

## **SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION**

### **Iran Democracy Program Grants Vetting, OMB Number 1405-0176, Form DS-4100**

#### **A. JUSTIFICATION**

1. A critical component of the Administration's Iran policy is the support for indigenous Iranian voices calling for freedom. President Bush himself has pledged this support and the State Department has made the awarding of grants for this purpose a key component of its Iran policy. As a condition of licensing these activities, the Office of Foreign Assets Control (OFAC) has requested the Department of State to follow certain procedures to effectuate the goals of Sections 481(b), 531(a), 571, 582, and 635(b) of the Foreign Assistance Act of 1961 (as amended); 18 U.S.C. §§ 2339A and 2339B; Executive Order 13224; and Homeland Security Presidential Directive 6. These licensing conditions mandate that the Department conduct a vetting of potential Iran democracy grantees and sub-grantees for counter-terrorism purposes. To conduct this vetting the Department will collect information from grantees and sub-grantees and sub-contractors regarding the identity and background of their key employees and Boards of Directors.
2. As noted above, this information is collected as part of procedures to effectuate the goals of Sections 481(b), 531(a), 571, 582, and 635(b) of the Foreign Assistance Act of 1961 amended); 18 U.S.C. §§ 2339A and 2339B; Executive Order 13224; and Homeland Security Presidential Directive 6. Data will be collected and used primarily by the Department of State's Bureau of Near Eastern Affairs (NEA), Bureau of Democracy, Human Rights and Labor (DRL), and Bureau of Educational and Cultural Affairs (ECA), in conjunction with the Bureau of Intelligence and Research (INR).
3. Responses will be submitted either via fax, post-mail, or electronically.
4. The information collected is not duplicative of other information collections.
5. This collection of information does not impact small businesses or other small entities.
6. Not collecting this information may permit those involved in terrorist financing, or supporting terrorism, to gain access to U.S. Government funds.
7. There are no special circumstances.
8. A notice was originally published in the *Federal Register* on December 8, 2006 in accordance with 5 CFR 1320.13. Three public comments were received on the proposed information collection program. Comments addressed the sensitivity to protecting program participants from reprisal and the legal authorities and necessity for collecting such information. The Department of State shares the concerns of those who submitted comments with regard to the need for protecting the identities of program participants. However, the need for program participant anonymity must be balanced against the need to fulfill the terms and conditions of the license granted by the Office of Foreign Asset Control (OFAC) with respect to activities in Iran. The OFAC license granted to the Department of State has certain

terms and conditions, one of which is that U.S. Government funds cannot be used to finance terrorism. In order to comply with these provisions, the Department of State will collect certain information from grantees, sub-grantees, and sub-contractors. The Federal Register submission was reviewed in consultation with the Office of the Legal Advisor to determine what action, if any, was necessary to respond to each public comment received. The Department of State has offered to meet, in both private and public gatherings, with groups that submitted public comments. It is the determination of the Department of State that the concerns raised in the received public comments have been addressed.

9. The Department does not make any type or form of payment to the respondent for the information other than payments to grantees.
10. Information relevant to the vetting of Iran democracy program grantees will be maintained in accordance with Privacy Act provisions. The information will not be made available to the public to the extent permitted by law. Appropriate measures will be taken to assess the credibility of the information obtained. A Privacy Act Statement will be incorporated into the reporting document. Data provided will be checked against relevant and appropriate databases. If derogatory information is identified, a review and assessment of its reliability will be conducted by the affected Bureau at the Deputy Assistant Secretary level, which will either: (i) instruct the action officer to take appropriate action with respect to the funding request; or (ii) in those cases where interagency consultation may be useful or desired before the affected Bureau formulates a final decision, request further consultation with appropriate Agencies/Departments before rendering a decision. All records used or generated in this process will be maintained in accordance with an appropriate Privacy Act system of records notice. If determined to be reliable, appropriate action with respect to the funding request will be taken. This in-house screening process provides safeguards to make sure that applicants are screened in such a manner as to prevent a denial of application because of false or incorrect reporting or screening data
11. The form does not request information of a sensitive nature
12. The following data was used in the preparation of the hour burden:
  - a. Number of Respondents: 200
  - b. Number of Responses: 200
  - c. Frequency of Response: On occasion.
  - d. Estimated form completion time: 1 hour
  - d. Annual hour burden: 200
13. There are no costs to respondents associated with this collection.
14. There is no cost to the Federal Government.
15. There are no program changes associated with this collection.
16. The information collected will not be published.
17. NEA, DRL and ECA will display the expiration date for OMB approval.

18. No exceptions to the certification statement identified in OMB Form 83-I are requested

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.