

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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August 8, 2016

The Honorable Jacob J. Lew  
Secretary  
U.S. Department of the Treasury  
725 17th Street NW  
Washington, D.C. 20503

Dear Mr. Secretary:

On January 17, 2016, President Obama announced the Islamic Republic of Iran would release five American detainees and, “in a reciprocal humanitarian gesture,” the United States would grant clemency to six Iranian-Americans and one Iranian serving sentences or awaiting trial in the United States, and drop extradition requests for fourteen others.<sup>1</sup> The President also announced that a “longstanding Iranian government claim against the United States” would be settled by returning to Iran “its own funds, including appropriate interest, but much less than the amount Iran sought.”<sup>2</sup>

The President attributed these developments to “engaging directly with the Iranian government on a sustained basis” after striking the Iran nuclear deal.<sup>3</sup> A high-ranking Iranian official, however, connected the release of the American hostages to the money transfer. On January 20, 2016, Iran’s semi-official Fars News Agency reported the Commander of Iran’s Basij Force, Brigadier General Mohammed Reza Naqdi, said the United States agreed to release \$1.7 billion of Iran’s frozen funds in exchange for the hostages.<sup>4</sup> Naqdi further asserted that “the U.S. doesn’t understand anything but the language of force,” and the “money was returned for the freedom of the U.S. spy and it was not related to the [nuclear] negotiations.”<sup>5</sup>

The timing of the first installment of the settlement agreement with Iran creates the appearance that the money was in fact tied to releasing the American hostages. On August 2, 2016, *The Wall Street Journal* reported that “[w]ooden pallets stacked with [\$400 million in] euros, Swiss francs and other currencies were flown into Iran on an unmarked cargo plane” in a delivery that coincided with the release of the American hostages.<sup>6</sup> That payment was purportedly the first installment of the \$1.7 billion settlement that the President announced on January 17, 2016.<sup>7</sup>

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<sup>1</sup> The White House, Statement by the President on Iran (Jan. 17, 2016).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Fars News Agency, *Basij Commander: US Bought Freedom of Spies by Releasing \$1.7 bln of Iran’s Frozen Assets*, Jan. 20, 2016.

<sup>5</sup> *Id.*

<sup>6</sup> Jay Solomon and Carol Lee, *U.S. Sent Cash to Iran as Americans Were Freed, Obama administration insists there was no quid pro quo, but critics charge payment amounted to ransom*, WALL ST. J., Aug. 3, 2016.

<sup>7</sup> *Id.*

President Obama did not mention the \$400 million cash delivery during his January 17, 2016, address.<sup>9</sup> The Administration asserted the timing of the cash payment and the hostage release are coincidental, and are not the result of any *quid pro quo*.<sup>10</sup> The Islamic Republic of Iran still holds American prisoners, and, according to *The Wall Street Journal*, “Iranian officials have demanded in recent weeks the U.S. return \$2 billion in Iranian funds that were frozen in New York in 2009.”<sup>11</sup> The article also notes that the Department of State, along with the Treasury Department, “sought the cooperation of the Swiss and Dutch governments” to transfer United States currency to in exchange for their currencies.<sup>12</sup>

The Committee is seeking information about the facts and circumstances surrounding the Administration’s agreement with the Islamic Republic of Iran, among other things related to the Iran nuclear deal. Please provide the following information to the Committee by way of a briefing no later than August 22, 2016:

1. A timeline of Treasury’s involvement in effectuating the cash transfer to Iran;
2. The substance of any concerns or opposition to the transaction;
3. Whether any concerns or opposition to the transaction were lodged with the Administration; and
4. The substance of communications with Dutch and Swiss banks, specifically if any assurances were given regarding liability for the potential illicit use of the withdrawn currency.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X.

Please contact Mike Howell of the Majority staff at (202) 225-5074 to coordinate this briefing. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz  
Chairman

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*