

Congress of the United States
Washington, DC 20515

April 11, 2013

The Honorable John Kerry
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

The Honorable Jack Lew
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Kerry and Secretary Lew:

We write to respectfully request information about the efficacy of Turkish measures to support sanctions on Iran and prevent funding of terrorist organizations. We recognize the Administration's role in seeking to persuade the Turkish government and Turkish banks to cooperate in preventing Iran from attaining nuclear weapons. Yet Iran continues its illicit nuclear program unabated, and we are increasingly concerned about recent developments between Iran and Turkey.

The U.S. and Turkey share a long history of partnership. Last year marked 60 years since Turkey joined NATO, and our militaries have conducted successful joint security operations since Turkish forces fought alongside U.S. forces in the Korean War. We recognize that it is in the national interest of both of our countries to address the threats that Iran's illicit nuclear program and international terrorism pose to the safety and security of our peoples.

Turkey's expanding economy requires a growing consumption of natural gas and oil, and we are concerned about reports on cooperation between Turkey and Iran. In March 2012, Turkey announced it would cut its buys from Iran by 10-20% and therefore received a P.L. 112-81 sanctions exemption on June 11, 2012 that was renewed on December 7, 2012 based on additional reductions of oil purchases from Iran. Though we understand that Turkey has been reducing its purchases of Iranian oil and natural gas, its state-owned bank, Halkbank, has been used as a conduit to evade sanctions. We join you in your concern that Iran has been using gold to dodge international sanctions through depositing payments in Turkey's Halkbank, which maintains five overseas branches and a Representative Office in Tehran.

Recent statements by Turkey's Economic Minister Zafer Çağlayan that "Turkish state-owned Halkbank will continue its existing transactions with Iran" pose reason for concern that Halkbank may be assisting Iran with its illicit nuclear program. This is greatly disturbing because of Halkbank's previous history as a conduit for funds to regimes under international sanctions. Between the 1990s and 2003, Halkbank was used by Iraq to skirt U.N. sanctions to pay Turkish companies for oil sector equipment, industrial equipment and raw materials, communications and transport goods, and building materials.

In light of these developments, we urge you to consider Halkbank's actions in transferring gold to Iran as a sanctionable activity. As the section of P.L. 112-239 relating to these actions will take effect in July of this year, we would like an explanation of how it may affect Halkbank and its U.S. shareholders. What is the implementation plan for these new statutory requirements?

Additionally, the Turkish Union of Chambers and Commodity Exchanges (TOBB) recently reported that 28 Iranian-funded foreign companies were established in Turkey in January 2013. This information follows a previous TOBB report published in September 2012 showing that 2,140 Iranian-funded companies were set up in 2011 and 651 Iranian-funded companies were started in the first nine months of 2012. This is a 40 percent increase since 2010, and it reveals an alarming trend. Are these

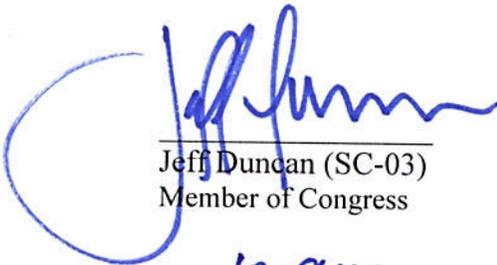
companies operating in Turkey as fronts for Iran to continue its illicit nuclear program? What actions has Turkey taken to ensure that these suspicious Iranian firms do not assist Iran in pursuing its illicit nuclear program?

While Iran's illicit nuclear program represents the foremost national security threat to our country, we also believe that any support for international terrorist organizations poses a grave danger to the stability and security of the U.S. and our allies and partners worldwide. Specifically, we have concerns about Turkey's relationship with Hamas, a U.S.-government designated foreign terrorist organization. In December 2011, Prime Minister Recep Tayyip Erdoğan reportedly "instructed the Ministry of Finance to allocate \$300 million to be sent to Hamas' government in Gaza." While Turkey denied these claims last year, we are concerned about the increasing material support that Ankara is providing for Hamas' social development activities in the Gaza Strip combined with the political support of high-level visits, most recently between Prime Minister Recep Tayyip Erdoğan and Hamas leader Khaled Meshal on February 18, 2013 in Ankara.

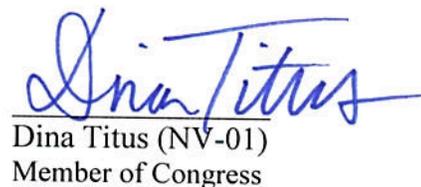
These actions coupled with the Financial Action Task Force's (FATF) 2007 notification that Turkey had not adequately criminalized the financing of terrorism and that it had insufficient infrastructure to help identify and freeze terrorist assets provide much reason for concern. The FATF put Turkey on a grey list together with states like Cuba and Yemen "as a jurisdiction with strategic money laundering or terror financing deficiencies." Turkey recently passed new laws to comply with the FATF standards. Have your Departments done any analysis of Turkey's new laws and do you believe they will address these concerns sufficiently?

We believe that any attempts to subvert sanctions on Iran or provide support for international terrorist organizations will greatly undermine U.S. national security interests and pose a serious danger to Turkey and our allies and partners worldwide. Cooperation with our allies is vital in these efforts. We look forward to your responses and to working with you on these important issues.

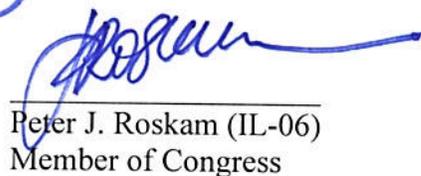
Sincerely,



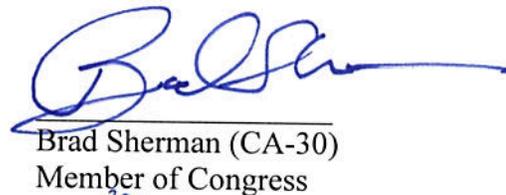
Jeff Duncan (SC-03)
Member of Congress



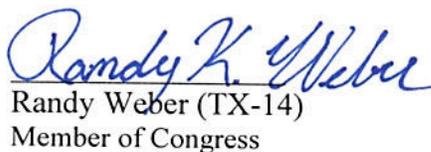
Dina Titus (NV-01)
Member of Congress



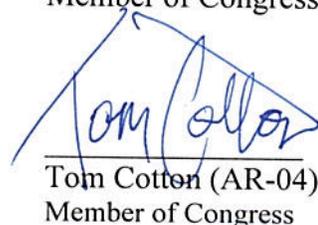
Peter J. Roskam (IL-06)
Member of Congress



Brad Sherman (CA-30)
Member of Congress

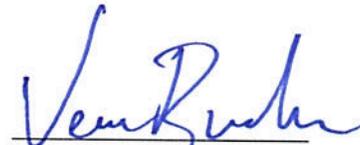


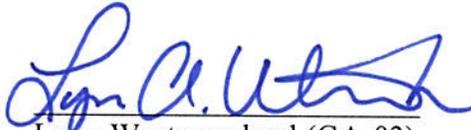
Randy Weber (TX-14)
Member of Congress



Tom Cotton (AR-04)
Member of Congress


Ron DeSantis (FL-06)
Member of Congress


Vern Buchanan (FL-13)
Member of Congress


Lynn Westmoreland (GA-03)
Member of Congress

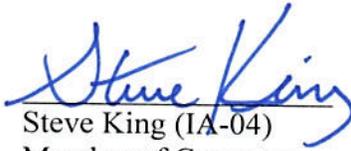

Matt Salmon (AZ-05)
Member of Congress


Leonard Lance (NJ-07)
Member of Congress

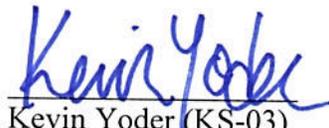

Billy Long (MO-07)
Member of Congress

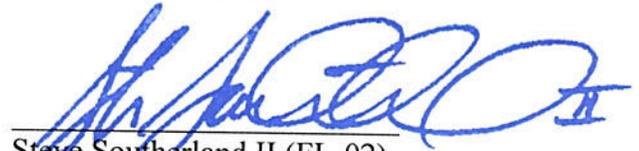

Bob Goodlatte (VA-06)
Member of Congress


Bill Huizenga (MI-02)
Member of Congress

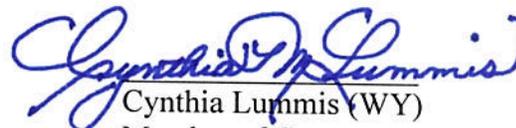

Steve King (IA-04)
Member of Congress

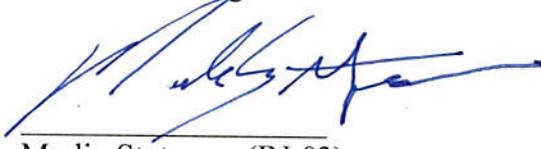

Chris Stewart (UT-02)
Member of Congress


Kevin Yoder (KS-03)
Member of Congress

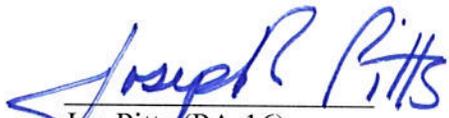

Steve Southerland II (FL-02)
Member of Congress


Phil Roe (TN-01)
Member of Congress


Cynthia Lummis (WY)
Member of Congress


Marlin Stutzman (IN-03)
Member of Congress


Louie Gohmert (TX-01)
Member of Congress



Joe Pitts (PA-16)
Member of Congress



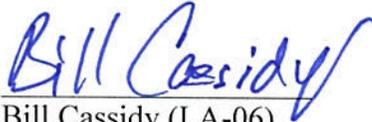
Sam Johnson (TX-03)
Member of Congress



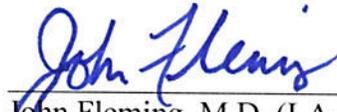
Trent Franks (AZ-08)
Member of Congress



Andy Harris (MD-01)
Member of Congress



Bill Cassidy (LA-06)
Member of Congress



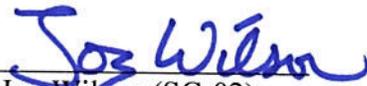
John Fleming, M.D. (LA-04)
Member of Congress



Paul Brown, M.D. (GA-10)
Member of Congress



Patrick McHenry (NC-10)
Member of Congress



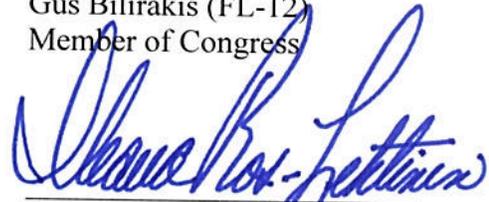
Joe Wilson (SC-02)
Member of Congress



Gus Bilirakis (FL-12)
Member of Congress



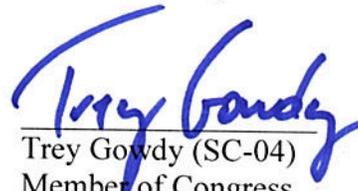
Todd Rokita (IN-04)
Member of Congress



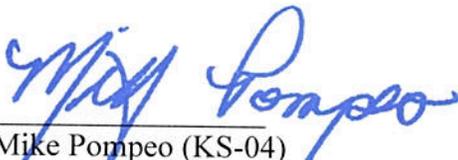
Ileana Ros-Lehtinen (FL-27)
Member of Congress



Marsha Blackburn (TN-07)
Member of Congress



Trey Gowdy (SC-04)
Member of Congress



Mike Pompeo (KS-04)
Member of Congress



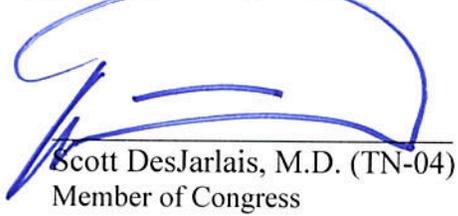
Peter King (NY-02)
Member of Congress



Jack Kingston (GA-01)
Member of Congress



Randall Hultgren (IL-14)
Member of Congress



Scott DesJarlais, M.D. (TN-04)
Member of Congress



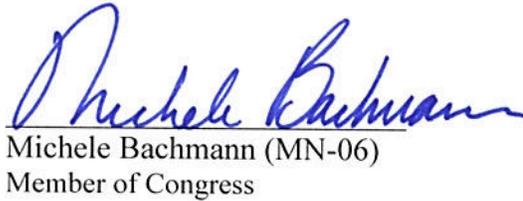
Doug Lamborn (CO-05)
Member of Congress



Frank Wolf (VA-10)
Member of Congress



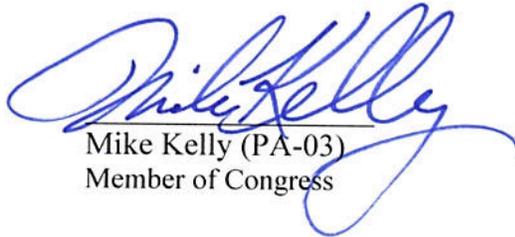
Aaron Schock (IL-18)
Member of Congress



Michele Bachmann (MN-06)
Member of Congress



Tom Bonner (AL-01)
Member of Congress



Mike Kelly (PA-03)
Member of Congress