

United States Senate

8 September 2016

President Barack Obama
President of the United States of America
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

In a press statement released on January 17, 2016, the State Department announced a payment of \$1.7 billion to the Islamic Republic of Iran to settle a case related to foreign military sales (FMS) dating back prior to the Islamic Revolution of 1979, which saw our then-U.S. ally, the Shah of Iran, brutally overthrown by Islamist extremists.¹ As you know, that government and leadership, with whom your administration negotiated the Joint Comprehensive Plan of Action, is still in power in Iran today.

On January 17, as part of the \$1.7 billion payment, the equivalent of \$400 million (USD) was stacked on wooden pallets and loaded onto an unmarked plane to Iran, using currencies procured from the central banks of the Netherlands and Switzerland.² It has been reported that Iran Air, an Iranian airline carrier formerly blacklisted for its involvement in smuggling “missile or rocket components to Syria,”³ was used to physically transport the cash to Iran.⁴ Your administration de-listed Iran Air from sanctions just one day earlier on January 16.

It was also reported in the media the evening of September 6, 2016, that the other \$1.3 billion had been paid in cash to Iran in the same manner as the first installment of \$400 million.⁵ This money came from a taxpayer-funded account, known as the Judgment Fund, and was labeled by the State Department as a “compromise on interest.”⁶ However, as The Hague has not yet ruled that the U.S. owed interest on the \$400 million, your decision to preemptively provide such interest payment warrants considerable congressional oversight.

Over the course of three days in January 2016, the United States paid the government of Iran \$400 million in cash, lifted sanctions that facilitated that cash payment, and then transferred additional \$1.3 billion in cash from a taxpayer-funded account as an interest payment to the Islamic Republic.

The American people rightfully have questions about how this transfer took place and deserve to know the full extent of the relationship between the U.S. and Iran. As such, please provide an answer in writing

¹ <http://www.state.gov/secretary/remarks/2016/01/251338.htm>

² <http://www.wsj.com/articles/u-s-sent-cash-to-iran-as-americans-were-freed-1470181874>

³ <https://www.treasury.gov/press-center/press-releases/Pages/tg1217.aspx>

⁴ <http://www.wsj.com/articles/u-s-held-cash-until-iran-freed-prisoners-1471469256>

⁵ <http://www.wsj.com/articles/u-s-sent-two-more-planeloads-of-cash-to-iran-after-initial-payment-1473208256?elqTrackId=810432e6389f45f3bad2917dfac3595d&elq=2a674dc4897a4c0987b9163f1380a074&elqaid=21314&elqat=1&elqCampaignId=13033>

⁶ <http://www.state.gov/secretary/remarks/2016/01/251338.htm>

to the following questions by September 19, 2016:

- 1) Please detail all direct or indirect payments the U.S. has made to Iran since the July 14, 2015, when the P5+1 countries and Iran agreed to the final text of the Joint Comprehensive Plan of Action.
- 2) Why was the decision made to provide \$1.7 billion in cash to Iran, rather than through check or wire transfer?
- 3) Were there any wire transfers from the U.S.'s Judgment Fund to Iran during the interim Joint Plan of Action?
- 4) Did Iran express a preference for a cash payment instead of a wire transfer?
- 5) During deliberations, did any member of the negotiating team raise concerns that a cash payment could not be tracked in the same way a wire transfer could?
- 6) Since January 2016, has there been any evidence that Iran has used any of the \$1.7 billion to finance military or terrorist-related activities?
- 7) Is the U.S. aware of how Iran spent any or all of the \$1.7 billion?
- 8) Are there any negotiations currently underway for any other settlements with Iran?
- 9) If the U.S. is still enforcing sanctions on Iran's financial sector for terrorism-related activity, what effect do you think an influx of an additional \$1.7 billion of untraceable cash will have on Iran's ability to finance and support terrorism in the Middle East?

It was also reported on September 1 that the Joint Commission, which was established by the Joint Comprehensive Plan of Action,⁷ secretly amended Iran's obligations under the nuclear deal in order for Iran to receive immediate international sanctions relief.⁸

- 10) What changes to Iran's nuclear obligations under the original July 14, 2015 text of the JCPOA did the Joint Commission approve prior to January 16, 2016? Which nations spearheaded the exemption to provide faster sanctions relief?
- 11) Is the Joint Commission now considering any other exemptions for Iran?
- 12) Why was the decision(s) by the Joint Commission concerning Iran's Implementation Day obligations kept hidden from the American people?
- 13) Will your administration commit to make the decisions of the Joint Commission public? If the U.S.'s counterparts on the Joint Commission do not agree to be transparent with its decisions, will the administration at least commit to refuse any further exemptions for Iran?

You promised transparency at the beginning of your Administration, which is an essential and reasonable expectation of an open Republic like our nation. The American people should know how their hard earned tax dollars were spent and the details of agreements that were made on their behalf. Every American's signature was implicitly placed on that agreement by your administration, so every American should have access to the facts of the agreement.

In God We Trust,



James Lankford
United States Senator

⁷ <http://www.state.gov/documents/organization/245323.pdf>

⁸ http://isis-online.org/uploads/isis-reports/documents/JCPOA_Exemptions_Revealed_1Sept2016_Final1.pdf