

U.S. VICTIMS OF STATE SPONSORED TERRORISM FUND
QUALIFYING CASES – FREQUENTLY ASKED QUESTIONS

(Updated July 3, 2023)

These FAQs are meant to help you understand the U.S. Victims of State Sponsored Terrorism Fund; however, they do not constitute legal advice, nor alter in any way the authorities of the Special Master and the U.S. Department of Justice, including the authority to implement the Act. The FAQs are not intended to, do not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter, civil or criminal.

1. How are the USVSST Fund’s general distributions funded?

Aside from certain specific and limited appropriations, all funding for the USVSST Fund comes from proceeds of federal enforcement actions.

The Justice for United States Victims of State Sponsored Terrorism Act (Act), [34 U.S.C. § 20144\(e\)\(2\)](#), mandates that certain case proceeds and penalties forfeited or paid to the United States after December 18, 2015, be transferred to the USVSST Fund.

For forfeiture proceeds, penalty payments, and fine payments to qualify for deposit into the USVSST Fund, the underlying matter must arise from a violation of any license, order, regulation, or prohibition issued under the International Emergency Economic Powers Act (IEEPA) or the Trading with the Enemy Act (TWEA), or any related conspiracy, scheme, or other Federal offense arising from the actions of, or doing business with or acting on behalf of, a state sponsor of terrorism. If a case or matter meets the statutory requirements for some or all of the proceeds to be deposited in the USVSST Fund, it is called a “qualifying case.”

2. How much of the qualifying case proceeds go into the USVSST Fund? Does it matter if a qualifying case is civil or criminal?

For criminal matters, all funds and the net proceeds from the sale of property from qualifying violations must be deposited in the USVSST Fund. For civil matters, effective November 21, 2019, seventy-five percent of all funds, and seventy-five percent of the net proceeds from the sale of property, must be deposited into the USVSST Fund. (From December 18, 2015, until November 20, 2019, one-half of all funds, and one-half of the net proceeds from the sale of property, qualified for deposit into the USVSST Fund.) The USVSST Fund’s governing statute, [34 U.S.C. § 20144\(e\)\(2\)](#), sets these amounts.

3. In addition to whether a case is civil or criminal, are there other factors that may affect the amount of the case proceeds that go into the USVSST Fund?

The USVSST Fund’s governing statute, [34 U.S.C. § 20144\(e\)\(2\)](#), and the particular facts of each case, determine whether some or all of the qualifying case proceeds must be deposited into the USVSST Fund. Even a single case or matter may include qualifying as well as non-qualifying violations. For example, a case’s violations may involve countries that are designated state sponsors of terrorism (SSTs), as well as countries that are not SSTs. See [FAQ 2.9](#) (“What countries qualify as state sponsors of terrorism?”). In those cases, only the portion of the penalty or fine attributable to the violations involving SSTs qualifies for deposit into the USVSST Fund.

Also, SST designations change over time. A country’s SST designation must be in effect at the time the violation occurred in order for the associated penalty or fine to qualify for deposit into the USVSST Fund. If a country was not designated as an SST at the time the violation occurred, the case would not qualify for the USVSST Fund, even if the country was designated as an SST at a different time.

4. What role does the USVSST Fund play in the qualifying cases?

The USVSST Fund does not participate in any federal enforcement actions, including those that may result in deposits into the USVSST Fund.

The USVSST Fund does, however, identify and track cases or matters that may lead to future deposits. Department of Justice, Money Laundering and Asset Recovery Section (MLARS) attorneys assigned to the USVSST Fund make the legal determination of whether or not a case or matter’s proceeds, or a portion of them, must be deposited into the USVSST Fund. They can complete the required legal and factual analysis only when a case or matter is concluded. The government must have received payment of the fine or penalty before any transfer to the USVSST Fund can occur.

5. How does the USVSST Fund determine what proceeds and penalties qualify for deposit into the Fund?

In implementing the statute to determine whether a case qualifies for deposit into the Fund, the USVSST Fund determines:

1. Does the case involve a state sponsor of terrorism?

If not, including if the violation occurred while the country was *not* designated, the case cannot qualify. If so:

2. Does the case include a violation of any license, order, regulation, or prohibition issued under IEEPA or TWEA?

If so, the case qualifies, and the USVSST Fund determines the qualifying amount. *See* Qualifying Case FAQ 4 (“What role does the USVSST Fund play in the qualifying cases?”). If not:

3. Does the case include any related conspiracy, scheme, or other Federal offense arising from the actions of, or doing business with or acting on behalf of, a state sponsor of terrorism?

If not, the case cannot qualify. If so, the case qualifies, and the USVSST Fund determines the qualifying amount.

6. I saw a press release about a case involving a state sponsor of terrorism and IEEPA/TWEA violations. Why isn't it listed on the USVSST Fund's qualifying case deposits list?

There are a number of reasons why a case may not be listed on the USVSST Fund's qualifying case deposits webpage.

Only cases with publicly available information are posted on the USVSST Fund's qualifying case deposits webpage. For example, a sealed case (meaning a court has limited the public information) would not be listed on the USVSST Fund's website.

Further, Department of Justice, Money Laundering and Asset Recovery Section (MLARS) attorneys assigned to the USVSST Fund can complete the required legal and factual analysis only when a case or matter is concluded. The government must have received the qualifying forfeiture proceeds or payment of the fine or penalty before any transfer to the USVSST Fund can occur.

In addition, a case may not appear on the USVSST Fund's qualifying case deposits webpage because MLARS attorneys assigned to the USVSST Fund determined that the case did not qualify.

Typically, the USVSST Fund updates its qualifying case deposits list at the end of each fiscal quarter. Thus, the absence of a case from the list is not necessarily an indication that the case will not eventually be listed.

7. Would funds received for violations involving a terrorist group, like al-Qaeda or Hamas, qualify for deposit into the USVSST Fund?

Cases with violations that solely involve a terrorist group – like al-Qaeda or Hamas – and not a state sponsor of terrorism, would not qualify for deposit into the USVSST Fund. *See* [FAQ 2.9](#) (“What countries qualify as state sponsors of terrorism?”).

8. What are some examples of agencies that are involved in qualifying cases?

Some examples of agencies whose enforcement actions have resulted in qualifying case deposits are the Department of the Treasury, Office of Foreign Assets Control (OFAC); Department of Commerce, Bureau of Industry and Security (BIS); and Offices of the United States Attorneys.

When the federal enforcement action is complete and the fine, penalty, or forfeiture proceeds have been received by the government, the USVSST Fund coordinates with the appropriate entity to initiate transfer of qualifying amounts.