**Kingpin Designation Improvement Act of 2016**

**(S. 2914)**

**Senators Chuck Grassley and Amy Klobuchar**

* The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts to impose controls on transactions and freeze assets under U.S. jurisdiction.
* The Foreign Narcotics Kingpin Designation Act (the “Kingpin Act”) (21 U.S.C. §§ 1901-1908, 8 U.S.C. § 1182) is OFAC’s principal authority used to sanction foreign persons tied to global narcotics trafficking. Since June 2000, OFAC has designated more than 1,800 persons pursuant to the Kingpin Act, all of whom are foreign persons. Classified information is increasingly used as a basis for these designations. Designated persons can seek removal of the sanctions imposed through an administrative process, commonly known as “de-listing,” and challenge certain adverse findings in federal court.
* The vast majority of OFAC’s other sanctions programs, including those related to terrorism, fall under the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. §§1701-1707). OFAC routinely uses classified information to support designations under IEEPA. And IEEPA contains a specific provision that protects this information from release when a designation is challenged in U.S. District Court. Specifically, OFAC can defend its designations by submitting classified information to a reviewing court *ex parte* and *in camera*.
* However, the Kingpin Act does not currently provide a mechanism to protect classified information in federal court challenges. This loophole is jeopardizing OFAC’s ability to uphold its designations of international narcotics traffickers. The Kingpin Designation Improvement Act of 2016 harmonizes the Kingpin Act with IEEPA, by amending it to include an identical provision that allows for submission of classified information to a reviewing court *ex parte* and *in camera*.
* The existing standards for designation under the Kingpin Act and the potential legal challenges to such designations remain unchanged under the bill.
* The House companion bill, H.R. 4985, was introduced by Representatives John Katko (R) and Kathleen Rice (D).