

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. §§ 4301-4341, 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.

OFAC's Electronic License Application Form TD-F 90-22.54 is also referred to as the "OFAC Application for the Release of Blocked Funds." 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. 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). Applications to OFAC for the release of blocked funds can also be made via the electronic licensing portal here: <https://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx>

2. Purpose and Use of the Information Collection.

OFAC 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 OFAC to more efficiently 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, can be completed electronically or uploaded for electronic submittal, and is encouraged to submit this form electronically, applicants who do not have access to the Internet can continue to submit a hard copy form and supporting documentation by mail 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.

There is no undue burden on small businesses. 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 more 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;*

OFAC will ensure that this information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

- *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.*

OFAC will ensure that this information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

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

8. Consultation with Persons Outside the Agency.

A copy of the Federal Register notice of March 29, 2019, soliciting comments can be found at 84 FR 12036. OFAC received no public comments.

9. Payment or Gift.

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

10. Confidentiality.

OFAC will ensure that this information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act System of Records notice (SORN): Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

11. Questions of a Sensitive Nature.

The information collection makes no request for sensitive information of this type. In addition, a privacy impact assessment (PIA) has been conducted for information collected under this request and a SORN has been issued for this system under Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

12. Burden of Information Collection.

OFAC 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. OFAC has refined its methodology for calculating the annualized cost burden by using the following two average wage rates published by the Bureau of Labor and Statistics (https://www.bls.gov/oes/current/oes_nat.htm#23-0000): \$15.47/hour, which is the median wage for data entry keyers, and \$58.13/hour, which is the median wage for lawyers. Adding in the cost of private sector benefits of 44% to the hourly rate, the full cost to the employer would average \$22.28/hr. for data entry keyers and \$83.71/hr. for lawyers. Assuming that the average annual cost to an applicant is \$53.00 per hour (the average of \$22.28 and \$83.71 per hour), at 30 minutes per applicant per year this is an average of \$26.50 per applicant per year. Given the difference in size of companies, we believe on average this is representative. For all applicants in the aggregate, this is an overall burden average of \$79,500.

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.

The estimated cost to the Federal Government of this collection of information is based on the average amount of time for both an OFAC licensing officer and then a supervisor to

review and respond to each application. The average cost for a licensing officer in Washington, DC, would be at the GS-13 step 1 (\$47.52/hr.) plus 60% Federal Government benefits for a total cost of \$76.03/hr. The average cost for a supervisor in Washington, DC, would be at the GS-15 step 1 (\$66.05/hr.) plus 60% benefits for a total cost of \$105.68/hr. The time of review for an application can vary widely depending on the applicant and the context, varying from 15 minutes to 4 hours; but the average time of review is approximately 90 minutes for a licensing officer (\$114.00) and then 30 minutes for a supervisor (\$52.90). This would cost approximately \$167.00 per application. For an estimated 3,000 applications at these average processing times, the estimated total cost to the Federal Government would be \$501,000.

Use of this form generates cost savings for both the private sector and the Federal Government as the standardized format reduces the overall burden of the application process by obviating the need for applicants to write lengthy letters to OFAC and by streamlining OFAC's review process and response time.

15. Reason for Change.

The estimated burden has increased from 2,400 to 3,000 applicants due to the addition of several sanctions programs since 2016. The associated cost has thereby increased from \$24,000 to \$79,500 due to both the increase in sanctions programs as well as the increase in wage rates (including the additional 44% cost of private sector employee benefits) used in the calculation.

16. Tabulation of Results, Schedule, Analysis Plans.

Results will not be published.

17. Display of OMB Approval Date.

Not applicable. OFAC intends to display the expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.