

**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” (or “application form”). 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. This form and the electronic portal obviate the need for applicants to write lengthy letters to OFAC, and thus reduce the overall burden of the application process. Since February 2000, use of the OFAC Application for the Release of Blocked Funds, or via a submission that otherwise contains all of the information provided for in this form, to apply for the unblocking of funds has been mandatory pursuant to a revision in OFAC’s regulations at 31 CFR § 501.801. *See* 65 FR 10707 (Feb. 29, 2000). Applications to OFAC for the release of blocked funds are strongly encouraged to be made via the electronic licensing portal here: <https://home.treasury.gov/policy-issues/financial-sanctions/ofac-license-application-page>.

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 requesting release of funds that have been blocked pursuant to OFAC sanctions. Applicants’ use of the application form enables OFAC to more efficiently identify the parties involved and match the applications against the blocking reports submitted by U.S. financial institutions or other persons that have blocked assets pursuant to OFAC sanctions.

3. Consideration Given to Information Technology.

Although applicants are strongly encouraged to use the application form available in electronic form on OFAC’s website and complete the form electronically or upload it for electronic submittal, 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 makes 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 — whether they be 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 CFR 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, the Treasury FOIA Implementing Instructions found at 31CFR § 1.5, 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, the Treasury FOIA Implementing Instructions found at 31 CFR § 1.5, 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 April 22, 2022, soliciting comments can be found at 87 FR 24223. 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, the Treasury FOIA Implementing Instructions found at 31 CFR § 1.5, 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.

Based on recent data received and current trends, OFAC estimates that it will receive approximately 6,700 Applications for the Release of Blocked Funds each year for the next three years, taking into account a recent surge in applications received thus far in 2022 due primarily to the imposition of additional sanctions related to Russia's unlawful war against Ukraine. OFAC estimates an annual frequency of approximately 1 application per respondent, based on average transaction volume. OFAC estimates that the completion of the form takes approximately 30 minutes per applicant on average. Therefore, OFAC estimates that the total annual reporting burden is approximately 201,000 minutes or 3,350 hours.

Prior to receiving new data about applications received in 2022, OFAC estimated in its *Federal Register* Notice of April 22, 2022 soliciting public comments (87 FR 24223) that there would be 4,000 applications per year for a total estimated reporting burden of 2,667 hours. However, newly acquired reporting data in June 2022 showed that there was a large influx of

applications in recent months specifically related to the significant increase in the number of new sanctions issued in response to Russia's aggression against Ukraine. The larger-than-expected increase in the estimated number of applications per year since the last reporting period (from 3,000 to 6,700) is primarily due to this increase in number and scale of persons blocked pursuant to OFAC's Russia sanctions programs.

Cost varies widely from applicant to applicant, as applicants can be any individual or entity having an interest in the blocked funds and there is a wide range of applicant types in terms of entity size, industry, and employee mix. 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: \$17.13/hour, which is the most recent published median wage for data entry keyers in spring of 2022 (<https://www.bls.gov/oes/current/oes439021.htm>), and \$61.54/hour, which is the most recent published median wage for lawyers in spring of 2022 (<https://www.bls.gov/oes/current/oes231011.htm>). The average cost for data entry keyers is \$17.13/hour plus 40 percent benefits for a full cost to the employer that would average \$24.67/hour. The average cost for a lawyer is \$61.54/hour plus 40 percent benefits for a full cost of \$88.64/hour. Assuming that the average annual cost to an applicant is \$56.66/hour (the average of \$24.67 and \$88.64 per hour), at 30 minutes per applicant per year, this is an average of \$28.33 per applicant per year. For all applicants in the aggregate, this is an overall burden average to the private sector of \$189,811.

### 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 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 (\$51.18/hour) plus 60 percent Federal Government benefits for a total cost of \$81.88/hour. The average cost for a supervisor in Washington, DC, would be at the GS-15 step 1 (\$71.15/hour) plus 60 percent benefits for a total cost of \$113.84/hour. 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 (\$122.82) and then 30 minutes for a supervisor (\$56.92). This would cost approximately \$179.74 per application. For an estimated 6,700 applications at these average processing times, the estimated total cost to the Federal Government would be \$1,204,258.

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 to the private sector has increased from 3,000 to 6,700 applications due largely to program changes, such as the steady increase in OFAC sanctions since 2019 and

most importantly the recent surge in applications in 2022 due to an unexpectedly large increase in sanctions issued in response to Russia's unlawful war against Ukraine. The associated cost to the private sector has thereby increased from \$79,500 to \$189,811 due largely to these program changes but also due to a upward adjustments in wage rates that are out of OFAC control.

The associated estimated cost to the Federal Government has also increased due to the program changes described above as well as upward adjustments in wage rates that are out of OFAC control.

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.