

*Periodic Report on the National Emergency
With Respect to Significant Malicious Cyber-Enabled Activities*

I hereby report to the Congress on developments and expenditures relating to the national emergency declared in Executive Order 13694 of April 1, 2015, which blocks the property of certain persons engaging in significant malicious cyber-enabled activities. This report covers actions taken in the exercise of national emergency authorities, pursuant to section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), and expenses that are directly attributable to the exercise of those authorities, pursuant to section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from April 1, 2015, through September 9, 2015)

1. On April 1, 2015, President Obama signed Executive Order 13694, "Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities" (80 Fed. Reg. 18077, April 2, 2015) (E.O. 13694). In E.O. 13694, the President found that the increasing prevalence and severity of malicious cyber-enabled activities originating from, or directed by persons located, in whole or in substantial part, outside the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.

To deal with this threat, the President declared a national emergency and ordered the blocking of all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, of any person determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to meet any of the criteria set forth in subsection 1(a) of E.O. 13694.

In addition, section 4 of E.O. 13694 suspends the entry into the United States, as immigrants or nonimmigrants, of such aliens determined to meet one or more of the criteria in subsection 1(a) of E.O. 13694. A copy of E.O. 13694 is attached to this report.

2. No entities or individuals have been designated pursuant to E.O. 13694. As a result, the Department of the Treasury's Office of Foreign Assets Control (OFAC) took no licensing actions, which may take the form of specific licenses, license amendments, "return-without-action" letters, general information letters, interpretive guidance letters, denial letters,

closed without determination letters, or withdrawals, involving E.O. 13694, nor assessed any civil monetary penalty for a violation of E.O. 13694.

3. OFAC continues to respond to public inquiries regarding this program during its numerous outreach events to the financial, securities, and international trade communities. Details of this program are available on the Department of the Treasury's website.

NEA Reporting (from April 1, 2015, through October 1, 2015)

4. The expenses incurred by the federal government that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to significant malicious cyber-enabled activities are reported to be approximately \$760,000, most of which represent wage and salary costs for federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and the Office of the General Counsel), the Department of State, and the Department of Justice.

I shall continue to report periodically to the Congress on significant developments as required by law.



Jacob J. Lew

Department of the Treasury

Dated: October 1, 2015

Presidential Documents

Executive Order 13694 of April 1, 2015

Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code,

I, BARACK OBAMA, President of the United States of America, find that the increasing prevalence and severity of malicious cyber-enabled activities originating from, or directed by persons located, in whole or in substantial part, outside the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I hereby declare a national emergency to deal with this threat.

Accordingly, I hereby order:

Section 1. (a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) any person determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be responsible for or complicit in, or to have engaged in, directly or indirectly, cyber-enabled activities originating from, or directed by persons located, in whole or in substantial part, outside the United States that are reasonably likely to result in, or have materially contributed to, a significant threat to the national security, foreign policy, or economic health or financial stability of the United States and that have the purpose or effect of:

(A) harming, or otherwise significantly compromising the provision of services by, a computer or network of computers that support one or more entities in a critical infrastructure sector;

(B) significantly compromising the provision of services by one or more entities in a critical infrastructure sector;

(C) causing a significant disruption to the availability of a computer or network of computers; or

(D) causing a significant misappropriation of funds or economic resources, trade secrets, personal identifiers, or financial information for commercial or competitive advantage or private financial gain; or

(ii) any person determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State:

(A) to be responsible for or complicit in, or to have engaged in, the receipt or use for commercial or competitive advantage or private financial gain, or by a commercial entity, outside the United States of trade secrets misappropriated through cyber-enabled means, knowing they have been misappropriated, where the misappropriation of such trade secrets is reasonably likely to result in, or has materially contributed to, a significant threat to the national security, foreign policy, or economic health or financial stability of the United States;

(B) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, any activity described in subsections (a)(i) or (a)(ii)(A) of this section or any person whose property and interests in property are blocked pursuant to this order;

(C) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order; or

(D) to have attempted to engage in any of the activities described in subsections (a)(i) and (a)(ii)(A)-(C) of this section.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 2. I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to section 1 of this order would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by section 1 of this order.

Sec. 3. The prohibitions in section 1 of this order include but are not limited to:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 4. I hereby find that the unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section 1(a) of this order would be detrimental to the interests of the United States, and I hereby suspend entry into the United States, as immigrants or nonimmigrants, of such persons. Such persons shall be treated as persons covered by section 1 of Proclamation 8593 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 5. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 6. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;

(d) the term "critical infrastructure sector" means any of the designated critical infrastructure sectors identified in Presidential Policy Directive 21; and

(e) the term "misappropriation" includes any taking or obtaining by improper means, without permission or consent, or under false pretenses.

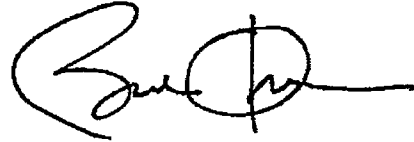
Sec. 7. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence

in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 8. The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 9. The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, is hereby authorized to submit the recurring and final reports to the Congress on the national emergency declared in this order, consistent with section 401(c) of the NEA (50 U.S.C. 1641(c)) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 10. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.



THE WHITE HOUSE,
April 1, 2015.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 12, 2016

Re: 2016-01-019 and 2016-03-067

Mr. Steven Aftergood
Federation of American Scientists
1725 DeSales Street NW, Suite 600
Washington, DC 20036

Dear Mr. Aftergood:

This is the final response to your Freedom of Information Act (FOIA) requests to the U.S. Department of the Treasury, dated January 12, 2016 and March 11, 2016. You have requested access to the following records:

1. The latest six-month periodic report to Congress from the Secretary of the Treasury on the national emergency with respect to North Korea that was declared in Executive Order 13687 of January 2, 2015, and
2. The latest six-month periodic report to Congress from the Secretary of the Treasury on the national emergency with respect to significant malicious cyber-enabled activities that was declared in Executive Order 13694 of April 1, 2015.

Your request has been processed under the provisions of the FOIA, 5 U.S.C. § 552. A search conducted within the Treasury Departmental Offices located 11 responsive pages. After review of those documents, I have determined that they will be released in their entirety. The documents are enclosed, no exemptions have been claimed.

If you are dissatisfied with my action on your request, you may appeal within 35 days of the date of this letter. Your appeal must be in writing, signed by you or your representative, and should contain the rationale for the appeal. Your appeal should be addressed to:

Freedom of Information Act Appeal
Privacy, Transparency, and Records
Department of the Treasury
Washington, D.C. 20220

The Office of Government Information Services (OGIS) also mediates disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. If you wish to contact OGIS, you may email them at ogis@nara.gov or call 1-877-684-6448.

Sincerely,

Ryan Law
Director, FOIA and Transparency

Digitally signed by Ryan A. Law
DN: c=US, o=U.S. Government,
ou=Department of the Treasury,
ou=Departmental Offices, ou=People,
serialNumber=716338, cn=Ryan A. Law
Date: 2016.05.12 10:44:18 -0400