

SUPPORTING STATEMENT
OMB Control No. 1505-0170
OFAC Application for the Release of Blocked Funds

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary.

Transactions prohibited pursuant to the Trading With the Enemy Act, 50 U.S.C. App. 1-44, the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, and other authorities may be authorized by means of licenses issued by the Office of Foreign Assets Control ("OFAC"). Such licenses are issued in response to applications submitted by persons whose property and interests in property have been blocked or who wish to engage in transactions that would otherwise be prohibited.

The OFAC Application for the Release of Blocked Funds, which provides a standardized method of application for all applicants seeking the unblocking of funds, is available in electronic format on OFAC's website. Use of the form greatly facilitates and speeds applicants' submissions and OFAC's processing of such applications. By obviating the need for applicants to write lengthy letters to OFAC, the form reduces the overall burden of the application process. Since February 2000, use of the OFAC Application for the Release of Blocked Funds to apply for the unblocking of funds has been mandatory pursuant to a revision in OFAC's regulations at 31 CFR Part 501.801. *See* 65 FR 10707 (Feb. 29, 2000).

2. Purpose and Use of the Information Collected.

OFAC's Licensing Division uses the information on the application form to evaluate and process, on a case-by-case basis, each license application for the release of blocked funds submitted by or on behalf of applicants whose money has been blocked pursuant to OFAC sanctions. Applicants' use of the form enables licensing officers to quickly identify the parties involved and match the applications against the blocking reports submitted by banks that have blocked assets pursuant to OFAC sanctions.

3. Consideration Given to Information Technology.

Although the application form is available in electronic form on OFAC's website, and the form can be completed electronically, the form cannot currently be submitted electronically. However, when the ability to apply online becomes available, currently expected within the next year, applicants who do not have access to the Internet can continue to fill out a hard copy form by hand and mail it, with all supporting documentation, to OFAC.

4. Duplication of Information.

Use of this form will make any duplication of applications (i.e., an applicant applying twice for whatever reason) immediately apparent, by facilitating an easy side-by-side

comparison of the multiple applications.

5. Reducing the Burden on Small Entities.

All applicants whose funds have been blocked pursuant to OFAC sanctions – be they individuals, small businesses, or major corporations – must apply to OFAC in order for OFAC to consider issuing a license. Individuals and small businesses, which may be less familiar with OFAC procedures, benefit from the form as it states in a simple, clear format the information that OFAC needs to consider an application.

6. Consequences of Not Conducting Collection.

Without this standard form, many license applications would be submitted in an incomplete or haphazard fashion, making evaluation of such applications difficult and time-consuming, which would delay transmitting responses to the applicants.

7. Special Circumstances.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;*

Applicants are advised to retain a copy of their application to OFAC. The Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501, require the retention of records for five years from the date of a restricted transaction or from the date that blocked property is unblocked. Under § 501.601, the requirement for five years of record retention beyond a transaction corresponds to the statute of limitations set forth in 28 U.S.C. 2462.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;*

It is the policy of OFAC to protect the confidentiality of information as appropriate pursuant to the exemptions from disclosure provided under the Freedom of Information Act and consistent with the Privacy Act and the Trade Secrets Act.

- *Requiring respondents to submit proprietary trade secret, or other confidential information unless the bureau can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

The information requested is information pertaining to the transfer of funds that were blocked pursuant to OFAC sanctions and necessary to determine the appropriateness of releasing those funds. It is in the interest of applicants to be as thorough as possible in their submissions. Moreover, it is the policy of OFAC to protect the confidentiality of information in

appropriate cases pursuant to the exemptions from disclosure provided under the Freedom of Information Act and consistent with the Privacy Act and the Trade Secrets Act.

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 C.F.R. 1320.6.

8. Consultation with Persons Outside the Agency.

A copy of the Federal Register notice of June 26, 2012, soliciting comments can be found at 77 FR 38141. OFAC received no public comments.

9. Payment or Gift.

No payment or gift will be provided for completing the form.

10. Confidentiality.

No assurances of confidentiality are given to persons who furnish information to OFAC on an Application to Release Blocked Funds. It is the policy of OFAC to protect the confidentiality of information pursuant to the exemptions from disclosure provided under the Freedom of Information Act and consistent with the Privacy Act and the Trade Secrets Act.

11. Questions of a Sensitive Nature.

The form makes no requests for sensitive information.

12. Burden of Information Collection.

OFAC's Licensing Division receives approximately 3,000 Applications for the Release of Blocked Funds each year (representing one per applicant). We estimate that the completion of the form takes each applicant 30 minutes, for a total annual burden averaging 1,500 hours.

Cost varies widely from applicant to applicant, as applicants can be any individual or entity having an interest in the blocked funds. Assuming that the annual cost to an applicant is between \$10 and \$30 per hour, at 30 minutes per applicant per year, this is a range from \$5 to \$15 per applicant per year, with an average of \$10 per applicant per year. For all applicants in the aggregate, this is an average of \$30,000.

13. Annual Cost to Respondents.

There are no capital/start-up or ongoing operation/maintenance costs associated with this collection.

14. Cost to the Federal Government.

Use of this form generates cost savings as the standardized format facilitates and speeds review and processing of applications to unblock funds transfers.

15. Reason for Change.

The OFAC Application for the Release of Blocked Funds is being revised to include a space for applicants to provide an email address. This revision does not impact the currently approved burden associated with this information collection.

16. Tabulation of Results, Schedule, Analysis Plans.

Results will not be published.

17. Display of OMB Approval Date.

Not applicable.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.