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Cabinet at Full Gallop with Commerce, Treasury and Justice Picks

While the imperatives of serving a mercurial master may call for nimble footwork, career civil servants in Justice, Treasury and the Commerce Department can look forward to leadership in the new administration that, while of markedly different persuasion, has demonstrated administrative competence.

After summarizing the Trade credentials of Pam Bondi, Howard Lutnick and Scott Bessent, we introduce the key economic argument being used to defend tariffs. [READ MORE](#)

House Passes Bill Targeting Non-Profit Status

Thursday the U.S. House of Representatives overcame Democratic resistance and passed legislation that strips U.S.-based organizations of their tax-exempt status if they are found by the White House to be "materially supporting terrorist organizations."

The Stop Terror-Financing and Tax Penalties on American Hostages Act (H.R. 9495) passed 219-184, with 15 Democrats breaking ranks in favor.. While stripping tax subsidies from Jihadists has robust congressional support, opponents cite apprehensions about the bill's implications for civil liberties, due process, and the potential for executive overreach. [READ MORE](#)

House Democrats Introduce Legislation to Curb Presidential Tariff Authority

A group of House Ways and Means Committee Democrats unveiled the Prevent Tariff Abuse Act yesterday, seeking to restrict presidential authority to impose tariffs under the guise of national security.

The legislation, spearheaded by Democratic Reps. Suzan DelBene (WA-1) and Don Beyer (VA), aims to require Congressional approval before the president can use the International Emergency Economic Powers Act (IEEPA) to levy tariffs. [READ MORE](#)

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[White House Names Two to ITC](#)

President Biden announced last week he is nominating two new members to sit on the International Trade Commission. Jim Coughlan will come over from the Export Import Bank of the US, and Halie Craig is currently staff for the Senate Commerce Committee. [READ MORE](#)

[China Commission Annual Report](#)

The U.S.-China Economic and Security Review Commission (USCC) has officially submitted its 2024 Annual Report to Congress. The report, unanimously approved by the Commission's 12 members, although Dr. Cleveland inserted an addendum withholding her support for two of the recommendations. [READ MORE](#)

[Export Controls in China Commission Report](#)

Deep in the 782 Page annual doorstop prepared by the commission are sections of interest on export controls and the regulation of outbound investment. [READ MORE](#)

[ISAB Releases Studies on PRC Biotech Strategy, Disarmament, and U.S. Security Cooperation](#)

The State Department's International Security Advisory Board (ISAB) has published three studies: "Report on Biotechnology in the PRC's Military-Civil Fusion Strategy," "Report on Multilateral Disarmament Structures," and "The Limits of Influence: U.S. Security Cooperation in the Age of Strategic Competition." [READ MORE](#)

WTO / GENEVA

[Work in Progress: Dispute Settlement Reform Report](#)

A "work in progress" report issued last week by the facilitator of the World Trade Organization's (WTO) dispute settlement reform process highlights that many critical issues surrounding the Appellate/Review mechanism remain unresolved, according to individuals familiar with the discussions.

The 35-page restricted document raises significant doubts about the likelihood of restoring a "fully and functioning dispute settlement" system by the end of 2024. This objective was mandated by trade ministers at the WTO's 13th Ministerial Conference in Abu Dhabi earlier this year. [READ MORE](#)

[AI and International Trade: WTO Report](#)

The World Trade Organization (WTO) could play a pivotal role in facilitating trade related to artificial intelligence (AI), while ensuring trustworthy AI use and fostering global regulatory convergence, according to a new report by the WTO Secretariat. [READ MORE](#)

CFIUS

[CFIUS Chief Recaps Efforts, Focus](#)

Assistant Secretary for Investment Security Paul Rosen addressed the Third Annual Committee on Foreign Investment in the United States (CFIUS) Conference on November 18 at the Treasury Department. In his remarks, Rosen outlined significant progress in compliance, enforcement, and efficiency within CFIUS processes, while emphasizing the committee's critical role in safeguarding U.S. national security.

"We have also been paying particular attention to the role of limited partners in investment funds," he noted." In the same way that financial institutions are obligated to "know your customer," I often tell businesses seeking funding they should know their investor – because CFIUS certainly will" [READ MORE](#)

[CFIUS "Sharpens Scapel" with Enforcement Rule](#)

The Treasury Department, as Chair of the Committee on Foreign Investment in the United States (CFIUS), issued a final rule to enhance certain CFIUS procedures and sharpen its penalty and enforcement authorities. The final rule issued November 18 follows a proposed rule issued in April and responds to public comments received in response.

Among other things, this rule expands the Committee's authority to request and subpoena information for non-notified transactions, increases the maximum monetary penalty available for certain violations, and expands the instances in which CFIUS may use its subpoena authority, including in the non-notified context. [READ MORE](#)

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[Gazprombank \(finally\) Sanctioned](#)

Treasury's Office of Foreign Assets Control (OFAC) has announced full blocking sanctions against 118 entities and individuals, including Gazprombank and fifty other banks. Thursday's actions bring it in alignment with allied sanctions on Gazprombank—the largest bank not previously sanctioned.

OFAC's action includes the designation of Gazprombank, more than 50 internationally connected Russian banks, more than 40 Russian securities registrars, and 15 Russian finance officials. [READ MORE](#)

[AUKUS Hypersonics Agreement](#)

The U.S. Department of Defense, alongside the Australian and UK defense ministries, announced an agreement under AUKUS Pillar II to advance hypersonic vehicle testing through the Hypersonic Flight Test and Experimentation (HyFlITE) Project. This collaboration allows shared use of testing facilities and technical data to develop hypersonic systems. [READ MORE](#)

[BIS Compliance Seminar Dec 3-6](#)

Registration is open for a BIS Complying with U.S. Export Controls virtual seminar... [READ MORE](#)

[DTAG Dec 4th](#)

The Defense Trade Advisory Group (DTAG) will meet in open session from 1 p.m. until 5 p.m. on Wednesday, December 4, 2024. This meeting will be held virtually via Zoom or Webex. ... [READ MORE](#)

[RAPTAC December 10](#)

The Regulations and Procedures Technical Advisory Committee (RPTAC) will meet on December 10, 2024, 9 a.m.-4 p.m., Eastern Daylight Time, in the Herbert C. Hoover Building ... [READ MORE](#)

ENFORCEMENT

[Bitcoin Miner CEO Indicted for Japan Bribery](#)

An indictment was unsealed charging the former CEO of a bitcoin mining firm with bribery violations and his company entered into a deferred prosecution agreement with the Justice Department. The November 18 indictment charges Zhengming Pan, former CEO of 500.com (now BIT Mining Ltd.), a Chinese national, with multiple violations of the Foreign Corrupt Practices Act (FCPA).

Simultaneously, BIT Mining Ltd. has agreed to resolve investigations by the U.S. Department of Justice and the Securities and Exchange Commission (SEC) concerning related FCPA violations, involving bribery of Japanese officials. ... [READ MORE](#)

[US Steps Into Indian Corruption Case](#)

A federal indictment unsealed November 20th in Brooklyn charges Indian energy magnates Gautam S. Adani, Sagar R. Adani, and Vneet S. Jaain, along with several other individuals, with orchestrating a multi-billion-dollar bribery and fraud scheme. The case alleges a conspiracy to pay over \$250 million in bribes to Indian government officials to secure solar energy contracts, coupled with fraudulent efforts to obtain capital from U.S. and international investors. [READ MORE](#)

[\\$1.1 Million Fine for Caspian Hotel Scheme](#)

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has announced a penalty of \$1,104,408 against a U.S. citizen for 75 violations of sanctions targeting Iran. Between 2019 and 2022, they orchestrated a scheme to purchase, renovate, and operate a 19-suite hotel on the Caspian Sea in Iran. [READ MORE](#)

[Avionics to Russia Indictment](#)

An Indian national arrested in Miami was indicted for conspiring to export controlled aviation components with dual civilian and military applications to end users in Russia, in violation of the Export Control Reform Act. Sanjay Kaushik, 57, is also charged with attempting to illegally export a navigation and flight control system from Oregon to Russia through India, and with making false statements in connection with an export. The November 20 indictment was handed down in the District of Oregon. [READ MORE](#)

SUPPLY CHAIN

[USMCA Review Sought at French Parts Plant in Mexico](#)

United States Trade Representative Katherine Tai announced Friday that the United States has asked Mexico to review whether workers at Akwel Juárez México, S.A. de C.V., in Ciudad Juárez, Mexico, are being denied the right to freedom of association and collective bargaining.

The United States has suspended liquidation of tariffs on goods from the facility, which manufactures auto parts. The request, which was made in response to a petition, marks the thirty-first time the United States has formally invoked the Rapid Response Labor Mechanism (RRM) in the United States-Mexico-Canada Agreement (USMCA). [READ MORE](#)

DHS Adds 29 Entities to UFLPA Entity List

The Department of Homeland Security (DHS), on behalf of the Forced Labor Enforcement Task Force (FLETF), announced the addition of 29 companies based in the People's Republic of China to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List – bringing the total number of entities on the UFLPA Entity List to 107.

The 29 added entities span sectors including agriculture, food processing, and industrial materials. Twenty-three additional entities in agriculture are cited for sourcing products like tomato paste, walnuts, and raisins from XUAR, with sales traced through online wholesale markets. [READ MORE](#)
