

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: September 2, 2016

Subject: September 8, 2016, Subcommittee on Oversight and Investigations hearing entitled “Fueling Terror: The Dangers of Ransom Payments to Iran”

The Subcommittee on Oversight and Investigations will hold a hearing entitled “Fueling Terror: The Dangers of Ransom Payments to Iran” on Thursday, September 8, 2016, at 10:00 a.m. in room 2128 of the Rayburn House Office Building. The following witnesses will testify:

- Mr. Mark Dubowitz, Executive Director, Foundation for Defense of Democracies
- Dr. Michael Rubin, Ph.D., Resident Scholar, American Enterprise Institute
- Mr. Eric Lorber, Senior Associate, Financial Integrity Network
- Suzanne Maloney, Deputy Director, Foreign Policy, The Brookings Institute

Recent reporting revealed that the Obama Administration paid Iran \$1.7 billion to settle a dispute over an arms deal signed prior to the 1979 Islamic Revolution, including a \$400 cash payment which was flown to Tehran on the same day that four American detainees were freed by the Iranian government.¹ On August 18, 2016, the State Department conceded that the U.S. delayed making the cash payment “to retain maximum leverage” over Iran and ensure that American prisoners would be released on the same day.² One of those prisoners, Pastor Saeed Abedini, recalled that while waiting to be freed, Iranian police told him that “[w]e are waiting for another plane so if that plane doesn’t come, we never let [you] go.”³

¹ Jay Solomon and Carol E. Lee, *U.S. Sent Cash to Iran as Americas Were Freed*, WALL ST. J. (Aug. 3, 2016), available at <http://www.wsj.com/articles/u-s-sent-cash-to-iran-as-americans-were-freed-1470181874>.

² State Dep’t, *Daily Press Briefings: Iran* (Aug. 18, 2016), available at <http://www.state.gov/r/pa/prs/dpb/2016/08/261128.htm#IRAN>.

³ Joe Tacopino, *Hostage: We couldn’t leave until second plane landed in Iran*, N.Y. POST (Aug. 5, 2016), available at <http://nypost.com/2016/08/05/hostage-we-waited-for-2nd-plane-to-land-in-iran-before-leaving/>.

This hearing will examine the \$400 million cash payment and subsequent interest payment(s), including the implications of such payments on U.S. efforts to inhibit terrorism financing.