2023

The Honorable Antony Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street N.W.  
Washington, D.C. 20520

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue N.W.  
Washington, D.C. 20220

Dear Secretaries Blinken and Yellen:

We write to express significant concern over the administration’s decision to release approximately $6 billion in frozen assets to the Islamic Republic of Iran in exchange for the release of five American detainees. While we firmly believe the United States must use every appropriate resource to secure the release of American citizens wrongfully detained overseas, this decision will reinforce an incredibly dangerous precedent and will enable the Iranian regime to increase its destabilizing activities across the Middle East.

When the Obama administration released $400 million in liquidated assets to Iran in 2016, we warned that this dangerous precedent would put a price on American lives. Seven years later, the current administration is providing a ransom payment worth at least fifteen times that amount to the world’s largest state sponsor of terror, in yet another violation of the United States’ long-standing “no concessions” policy. In the release of Executive Order 14078 on July 19, 2022, the White House admitted that “[t]errorist organizations, criminal groups, and other malicious actors who take hostages for financial, political, or other gain—as well as foreign states that engage in the practice of wrongful detention, including for political leverage or to seek concessions from the United States—threaten the integrity of the international political system and the safety of United States nationals and other persons abroad.” The release of such a significant sum to the Iranian regime runs entirely counter to that claim and will only serve to encourage additional hostage taking for financial or political gain.

We are also worried that your administration is attempting to sidestep Congress and pursue other pathways to financially compensate Iran in an attempt to renegotiate a successor to the ill-fated 2015 nuclear deal. Any agreement with the Iranian regime that entails financial reward for malign behavior is wholly unacceptable.

Given the risk this agreement poses to the safety of American citizens overseas and broader United States national security interests, we request an in-person briefing, as well as written responses to the following questions, within 30 days:

1) The Iranian assets to be released were initially frozen at South Korean financial institutions in support of existing U.S. sanctions policy. Does the release of the funds violate that policy? Will the President issue a waiver and required report to Congress consistent with Section 1245 of the FY2012 National Defense Authorization Act?

2) Financial assets are fungible. How can your departments guarantee that the funds will only be used for humanitarian purposes and will not free up additional resources that the Iranian regime can use to support terrorist networks and weapons proliferation, or increase its nuclear enrichment activities?

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1 https://fam.state.gov/fam/07fam/07fam1820.html#:~:text=The%20U.S.%20Government%20will%20make,citizens%20who%20are%20held%20hostage.
3) Iran is well-versed in sanctions evasion. What specific mechanisms are in place to prevent the diversion of these assets to terrorism and to ensure the Office of Foreign Assets Control (OFAC) has sufficient visibility on each proposed transaction?

4) Were any alternative funding mechanisms discussed with Iran to facilitate the exchange of detainees?

5) What funding mechanisms have you discussed with Iran to limit its nuclear weapons development?

6) Will you commit to not allowing Iran to access its Special Drawing Rights at the International Monetary Fund (IMF) and to oppose any efforts by the IMF to facilitate such access?

7) What additional steps are you taking to ensure that Iran does not access any form of compensation from the IMF and other international financial institutions?

We appreciate your prompt attention to this inquiry.

Sincerely,

Tim Scott
United States Senator

Roger F. Wicker
United States Senator

Bill Hagerty
United States Senator

Katie Britt
United States Senator

Lindsey O. Graham
United States Senator

James E. Risch
United States Senator

Tom Cotton
United States Senator

Bill Cassidy, M.D.
United States Senator

Chuck Grassley
United States Senator

Steve Daines
United States Senator