

## Contents

<b>CHAPTER 16 .....</b>	<b><a href="#">494</a></b>
<b>Sanctions, Export Controls, and Certain Other Restrictions.....</b>	<b><a href="#">494</a></b>
<b>A. IMPOSITION, IMPLEMENTATION, AND MODIFICATION OF SANCTIONS .....</b>	<b><a href="#">494</a></b>
1. Iran.....	<a href="#">494</a>
a. General .....	<a href="#">494</a>
b. Implementation of UN Security Council resolutions.....	<a href="#">497</a>
c. U.S. sanctions and other controls.....	<a href="#">497</a>
d. Humanitarian mechanism to increase transparency of permissible trade with Iran .....	<a href="#">511</a>
2. Syria.....	<a href="#">513</a>
3. Turkey’s actions in Syria .....	<a href="#">513</a>
4. Cuba .....	<a href="#">516</a>
5. Venezuela.....	<a href="#">518</a>
a. General background and new executive orders (E.O. 13857 and E.O. 13884) .....	<a href="#">518</a>
b. E.O. 13692 .....	<a href="#">521</a>
c. Visa restrictions.....	<a href="#">524</a>
d. E.O. 13850 .....	<a href="#">525</a>
e. E.O. 13884.....	<a href="#">531</a>
6. Democratic People’s Republic of Korea .....	<a href="#">531</a>
a. General .....	<a href="#">531</a>
b. Nonproliferation.....	<a href="#">532</a>
7. Russia .....	<a href="#">534</a>
a. Chemical and Biological Weapons Control and Warfare Elimination Act Sanctions .....	<a href="#">534</a>
b. Sanctions in response to Russia’s actions in Ukraine .....	<a href="#">536</a>
8. Nonproliferation .....	<a href="#">538</a>

a.	<i>Country-specific sanctions</i> .....	<a href="#">538</a>
b.	<i>Iran, North Korea, and Syria Nonproliferation Act (“INKSNA”)</i> .....	<a href="#">539</a>
9.	Terrorism .....	<a href="#">539</a>
a.	<i>UN and other coordinated multilateral action</i> .....	<a href="#">539</a>
b.	<i>U.S. targeted financial sanctions</i> .....	<a href="#">541</a>
c.	<i>Annual certification regarding cooperation in U.S. antiterrorism efforts</i> .....	<a href="#">550</a>
10.	Cyber Activity and Election Interference .....	<a href="#">550</a>
a.	<i>Malicious Cyber-Enabled Activities</i> .....	<a href="#">550</a>
b.	<i>Election Interference</i> .....	<a href="#">551</a>
11.	The Russia Magnitsky and Global Magnitsky Sanctions Programs and Other Measures Aimed at Corruption and Human Rights Violations .....	<a href="#">551</a>
a.	<i>The Russia Magnitsky Act</i> .....	<a href="#">551</a>
b.	<i>The Global Magnitsky Sanctions Program</i> .....	<a href="#">553</a>
c.	<i>Designations under Section 7031(c) of the Annual Consolidated Appropriations Act</i> .....	<a href="#">560</a>
12.	Targeted Visa Restrictions and Sanctions Relating to Threats to Democratic Process and Restoration of Peace, Security, and Stability .....	<a href="#">566</a>
a.	<i>China (relating to Xinjiang)</i> .....	<a href="#">566</a>
b.	<i>Nicaragua</i> .....	<a href="#">567</a>
c.	<i>Nigeria</i> .....	<a href="#">570</a>
d.	<i>Mali</i> .....	<a href="#">570</a>
e.	<i>South Sudan</i> .....	<a href="#">573</a>
f.	<i>Democratic Republic of the Congo</i> .....	<a href="#">574</a>
13.	Transnational Crime .....	<a href="#">575</a>
<b>B.</b>	<b>EXPORT CONTROLS</b> .....	<a href="#">575</a>
1.	Additions to Entity List: Huawei .....	<a href="#">575</a>
2.	Debarments .....	<a href="#">576</a>

3.	Consent Agreements.....	<a href="#">576</a>
a.	<i>Darling Industries</i> .....	<a href="#">576</a>
b.	<i>L3Harris Technologies, Inc.</i> .....	<a href="#">577</a>
c.	<i>AeroVironment</i> .....	<a href="#">577</a>
4.	Litigation.....	<a href="#">578</a>
a.	Stagg v. Department of State.....	<a href="#">578</a>
b.	Washington v. Department of State .....	<a href="#">578</a>
c.	Thorne v. Department of State .....	<a href="#">579</a>
	<b>Cross References</b> .....	<a href="#">580</a>

## CHAPTER 16

### Sanctions, Export Controls, and Certain Other Restrictions

This chapter discusses selected developments during 2019 relating to sanctions, export controls, and certain other restrictions relating to travel or U.S. government assistance. It does not cover developments in many of the United States' longstanding financial sanctions regimes, which are discussed in detail at <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>. It also does not cover comprehensively developments relating to the export control programs administered by the Commerce Department or the defense trade control programs administered by the State Department. Details on the State Department's defense trade control programs are available at [https://pmddtc.state.gov/ddtc\\_public](https://pmddtc.state.gov/ddtc_public).

#### A. IMPOSITION, IMPLEMENTATION, AND MODIFICATION OF SANCTIONS

##### 1. Iran

##### *a. General*

The State Department issued a fact sheet on April 4, 2019 regarding the U.S. campaign to apply maximum pressure on the Iranian regime to change its behavior. The fact sheet is available at <https://www.state.gov/maximum-pressure-campaign-on-the-regime-in-iran/> and excerpted below.

---

\* \* \* \*

The U.S. sanctions have cut off Iran's access to billions of dollars in oil revenue and are driving its exports lower than ever before. Since last May, **1.5 million barrels/day** of Iranian crude have been taken off the market and purchases of Iranian crude will soon be at zero.

Starting with the re-imposition of our sanctions on November 5, 2018, Iran's access to revenue from the sale of crude oil was immediately restricted. Overall, our sanctions have denied the regime direct access to as much as **\$10 billion** in oil revenue since May 2018.

More than **20 countries** that were once regular oil customers of Iran have zeroed out their imports. **Three jurisdictions that were granted waivers in November are already at zero.**

The Trump Administration has designated over **970 Iranian entities and individuals** in more than **26 rounds of sanctions**—more than any other Administration in U.S. history.

Just last week a vast network of front companies based in Iran, the U.A.E., and Turkey was sanctioned for procuring and transferring more than a billion dollars and euros to the Islamic Revolutionary Guard Corps.

We have designated Evin Prison, where the Ministry of Intelligence and Security (MOIS) and the Islamic Revolutionary Guard Corps maintain permanent wards to hold political prisoners, and subject prisoners to brutal tactics.

In response to ongoing censorship activities by the regime, we have designated the IRGC's Electronic Warfare and Cyber Defense Organization, Iran's Supreme Council for Cyberspace and the National Cyberspace Center.

We have also sanctioned more than **70 Iran-linked financial institutions** and their foreign and domestic subsidiaries. **SWIFT has disconnected every sanctioned Iranian bank** from its system and even disconnected the Central Bank of Iran.

More than **100 corporations** have exited the Iranian market, taking with them billions of dollars in investment.

The Iranian economy is in a tailspin because of the regime's poor policies, its continued commitment to terrorism, and our targeted pressure. **The rial has lost two-thirds of its value**, reports indicate Iran is in a recession, and **inflation has hit a record 40 percent**. Iran's total trade has declined by nearly 25 percent since March 2018.

#### **INCREASING DIPLOMATIC ENGAGEMENT**

**Europe has pushed back against Iranian terror activity.** After a foiled bomb plot in Paris and a thwarted assassination plan in Denmark last year, the European Union in January sanctioned Iran's Ministry of Intelligence and Security and two of its agents for their roles.

Countries, including the **United Kingdom, Germany, France, Denmark, the Netherlands, Albania, and Serbia**, have acted on their own to address the threat of Iranian terrorism, whether by recalling Ambassadors, expelling Iranian diplomats, denying landing rights to Mahan Air, or eliminating visa-free travel.

**Germany** recently announced its decision to deny Mahan Air landing rights.

**Panama** issued a Presidential Decree to pull registration and de-flag Iranian vessels following the United States' exposure of an oil-for-terror network.

**Albania** expelled Iran's Ambassador to Tirana and another Iranian diplomat for involvement in thwarted terrorist plots.

The United States, along with the U.K., France, and Germany, continue to hold Iran accountable for defying its international obligations. Our countries expressed strong concern to the UN Secretary General following **Iran's launch of a medium range ballistic missile** in December and its attempted **satellite launches** in January and February. These launches and others defy UN Security Council Resolution 2231.

The EU Foreign Affairs Council's conclusions in February underscored its concern regarding Iran's ballistic missile program, support of terrorism in Europe, human rights conditions in Iran, and the regime's ongoing role in regional conflicts.

## RESTORING DETERRENCE

We have exposed the lethal aid that Iran is sending to militants in Yemen, Bahrain, and Afghanistan; including ballistic missiles, attack UAVs, and explosive boats. Representatives of over **70 countries toured the Iran Materiel Display**, seeing clear and tangible evidence that Iran is sending weapons to its militant partners, which were used to attack international shipping and civilian infrastructure in the Gulf.

We are continuing to disrupt the Qods Force's illicit shipments of oil, which benefit terrorist groups like Hizballah as well as the Assad regime. More than **75 tankers** involved in illicit shipping schemes have been denied the flags they need to sail.

The United States continues to build the partner capacities of several regional nations to defend themselves against the threats posed by Iran.

\* \* \* \*

The State Department issued a statement on May 8, 2019, the first anniversary of the Trump Administration's new Iran strategy. The statement is available at <https://www.state.gov/first-anniversary-of-president-trumps-new-iran-strategy/> and excerpted below.

\* \* \* \*

One year ago today, President Trump announced the United States would cease to participate in the Joint Comprehensive Plan of Action ...

One year later, President Trump has made good on his promise to counter Iran in a comprehensive campaign of maximum pressure. We have imposed the toughest sanctions ever on the Iranian regime, designating nearly 1,000 individuals and entities in the past year. The Trump Administration has taken Iran's oil exports to historic lows, and stopped issuing Significant Reduction Exceptions to importers of Iranian oil, effectively zeroing out purchases of Iranian crude. In May, Secretary Pompeo tightened restrictions that impede Iran's ability to reconstitute its past nuclear weapons program and prevent Iran from shortening the time it would take to produce fissile material for a nuclear weapon. Today, President Trump announced a new sanctions authority targeting trade in Iranian metals. This targets Iran's largest non-oil related export and further degrades the regime's ability to fund terror and instability in the Middle East. The Iranian regime's announcement today that it intends to expand its nuclear program is in defiance of international norms and a blatant attempt to hold the world hostage. Its threat to renew nuclear work that could shorten the time to develop a nuclear weapon underscores the continuing challenge the Iranian regime poses to peace and security worldwide.

The United States is committed to denying the Iranian regime all paths to a nuclear weapon. We will continue to impose maximum pressure on the regime until it abandons its destabilizing ambitions. We call on the international community to hold the Iranian regime accountable for its threat to expand its nuclear program.

America is not countering Iran alone. Since our withdrawal from the deal, our allies and partners have stepped up to counter Iranian aggression with us. We have acted with countries from nearly every continent to disrupt Iran's illicit oil shipping operations. The European Union

passed new sanctions against Iranian entities in response to two foiled terror plots last year. Other nations have responded to Iran's malign activity by recalling ambassadors, expelling Iranian diplomats, eliminating visa-free travel, or denying landing rights to Mahan Air.

Moving forward, we will continue to build on the already significant successes of our pressure campaign. As outlined in the 12 demands in my May 21, 2018 speech,<sup>\*</sup> we will continue to apply maximum pressure on the Iranian regime until its leaders change their destructive behavior, respect the rights of the Iranian people, and return to the negotiating table.

\* \* \* \*

**b. *Implementation of UN Security Council resolutions***

As discussed in *Digest 2015* at 636, the UN Security Council unanimously adopted resolution 2231 on July 20, 2015. Resolution 2231 endorsed the JCPOA; terminated the provisions of prior UN Security Council resolutions addressing the Iranian nuclear issue—namely, resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010), and 2224 (2015)—and imposed new obligations on UN Member States with respect to the transfer to or from Iran of certain nuclear, missile and arms-related items and assistance, as well as the continued implementation of other targeted measures (asset freeze and travel ban) on designated persons or entities. The United States' cessation of participation in the JCPOA did not have any effect on Resolution 2231, which remains in effect, although some of the new obligations imposed therein will, by their explicit terms, begin to sunset in 2020 unless further action is taken.

**c. *U.S. sanctions and other controls***

Further information on Iran sanctions is available at <https://www.state.gov/iran-sanctions/> and <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>.

**(1) *New Executive Orders***

**(a) E.O. 13871**

On May 8, 2019, the President issued E.O. 13871, "Imposing Sanctions With Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran." 84 Fed. Reg. 20,761 (May 10, 2019). The President acted in order to "deny the Iranian government revenue ...that may be used to provide funding and support for the proliferation of weapons of mass destruction, terrorist groups and networks, campaigns of regional aggression, and military expansion." The persons whose property is blocked under the E.O. are described in Section 1 of the order and the blocked financial institutions are described in Section 2. Excerpts follow from Sections 1 and 2 of E.O. 13871.

---

<sup>\*</sup> Editor's note: See *Digest 2018* at 749-50 for discussion of the May 21, 2018 speech by Secretary Pompeo.

\* \* \* \*

any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) to be operating in the iron, steel, aluminum, or copper sector of Iran, or to be a person that owns, controls, or operates an entity that is part of the iron, steel, aluminum, or copper sector of Iran;

(ii) to have knowingly engaged, on or after the date of this order, in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with the iron, steel, aluminum, or copper sectors of Iran;

(iii) to have knowingly engaged, on or after the date of this order, in a significant transaction for the purchase, acquisition, sale, transport, or marketing of iron, iron products, aluminum, aluminum products, steel, steel products, copper, or copper products from Iran;

(iv) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of any person whose property and interests in property are blocked pursuant to this section; or

(v) 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 section.

...

**Sec. 2.** (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has, on or after the date of this order, knowingly conducted or facilitated any significant financial transaction:

(i) for the sale, supply, or transfer to Iran of significant goods or services used in connection with the iron, steel, aluminum, or copper sectors of Iran;

(ii) for the purchase, acquisition, sale, transport, or marketing of iron, iron products, aluminum, aluminum products, steel, steel products, copper, or copper products from Iran; or

(iii) for or on behalf of any person whose property and interests in property are blocked pursuant to this order.

\* \* \* \*

(b) E.O. 13876

On June 24, 2019, the President issued E.O. 13876, sanctioning the Supreme Leader's Office and authorizing further sanctions on those associated with it. 84 Fed. Reg. 30,573 (June 26, 2019). A State Department press release available at <https://www.state.gov/executive-order-to-impose-sanctions-on-the-office-of-the-supreme-leader-of-iran/>, provides the following information on the target of the new order:

The Supreme Leader's Office has enriched itself at the expense of the Iranian people. It sits atop a vast network of tyranny and corruption that deprives the



Iranian people of the freedom and opportunity they deserve. Today's action denies Iran's leadership the financial resources to spread terror and oppress the Iranian people.

Sections 1, 2, and 5 of the E.O. are excerpted below.

---

\* \* \* \*

**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) the Supreme Leader of the Islamic Republic of Iran and the Iranian Supreme Leader's Office (SLO); or

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

(A) to be a person appointed by the Supreme Leader of Iran or the SLO to a position as a state official of Iran, or as the head of any entity located in Iran or any entity located outside of Iran that is owned or controlled by one or more entities in Iran;

(B) to be a person appointed to a position as a state official of Iran, or as the head of any entity located in Iran or any entity located outside of Iran that is owned or controlled by one or more entities in Iran, by any person appointed by the Supreme Leader of Iran or the SLO;

(C) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of any person whose property and interests in property are blocked pursuant to this section;

(D) 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 section; or

(E) to be a member of the board of directors or a senior executive officer of any person whose property and interests in property are blocked pursuant to 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 before the date of this order.

**Sec. 2.** (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has knowingly conducted or facilitated any significant financial transaction for or on behalf of any person whose property and interests in property are blocked pursuant to section 1 of this order.

(b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a) of this section, the Secretary of the Treasury may prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by such foreign financial institution.

(c) The prohibitions in subsection (b) 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 before the date of this order.

\* \* \* \*

**Sec. 5.** The unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in subsection 1(a) of this order would be detrimental to the interests of the United States, and the entry of such persons into the United States, as immigrants or nonimmigrants, is hereby suspended. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

\* \* \* \*

On July 31, 2019, OFAC designated Foreign Minister Mohammad Javad Zarif pursuant to E.O. 13876 because Zarif acted or purported to act for or on behalf of, directly or indirectly, the Supreme Leader of the Islamic Republic of Iran. July 31, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm749>.

On November 4, 2019, OFAC designated nine individuals and one entity pursuant to E.O. 13876: Mohammad BAGHERI, Hossein DEGHAN, Mohammad Mohammadi GOLPAYEGANI, Gholamali HADDAD-ADEL, Vahid HAGHANIAN, Mojtaba KHAMENEI, Ebrahim RAISI, Gholam Ali RASHID, and Ali Akbar VELAYATI and the Armed Forces General Staff. November 4, 2019 Treasury Department press release, available at <https://home.treasury.gov/index.php/news/press-releases/sm824>. The press release says that:

the action targets Ali Khamenei's appointees in the Office of the Supreme Leader, the Expediency Council, the Armed Forces General Staff, and the Judiciary. Treasury's action coincides with the 40th anniversary of Iranian militants seizing the U.S. embassy in Tehran, holding more than 50 Americans hostage for 444 days.

(c) Proclamation banning travel to the United States by Iranian Regime Elite

On September 26, 2019, the President announced a proclamation restricting entry into the United States for senior Iranian government officials and members of their families. See State Department press statement, available at <https://www.state.gov/iranian-regime-elite-and-families-can-no-longer-travel-to-the-united-states/>. Excerpts follow from the press statement.

This Presidential Proclamation is per the authority vested in the President by the Constitution and the laws of the United States of America, including sections 212(f) and 215(a) of the Immigration and Nationality Act (INA) (8 U.S.C. 1182 (f) and 1185 (a)) and section 301 of title 3, United States Code.

The Government of Iran is the world's leading state sponsor of terrorism. The regime has destabilized the Persian Gulf region with attacks on oil and shipping infrastructure. [Its] support for the Houthis in Yemen and Shia militias in Iraq and Syria contribute[s] to the regional instability and the humanitarian crises in those countries. The Iranian regime continues to suppress members of ethnic and religious minorities in Iran, as well as unjustly detaining foreign citizens to perpetuate their foreign policy aims.

(2) *Section 1245 of NDAA and E.O. 13846 (oil purchases from Iran)*

On April 29, 2019 and again on October 25, 2019, the President determined "that there is a sufficient supply of petroleum and petroleum products from countries other than Iran to permit a significant reduction in the volume of petroleum and petroleum products purchased from Iran by or through foreign financial institutions." 84 Fed. Reg. 22,327 (May 17, 2019) and 84 Fed. Reg. 59,917 (Nov. 7, 2019). The President made the determination under Section 1245(d)(4)(B) and (C) of the National Defense Authorization Act for Fiscal Year 2012, Public Law 112–81, and based on reports submitted to the Congress by the Energy Information Administration, and other relevant factors. *Id.*

On April 22, 2019, the State Department announced that the United States would not issue any additional "Significant Reduction Exceptions" to existing importers of Iranian oil. See press statement, available at <https://www.state.gov/decision-on-imports-of-iranian-oil/>. See also April 22, 2019 fact sheet, available at <https://www.state.gov/advancing-the-u-s-maximum-pressure-campaign-on-iran/>. As the fact sheet explains, "Targeting Iran's oil exports is critical because they have historically been the regime's single largest source of revenue, which it uses to support terrorist proxies, fuel its missile development, and engage in other destabilizing behavior."

On July 22, 2019, the State Department announced in a press statement, available at <https://www.state.gov/the-united-states-to-impose-sanctions-on-chinese-firm-zhuhai-zhenrong-company-limited-for-purchasing-oil-from-iran/>, that the United States was imposing sanctions (pursuant to E.O. 13846) on Chinese firm Zhuhai Zhenrong Company Limited for purchasing oil from Iran. 84 Fed. Reg. 41,802 (Aug. 15, 2019) (corrected effective date in 84 Fed. Reg. 48,205 (Sep. 12, 2019)). The press statement explains further:

Zhuhai Zhenrong Company Limited knowingly engaged in a significant transaction for the purchase or acquisition of crude oil from Iran. The transaction in question took place after the expiration of China's Significant Reduction

Exception (SRE) on May 2, 2019, and was not covered by that SRE. Among other things, the imposition of these sanctions blocks all property and interests in property of Zhuhai Zhenrong Company Limited that are in the United States or within the possession or control of a U.S. person, and provides that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in. Additionally, the United States is imposing several restrictions as well as a ban on entry into the United States on Youmin Li, a corporate officer and principal executive officer of Zhuhai Zhenrong Company Limited. To implement my action today, the Department of the Treasury is adding Zhuhai Zhenrong Company Limited and Youmin Li to its List of Specially Designated Nationals and Blocked Persons.

On September 25, 2019, the State Department announced further sanctions on Chinese firms for engaging in transactions for the transport of oil from Iran. See press statement, available at <https://www.state.gov/the-united-states-imposes-sanctions-on-chinese-companies-for-transporting-iranian-oil/>. The press statement includes the following:

The following Chinese firms are sanctioned under E.O. 13846 for knowingly engaging in a significant transaction for the transport of oil from Iran: China Concord Petroleum Co., Limited, Kunlun Shipping Company Limited, Pegasus 88 Limited, and COSCO Shipping Tanker (Dalian) Seaman & Ship Management Co, Ltd. The United States is imposing additional sanctions on the following two Chinese companies, which own or control one or more of the four companies identified above, and had knowledge of their sanctionable conduct: Kunlun Holding Company Ltd. and COSCO Shipping Tanker (Dalian) Co., Ltd. The United States is also imposing sanctions on the following five individuals, who are executive officers of one or more of the six companies identified above: Bin Xu, Yi Li, Yu Hua Mao, Luqian Shen, and Yazhou Xu. The transaction in question took place after the expiration of China's Significant Reduction Exception (SRE) on May 2, 2019, and was not covered by that SRE. This action targets the specific entities named today, and does not target their parent companies or any other entities in their corporate groups.

(3) *Nonproliferation sanctions*

(a) E.O. 13382

E.O. 13382, entitled "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters," subjects those designated to sanctions for their ties to, or support for persons previously designated for involvement in, Iran's weapons of mass destruction ("WMD") programs.

On March 22, 2019, the United States announced designations of 31 Iranian individuals and entities under E.O. 13382. See March 22, 2019 Treasury Department

press release, available at <https://home.treasury.gov/news/press-releases/sm634> and OFAC SDN List Update, available at <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20190322.aspx> (persons designated for providing support to previously-designated Iranian defense entities: fourteen individuals—Mansur ASGARI, Mohammad Mahdi Da'emi ATTARAN, Ruhollah Ghaderi BARMi, Sa'id BORJI, Reza EBRAHIMI, Gholam Reza ETA'ATI, Jalal HAJJLU, Mohammad Hossein HAGHIGHIAN, Sayyed Asghar HASHEMITABAR, Mehdi MASOUMIAN, Mohammad Reza MEHDIPUR, Akbar MOTALLEBIZADEH, Mohammad Javad SAFARI, and Mohsen SHAFI'—and seventeen entities ABU REIHAN GROUP, BU ALI GROUP, HEIDAR KARAR GROUP, KIMIYA PAKHSH SHARGH, PARADISE MEDICAL PIONEERS COMPANY, PUYA ELECTRO SAMAN NIRU, SADRA RESEARCH CENTER, SHAHID AVINI GROUP, SHAHID BABA'I GROUP, SHAHID CHAMRAN GROUP, SHAHID FAKHAR MOGHADDAM GROUP, SHAHID KARIMI GROUP, SHAHID KAZEMI GROUP, SHAHID MOVAHHED DANESH GROUP, SHAHID SHOKRI SCIENCE AND TECHNOLOGY RESEARCH CENTER, SHAHID ZEINODDIN GROUP, and SHEIKH BAHAI SCIENCE AND TECHNOLOGY RESEARCH CENTER). The State Department provided a fact sheet, available at <https://www.state.gov/the-imposition-of-new-u-s-sanctions-in-connection-with-a-key-iranian-nuclear-organization-as-iran-refuses-to-answer-questions-related-to-its-secret-nuclear-archive/>, and a press statement, available at <https://www.state.gov/united-states-imposes-new-nuclear-sanctions-on-iran-as-it-refuses-to-answer-questions-related-to-its-secret-nuclear-archive/>, as well as a briefing by senior administration officials, available at <https://www.state.gov/senior-administration-officials-on-iran/>, regarding the March 22, 2019 nuclear sanctions. The briefing includes the following additional information about those designated.

...You have Mohammad Reza Mehdipur, head of Shahid Karimi Group – has been involved in explosion and shock research. Shahid Chamran Group work has included studies on electronic acceleration and research related to pulse power and wave generation. Shahid Fakhar Moghaddam Group has attempted to procure X-ray equipment from foreign suppliers. Mansur Asgari oversaw projects on exploding bridge-wire or EBW detonators. Pulse Niru manufactures pulse power devices and produces particle accelerators. And Reza Ebrahimi was involved in numerous explosive experiments relevant to the development of a nuclear weapon.

...

...[O]ne of the targets being designated today, Pulse Niru, procures advanced technologies from China, Russia, and other foreign suppliers. We are pursuing those actors just as aggressively as the Iranian defense organizations they support.

On April 10, the State Department published the designation of Reza Ebrahimi pursuant to E.O. 13382 in the Federal Register. 84 Fed. Reg. 14,441 (Apr. 10, 2019).

On June 7, 2019, OFAC designated Persian Gulf Petrochemical Industries Company ("PGPIC"), as well as its network of 39 subsidiary petrochemical companies

and foreign sales agents, for providing financial support to Khatam al-Anbiya Construction Headquarters, the engineering conglomerate of the IRGC. June 7, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm703>. According to the press release, “PGPIC and its group of subsidiary petrochemical companies hold 40 percent of Iran’s total petrochemical production capacity and are responsible for 50 percent of Iran’s total petrochemical exports.” On June 12, 2019, OFAC published in the Federal Register the names of the 40 PGPIC entities designated pursuant to E.O. 13382. 84 Fed. Reg. 27,399 (June 12, 2019). The designated entities are: PERSIAN GULF PETROCHEMICAL INDUSTRY CO; ARVAND PETROCHEMICAL COMPANY, BANDAR IMAM ABNIROO PETROCHEMICAL COMPANY, BANDAR IMAM BESPARAN PETROCHEMICAL COMPANY, BANDAR IMAM FARAVARESH PETROCHEMICAL COMPANY, BANDAR IMAM KHARAZMI PETROCHEMICAL COMPANY, BANDAR IMAM KIMIYA PETROCHEMICAL COMPANY, BANDAR IMAM PETROCHEMICAL COMPANY, BU ALI SINA PETROCHEMICAL COMPANY, FAJR PETROCHEMICAL COMPANY, HENGAM PETROCHEMICAL COMPANY, HORMOZ UREA FERTILIZER COMPANY, IRANIAN INVESTMENT PETROCHEMICAL GROUP COMPANY, GACHSARAN POLYMER INDUSTRIES, DAH DASHT PETROCHEMICAL INDUSTRIES, BROOJEN PETROCHEMICAL COMPANY, ILAM PETROCHEMICAL COMPANY, ATLAS OCEAN AND PETROCHEMICAL (AOPC), IRANIAN PETROCHEMICAL INVESTMENT DEVELOPMENT MANAGEMENT COMPANY, KAROUN PETROCHEMICAL COMPANY, KHOUZESTAN PETROCHEMICAL COMPANY, LORDEGAN UREA FERTILIZER COMPANY, MOBIN PETROCHEMICAL COMPANY, MODABBERAN EQTESAD COMPANY, NPC INTERNATIONAL, NPC ALLIANCE CORPORATION, NOURI PETROCHEMICAL COMPANY, PARS PETROCHEMICAL COMPANY, PAZARGAD NON INDUSTRIAL OPERATION COMPANY, PERSIAN GULF APADANA PETROCHEMICAL COMPANY, PERSIAN GULF BID BOLAND GAS REFINERY COMPANY, PERSIAN GULF PETROCHEMICAL INDUSTRY COMMERCIAL CO, PERSIAN GULF FAJR YADAVARAN GAS REFINERY COMPANY, PETROCHEMICAL INDUSTRIES DEVELOPMENT MANAGEMENT COMPANY, RAHAVARAN FONoon PETROCHEMICAL COMPANY, SHAHID TONGGOYAN PETROCHEMICAL COMPANY, URMIA PETROCHEMICAL COMPANY, HEMMAT PETROCHEMICAL COMPANY, NAGHMEH FZE, PETROCHEMICAL NON-INDUSTRIAL OPERATIONS & SERVICES CO.

On July 18, 2019, OFAC designated the following seven entities—(1) BAKHTAR RAAD SEPAHAN COMPANY; (2) TAWU MECHANICAL ENGINEERING AND TRADING COMPANY; (3) SANMING SINO-EURO IMPORT AND EXPORT CO., LTD.; (4) HENAN JIAYUAN ALUMINUM INDUSTRY CO., LTD.; (5) TAMIN KALAYE SABZ ARAS COMPANY; (6) SUZHOU ZHONGSHENG MAGNETIC INDUSTRY CO., LTD.; (7) SUZHOU A-ONE SPECIAL ALLOY CO., LTD—and five individuals—(1) Afsaneh Karimi-Adegani; (2) Sohayl Talebi; (3) Salim Borji; (4) Mehdi Najafi; (5) Mohammed Fakhrizadeh— pursuant to E.O. 13382. 84 Fed. Reg. 37,005 (July 30, 2019); Treasury Department press release at <https://home.treasury.gov/news/press-releases/sm736>. A July 18, 2019 State Department media note, available at <https://www.state.gov/designation-of-persons-linked-to-iranian-weapons-of-mass-destruction-procurement-network/>, provides additional background on the designations:

Today, the United States designated 12 entities and individuals based in Iran, Belgium, and China that are linked to the nuclear proliferation-sensitive activities of the Iran Centrifuge Technology Company—known by its Persian acronym, TESA.

In an August 28, 2019 press statement, available at <https://www.state.gov/designation-of-individuals-and-entities-linked-to-iranian-procurement-networks-under-e-o-13382-blocking-property-of-weapons-of-mass-destruction-and-their-supporters/>, the State Department announced the designation under E.O. 13382 of individuals and entities linked to Iranian procurement networks. OFAC made the designations pursuant to E.O. 13382 of individuals and entities in two networks engaged in procurement for Iranian military organizations: one, led by Hamed Dehghan, procuring for the IRGC and Iranian regime’s missile program; the second, led by Seyed Hossein Shariat, procuring for Iran’s Ministry of Defense and Armed Forces Logistics (“MODAFI”). See August 29, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm759>. The designated individuals are Shaghayegh AKHAEI, Hadi DEHGHAN, Hamed DEHGHAN, Mahdi EBRAHIMZADEH, Seyed Hossein SHARIAT; the designated entities are: ASRE SANAT ESHRAGH COMPANY, EBTEKAR SANAT ILYA LLC, GREEN INDUSTRIES HONG KONG LIMITED, PISHTAZAN KAVOSH GOSTAR BOSHRA, LLC, and SHAFAGH SENOBAR YAZD COMPANY LIMITED. OFAC Resource Center at <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20190828.aspx>.

On September 3, 2019, the Department of State announced the designation of the Iran Space Agency and two of its research institutes under E.O. 13382. 84 Fed. Reg. 66,052 (Dec. 2, 2019); see also September 3, 2019 State Department press statement, available at <https://www.state.gov/united-states-imposes-new-sanctions-designations-on-irans-space-program-as-tehran-continues-to-use-civilian-space-agencies-to-advance-its-ballistic-missile-programs/>. The press statement explains:

The United States will not allow Iran to use its space launch program as cover to advance its ballistic missile programs. Iran’s August 29 attempt to launch a space launch vehicle underscores the urgency of the threat. ...

The Department of State also published a fact sheet on September 3, 2019 regarding the designations of the Iran Space Agency and two of its research institutes. The fact sheet, available at <https://www.state.gov/new-sanctions-designations-on-irans-space-program/>, is excerpted below.

---

\* \* \* \*



Space launch vehicle (SLV) technologies, such as those developed by Iran's space program, are virtually identical and interchangeable with those used in ballistic missiles. Iran's civilian space launch vehicle program allows it to gain experience with various technologies necessary for development of an ICBM ...

Iran continues to use its space organizations to engage in activities in defiance of UNSCR 2231. Further, the UN Secretariat continues to document Iran's attempts to procure prohibited items for its missile program in violation of UNSCR 2231.

Our actions today show ... the importance of achieving a deal that prevents Iran from developing ballistic missile capabilities that could contribute to a nuclear weapon delivery system. This is why Secretary Pompeo has called for a new comprehensive deal that addresses all elements of Iran's malign behavior.

Further, Iran's accelerating pace of missile activity demonstrates the pressing need to return to the ballistic missile prohibitions contained in UNSCR 1929, which includes the legally-binding provision that Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons. We have been clear with our fellow Security Council members about the importance of holding Iran accountable for its defiance of resolutions related to the development and proliferation of ballistic missiles—which includes returning to the standard in UNSCR 1929.

\* \* \* \*

#### Designated Entities:

- The Iran Space Agency (ISA) was founded in April 2003 to coordinate and publicize Iran's space efforts. It pursues development of communication and remote sensing satellites and launch vehicle technology. ISA is responsible for carrying out the plans and programs approved by the Supreme Space Council.
- The Iran Space Research Center (ISRC) is in charge of carrying out the day-to-day work approved by the Supreme Space Council. It serves as ISA's primary partner for research and development activities and its research centers account for the majority of ISA's labor, property holdings, and technical workforce. ISRC, along with ISA, has worked with the UN-designated liquid propellant ballistic missile organization Shahid Hemmat Industrial Group (SHIG) on several projects.
- The Astronautics Research Institute (ARI) was established under Iran's Ministry of Research, Science, and Technology, but is now subordinate to ISA. It managed the Kavoshgar project, which is launched on the Safir SLV, the first stage of which is based on a Shahab-3 medium range ballistic missile.

\* \* \* \*

In a December 11, 2019 press statement, the State Department announced the designation of three Iranian entities under E.O. 13382: the Islamic Republic of Iran Shipping Lines ("IRISL"), its China-based subsidiary, E-Sail Shipping Company Ltd, and the Iranian airline Mahan Air. To allow exporters of humanitarian goods to Iran sufficient time to find alternate shipping methods, the sanctions against IRISL and E-Sail Shipping Company Ltd would come into effect after a 180-day wind down period. See press statement, available at <https://www.state.gov/united-states-designates-key-iranian-shipping-and-aviation-entities/>.



(b) Iran Freedom and Counter-Proliferation Act (“IFCA”)

On October 31, 2019, the State Department issued a fact sheet regarding findings by the Secretary of State pursuant to the Iran Freedom and Counter-Proliferation Act of 2012 (“IFCA”). Secretary Pompeo also issued a press statement on the IFCA findings, which is available at <https://www.state.gov/secretary-pompeo-imposes-new-sanctions-on-iran-and-extends-nuclear-restrictions/>. The fact sheet is available at <https://www.state.gov/findings-pursuant-to-the-iran-freedom-and-counter-proliferation-act-ifca-of-2012/>, and excerpted below.

Pursuant to Section 1245 of the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA), the Secretary of State has made two findings: one identifying the construction sector of Iran as being controlled directly or indirectly by the Islamic Revolutionary Guard Corps (IRGC); and one identifying four strategic materials as ones that are being used in connection with the nuclear, military, or ballistic missile programs of Iran.

First, the Secretary of State, in consultation with the Secretary of the Treasury, has determined that the construction sector of Iran is controlled directly or indirectly by the IRGC. As a result of this determination, the sale, supply, or transfer to or from Iran of raw and semi-finished metals, graphite, coal, and software for integrating industrial purposes will be sanctionable if those materials are to be used in connection with the Iranian construction sector.

Second, the Secretary of State, in consultation with the Secretary of the Treasury, has determined that the following certain types of those materials are used in connection with the nuclear, military, or ballistic missile programs of Iran: stainless steel 304L tubes; MN40 manganese brazing foil; MN70 manganese brazing foil; and stainless steel CrNi60WTi ESR + VAR (chromium, nickel, 60 percent tungsten, titanium, electro-slag remelting, vacuum arc remelting). As a result of this determination, the sale, supply, or transfer to or from Iran of those materials will be sanctionable (regardless of end-use or end-user).

On November 18, 2019, Secretary Pompeo announced that the United States would terminate the sanctions waiver related to the nuclear facility at Fordow, effective December 15, 2019. November 18, 2019 remarks to the press, available at <https://www.state.gov/secretary-michael-r-pompeo-remarks-to-the-press/>; see also November 22, 2019 State Department fact sheet, available at <https://www.state.gov/this-week-in-iran-policy-november-18-22/>. The decision to terminate the IFCA sanctions waiver followed Iran’s announcement that it would begin uranium enrichment activities at the Fordow facility. *Id.*

On December 2, 2019, the State Department published two reports in the Federal Register pursuant to Section 1245(e) of IFCA, covering the periods from January 1, 2014 to December 31, 2016, and from January 1, 2017 to December 31, 2018. 84 Fed. Reg. 66,265 (Dec. 3, 2019). The reports cover the determinations of the Secretary of State, in consultation of the Secretary of the Treasury, concerning: (1) whether Iran is (A) using any of the materials described in subsection (d) of Section 1245 of IFCA as a medium for barter, swap, or any other exchange or transaction, or (B) listing any of such materials as assets of the Government of Iran for purposes of the national balance sheet of Iran; (2) which sectors of the economy of Iran are controlled directly or indirectly by Iran's Islamic Revolutionary Guard Corps ("IRGC"); and (3) which of the materials described in subsection (d) are used in connection with the nuclear, military, or ballistic missile programs of Iran.

On December 16, 2019, the State Department issued an advisory on the export of metal products to Iran that could be used to advance Iran's proliferation programs and other malign activities. The advisory, in the form of a fact sheet available at <https://www.state.gov/state-department-advisory-on-the-export-of-metals-products-to-iran/>, is excerpted below.

The U.S. Department of State is issuing this advisory to alert persons globally to the U.S. sanctions risks for parties involved in transfers or exports to Iran of graphite electrodes and needle coke, which are essential materials for Iran's steel industry. The U.S. Government is taking strong action to deny the Government of Iran revenue derived from Iran's steel sector, since such funds may be used to advance the Iranian regime's malign behavior, including its proliferation programs, campaigns of regional aggression, and support for terrorist groups.

...

## II. Authorities and Sanctions

*Executive Order 13871 (Imposing Sanctions with Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran)*: E.O. 13871 authorizes the blocking of property of any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to have knowingly engaged in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with the iron, steel, aluminum, or copper sectors of Iran. Such goods or services could include exports of graphite electrodes or needle coke.

*The Iran Freedom and Counter-Proliferation Act of 2012 (IFCA)*: IFCA Section 1245(a)(1) requires the Secretary of State to impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 with respect to a person (individual or entity) if the Secretary of State determines that the person knowingly sells, supplies, or transfers graphite, directly or indirectly, to or from Iran if the graphite (1) is to be used in connection with the energy, shipping, or shipbuilding sectors of Iran or any sector of the economy of Iran determined to be controlled directly or indirectly by Iran's Revolutionary Guard

Corps (IRGC); or (2) is sold, supplied, or transferred to or from an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury. Of note, the sanctions menu described in section 6(a) of the Iran Sanctions Act of 1996 includes blocking sanctions.

(c) Other sanctions relating to Iran's nuclear program

On May 3, 2019, the State Department announced additional steps relating to Iran's nuclear activities. See fact sheet, available at <https://www.state.gov/advancing-the-maximum-pressure-campaign-by-restricting-irans-nuclear-activities/>; see also press statement, available at <https://www.state.gov/secretary-pompeo-tightens-nuclear-restrictions-on-iran/>. The new actions listed in the fact sheet are:

- Starting May 4, assistance to expand Iran's Bushehr Nuclear Power Plant beyond the existing reactor unit will be exposed to sanctions.
  - In addition, any involvement in transferring enriched uranium out of Iran in exchange for natural uranium will now be exposed to sanctions. The United States has been clear that Iran must stop all proliferation-sensitive activities, including uranium enrichment, and we will not accept actions that support the continuation of such enrichment.
  - We will also no longer permit the storage for Iran of heavy water it has produced in excess of current limits; any such heavy water must not be made available to Iran in any fashion.
- ...
- ... We are permitting the temporary continuation of certain ongoing nonproliferation projects that constrain Iran's nuclear activities and that help maintain the nuclear *status quo* in Iran until we reach a comprehensive deal that resolves Iran's proliferation threats.
  - Specifically, we are permitting the following nonproliferation activities to continue, for a renewable duration of 90 days:
    - the redesign of the Arak reactor to prevent it from becoming a factory for weapons-grade plutonium;
    - modification of infrastructure at the Fordow facility to help ensure that the facility is no longer used for uranium enrichment work;
    - work at the existing unit at the Bushehr Nuclear Power Plant to ensure safe and transparent operations, as well as to facilitate foreign fuel supply and take-back that precludes any legitimate need for Iran to enrich uranium and denies it access to spent fuel from which plutonium might be separated;
    - provision of enriched uranium on an as-needed basis for the Tehran Research Reactor (TRR) under international verification so as to preclude any need for indigenous TRR fuel production; and

- the transfer out of Iran of scrap and spent nuclear reactor fuel, to ensure that such sensitive material cannot be reprocessed or further enriched in Iran.

(4) *Human Rights, Cyber, and other sanctions programs (CISADA, TRA, E.O. 13553, E.O. 13606, E.O. 13608, and E.O. 13846)*

Executive Order 13553 implements Section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (“CISADA”) (Public Law 111-195), as amended by the Iran Threat Reduction and Syria Human Rights Act of 2012 (“TRA”). OFAC designated the IRGC-QF, the Fatemiyoun Division, and the Zaynabiyoun Brigade under E.O. 13553 on January 24, 2019. Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm590>.

E.O. 13606 of April 22, 2012, is entitled “Blocking the Property and Suspending the Entry Into the United States of Certain Persons With Respect to Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology.” In a February 13, 2019 media note, available at <https://www.state.gov/iran-based-entities-and-individuals-sanctioned-under-e-o-13606-and-13224/>, the State Department announced sanctions on an Iran-based entity and four associated individuals under E.O. 13606 and E.O. 13224 (related to terrorism). As explained in the media note, the designated entity and individuals “organize international conferences in support of the Islamic Revolutionary Guard Corps-Qods Force’s (IRGC-QF’s) efforts to recruit and collect intelligence from foreign attendees, including U.S. persons.”

In addition, the Department of the Treasury designated a separate Iran-based entity and six associated individuals involved in a malicious cyber campaign targeting current and former U.S. government personnel to gain access to and implant malware on their computer systems. 84 Fed. Reg. 4901 (Feb. 19, 2019) (designating the following pursuant to E.O. 13606: entity NET PEYGARD SAMAVAT COMPANY and individuals Hossein ABBASI, Mojtaba MASOUMPOUR, Behzad MESRI, Milad MIRZABEYGI, Hossein PARVAR, and Mohammad Bagher SHIRINKAR); see also February 13, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm611>.

Evren KAYAKIRAN of Turkey was sanctioned pursuant to section 1(a)(i) of Executive Order 13608, “Prohibiting Certain Transactions With and Suspending Entry Into the United States of Foreign Sanctions Evaders With Respect to Iran and Syria.” 84 Fed. Reg. 4609 (Feb. 15, 2019).

On November 22, 2019, OFAC imposed sanctions on an Iranian official who shut down the internet for the Iranian general population, Mohammad Javad Azari Jahromi, Iran’s Minister of Information and Communications Technology. 84 Fed. Reg. 66,054 (Dec. 2, 2019); November 22, 2019 Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm836> (designation pursuant to E.O. 13846).

On December 19, 2019, Secretary Pompeo delivered a speech on human rights and the Iranian regime. His remarks are available at <https://www.state.gov/human->

[rights-and-the-iranian-regime/](#). Excerpts follow from his remarks. See also Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm862> (announcing designations of judges Abdolghassem Salavati and Mohammad Moghisseh pursuant to E.O. 13846 for engaging in censorship and other activities that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran).

---

\* \* \* \*

First, I have re-designated Iran as a Country of Particular Concern under the International Religious Freedom Act. The world should know Iran is among the worst violators of basic fundamental religious freedoms.

Second, today the United States Department of Treasury will sanction two Iranian judges: Mohammad Moghisseh, and Abolghassem Salavati.

Among the ... heinous acts that Moghisseh ... did was to sentence Nasrin Sotoudeh, a human rights lawyer and a women's rights defender, to 33 years in prison and to 148 lashes.

And Salavati sentenced an American citizen, Xiyue Wang, for 10 years in prison on false charges of espionage. We're glad we won Xiyue's release, but he should've never been sentenced or jailed in the first place.

Salavati has sentenced hundreds of political prisoners. ... He sentenced journalists and human rights activists to prison—or worse, to death. ...

Third, under the Immigration and Nationality Act, we are restricting visas for current or former Iranian officials and individuals responsible for or complicit in the abuse, detention, or killing of peaceful protesters, or for inhibiting their rights to freedom of expression or assembly.

Our action will also restrict visas for these individuals' family members. The materials that are being provided to us by citizens from all across Iran will be invaluable in us using this new authority to put true pressure and to hold accountable those who are denying freedom and justice to the people of Iran.

Thus killing people's children will not be allowed to send their own children to study in the United States of America.

---

\* \* \* \*

**d. *Humanitarian mechanism to increase transparency of permissible trade with Iran***

On October 25, 2019, the U.S. State and Treasury Departments announced a new mechanism to ensure transparency into humanitarian trade with Iran. The announcement issued concurrently with FinCEN identifying Iran as a jurisdiction of primary money laundering concern, a measure discussed in Chapter 3 of this *Digest*. Excerpts follow from the October 25, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm804>.

---

\* \* \* \*

Treasury and State will establish a process to help ensure that participating governments and financial institutions commit to conducting enhanced due diligence to mitigate the higher risks associated with Iran-related transactions. A stringent framework is crucial given that Iran continues to be the world's largest state sponsor of terrorism and the regime continues to fail to implement key anti-money laundering and countering the financing of terror (AML/CFT) safeguards, as set by the Financial Action Task Force (FATF), the global standard-setting body for combating money laundering and terrorist financing.

"FinCEN's action designating Iran as a jurisdiction of primary money laundering concern underscores the need for enhanced due diligence in a country that has systematically obfuscated its support for terrorism and ignored international anti-money laundering standards. This humanitarian mechanism offers a process for enhanced due diligence to help mitigate the high risk of doing business in a country whose repressive leaders remain intent on diverting resources to fund terrorism," said Sigal Mandelker, Treasury Under Secretary for Terrorism and Financial Intelligence. "Through this new mechanism, no revenue or payment may flow to the Iranian regime. This framework will provide unprecedented transparency to help ensure that humanitarian goods entering Iran actually reach the Iranian people."

"The Iranian regime oversees a vast network of corruption designed to evade sanctions, generate money for terrorists, and enrich Iran's clerics," said Brian Hook, State Department Special Envoy to Iran. "A new humanitarian channel will make it easier for foreign governments, financial institutions, and private companies to engage in legitimate humanitarian trade on behalf of the Iranian people while reducing the risk that money ends up in the wrong hands. The U.S. will continue to stand with the Iranian people."

While the U.S. has consistently maintained broad exceptions and authorizations to support humanitarian transactions with Iran, this new mechanism will assist foreign governments and foreign financial institutions that conduct appropriate enhanced due diligence to establish payment mechanisms for legitimate humanitarian exports.

The humanitarian mechanism will require foreign governments and financial institutions that choose to participate in the mechanism to conduct enhanced due diligence and provide to Treasury a substantial and unprecedented amount of information, with appropriate disclosure and use restrictions, on a monthly basis, as described in guidance provided by OFAC outlining [specific requirements](#).

This mechanism includes a number of safeguards to prevent any sanctionable dealings with persons on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) that have been designated in connection with Iran's support for terrorism or WMD proliferation.

If foreign governments or financial institutions detect potential abuse of this mechanism, pursuant to the requirements of the humanitarian mechanism, they must immediately restrict any suspicious transactions and provide relevant information to Treasury. Provided that financial institutions commit to implement these stringent requirements, the humanitarian mechanism will enable them to seek written confirmation from Treasury and State regarding sanctions compliance.

This mechanism, designed solely for the purpose of commercial exports of humanitarian goods to Iran, can be used by U.S. persons and U.S.-owned or -controlled foreign entities, as well as non-U.S. entities. Of course, U.S. persons and U.S.-owned or -controlled entities must

still comply with existing requirements under the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), as implemented in OFAC's regulations. In line with the United States' long standing policy of allowing for the sale of agricultural commodities, food, medicine, and medical devices to Iran, OFAC will also continue to consider other requests related to humanitarian trade with Iran as appropriate. Treasury encourages interested parties to reach out to OFAC for more detailed consultations.

\* \* \* \*

## 2. Syria

E.O. 13582 is entitled, "Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria." E.O. 13573 of May 18, 2011 is entitled, "Blocking Property of Senior Officials of the Government of Syria."

On June 11, 2019, OFAC designated three individuals and eleven entities pursuant to E.O. 13582 and E.O. 13573 and two entities pursuant to E.O. 13582 only: 1. Samer FOZ; 2. Amer FOZ; and 3. Husen FOZ; 1. AL-MOHAIMEN FOR TRANSPORTING & CONTRACTING; 2. AMAN DAMASCUS JOINT STOCK COMPANY; 3. AMAN HOLDING COMPANY; 4. ASM INTERNATIONAL TRADING, LLC; 5. BS COMPANY OFFSHORE (E.O. 13582 only); 6. FOUR SEASONS DAMASCUS; 7. FOZ FOR TRADING; 8. LANA TV; 9. MAINPHARMA; 10. MENA CRYSTAL SUGAR COMPANY LIMITED; 11. ORIENT CLUB; 12. SILVER PINE; 13. SYNERGY SAL OFFSHORE (E.O. 13582 only). 84 Fed. Reg. 29,281 (June 21, 2019); June 11, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm704> (Oligarch Samer Foz, his relatives and companies, form a network that builds luxury developments on land seized from, or left behind by, Syrians fleeing the brutality of the Assad regime while sharing revenues with Assad).

On December 20, 2019, the President signed into law the Caesar Syria Civilian Protection Act of 2019 ("the Caesar Act"), which, among other things, provides for sanctions and travel restrictions on those who provide support to members of the Assad regime. See Chapter 17 for the State Department press statement on the Caesar Act.

## 3. Turkey's actions in Syria

As described in a State Department media note, available at <https://www.state.gov/sanctioning-the-government-of-turkey-in-response-to-the-ongoing-military-offensive-in-northeast-syria/>, the President responded to Turkey's military offensive in northeast Syria with Executive Order 13894 of October 14, 2019, pressing Turkey to halt its military offensive against northeast Syria and adopt an immediate ceasefire. The media note summarizes the E.O. as follows:



The Executive Order gives the Department of Treasury and the Department of State, the authority to consider and impose sanctions on individuals, entities, or associates of the Government of Turkey involved in actions that endanger civilians or lead to the further deterioration of peace, security, and stability in northeast Syria. Three senior Turkish officials, the Ministry of Energy, and the Ministry of Defense have been designated for sanctions under these authorities, concurrent with the signing of the Executive Order.

Excerpts follow from E.O. 13894. 84 Fed. Reg. 55,851 (Oct. 17, 2019).

---

\* \* \* \*

**Section 1.** (a) All property ... of the following persons are blocked ...:

- (i) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:
  - (A) to be responsible for or complicit in, or to have directly or indirectly engaged in, or attempted to engage in, any of the following in or in relation to Syria:
    - (1) actions or policies that further threaten the peace, security, stability, or territorial integrity of Syria; or
    - (2) the commission of serious human rights abuse;
  - (B) to be a current or former official of the Government of Turkey;
  - (C) to be any subdivision, agency, or instrumentality of the Government of Turkey;

\* \* \* \*

**Sec. 2.** (a) The Secretary of State, in consultation with the Secretary of the Treasury and other officials of the U.S. Government as appropriate, is hereby authorized to impose on a foreign person any of the sanctions described in subsections (b) and (c) of this section, upon determining that the person, on or after the date of this order:

- (i) is responsible for or complicit in, has directly or indirectly engaged in, or attempted to engage in, or financed, any of the following:
  - (A) the obstruction, disruption, or prevention of a ceasefire in northern Syria;
  - (B) the intimidation or prevention of displaced persons from voluntarily returning to their places of residence in Syria;
  - (C) the forcible repatriation of persons or refugees to Syria; or
  - (D) the obstruction, disruption, or prevention of efforts to promote a political solution to the conflict in Syria, including:
    - (1) the convening and conduct of a credible and inclusive Syrian-led constitutional process under the auspices of the United Nations (UN);
    - (2) the preparation for and conduct of UN-supervised elections, pursuant to the new constitution, that are free and fair and to the highest international standards of transparency and accountability; or
    - (3) the development of a new Syrian government that is representative and reflects the will of the Syrian people;



(ii) is an adult family member of a person designated under subsection (a)(i) of this section; or

(iii) is responsible for or complicit in, or has directly or indirectly engaged in, or attempted to engage in, the expropriation of property, including real property, for personal gain or political purposes in Syria.

(b) ... the sanctions set forth below ...:

(i) ... procurement [ban] ...; or

(ii) ... denial of a visa ....

(c) ... sanctions set forth below ...:

(i) prohibit ... making loans ... totaling more than \$10,000,000 in any 12-month period, ...[except for] activities to relieve human suffering ...;

(ii) prohibit any transactions in foreign exchange ...;

(iii) prohibit any transfers of credit or payments ...;

(iv) block all property and interests in property ...;

(v) prohibit any United States person from investing ...;

(vi) restrict or prohibit imports ...; or

(vii) impose on the principal executive officer or officers...the sanctions described in subsections (c)(i)–(c)(vi) of this section, as selected by the Secretary of State.

(d) ... except to the extent provided by statutes, or in regulations, orders, directives, or licenses ....

**Sec. 3.** (a) ...authorized to impose on a foreign financial institution the sanctions described in subsection (b) ....

(b) ... prohibit the opening, ...of a correspondent account or a payable- through account ....

(c) ... except to the extent provided by statutes, or in regulations, orders, directives, or licenses ....

**Sec. 4.** ... the entry of such persons into the United States, as immigrants or nonimmigrants, is hereby suspended, except where the Secretary of State determines that the entry of the person into the United States would not be contrary to the interests of the United States, ....

\* \* \* \*

On October 23, 2019, OFAC removed from the SDN list those who had been designated pursuant to E.O. 13894 (Hulisi AKAR, Fatih DONMEZ, Suleyman SOYLU, the REPUBLIC OF TURKEY MINISTRY OF NATIONAL DEFENCE, and the REPUBLIC OF TURKEY MINISTRY OF ENERGY AND NATURAL RESOURCES).

See <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20191023.aspx>. A Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm801>, explains that the action followed an agreement by Turkey with the United States on October 17, 2019 that paused military operations, as well as Turkey's adherence to that agreement.

#### 4. Cuba

On June 4, 2019, in conjunction with Commerce Department amendments to the Export Administration Regulations, the Treasury Department announced amendments to the Cuban Assets Control Regulations (“CACR”) to further implement the President’s foreign policy on Cuba. See Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm700>. According to the press release, the amendments include restrictions on non-family travel to Cuba as well on the export of passenger and recreational vessels and private and corporate aircraft.

On July 26, 2019, the State Department announced visa restrictions on Cuban officials pursuant to Section 212(a)(3)(C) of the Immigration and Nationality Act (“INA”). The State Department press statement announcing the visa actions, available at <https://www.state.gov/visa-actions-against-cuban-officials/>, includes the following explanation:

The Cuban government engages in exploitative and coercive labor practices while it earns money on the backs of its citizens through its overseas medical missions program. To address this labor abuse, the Department has imposed visa restrictions on certain Cuban officials and other individuals responsible for these coercive labor practices under the Immigration and Nationality Act Section 212(a)(3)(C). These practices include working long hours, housing in unsafe areas, and compelling Cuban medical professionals to advance the regime’s political agenda. Such visa restrictions could include immediate family members of these individuals.

On September 30, 2019, the State Department issued a further press statement, available at <https://www.state.gov/visa-actions-against-cuban-officials-exploiting-cuban-doctors/>, regarding visa restrictions under Section 212(a)(3)(C) of the INA on Cuban officials responsible for certain exploitative and coercive labor practices as part of Cuba’s overseas medical missions program.

On September 6, 2019, the United States restricted certain transactions to Cuba in order to prevent remittances that would enrich Cuban government members and their families. See September 6, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm770> (OFAC amended the CACR with relation to the provision of remittances and “U-turn” transactions). See also September 6, 2019 State Department media note, available at <https://www.state.gov/united-states-restricts-remittances-and-u-turn-transactions-to-cuba/>:

Going forward, U.S. persons are no longer allowed to send family remittances to close relatives of prohibited officials of the Government of Cuba or close relatives of prohibited members of the Cuban Communist Party. U.S. persons will also no longer be allowed to send donative remittances, or remittances regardless of familial relationships, to Cuba.

... [R]emittances to support family members are permitted up to \$1,000 per quarter per person, and remittances to private businesses, human rights groups, religious organizations, and other self-employed individuals operating in the non-state sector are authorized with no cap at this time.

The Department of the Treasury also restricted the Cuban regime's access to the U.S. financial system by eliminating authorization for what are commonly known as "U-turn" transactions, funds transfers that originate and terminate outside the U.S. where neither the originator nor beneficiary is a person subject to U.S. jurisdiction.

The Department of State added several entities to the Cuba Restricted List ("CRL") in 2019. See <https://www.state.gov/cuba-sanctions/cuba-restricted-list/>. The CRL comprises entities and sub-entities that the Department of State has determined are under the control of, or acting for or on behalf of, the Cuban military, intelligence, and security services or personnel with which direct financial transactions would benefit such services or personnel, at the expense of the Cuban people or private enterprise in Cuba. Direct financial transactions with entities or sub-entities on the CRL by persons subject to U.S. jurisdiction are generally prohibited under 31 CFR 515.209. On March 11, 2019, the State Department announced updates to the CRL, effective March 12, 2019. See media note, available at <https://www.state.gov/state-department-updates-the-cuba-restricted-list-2/>. Further updates to the list were announced in an April 24, 2019 media note, at <https://www.state.gov/department-of-state-updates-the-cuba-restricted-list/>. On November 15, 2019, in a media note available at <https://www.state.gov/state-department-updates-the-cuba-restricted-list-4/>, the State Department announced further updates to the Cuba Restricted List.

In November 2019, the Secretary made the Trump Administration's first determination, under Title IV of the LIBERTAD Act, that a particular company is involved with trafficking in property confiscated by the Cuban government to which a U.S. national owns a claim. A Title IV determination requires the imposition of visa and entry restrictions against corporate officers, principals, or shareholders with a controlling interest, along with their spouses, minor children, or agents. The identity of the company cannot be made public because of visa confidentiality restrictions.

See section A.11.c., *infra*, ("*Designations pursuant to Section 7031(c) of the Annual Consolidated Appropriations Act*") for discussion of designations of Cuban officials for their involvement in gross violations of human rights. The Venezuela section, *infra*, also discusses sanctions on Cuban persons for providing support to the Maduro regime. See Chapter 11.A.3. of this *Digest* for discussion of the suspension of air service between the United States and Cuban international airports other than Havana's Jose Marti International Airport (to prevent the Cuban regime from profiting from U.S. air travel).

## 5. Venezuela

### a. *General background and new executive orders (E.O. 13857 and E.O. 13884)*

For information on Venezuela-related sanctions, see <https://www.state.gov/venezuela-related-sanctions/> and <https://www.treasury.gov/resource-center/sanctions/Programs/pages/venezuela.aspx>. See Chapter 9 of this *Digest* for discussion of U.S. recognition of Juan Guaidó as the interim president of Venezuela on January 23, 2019.

On January 10, 2019, the State Department issued a press statement by the Secretary outlining the various actions being taken against the Maduro regime. The press statement is excerpted below and available at <https://www.state.gov/actions-against-venezuelas-corrupt-regime/>.

---

\* \* \* \*

The United States condemns Maduro's illegitimate usurpation of power today following the unfree and unfair elections he imposed on the Venezuelan people on May 20, 2018. The United States remains steadfast in its support of the Venezuelan people and will continue to use the full weight of U.S. economic and diplomatic power to press for the restoration of Venezuelan democracy.

Today, we reiterate our support for Venezuela's National Assembly, the only legitimate branch of government duly elected by the Venezuelan people. It is time for Venezuela to begin a transitional process that can restore the constitutional, democratic order by holding free and fair elections that respect the will of the Venezuelan people.

To advance this goal, the United States has taken aggressive action against the Maduro regime and its enablers. Most recently, on January 8, the United States imposed sanctions on seven individuals and 23 entities involved in a corruption scheme to exploit Venezuela's currency exchange practices. By rigging the system in their favor, these individuals and entities stole more than \$2.4 billion as the Venezuelan people starved. We applaud the initiative by the new National Assembly leadership to work with the international community to recover these and other stolen funds and to use them to relieve the suffering of Venezuela's people. The United States will continue to play an active role towards this end.

We also have implemented and will continue to impose visa revocations and other restrictions for current and former Venezuelan government officials and their family members believed to be responsible for or complicit in human rights abuses, acts of public corruption, and the undermining of democratic governance. We will not allow them to act without consequence or enjoy their ill-gotten gains in the United States—and urge other countries to act likewise.

It is time for Venezuelan leaders to make a choice. We urge those who support this regime, from every day employees getting by on food subsidies to the Venezuelan security forces sworn to support the constitution, to stop enabling repression and corruption and to work with the National Assembly and its duly elected leader, Juan Guaido, in accordance with your constitution on a peaceful return to democracy. The Venezuelan people and the international

community will remember and judge your actions. Now is the time to convince the Maduro dictatorship that the moment has arrived for democracy to return to Venezuela.

\* \* \* \*

Executive Order 13692, “Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela,” was issued in 2015. See *Digest 2015* at 669-72. Executive Order 13808, entitled, “Imposing Additional Sanctions With Respect to the Situation in Venezuela,” was issued in 2017. See *Digest 2017* at 626-27. The President issued three additional executive orders relating to Venezuela in 2018: E.O. 13827 of March 19, 2018, E.O. 13835 of May 21, 2018, and E.O. 13850 of November 1, 2018. See *Digest 2018* at 548-53.

On December 20, 2019, the U.S. Congress enacted the “Venezuela Emergency Relief, Democracy Assistance, and Development Act of 2019” or the “VERDAD Act of 2019,” Title I of Division J of H.R. 1865 (Further Consolidated Appropriations Act), [Public Law 116-94](#). Section 133 of the VERDAD Act provides that a person sanctioned under certain sanctions programs shall no longer be subject to such sanctions if the person “recognizes and pledges supports for the Interim President of Venezuela or a subsequent democratically elected government.” The specified sanctions relate to the following authorities: the Venezuela Defense of Human Rights and Civil Society Act of 2014 ([Public Law 113-278](#)), E.O. 13692 (which implements the 2014 Act, among other things), and E.O. 13850. For background on the 2014 Act, see *Digest 2014* at 50 and *Digest 2015* at 20-21, 670. In addition, section 183 of the VERDAD Act of 2019 amends the Venezuela Defense of Human Rights and Civil Society Act of 2014 by extending the expiration of its sanctions provision from December 31, 2019 to December 31, 2023.

The President issued two new executive orders relating to Venezuela in 2019. On January 25, 2019 (after U.S. recognition of Interim President Guaidó), E.O. 13857 was issued to amend E.O. 13692, E.O. 13808, E.O. 13827, E.O. 13835, and E.O. 13850. 84 Fed. Reg. 509 (Jan. 30, 2019). Excerpts follow from E.O. 13857, “Taking Additional Steps to Address the National Emergency With Respect to Venezuela.”

**Section 1.** (a) Subsection (d) of section 6 of Executive Order 13692, subsection (d) of section 3 of Executive Order 13808, subsection (d) of section 3 of Executive Order 13827, subsection (d) of section 3 of Executive Order 13835, and subsection (d) of section 6 of Executive Order 13850, are hereby amended to read as follows:

“(d) the term ‘Government of Venezuela’ includes the state and Government of Venezuela, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Venezuela and Petroleos de Venezuela, S.A. (PDVSA), any person owned or controlled, directly or indirectly, by the foregoing, and any person who has acted or purported to act directly or indirectly for or on behalf of, any of the foregoing, including as a member of the Maduro regime.”

On August 5, 2019, the President signed E.O. 13884, blocking all property and interests in property of the Government of Venezuela as well as the property and interests in property of certain other specified persons, as determined by the Secretary of the Treasury, in consultation with the Secretary of State. E.O. 13884 exempts transactions for the conduct of the official business of the U.S. Government, as well as transactions related to the provision of articles such as food, clothing, and medicine intended to be used to relieve human suffering. 84 Fed. Reg. 38,843 (Aug. 7, 2019). OFAC also issued new and revised FAQs; a number of new and amended general licenses; as well as guidance related to the provision of humanitarian assistance and support to the Venezuelan people. See August 6, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm752>. See also, e.g., August 6, 2019 State Department press statement, available at <https://www.state.gov/the-united-states-imposes-maximum-pressure-on-former-maduro-regime/>, which explains that OFAC issued a general license authorizing transactions with Interim President Guaido, the National Assembly, and individuals appointed or designated by Guaido. Excerpts follow from E.O. 13884.

---

\* \* \* \*

**Section 1.** (a) All property and interests in property of the Government of Venezuela 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 are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) 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: any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person included on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control whose property and interests in property are blocked pursuant to this order; or

(ii) 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.

(c) The prohibitions in subsections (a)–(b) 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.** The unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section 1(b) of this order would be detrimental to the interests of the United States, and entry of such persons into the United States, as immigrants or non-immigrants, is hereby suspended, except when the Secretary of State determines that the person's entry would not be contrary to the interests of the United States, ...



\* \* \* \*

**b. E.O. 13692**

On February 15, 2019, OFAC designated the following individuals pursuant to E.O. 13692, as amended by E.O. 13857, for being current or former officials of the Government of Venezuela: Manuel Ricardo CRISTOPHER FIGUERA, Hildemaro Jose RODRIGUEZ MUCURA, Ivan Rafael HERNANDEZ DALA, Rafael Enrique BASTARDO MENDOZA, and Manuel Salvador QUEVEDO FERNANDEZ. 84 Fed. Reg. 9862 (Mar. 18, 2019); February 15, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm612>. See also February 15, 2019 State Department press statement, available at <https://www.state.gov/u-s-sanctions-on-venezuelan-individuals-and-entities/>, which includes the following about the sanctions:

Today, the United States took action to continue to hold corrupt officials of the former illegitimate Maduro regime accountable by imposing sanctions on five current or former officials of the illegitimate Maduro regime. The corrupt officials include individuals of the Cuban-sponsored Venezuelan intelligence forces (SEBIN), the military counter-intelligence (DGCIM) unit, and the brutal special actions force (FAES). Additionally, the United States is taking action against the current President of Petroleos de Venezuela, S.A. (PdVSA).

On February 25, 2019, OFAC designated four individuals pursuant to E.O. 13692, as amended by E.O. 13857, for being current or former officials of the Government of Venezuela: Jorge Luis GARCIA CARNEIRO, Ramon Alonso CARRIZALEZ RENGIFO, Rafael Alejandro LACAVA EVANGELISTA, and Omar Jose PRIETO FERNANDEZ. 84 Fed. Reg. 9863 (Mar. 18, 2019); February 25, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm616>. See also February 25, 2019 State Department press statement, available at <https://www.state.gov/the-united-states-sanctions-governors-of-venezuelan-states-aligned-with-maduro/>, which describes the individuals as

four governors aligned with the illegitimate Maduro regime who prevented desperately needed international humanitarian assistance from entering Venezuela and/or engaged in corruption to the detriment of the Venezuelan people, in some cases involving human rights violations. Sanctions were imposed on the governors of the states of Zulia: Omar Prieto, Carabobo: Rafael Lacava, Apure: Ramon Carrizalez, and Vargas: Jorge Garcia Carneiro.

On March 1, 2019, OFAC designated six individuals pursuant to E.O. 13692, as amended by E.O. 13857, for being a current or former official of the Government of Venezuela: Alberto Mirtiliano BERMUDEZ VALDERREY, Richard Jesus LOPEZ VARGAS,

Jesus Maria MANTILLA OLIVEROS, Jose Leonardo NORONO TORRES, Jose Miguel DOMINGUEZ RAMIREZ, and Cristhiam Abelardo MORALES ZAMBRANO. 84 Fed. Reg. 10,896 (Mar. 22, 2019); March 1, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm619>. See also March 1, 2019 State Department media note, available at <https://www.state.gov/the-united-states-sanctions-illegitimate-maduro-regime-security-officials-associated-with-violence-and-obstruction-of-international-humanitarian-assistance/>, which provides the following about the designations:

Today, the United States took action against six security officials of the illegitimate Maduro regime associated with obstruction of the entry of international humanitarian aid into Venezuela or violence against those who attempted to deliver this assistance.

Sanctions were imposed on Richard Jesus Lopez Vargas, Commanding General of the Venezuelan National Guard, Jesus Maria Mantilla Oliveros, Commander of Strategic Integral Defense Region Guayana, Alberto Mirtiliano Bermudez Valderrey, Division General for the Integral Defense Zone in Bolivar State, Jose Leonardo Norono Torres, Division General and Commander for the Integral Defense Zone in Tachira State, Jose Miguel Dominguez Ramirez, Chief Commissioner of the FAES (police special forces) in Tachira, and Cristhiam Abelardo Morales Zambrano, National Police Director.

On April 17, 2019, OFAC designated Iliana Josefa RUZZA TERAN pursuant to E.O. 13692, as amended by E.O. 13857, for being a current or former official of the Government of Venezuela. 84 Fed. Reg. 23,161 (May 21, 2019); April 17, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm661>. On April 26, 2019, and as further announced in a State Department media note, available at <https://www.state.gov/the-united-states-sanctions-maduro-aligned-individuals/>, OFAC designated two individuals aligned with the former Maduro regime pursuant to E.O. 13962, as amended by E.O. 13857, for being a current or former official of the Government of Venezuela: Jorge Alberto Arreaza Montserrat (Maduro-appointed minister of foreign affairs) and Carol Bealexis Padilla de Arretureta (a judge associated with the March 21 detainment of Interim President Juan Guaido's Chief of Staff Roberto Marrero). 84 Fed. Reg. 23,164 (May 21, 2019); April 26, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm670>.

On May 7, 2019, OFAC removed Manuel Ricardo CRISTOPHER FIGUERA from the SDN List, to which he had been added on February 15, 2019. 84 Fed. Reg. 23,161 (May 21, 2019). See also Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm684>, which explains that Cristopher, former director of Venezuela's National Intelligence Service ("SEBIN"), "broke ranks with the Maduro regime and rallied to the support of the Venezuelan constitution and the National Assembly."



On June 27, 2019, OFAC designated the following two individuals under E.O. 13692 as amended by E.O. 13857 for being current or former officials of the Government of Venezuela: Luis Alfredo MOTTA DOMINGUEZ and Eustiquio Jose LUGO GOMEZ. 84 Fed. Reg. 32,011 (July 3, 2019); June 27, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm718>; see also June 27, 2019 State Department media note, available at <https://www.state.gov/the-united-states-takes-action-against-corrupt-maduro-regime-officials/>, which explains that Motta and Lugo “have been involved in rampant corruption, as determined by a Department of Justice investigation.” The media note further states:

As the former Minister of Popular Power for Electric Power and former President of CORPOELEC (Motta) and the current Deputy Minister of Finance, Investment and Strategic Alliances for the Ministry of Popular Power for Electric Power (Lugo), their corruption directly contributed to the deterioration and failure of Venezuela’s electrical system.

On June 28, OFAC designated Nicolas Ernesto MADURO GUERRA pursuant to E.O. 13692 as amended by E.O. 13857 for being a current or former official of the Government of Venezuela. 84 Fed. Reg. 32,252 (July 5, 2019); June 28, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm719>; see also June 28, 2019 State Department media note, available at <https://www.state.gov/the-united-states-sanctions-nicolas-maduro-guerra/>, regarding the designation of Maduro Guerra (Maduro’s son), including the following:

Maduro Guerra is a member of the illegitimate National Constituent Assembly, a body established by his father to undermine the democratically-elected National Assembly and entrench a brutal regime. In 2014, Maduro Guerra was also appointed by his father to head the Corps of Inspectors of the Presidency.

On July 19, 2019, OFAC designated Hannover Esteban GUERRERO MIJARES, Rafael Ramon BLANCO MARRERO, Rafael Antonio FRANCO QUINTERO, and Alexander Enrique GRANKO ARTEAGA pursuant to E.O. 13692, as amended by E.O. 13857, for being current or former officials of the Government of Venezuela. 84 Fed. Reg. 37,007 (July 30, 2019); see also July 19, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm738>; and see July 19, 2019 State Department media note, available at <https://www.state.gov/the-united-states-sanctions-maduro-aligned-officials-of-venezuelas-military-counterintelligence-agency>, which includes the following:

On July 19, the United States sanctioned four officials of the Maduro-aligned General Directorate of Military Counterintelligence, known as DGCIM, pursuant to E.O. 13692, as amended, for being current or former Maduro-aligned officials. They are Division General Rafael Ramon Blanco Marrero, Colonel

Hannover Esteban Guerrero Mijare, Major Alexander Enrique Granko Arteaga, and Colonel Rafael Antonio Franco Quintero.

Nicolas Maduro and his associates continue their involvement in human rights abuses and promote those who carry out these abuses, in spite of the findings and recommendations of the UN's Office of the High Commissioner for Human Rights (OHCHR) July 5 report. For example, Blanco was promoted to the rank of Division General just six days after Venezuelan Navy Captain Acosta's alleged torture and death while in the custody of Maduro's security forces.

On December 9, 2019, OFAC designated two individuals pursuant to E.O. 13692, as amended by E.O. 13857, for being current or former officials of the Government of Venezuela: Gustavo Adolfo Vizcaino Gil and Juan Carlos Dugarte Padron. 84 Fed. Reg. 69,456 (Dec. 18, 2019). See also State Department media note, available at <https://www.state.gov/the-united-states-takes-action-against-maduro-aligned-individuals/>. As explained in the media note, the two individuals used their official positions to enrich themselves.

**c. *Visa restrictions***

Many of the Venezuela-related U.S. sanctions authorities include visa restrictions in addition to economic measures. Occasionally, visa restrictions are also imposed independently. In a March 1, 2019 press statement, available at <https://www.state.gov/the-united-states-revokes-u-s-entry-of-maduro-aligned-individuals-and-family/>, the State Department announced visa restrictions on individuals aligned with Maduro, and their family members. According to the press statement, the Department revoked visas of 49 individuals on February 28, 2019. U.S. Special Representative for Venezuela Elliott Abrams provided a briefing on Venezuela on March 1, 2019, which is available at <https://www.state.gov/briefing-on-venezuela/>, and excerpted below.

---

\* \* \* \*

First, there was a session of the UN Security Council yesterday on Venezuela. The United States presented a resolution that got the requisite nine votes for passage but was then vetoed by Russia and China. The Russians put in a resolution which got four votes, which I would call pathetic, and I think the results in the council demonstrate that there is very broad international support for democracy in Venezuela and for the National Assembly and Interim President Guaido.

Secondly, an announcement. The United States has imposed new visa restrictions on individuals responsible for undermining Venezuela's democracy. We are applying this policy to numerous Maduro-aligned officials and their families. Maduro supporters that abuse or violate human rights, steal from the Venezuelan people, or undermine Venezuela's democracy are not welcome in the United States. Neither are their family members who enjoy a privileged lifestyle

at the expense of the liberty and prosperity of millions of Venezuelans. The United States will continue to take appropriate action against Maduro and the corrupt actors and human rights violators and abusers who surround him.

The United States urges all nations to step up economic pressure on Maduro and his corrupt associates as well as restrict visas for his inner circle. Now is the time to act in support of democracy and in response to the desperate needs of the Venezuelan people. That's first.

Second, Treasury today announced additional sanctions. The United States also took action against six security officials of the illegitimate Maduro regime, individuals associated with the obstruction of the entry of international humanitarian aid into Venezuela or violence against those who attempted to deliver the assistance. Sanctions were imposed on Richard Jesus Lopez, commanding general of the Venezuelan National Guard; Jesus Maria Mantilla, commander of the Strategic Integral Defense Region Guayana; Alberto Mirtiliano Bermudez, division general for the Integral Defense Zone in Bolivar State; Jose Leonardo Norono, division general and commander for the Integral Defense Zone in Tachira State; Jose Miguel Dominguez, chief commissioner of the FAES, the special forces in Tachira; and Cristhiam Abelardo Morales, the national police director.

\* \* \* \*

**d. E.O. 13850**

On January 8, 2019, OFAC designated seven individuals pursuant to E.O. 13850: Claudia Patricia DIAZ GUILLEN, Raul GORRIN BELISARIO, Maria Alexandra PERDOMO ROSALES, Gustavo Adolfo PERDOMO ROSALES, Mayela Antonina TARASCIO-PEREZ, Adrian Jose VELASQUEZ FIGUEROA, and Leonardo GONZALEZ DELLAN. 84 Fed. Reg. 2946 (Feb. 8, 2019); January 8, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm583>. All seven were designated pursuant to section 1(a)(ii) of E.O. 13850 for "being responsible for or complicit in, or having directly or indirectly engaged in, any transaction or series of transactions involving deceptive practices or corruption and the Government of Venezuela or projects or programs administered by the Government of Venezuela, or for being an immediate adult family member of such a person." *Id.* At the same time, OFAC designated 23 entities and one aircraft linked to the designated individuals. *Id.* On January 28, 2019, OFAC designated PETROLEOS DE VENEZUELA, S.A. pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the oil sector of the Venezuelan economy. 84 Fed. Reg. 3282 (Feb. 11, 2019); January 28, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm594>. The Treasury Department made the determination on the same date that the oil sector is subject to EO 13850 sanctions: [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz\\_sector\\_determination\\_oil\\_20190128.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz_sector_determination_oil_20190128.pdf). See also January 28, 2019 State Department press statement, available at <https://www.state.gov/sanctions-against-pdvsa-and-venezuela-oil-sector/>, which explains:

Maduro and his cronies have used state-owned PDVSA to control, manipulate, and steal from the Venezuelan people for too long, destroying it in the process.

Today's action will prevent Maduro and other corrupt actors from further enriching themselves at the expense of the long-suffering Venezuelan people. It will also preserve the core pillar of Venezuela's national assets for the people and a democratically elected government.

On March 11, 2019, OFAC designated EVROFINANCE MOSNARBANK under E.O. 13850, as amended by E.O. 13857, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Petroleos de Venezuela S.A. 84 Fed. Reg. 10,895 (Mar. 22, 2019); March 11, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm622>. See also March 11, 2019 State Department media note, available at <https://www.state.gov/the-united-states-tightens-sanctions-on-venezuela-by-targeting-russia-based-bank/>, which includes the following information about the Moscow-based bank, jointly owned by Russian and Venezuelan state-owned companies:

While the illegitimate Maduro regime looks for illicit channels like Evrofinance Mosnarbank to facilitate financial support to state-owned oil company PDVSA, which it then pockets for personal gain, the Venezuelan people are starving and sitting in the dark as their electrical system fails.

On March 19, 2019, OFAC designated the individual, Adrian Antonio PERDOMO MATA, and the entity, MINERVEN pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the gold sector of the Venezuelan economy. 84 Fed. Reg. 23,162 (May 21, 2019); March 19, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm631>. See also March 19, 2019 State Department media note, available at <https://www.state.gov/sanctions-against-venezuelan-gold-sector/>, which includes the following about the sanctions:

Today, the United States is designating the Venezuelan state-owned gold-sector company, MINERVEN, and its president, Adrian Antonio Perdomo Mata, for operating in this sector.

Maduro and his illicit network are misusing Venezuela's gold-mining operations as another way to steal from the Venezuelan people after having mismanaged and plundered Venezuela's crumbling oil industry.

At the same time, OFAC removed from the SDN List two individuals who had been designated previously under E.O. 13850: Maria Alexandra PERDOMO ROSALES and Mayela Antonina TARASCIO-PEREZ. 84 Fed. Reg. 23,162 (May 21, 2019). Also at that time, OFAC updated the SDN List for entities which had been designated pursuant to E.O. 13850. *Id.*

On March 22, 2019, OFAC designated several banks pursuant to E.O. 13850, as amended: BANCO DE DESARROLLO ECONOMICO Y SOCIAL DE VENEZUELA, BANCO BANDES URUGUAY S.A., BANCO BICENTENARIO DEL PUEBLO, DE LA CLASE OBRERA, MUJER Y COMUNAS, BANCO UNIVERSAL C.A., BANCO DE VENEZUELA SA BANCO UNIVERSAL, and BANCO PRODEM SA. 84 Fed. Reg. 23,165 (May 21, 2019); March 22, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm636>. Treasury also determined that E.O. 13850 applies to Venezuela's financial sector. Treasury Department release, available at [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz\\_sector\\_determination\\_financial\\_20190322.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz_sector_determination_financial_20190322.pdf).

On April 5, 2019, OFAC designated two entities (and identified vessels linked to the previously-designated Petroleos de Venezuela) pursuant to E.O. 13850 for operating in the oil sector of the Venezuelan economy: BALLITO BAY SHIPPING INCORPORATED, and PROPER IN MANAGEMENT INCORPORATED. 84 Fed. Reg. 24,597 (May 28, 2019); April 5, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm643>. See also April 5, 2019 State Department media note, available at <https://www.state.gov/the-united-states-sanctions-companies-enabling-shipment-of-venezuelan-oil-to-cuba/>, which includes the following:

Today, the United States sanctioned two companies, Ballito Bay Shipping Inc. and ProPer in Management Inc., operating in Venezuela's oil sector and the vessel Despina Andrianna used to transport oil to Cuba. Additional vessels, in which Venezuela's state-owned oil company PDVSA has interests, are being identified as blocked property, pursuant to Executive Order 13850. These actions target entities and vessels that have been enabling the former Maduro regime to continue [to] undermine the prosperity and democracy that Venezuelans deserve.

On April 12, 2019, OFAC designated four entities (and identified related vessels as their blocked property) pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the oil sector of the Venezuelan economy: LIMA SHIPPING CORPORATION, LARGE RANGE LIMITED, PB TANKERS S.P.A., and JENNIFER NAVIGATION LIMITED. 84 Fed. Reg. 23,163 (May 21, 2019); April 12, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm653>. See also April 12, 2019 State Department media note, available at <https://www.state.gov/the-united-states-takes-action-to-end-cubas-malign-influence-on-venezuela/>, which includes the following information about the designations:

Today, the United States sanctioned four companies for operating in the oil sector of the Venezuelan economy and identified nine vessels as blocked property, pursuant to Executive Order 13850. These actions are a follow-on to

the designations announced on April 5, which targeted entities and vessels known to be involved in the transportation of crude oil from Venezuela to Cuba.

On April 17, 2019, OFAC designated BANCO CENTRAL DE VENEZUELA pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the financial sector of the Venezuelan economy. 84 Fed. Reg. 23,161 (May 21, 2019); April 17, 2019 press release, available at <https://home.treasury.gov/news/press-releases/sm661>.

On May 9, 2019, Treasury made the determination that the defense and security sector of the Venezuelan economy is subject to E.O. 13850, as amended by E.O. 13857. See [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz\\_sector\\_determination\\_defense\\_20190509.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz_sector_determination_defense_20190509.pdf). On May 10, 2019, a State Department media note, available at <https://www.state.gov/the-united-states-sanctions-venezuelas-defense-and-security-sector/>, reiterated the announcement. The same day, OFAC designated two companies operating in the oil sector of the Venezuelan economy (Monsoon Navigation Corporation and Serenity Maritime Limited), identified as blocked property two vessels that transported oil from Venezuela to Cuba. 84 Fed. Reg. 23,161 (May 21, 2019); see also May 10, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm685>.

On July 3, 2019, OFAC designated the entity Cubametales under E.O. 13850, as amended by E.O. 13857, for operating in the oil sector of the Venezuelan economy. 84 Fed. Reg. 33,811 (July 15, 2019). On July 3, 2019, OFAC determined that the entity PB Tankers S.P.A. no longer warranted designation under E.O. 13850 and removed that entity from the SDN List, unblocking all property and interests in property that had been blocked as a result of PB Tankers' designation. *Id.*; and see July 3, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm722>. See also July 3, 2019 State Department media note, available at <https://www.state.gov/the-united-states-curtails-cuban-support-for-illegitimate-former-maduro-regime/> (sanctions removed on oil shipping company PB Tankers after it took steps to ensure its vessels were not being used to support the Maduro regime in Venezuela and took additional steps to increase scrutiny of its business operations to prevent future sanctionable activity). The media note provides further information on the designation of Cubametales, the Cuban state-run company and primary facilitator of oil imports from Venezuela, for operating in the oil sector of the Venezuelan economy, in light of its continued importation of oil from Venezuela:

The services and goods Cuba provides Venezuela continue to fuel the corruption of Maduro and his cronies and help maintain their influence over the Venezuelan people. These actions serve to squeeze the lifeline provided by Cuba that preserves Nicolas Maduro's influence. Every drop of Venezuelan oil shipped to Cuba is traded for additional security and intelligence officers and other personnel, which further robs and impoverishes a once rich nation, denies Venezuelan sovereignty, and prolongs the suffering of the Venezuelan people.



On July 11, 2019, OFAC designated the GENERAL DIRECTORATE OF MILITARY COUNTERINTELLIGENCE (“DGCIM”) pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the defense and security sector of the Venezuelan economy. 84 Fed. Reg. 34,254 (July 17, 2019); see July 11, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm727>.

On July 25, 2019, OFAC designated the following pursuant to E.O. 13850, as amended by E.O. 13857: 10 individuals—Alex Nain SAAB MORAN, Isham Ali SAAB CERTAIN, Shadi Nain SAAB CERTAIN, Alvaro Enrique PULIDO VARGAS, Emmanuel Enrique RUBIO GONZALEZ, Yoswal Alexander GAVIDIA FLORES, Walter Jacob GAVIDIA FLORES, Yosser Daniel GAVIDIA FLORES, Mariana Andrea STAUDINGER LEMOINE, Jose Gregorio VIELMA MORA—and 13 entities—ASASI FOOD FZE, GROUP GRAND LIMITED, GROUP GRAND LIMITED GENERAL TRADING, SILVER BAY PARTNERS FZE, C I FONDO GLOBAL DE ALIMENTOS LTDA, EMMR & CIA. S.A.S., GLOBAL STRUCTURE, S.A., GROUP GRAND LIMITED, S.A. DE C.V., MULTITEX INTERNATIONAL TRADING, S.A., MULBERRY PROJE YATIRIM ANONIM SIRKETI, SEAFIRE FOUNDATION, SUN PROPERTIES LLC, DE, CLIO MANAGEMENT CORP. 84 Fed. Reg. 38,102 (Aug. 5, 2019). These individuals and entities were respectively designated for being responsible for or complicit in, or having directly or indirectly engaged in, any transaction or series of transactions involving deceptive practices or corruption and the Government of Venezuela or projects or programs administered by the Government of Venezuela, or for being an immediate adult family member of such a person; for operating in the gold sector of the Venezuelan economy; for being a current or former official of the Government of Venezuela; or for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, the above-named blocked individuals. *Id*; see also July 25, 2019 Department of the Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm741>; and see July 25, 2019 State Department press statement, available at <https://www.state.gov/the-united-states-takes-action-against-corruption-network-of-maduro-aligned-associates/>, in which the designations are described as follows:

On July 25, the United States sanctioned five individuals involved in a complex network of bribery and money laundering that has been stealing from the people of Venezuela for years, as well as an additional five individuals and 13 entities connected to these corrupt actors. Among the individuals involved were Maduro’s three stepsons (Walter, Yosser and Yoswal), and Colombian businessman, Alex Saab, the orchestrator of the corruption network, and sons of First Lady Cilia Flores.

Using a social welfare program that many Venezuelans are forced to depend on for their survival, Maduro and his cronies turned the program into a political weapon and self-enriching mechanism. As noted in the UN Office of the High Commissioner and Human Rights July 5 report, the former Maduro regime’s misallocation of resources and corruption have contributed to the economic and humanitarian crisis in Venezuela. While Maduro’s stepsons and other criminal associates used a food allocation program to steal hundreds of millions of

dollars, many Venezuelans eat once or at most twice per day, with few proteins and vitamins.

On September 17, 2019, OFAC designated three individuals—David Nicolas RUBIO GONZALEZ, Amir Luis SAAB MORAN, and Luis Alberto SAAB MORAN—and sixteen entities—SAAB CERTAIN & COMPANIA S. EN C., CORPORACION ACS TRADING S.A.S., DIMACO TECHNOLOGY, S.A., GLOBAL DE TEXTILES ANDINO S.A.S, FUNDACION VENEDIG, INVERSIONES RODIME S.A., SAAFARTEX ZONA FRANCA SAS, VENEDIG CAPITAL S.A.S., AGRO XPO S.A.S., ALAMO TRADING S.A., ANTIQUA DEL CARIBE S.A.S., AVANTI GLOBAL GROUP S.A.S., GLOBAL ENERGY COMPANY S.A.S., GRUPPO DOMANO S.R.L., MANARA S.A.S., and TECHNO ENERGY, S.A.—pursuant to E.O. 13850, as amended by E.O. 13857. 84 Fed. Reg. 56,281 (Oct. 21, 2019). The individuals were designated for being responsible for or complicit in, or having directly or indirectly engaged in, any transaction or series of transactions involving deceptive practices or corruption and the Government of Venezuela or projects or programs administered by the Government of Venezuela, or for being an immediate adult family member of such a person; and the entities were designated for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, blocked persons. *Id*; September 17, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm778>; see also September 17, 2019 State Department press statement, available at <https://www.state.gov/united-states-takes-action-on-vast-corruption-network-in-venezuela/>, which provides the following further explanation of the designations:

On September 17, the United States designated three individuals and 16 entities connected with Nicolás Maduro’s associate Alex Saab and his business partner Alvaro Pulido. This action increases pressure on Saab and Pulido, who were designated on July 25, 2019, for their looting of Venezuela’s food subsidy program.

On September 24, 2019, OFAC designated CAROIL TRANSPORT MARINE LTD, TOVASE DEVELOPMENT CORP, TROCANA WORLD INC., and BLUELANE OVERSEAS SA, pursuant to E.O. 13850, as amended by E.O. 13857, for operating in the oil sector of the Venezuelan economy. 84 Fed. Reg. 51,225 (Sep 27, 2019). OFAC identified as blocked property associated vessels at the same time. *Id*. Also, OFAC removed from the SDN List two entities (and associated vessels and an aircraft) which had been identified pursuant to E.O. 13850: LIMA SHIPPING CORPORATION and SERENITY MARITIME LIMITED. *Id.*; see Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm784>; see also September 24, 2019 State Department press statement, available at <https://www.state.gov/united-states-takes-action-against-entities-and-vessels-operating-in-venezuelas-oil-sector/>, which explains the September 24, 2019 sanctions:

This action further targets Venezuela’s oil sector and the mechanisms used to transport oil to Nicolás Maduro’s Cuban benefactors, who continue to prop up



the former regime. These sanctions are a follow-on to the designations and identifications announced on April 5 and 12 that targeted entities and vessels known to be involved in the transportation of crude oil from Venezuela to Cuba.

On November 4, 2019, OFAC removed the following entity previously designated under E.O. 13850 from the SDN List: MONSOON NAVIGATION CORPORATION (and an associated vessel). 84 Fed. Reg. 60,146 (Nov. 7, 2019).

On November 26, 2019, OFAC designated Corporacion Panamericana S.A. under E.O. 13850, as amended by E.O. 13857, for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, Cubametales, an entity designated on July 3, 2019. 84 Fed. Reg. 66,278 (Dec. 3, 2019). See Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm837>.

**e. E.O. 13884**

On November 5, 2019, as reiterated in a State Department press statement, OFAC announced sanctions under E.O. 13884 on five members of the former Maduro regime, including members of the Venezuelan military, Bolivarian National Guard, intelligence service, and the illegitimate Constituent National Assembly who are “associated with corruption, human rights abuses, acts of intimidation, and violence.” See State Department press statement available at <https://www.state.gov/the-united-states-takes-action-against-former-maduro-regime-officials-and-strengthens-international-efforts/>; Treasury Department press release available at <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20191105.aspx>. The designated individuals are: Nestor Neptali BLANCO HURTADO; Carlos Alberto CALDERON CHIRINOS; Pedro Miguel CARRENO ESCOBAR; Remigio CEBALLOS ICHASO; Jose Adelino ORNELAS FERREIRA.

On December 3, 2019, OFAC identified as blocked property six PDVSA-owned vessels pursuant to E.O. 13884, and identified an additional vessel as blocked property of Caroil Transport Marine Ltd., which was designated on September 24, 2019. The State Department described these designations as actions against the movement of Venezuelan oil to Cuba in a press statement available at <https://www.state.gov/the-united-states-takes-action-against-the-movement-of-venezuelan-oil-to-cuba/>

**6. Democratic People’s Republic of Korea**

**a. General**

In a March 7, 2019 press briefing, a senior State Department official summarized ongoing discussions between United States government officials and their North Korean counterparts, including a summit between the President and Kim Jong-un, regarding denuclearization. The senior official confirmed in that briefing, available at

<https://www.state.gov/senior-state-department-official-on-north-korea/>, that sanctions on North Korea remain in place.

**b. Nonproliferation**

**(1) UN sanctions**

On March 12, 2019, the UN Panel of Experts established pursuant to resolution 1874 (2009) released its annual report. The Panel of Experts also released a midterm report in August 2019. The United States welcomed the annual report in a State Department press statement, available at <https://www.state.gov/united-states-welcomes-the-un-panel-of-experts-annual-report-on-the-d-p-r-k/>. The press statement says:

The report provides timely, relevant, and impartial analysis that helps governments around the world to take decisive action and demonstrates the need for continued vigilance against entities involved in D.P.R.K. sanctions evasion activity. The United States takes allegations of UN sanctions violations seriously, and all Member States are expected to fully implement UN Security Council resolutions. International unity in implementing these sanctions continues to hamper the D.P.R.K.'s ability to further its illegal weapons of mass destruction programs and sends the message that the D.P.R.K. will be economically and diplomatically isolated until it denuclearizes.

On March 22, 2019, the United States submitted its report on operative paragraph 8 of Security Council resolution 2397 (2017), regarding the obligation to repatriate DPRK nationals earning income overseas, subject to limited exceptions. The report, available at <https://www.un.org/securitycouncil/sanctions/1718/implementation-reports>, includes the following:

All nationals of the Democratic People's Republic of Korea seeking to enter the United States for employment purposes are required to apply for a visa in advance. The United States has examined its visa records and determined that no national of the Democratic People's Republic of Korea has been issued a work-authorized visa covered under the present report and valid on 22 December 2017 or later.

In addition, since 22 December 2017, there have been no nationals of the Democratic People's Republic of Korea present in the United States who: (a) were granted work-authorized visas prior to 22 December 2017 but stayed later than that date; (b) switched visa categories after entering the United States on a visa that was not work-authorized; (c) were paroled in without a visa but later acquired work-authorized status; or (d) would fall under any other category that would qualify for repatriation under paragraph 8 of Security Council resolution 2397 (2017).

Accordingly, the United States has no repatriation obligation under paragraph 8 of Security Council resolution 2397 (2017). Its national authorities will continue to ensure that the United States remains in compliance with paragraph 8 of the resolution throughout 2019.

(2) *U.S. sanctions*

See *Digest 2015* at 645 for background on Executive Order 13687, “Imposing Additional Sanctions With Respect To North Korea.” On July 29, 2019, OFAC designated Su Il KIM pursuant to E.O. 13687 for being an official of the Workers’ Party of Korea (“WPK”). 84 Fed. Reg. 37,711 (Aug. 1, 2019). See also July 29, 2019 Department of the Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm742>, including the following further information about Kim’s activities:

OFAC designated Kim Su Il, a trading company official who works on behalf of the [Munitions Industry Department, or] MID in Vietnam, pursuant to E.O. 13687 for being an official of the WPK. As of early 2019, Kim Su Il was responsible for exporting anthracite coal, titanium ore concentrate, and other North Korean domestic products; importing and exporting various other goods, including raw materials, to and from North Korea; and ship chartering. This trade activity earned foreign currency for the North Korean regime. Kim Su Il is also responsible for exporting Vietnamese products to China, North Korea, and other countries. Kim Su Il was assigned to Ho Chi Minh City, Vietnam in 2016 to perform economic, trading, mining, and shipping activities associated with the MID’s business activities.

See *Digest 2016* at 646 for background on Executive Order 13722, “Blocking Property of the Government of North Korea and the Workers’ Party of Korea, and Prohibiting Certain Transactions With Respect to North Korea.” On March 21, 2019, OFAC designated Dalian Haibo International Freight Co., Ltd. pursuant to E.O. 13722 for providing goods and services to or in support of the U.S.-designated Paeksol Trading Corporation. 84 Fed. Reg. 12,036 (Mar. 29, 2019); March 21, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm632>. On September 13, 2019, OFAC designated three entities pursuant to E.O. 13722 as agencies, instrumentalities, or controlled entities of the Government of North Korea: ANDARIEL, BLUENOROFF and LAZARUS GROUP. 84 Fed. Reg. 52,589 (Oct. 2, 2019); see also September 13, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm774> (describing the designated entities as “three North Korean state-sponsored malicious cyber groups responsible for North Korea’s malicious cyber activity on critical infrastructure,” and “controlled by U.S.- and ...UN-designated RGB [Reconnaissance General Bureau], which is North Korea’s primary intelligence bureau”).

On March 21, 2019, OFAC designated Liaoning Danxing International Forwarding Co., Ltd. pursuant to E.O. 13810 for operating in the transportation industry in North Korea. March 21, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm632>. On August 30, 2019, OFAC designated Mei Hsiang CHEN, Wang Ken HUANG, Jui Pang Shipping Co Ltd, Jui Zong Ship Management Co Ltd, and Jui Cheng Shipping Company Limited, pursuant to E.O. 13810 for having engaged in at least one significant importation from or exportation to North Korea of any goods, services, or technology. 84 Fed. Reg. 46,784 (Sep. 5, 2019); see also August 30, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm762>.

On June 25, 2019, OFAC published the designation of LIMITED LIABILITY COMPANY NON-BANK CREDIT ORGANIZATION RUSSIAN FINANCIAL SOCIETY pursuant to E.O. 13382. 84 Fed. Reg. 29,935 (June 25, 2019). A June 19, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm712>, describes some of the activities of Russian Financial Society that triggered the designation:

...Russian Financial Society provided bank accounts for OFAC-designated Dandong Zhongsheng and to a North Korean chief representative of Korea Zinc Industrial Group, which was also designated for operating in the mining industry in the North Korean economy and for having sold, supplied, or transferred zinc from North Korea, where revenue or goods received may benefit the Government of North Korea.

Since at least 2017 and continuing through 2018, Russian Financial Society has opened multiple bank accounts for Dandong Zhongsheng. These actions have enabled North Korea to circumvent U.S. and UN sanctions to gain access to the global financial system in order to generate revenue for the Kim regime's nuclear program.

## **7. Russia**

### ***a. Chemical and Biological Weapons Control and Warfare Elimination Act Sanctions***

As discussed in *Digest 2018* at 566-70, the United States imposed sanctions on Russia in 2018 pursuant to the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 ("CBW Act") for its use of a "novichok" nerve agent in an attempt to assassinate Sergei Skripal and his daughter Yulia Skripal in the United Kingdom on March 4, 2018. The United States announced a second round of sanctions based on the same incident in an August 2, 2019 State Department press statement, available at <https://www.state.gov/imposition-of-a-second-round-of-sanctions-on-russia-under-the-chemical-and-biological-weapons-control-and-warfare-elimination-act/>. As summarized in the press statement:

This second round will include:

1. U.S. opposition to the extension of any loan or financial or technical assistance to Russia by international financial institutions, such as the World Bank or International Monetary Fund;
2. A prohibition on U.S. banks from participating in the primary market for non-ruble denominated Russian sovereign debt and lending non-ruble denominated funds to the Russian government; and
3. The addition of export licensing restrictions on Department of Commerce-controlled goods and technology.

The Federal Register notice of the additional CBW sanctions on Russia includes the following summary of the action:

On August 6, 2018, a determination was made that the Russian government used chemical weapons in violation of international law or lethal chemical weapons against its own nationals. ... Section 307(B) of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (CBW Act), requires a decision within three months of August 6, 2018 regarding whether Russia has met certain conditions described in the law. Additional sanctions on Russia are required if these conditions are not met. The Secretary of State decided on November 2, 2018 that Russia had not met the CBW Act's conditions and decided to impose additional sanctions on Russia on March 29, 2019.

84 Fed. Reg. 44,671 (Aug. 6, 2019).

The further CBW Act sanctions on Russia were based on E.O. 13883 of August 1, 2019, entitled "Administration of Proliferation Sanctions and Amendment of Executive Order 12851." 84 Fed. Reg. 38,113 (Aug. 5, 2019). OFAC issued a Russia-related Directive ("CBW Act Directive") under E.O. 13883, effective August 26, 2019, to implement the second round sanctions measures. 84 Fed. Reg. 48,704 (Sep. 16, 2019); see also Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm750>.

Excerpts follow from E.O. 13883.

---

\* \* \* \*

**Section 1.** (a) When the President, or the Secretary of State pursuant to authority delegated by the President and in accordance with the terms of such delegation, pursuant to section 307(b)(1) of the CBW Act, selects for imposition on a country one or more of the sanctions set forth below and in section 307(b)(2) of that Act, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions, when necessary, to implement such sanctions:

(i) oppose, in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d), the extension of any loan or financial or technical assistance to that country by international financial institutions; and

(ii) prohibit any United States bank from making any loan or providing any credit to the government of that country, except for loans or credits for the purpose of purchasing food or other agricultural commodities or products.

\* \* \* \*

**b. *Sanctions in response to Russia's actions in Ukraine***

For background on E.O. 13660, "Blocking Property of Certain Persons Contributing to the Situation in Ukraine," see *Digest 2014* at 646. For background on E.O. 13662 and Directives 1, 2, and 4, see *Digest 2014* at 647-49. For background on E.O. 13685, "Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to the Crimea Region of Ukraine," see *Digest 2014* at 651-52. For background on E.O. 13661, "Blocking Property of Additional Persons Contributing to the Situation in Ukraine," see *Digest 2014* at 646-47. The Countering America's Adversaries Through Sanctions Act ("CAATSA") was enacted in 2017 in part to respond to Russia's malign behavior with respect to the crisis in eastern Ukraine, cyber intrusions and attacks, and human rights abuses. See *Digest 2017* at 656-64.

On January 27, 2019, OFAC removed from the SDN List the following entities, which had been designated pursuant to E.O. 13661 and E.O. 13662: EN+ GROUP PLC, UC RUSAL PLC ("Rusal"), and JSC EUROSIBENERGO. 84 Fed. Reg. 1274 (Feb. 1, 2019). As explained in a January 27, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm592>, the companies agreed to reduce Oleg Deripaska's direct and indirect shareholding stake and severed his control. Sanctions on Deripaska remain in place.

On March 15, 2019, OFAC designated six individuals and eight entities pursuant to E.O. 13660, E.O. 13661, E.O. 13662, or E.O. 13685. 84 Fed. Reg. 11,164 (Mar. 25, 2019). The individuals are: Gennadiy MEDVEDEV, Aleksey Alekseevich NAYDENKO, Ruslan ROMASHKIN, Andrey SHEIN, Sergey STANKEVICH, Vladimir Yurievich VYSOTSKY. *Id.* The entities are: AO KONTSEERN OKEANPRIBOR, AO ZAVOD FIOLENT, GUP RK KTB SUDOKOMPOZIT, LLC NOVYE PROEKTY, LLC SK CONSOL-STROI LTD, PAO ZVEZDA, YAROSLAVSKY SHIPBUILDING PLANT, and ZELENODOLSK SHIPYARD PLANT NAMED AFTER A.M. GORKY. *Id.* See also March 15, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm629>, which includes the following:

OFAC today sanctioned four Russian officials who were involved in the Kerch Strait attack. OFAC designated Gennadiy Medvedev, the Deputy Director of the Border Guard Service of Russia's Federal Security Service; Sergey Stankevich, the Head of the Border Directorate of Russia's Federal Security Service; and Andrey Shein, the Deputy Head of the Border Directorate and Head of the Coast Guard

Unit of Russia's Federal Security Service. Medvedev and Stankevich directly controlled and organized the attack against the Ukrainian ships and their crew, while Shein participated in the operation against the seized Ukrainian ships and crew.

OFAC also designated Ruslan Romashkin, the Head of the Service Command Point of the Federal Security Service of the Russian Federation for the Republic of Crimea and Sevastopol.

...

Today's action also targets six Russian defense firms with operations in Crimea, several of which misappropriated Ukrainian state assets to provide services to the Russian military. Four of these entities are being designated pursuant to E.O. 13662 for operating in the defense and related materiel sector of the Russian Federation economy, and two entities are being designated pursuant to E.O. 13685 for operating in the Crimea region of Ukraine.

...

OFAC also designated the following two entities pursuant to E.O. 13685, due to their activities in Crimea.

LLC SK Consol-Stroi LTD is being designated for operating in the Crimea region of Ukraine. LLC SK Consol-Stroi LTD, a limited liability company registered in the city of Simferopol, Crimea, is one of Crimea's largest construction companies. LLC SK Consol-Stroi LTD is engaged in the construction of residential and commercial real estate in cities throughout the Crimea region including, among others, Feodosia, Kerch, Yalta, Simferopol, Sevastopol, and Yepatoria.

LLC Novye Proekty is being designated for operating in the Crimea region of Ukraine. In 2016, Russian authorities awarded the private company Novye Proekty an oil and gas exploration license for the Crimean Black Sea shelf. The Crimean shelf is believed to be rich in hydrocarbons and authorities in Ukraine have reported that Ukraine lost about 80 percent of its oil and gas deposits in the Black Sea due to Russia's purported annexation of Crimea. Novye Proekty's license permits geological studies, prospecting, and the extraction of raw hydrocarbon materials from the Black Sea's Glubokaya block. Prior to Russia's purported annexation of Crimea the Glubokaya block was estimated to hold reserves of 8.3 million tons of crude and 1.4 billion cubic meters of natural gas.

...

Aleksey Alekseevich Naydenko is the Deputy Chair of the Central Election Commission of the so-called Donetsk People's Republic. ...

Vladimir Yurievich Vysotsky is the Secretary of Central Election Commission of the so-called Donetsk People's Republic. ...

On March 15, 2019, the State Department issued a press statement announcing coordinated sanctions by the United States, the EU, and Canada in response to Russia's continued aggression against Ukraine. The press statement, available at <https://www.state.gov/transatlantic-community-imposes-sanctions-on-russia/>, identifies the individuals being sanctioned as those who "orchestrated the unjustified



November 25 attack on three Ukrainian naval vessels near the Kerch Strait.” In addition, U.S. sanctions were imposed on six Russian defense firms, including shipbuilding companies; two individuals involved in the November sham “elections” in Russia-controlled eastern Ukraine; and two Russian energy and construction companies operating in Crimea. *Id.*

On September 26, 2019, OFAC designated three individuals, one entity, and five vessels pursuant to E.O. 13685. 84 Fed. Reg. 54,946 (Oct. 11, 2019). The individuals designated are: Ilya LOGINOV, Ivan OKOROKOV, and Karen STEPANYAN. The entity is MARITIME ASSISTANCE LLC. *Id.*; see Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm785>.

On December 20, 2019, the President signed into law the Protecting Europe's Energy Security Act of 2019 (Pub. L. 116-92) (“PEESA”). This law requires the imposition of sanctions with respect to the provision of certain vessels for the construction of certain Russian energy export pipelines, and in particular the Nord Stream 2 pipeline. Section 7503(a)(1) requires a report by the Secretary of State, in consultation with the Secretary of the Treasury, which lists:

(A) vessels that engaged in pipe-laying at depths of 100 feet or more below sea level for the construction of the Nord Stream 2 pipeline project, the TurkStream pipeline project, or any project that is a successor to either such project; and

(B) foreign persons that the Secretary of State, in consultation with the Secretary of the Treasury, determines have knowingly -- (i) sold, leased or provided those vessels for the construction of such a project; or (ii) facilitated deceptive or structured transactions to provide those vessels for the construction of such a project.

The first report is due no later than 60 days after the date of enactment, with subsequent reports to be submitted every 90 days thereafter. The legislation mandates financial and visa sanctions on persons listed in 7503(a)(1)(B) unless an exception applies, a waiver is issued, or, in the case of the first report, the wind-down provision in 7503(d) was satisfied. As explained in the December 27, 2019 State Department fact sheet on PEESA and U.S. opposition to Nord Stream 2, available at <https://www.state.gov/fact-sheet-on-u-s-opposition-to-nord-stream-2/>, “Nord Stream 2 is a tool Russia is using to support its continued aggression against Ukraine. ... Nord Stream 2 would enable Russia to bypass Ukraine for gas transit to Europe.”

## **8. Nonproliferation**

### ***a. Country-specific sanctions***

See each country listed above for sanctions related to proliferation activities.



**b. *Iran, North Korea, and Syria Nonproliferation Act (“INKSNA”)***

On May 14, 2019 the U.S. Government applied the measures authorized in Section 3 of the Iran, North Korea, and Syria Nonproliferation Act (Pub. L. 109–353) (“INKSNA”) against several foreign individuals and entities (and their successors, sub-units, or subsidiaries) identified in the report submitted pursuant to Section 2(a) of the Act. 84 Fed. Reg. 23,627 (May 22, 2019). INKSNA applies to foreign entities and individuals for the transfer to or acquisition from Iran since January 1, 1999; the transfer to or acquisition from Syria since January 1, 2005; or the transfer to or acquisition from North Korea since January 1, 2006, of goods, services, or technology controlled under multilateral control lists (Missile Technology Control Regime, Australia Group, Chemical Weapons Convention, Nuclear Suppliers Group, Wassenaar Arrangement) or otherwise having the potential to make a material contribution to the development of weapons of mass destruction (WMD) or cruise or ballistic missile systems. *Id.*

The list of those sanctioned on May 14, 2019 follows: Abascience Tech Co., Ltd. (China); Emily Liu (Chinese individual); Hope Wish Technologies Incorporated (China); Jiangsu Tianyuan Metal Powder Co Ltd (China); Li Fangwei (Chinese individual); Raybeam Optronics Co., Ltd (China); Ruan Runling (Chinese individual); Shanghai North Begins (China); Sinotech (Dalian) Carbon and Graphite Corporation (SCGC) (China); Sun Creative Zhejiang Technologies Inc (China); T-Rubber Co. Ltd (China); Wuhan Sanjiang Import and Export Co Ltd (China); Yenben Yansong Zaojiu Co Ltd (China); Defense Industries Organization (Iran); Gatchina Surface-to-Air Missile (SAM) Training Center (Russia); Instrument Design Bureau (KBP) Tula (Russia); Moscow Machine Building Plant Avangard (MMZ Avangard) (Russia); Army Supply Bureau (ASB) (Syria); Lebanese Hizballah (Syria); Megatrade (Syria); Syrian Air Force (Syria); and Syrian Scientific Studies and Research Center (SSCR) (Syria).

The measures imposed on these persons are a U.S. Government procurement ban; a ban on U.S. Government assistance; a ban on U.S. Government sales of defense and munitions items; and a prohibition on export licenses. *Id.* The measures remain in force for two years. *Id.*

**9. Terrorism**

**a. *UN and other coordinated multilateral action***

In large part, the United States implements its counterterrorism obligations under UN Security Council resolutions concerning ISIL, al-Qaida and Afghanistan sanctions, as well as its obligations under UN Security Council resolutions concerning counterterrorism, through Executive Order 13224 of September 24, 2001. Among the resolutions for which the United States has addressed domestic compliance through E.O. 13224 designations are Resolutions 1267 (1999), 1373 (2001), 1988 (2011), 1989 (2011), 2253 (2015), and 2255 (2015). Executive Order 13224 imposes financial sanctions on persons who have been designated in the annex to the order; persons designated by the Secretary of State for having committed or for posing a significant risk of committing

acts of terrorism; and persons designated by the Secretary of the Treasury for acting for or on behalf of, or providing material support for, or being otherwise associated with, persons designated under the order. See 66 Fed. Reg. 49,079 (Sept. 25, 2001); see also *Digest 2001* at 881–93 and *Digest 2007* at 155–58.

On May 1, 2019, the State Department issued a press statement, available at <https://www.state.gov/united-nations-1267-sanctions-committee-designation-of-masood-azhar/>, welcoming the addition of Jaish-e-Mohammed (“JEM”) leader Masood Azhar to the UN’s 1267 ISIL and al-Qaida Sanctions List. The press statement goes on to say:

JEM has been responsible for numerous terrorist attacks and is a serious threat to regional stability and peace in South Asia. JEM was designated by the United States as a Foreign Terrorist Organization and Specially Designated Global Terrorist (SDGT) in 2001 and has been listed by the UN since 2001. The United States also designated Azhar as an SDGT in 2010. As JEM’s founder and leader, Azhar clearly met the criteria for designation by the UN. This listing requires all UN member states to implement an asset freeze, a travel ban, and an arms embargo against Azhar. We expect all countries to uphold these obligations.

On May 15, 2019, the State Department issued a press statement, available at <https://www.state.gov/united-nations-1267-sanctions-committee-designation-of-isis-khorasan/>, welcoming the UN 1267 Sanctions Committee’s designation of ISIS-Khorasan, an ISIS affiliate operating primarily in Afghanistan. The press statement includes the following:

...The United States previously designated ISIS-K as a Specially Designated Global Terrorist under Executive Order 13224 in September 2015, and as a Foreign Terrorist Organization under Section 219 of the Immigration and Nationality Act in January 2016. ISIS-K is the first ISIS affiliate to be designated by the UN.

ISIS-K is responsible for dozens of attacks and killing hundreds of innocent civilians. This UN designation obligates all member states to implement a travel ban, arms embargo, and asset freeze on ISIS-K, actions that will cut the group off from the resources it needs to continue its terrorist activities.

In addition to Azhar and ISIS-K, the UN 1267 Sanctions Committee added several other designations to the ISIL and Al-Qaida sanctions list in 2019, all of whom had also been designated by the United States: Hamza Usama Muhammad bin Laden (February 28); Tariq Gidar Group (TGG) (March 22); Bah Ag Moussa (August 14); and Ali Maychou (August 14).

**b. U.S. targeted financial sanctions**

**(1) New Executive Order**

On September 9, 2019, the President signed E.O. 13886, “Modernizing Sanctions to Combat Terrorism.” 84 Fed. Reg. 48041 (Sep. 12, 2019). A September 10, 2019 State Department media note, available at <https://www.state.gov/terrorist-designations-under-amended-executive-order-to-modernize-sanctions-to-combat-terrorism/>, explains that the new E.O. significantly updates designation authorities and enables the Department to more effectively sanction certain types of targets. The media note also lists the September 10, 2019 State Department and Treasury Department designations under E.O. 13224, as amended by E.O. 13886:

Hurras al-Din, an al-Qa’ida-affiliated group in Syria, as a Specially Designated Global Terrorist (SDGT). The Department has also designated as SDGTs 12 leaders of previously designated groups, including Hizballah, HAMAS, Palestinian Islamic Jihad, ISIS, ISIS-Philippines, ISIS-West Africa, and Tehrik-e Taliban Pakistan. In addition to these actions, the Department of the Treasury has designated 15 terrorists affiliated with ISIS, ISIS-Philippines, ISIS-Khorasan, al-Qa’ida, HAMAS, and Iran’s Islamic Revolutionary Guard Corps-Qods Force under the same authority.

See also September 10, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm772> (explaining how E.O. 13886 enhances E.O. 13224, including “new designation criteria ... to more efficiently target leaders or officials of terrorists groups as well as individuals who participate in terrorist training”).

Excerpts follow from E.O. 13886.

---

\* \* \* \*

**Section 1.** Section 1 of Executive Order 13224 is hereby amended to read as follows:

“**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) persons listed in the Annex to this order;
- (ii) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury, the Attorney General, and the Secretary of Homeland Security:
  - (A) to have committed or have attempted to commit, to pose a significant risk of committing, or to have participated in training to commit acts of terrorism that threaten the

security of United States nationals or the national security, foreign policy, or economy of the United States; or

(B) to be a leader of an entity:

(1) listed in the Annex to this order; or

(2) whose property and interests in property are blocked pursuant to a determination by the Secretary of State pursuant to this order;

(iii) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Secretary of Homeland Security, and the Attorney General:

(A) to be owned, controlled, or directed 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;

(B) to own or control, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order;

(C) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, an act of terrorism as defined in section 3(d) of this order, or any person whose property and interests in property are blocked pursuant to this order;

(D) to have participated in training related to terrorism provided by any person whose property and interests in property are blocked pursuant to this order;

(E) to be a leader or official of an entity whose property and interests in property are blocked pursuant to: (1) a determination by the Secretary of the Treasury pursuant to this order; or (2) subsection (a)(iv) of this section; or (F) to have attempted or conspired to engage in any of the activities described in subsections (a)(iii)(A) through (E) of this section;

(iv) persons whose property and interests in property were blocked pursuant to Executive Order 12947, as amended, on or after January 23, 1995, and remained blocked immediately prior to the effective date of this order.

(b) The Secretary of the Treasury is hereby authorized to prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States, of a correspondent account or payable-through account of any foreign financial institution that the Secretary of the Treasury, in consultation with the Secretary of State, has determined, on or after the effective date of this order, has knowingly conducted or facilitated any significant transaction on behalf of any person whose property and interests in property are blocked pursuant to this order.

(c) The prohibitions in subsections (a) and (b) 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.

\* \* \* \*

## (2) *Department of State*

### (a) *State Department designations*

In 2019, the Department of State announced the designation of numerous entities and individuals (including their known aliases) pursuant to E.O. 13224 and E.O. 13224 as amended by E.O. 13886. For an up-to-date list of State Department terrorism

designations, see <https://www.state.gov/terrorist-designations-and-state-sponsors-of-terrorism/>.

Akram 'Abbas al-Kabi and the organization he leads, Harakat al-Nujaba ("HAN"), were designated by the State Department pursuant to E.O. 13224 on February 28, 2019. 84 Fed. Reg. 9585 (Mar. 15, 2019). In a March 5, 2019 media note, available at <https://www.state.gov/state-department-terrorist-designation-of-harakat-al-nujaba-han-and-akram-abbas-al-kabi/>, the State Department provided the following information on the designations of HAN and Akram 'Abbas al-Kabi:

Established in 2013 by al-Kabi, HAN is an Iran-backed Iraqi militia funded by but not under the control of the Iraqi government. HAN has openly pledged its loyalties to Iran and Iranian Supreme Leader Ayatollah Khamenei. Al-Kabi has publicly claimed that he would follow any order, including overthrowing the Iraqi government or fighting alongside the Houthis in Yemen, if Ayatollah Khamenei declared it to be a religious duty. Al-Kabi also claimed that Iran supports HAN both militarily and logistically, and stressed HAN's close ties with IRGC-QF Commander Qassem Soleimani and Hizballah Secretary-General Hassan Nasrallah, both SDGTs. The Department of the Treasury designated al-Kabi in 2008 under E.O. 13438 for planning and conducting multiple attacks against Coalition forces, including mortar and rocket launches into the International Zone.

The State Department designated Hizballah operative Husain Ali Hazzima under E.O. 13224 on March 6, 2019. 84 Fed. Reg. 31,654 (July 2, 2019). The State Department also designated Ali Maychou on July 2, 2019. 84 Fed. Reg. 35,176 (July 22, 2019); see also July 16, 2019 media note, available at <https://www.state.gov/terrorist-designation-of-ali-maychou/>. And the Department also designated the Balochistan Liberation Army (BLA) under E.O. 13224 on July 2, 2019. 84 Fed. Reg. 31,654 (July 2, 2019); see also July 2, 2019 media note, available at <https://www.state.gov/terrorist-designations-of-balochistan-liberation-army-and-husain-ali-hazzima-and-amendments-to-the-terrorist-designations-of-jundallah/>. The media note provides the following information about the designations:

- Husain Ali Hazzima is the Chief of Hizballah Unit 200. Hizballah was designated as an FTO in 1997 and as an SDGT in 2001. Unit 200 is the Intelligence Unit of Hizballah, and it analyzes and assesses information collected by Hizballah military units.
- BLA is an armed separatist group that targets security forces and civilians, mainly in ethnic Baloch areas of Pakistan. BLA has carried out several terrorist attacks in the past year, including a suicide attack in August 2018 that targeted Chinese engineers in Balochistan, a November 2018 attack on the Chinese consulate in Karachi, and a May 2019 attack against a luxury hotel in Gwadar, Balochistan.

The State Department designated Ali Karaki, Muhammad Haydar, and Baha' Abu al-'Ata pursuant to E.O. 13224 on September 10, 2019. 84 Fed. Reg. 49,372 (Sep. 19, 2019). Marwan Issa, Ibrahim 'Aqil, and Hurras al-Din were also designated on September 10, 2019. 84 Fed. Reg. 49, 371 (Sep. 19, 2019). The following additional designations under E.O. 13224 were also made on September 10, 2019: Hajji Taysir, Muhammad al-Hindi, Fu'ad Shukr, and Faruq al-Suri. 84 Fed. Reg. 49,373 (Sep. 19, 2019). Hatib Hajan Sawadjaan was also designated under E.O. 13224 on September 10, 2019. 84 Fed. Reg. 49,370 (Sep. 19, 2019). And Abu Abdullah ibn Umar al-Barnawi and Noor Wali were likewise designated on September 10, 2019. 84 Fed. Reg. 49,374 (Sep. 19, 2019). See also September 10, 2019 media note (cited *supra* for announcing new E.O. 13886, and available at <https://www.state.gov/terrorist-designations-under-amended-executive-order-to-modernize-sanctions-to-combat-terrorism/>), which provides further background on those designated on September 10:

- **Noor Wali:** Noor Wali, also known as Mufti Noor Wali Mehsud, was named the leader of Tehrik-e Taliban Pakistan (TTP) in June 2018 following the death of former TTP leader Mullah Fazlullah. Under Noor Wali's leadership, TTP has claimed responsibility for numerous deadly terrorist attacks across Pakistan.
- **Marwan Issa:** Marwan Issa is the deputy commander of the Izz Al-Din Al-Qassam Brigades, the operational arm of HAMAS.
- **Muhammad al-Hindi:** Muhammad al-Hindi is the Deputy Secretary General of the Palestinian Islamic Jihad.
- **Baha' Abu al-'Ata:** Baha' Abu al-'Ata, a member of the Palestinian Islamic Jihad's Higher Military Council, is a commander of the Gaza and North Battalion in the Al-Quds Brigade.
- **Ali Karaki:** Ali Karaki, is a senior leader within Hizballah's Jihad Council. He led Mu'awaniyeh 105 (Southern Command) and was responsible for military operations in southern Lebanon. Southern Command was divided into five geographic fronts (Mihwar), each consisting of a group of villages in a geographically contiguous strip.
- **Muhammad Haydar:** Muhammad Haydar is a senior leader within Hizballah's Jihad Council. Haydar was the Chief of Bureau 113, and ran Hizballah networks operating outside of Lebanon and appointed leaders of various units. He was very close to deceased senior Hizballah official Imad Mughniyah. In 2004, Haydar was elected to the Lebanese Parliament.
- **Fu'ad Shukr:** Fu'ad Shukr, a senior Hizballah Jihad Council member, oversaw Hizballah's specialized weapons units in Syria, including its missile and rocket unit. He is a senior military advisor to Hizballah Secretary General Hasan Nasrallah and played a central role in the planning and execution of the October 23, 1983 U.S. Marine Corps Barracks Bombing in Beirut, Lebanon, which killed 241 U.S. service personnel.
- **Ibrahim 'Aqil:** Ibrahim 'Aqil, a senior Hizballah Jihad Council member, is Hizballah's military operations commander.

- **Hajji Taysir:** Hajji Taysir is an ISIS senior leader and reports to Abu Bakr al-Baghdadi. As the ISIS Wali of Iraq and former amir of improvised explosive devices, Hajji Taysir likely ordered IED attacks in the region. He was considered a booby-trap expert while working in ISIS' booby-trap headquarters in 2016.
- **Abu Abdullah ibn Umar al-Barnawi:** Abu Abdullah ibn Umar al-Barnawi, Amir of ISIS-West Africa, was previously active in Boko Haram.
- **Hatib Hajan Sawadjaan:** Hatib Hajan Sawadjaan is the amir of ISIS-Philippines and is the mastermind behind the January 27, 2019 Jolo City cathedral bombing that killed 23 and wounded 109.
- **Hurras al-Din:** Hurras al-Din is an al-Qa'ida-affiliated jihadist group that emerged in Syria in early 2018 after several factions broke away from Hayat Tahrir al-Sham.
- **Faruq al-Suri:** Syrian national Faruq al-Suri, also known as Abu Humam al-Shami, is the leader of Hurras al-Din and a former al-Nusra Front military commander in Syria.

The Department of State designated Amadou Kouffa under E.O. 13224. 84 Fed. Reg. 66,955 (Dec. 6, 2019). A November 7, 2019 State Department media note, available at <https://www.state.gov/u-s-department-of-state-terrorist-designation-of-amadou-kouffa/>, provides background on the designation:

Amadou Kouffa is a senior member in Jama'at Nusrat al-Islam wal-Muslimin (JNIM), an al-Qa'ida affiliate active in the Sahel region of Africa, which the Department of State designated as a Foreign Terrorist Organization and SDGT in September 2018. JNIM was formed in March 2017 and is led by Iyad ag Ghali, a designated SDGT.

JNIM has claimed responsibility for numerous attacks and kidnappings since March 2017, killing more than 500 civilians. These include the June 2017 attack at a resort frequented by Westerners outside of Bamako, Mali; several deadly attacks on Malian troops; and the large-scale coordinated attacks in Ouagadougou, Burkina Faso, on March 2, 2018. Earlier this year, Kouffa led an attack against the Malian army in which more than 20 soldiers were killed.

*(b) State Department amendments*

Two designations by the State Department under E.O. 13224 were amended in 2019. The designation of the Islamic State of Iraq and Syria ("ISIS") was amended to add additional aliases (Amaq News Agency, Al Hayat Media Center, and others). 84 Fed. Reg. 10,882 (Mar. 22, 2019). The designation of Jundallah was amended to reflect its new primary name, Jaysh al-Adi, and additional aliases. 84 Fed. Reg. 31,655 (July 2, 2019); see also July 2, 2019 media note, available at <https://www.state.gov/terrorist-designations-of-balochistan-liberation-army-and-husain-ali-hazzima-and-amendments-to-the-terrorist-designations-of-jundallah/>.



## (3) OFAC

OFAC designated numerous individuals (including their known aliases) and entities pursuant to Executive Order 13224 during 2019. The individuals and entities designated by OFAC are typically owned or controlled by, act for or on behalf of, or provide support for or services to, individuals or entities the United States has designated as terrorist organizations pursuant to the order.

OFAC designated thirteen individuals and nineteen entities pursuant to E.O. 13224 in the first quarter of 2019. See January 24, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm590> (four entities: FATEMIYOUN DIVISION, FLIGHT TRAVEL LLC, QESHM FARs AIR and ZAYNABIYOUN BRIGADE); 84 Fed. Reg. 4901 (Feb. 19, 2019) (one entity, NEW HORIZON ORGANIZATION, and four individuals—Hamed GHASHGHAHI, Gholamreza MONTAZAMI, Nader Talebzadeh ORDOUBADI, and Zeinab Mehanna TALEBZADEH) (February 13, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm611>); March 26, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm639> (describing designated persons as “a network of Iran, UAE, and Turkey-based front companies, that have transferred over a billion dollars and euros to the Islamic Revolutionary Guard Corps (IRGC) and Iran’s Ministry of Defense and Armed Forces Logistics (MODAFL);” nine individuals—Mohammad Reza ALE ALI, Alireza ATABAKI, Reza Sakan DASTGIRI, Ayatollah EBRAHIMI, Iman Sedaghat GALESHKALAMI, Ali Shams MULAVI, Suleyman SAKAN, Asadollah SEIFI, Mohammad VAKILI—and fourteen entities—ANSAR BANK BROKERAGE COMPANY, ANSAR EXCHANGE, ANSAR INFORMATION TECHNOLOGY COMPANY, ATLAS DOVIZ TICARETI A.S., ATLAS EXCHANGE, GOLDEN COMMODITIES LLC, HITAL EXCHANGE, IRANIAN ATLAS COMPANY, LEBRA MOON GENERAL TRADING LLC, NARIA GENERAL TRADING LLC, SAKAN EXCHANGE, SAKAN GENERAL TRADING, THE BEST LEADER GENERAL TRADING LLC, ZAGROS PARDIS KISH).<sup>\*\*</sup>

OFAC designated 23 individuals and five entities in the second quarter of 2019. See 84 Fed. Reg. 16,567 (Apr. 19, 2019) (Mohammad Ibrahim BAZZI); 84 Fed. Reg. 16,567 (Apr. 19, 2019) (two individuals—Eddie ALEONG and Emraan ALI); 84 Fed. Reg. 16,568 (Apr. 19, 2019) (seven individuals—Mushtaq Talib Zughayr AL-RAWI, Umar Talib Zughayr AL-RAWI, Walid Talib Zughayr AL-RAWI, Muhannad Mushtaq Talib Zghayir Karhout AL-RAWI, Abd-al-Rahman ‘Ali Husayn al-Ahmad AL-RAWI, Muhammad Abd-al-Qadir Mutni Assaf AL-RAWI, Halima Adan ALI—and one entity, AL-ARD AL-JADIDAH MONEY EXCHANGE COMPANY) (see April 15, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm657>, describing those designated as part of the “Rawi Network, a key ISIS financial facilitation group based out of Iraq”); 84 Fed. Reg. 22,223 (May 16, 2019) (two individuals—Hassan TABAJA and Wael BAZZI; and three entities—BSQRD LIMITED, OFFISCOOP NV, and VOLTRA

<sup>\*\*</sup> Editor’s note: also as part of the actions against this network, OFAC amended the previous designations of Ansar Bank and MODAFL under other authorities to include their designation pursuant to E.O. 13224.

TRANSCOR ENERGY BVBA)\*\*\* (April 24, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm668>); 84 Fed. Reg. 28,395 (June 18, 2019) (one entity—SOUTH WEALTH RESOURCES COMPANY—and two individuals—Makki Kazim ‘ABD AL-HAMID AL-ASADI and Mohammed Hussein SALIH AL HASANI) (June 12, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm706>); 84 Fed. Reg. 31,141 (June 28, 2019) (eight individuals: Amir Ali HAJIZADEH, Ali Reza TANGSIRI, Abbas GHOLAMSHAHI, Ramezan ZIRAH, Yadollah BADIN, Mansur RAVANKAR, Ali OZMA’I, Mohammad PAKPOUR) (June 24, 2019 Treasury Department press release, available at <https://home.treasury.gov/index.php/news/press-releases/sm716>); 84 Fed. Reg. 35,180 (July 22, 2019) (one individual, Bah Ag MOUSSA) (the July 16, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm730>, explains that Moussa was designated for acting for or on behalf of Jama’at Nusrat al-Islam wal-Muslimin (“JNIM”), a west African terrorist group designated in September 2018, and JNIM leader Iyad ag Ghali).

OFAC designated 44 entities and 48 individuals in the third quarter of 2019. See 84 Fed. Reg. 33,811 (July 15, 2019) (three individuals linked to Hizballah: Muhammad Hasan RA’D, Wafiq SAFA, Amin SHERRI) (see also July 9, 2019 State Department media note announcing these designations, available at <https://www.state.gov/statement-on-sanctioning-of-three-senior-hizballah-officials/> and July 9, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm724>); 84 Fed. Reg. 37,004 (July 30, 2019) (one individual, Salman Raouf SALMAN) (see also Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm737>); 84 Fed. Reg. 39,394 (Aug. 9, 2019) (one individual, Fadi Hussein SERHAN); 84 Fed. Reg. 46,782 (Sep. 5, 2019) (four entities linked to Hizballah: JAMMAL TRUST BANK S.A.L., TRUST INSURANCE S.A.L., TRUST INSURANCE SERVICES S.A.L., TRUST LIFE INSURANCE COMPANY S.A.L.); 84 Fed. Reg. 46,783 (Sep. 5, 2019) (four individuals linked to Hamas: Muhammad SARUR, Kamal Abdelrahman Aref AWAD, Fawaz Mahmud Ali NASSER, Muhammad Kamal AL-AYY; see also August 29, 2019 State Department press statement, available at <https://www.state.gov/on-sanctioning-of-four-financial-facilitators-for-hamas/>, regarding “four financial facilitators responsible for moving tens of millions of dollars between Iran’s Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and Hamas’s Izz-Al-Din Al-Qassam Brigades in Gaza;” and see Department of Treasury press release on these designations, available at <https://home.treasury.gov/news/press-releases/sm761>); Treasury Department September 4, 2019 press release, available at <https://home.treasury.gov/news/press-releases/sm767> (designating 16 entities—AFRICO 1 OFF-SHORE SAL, ALUMIX, BUSHRA SHIP MANAGEMENT PRIVATE LIMITED, FIVE ENERGY OIL TRADING, FOURTEEN STAR SHIPPING MANAGEMENT, HAMRAHAN PISHRO TEJARAT TRADING COMPANY, HOKOUL SAL OFFSHORE, KHADIJA SHIP MANAGEMENT PRIVATE LIMITED, KISH P AND I CLUB,

---

\*\*\* Editor’s note: OFAC also updated the listing of a previously designated entity, with a new name and address information: ENERGY ENGINEERS PROCUREMENT AND CONSTRUCTION (previously GLOBAL TRADING GROUP NV).

MEHDI GROUP, MEHDI OFFSHORE AND SHIP MANAGEMENT PTE. LTD., NAGHAM AL HAYAT LTD., PENTA OCEAN SHIP MANAGEMENT AND OPERATION LLC, TALAQI GROUP, TAWAFUK LTD, VANIYA SHIP MANAGEMENT PRIVATE LIMITED—and 10 individuals—Mohammadreza Ali AKBARI, Shamsollah ASADI, Mahmud ASHTARI, Auj BHARDWAJ, Morteza QASEMI, Zafar Anis Ishteyaq HUSSAIN, Ali Ghadeer MEHDI, Alizaheer Mohammad MEHDI, Ali QASIR, and Rostem QASEMI (previously designated pursuant to E.O. 13382)—forming a shipping network directed by and providing support for the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and its terrorist proxy Hizballah) (see also September 4, 2019 State Department media note, available at <https://www.state.gov/sanctioning-of-vast-irgc-qf-petroleum-shipping-network/>, regarding the same network); 84 Fed. Reg. 48,994 (Sep. 17, 2019) (19 individuals—Abu ABBAS, Ramadan ABDALLAH, Mousa Mohammed ABU MARZOOK, Shaykh Umar Abd AL RAHMAN, Dr. Ayman AL ZAWAHIRI, Abu Hafs AL-MASRI, Abbud AL-ZUMAR, Abd Al Aziz AWDA, Usama bin Muhammad bin Awad BIN LADIN, Shaykh Muhammad Husayn FADLALLAH, George HABBASH, Nayif HAWATMA, Mohammad Shawqi ISLAMBOULI, Ahmad JABRIL, Rifa'i Ahmad Taha MUSA, Talal Muhammad Rashid NAJI, Hasan NASRALLAH, Subhi TUFAYLI, Sheik Ahmed Ismail YASSIN—and 14 entities—AL QA'IDA, AL-AQSA ISLAMIC BANK, AL-AQSA MARTYRS BRIGADE, BEIT EL-MAL HOLDINGS, DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE—HAWATMEH FACTION, GAMA'A AL-ISLAMIYYA, HAMAS, HIZBALLAH, HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT, KAHANE CHAI, PALESTINE ISLAMIC JIHAD—SHAQAQI FACTION, PALESTINE LIBERATION FRONT—ABU ABBAS FACTION, POPULAR FRONT FOR THE LIBERATION OF PALESTINE, POPULAR FRONT FOR THE LIBERATION OF PALESTINE—GENERAL COMMAND); 84 Fed. Reg. 48,996 (Sep. 17, 2019) (nine individuals—Mohamed Ahmed Elsayed Ahmed IBRAHIM, Muhammad Sa'id IZADI, Zaher JABARIN, Marwan Mahdi Salah AL-RAWI, Ismael TASH, Mohamad AMEEN, Muhammad Ali Sayid AHMAD, Almaida Marani SALVIN, Muhamad Ali AL-HEBO—and six entities linked to ISIL—AL HARAM FOREIGN EXCHANGE CO. LTD, SAKSOUK COMPANY FOR EXCHANGE AND MONEY TRANSFER, REDIN EXCHANGE, SMART ITHALAT IHRACAT DIS TICARET LIMITED SIRKETI, AL-HEBO JEWELRY COMPANY, and AL-KHALIDI EXCHANGE); 84 Fed. Reg. 50,884 (Sep. 26, 2019) (three Iranian entities: BANK MARKAZI JOMHOURI ISLAMI IRAN (the CENTRAL BANK OF IRAN), NATIONAL DEVELOPMENT FUND OF IRAN, and ETEMAD TEJARATE PARS CO) (see Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm780>). The September 20, 2019 State Department press statement regarding these designations is available at <https://www.state.gov/u-s-sanctions-irans-central-bank-national-development-fund-and-etemad-tejarat-pars/>, regarding certain designations:

In a failed attempt to disrupt the global economy, the Islamic Republic of Iran attacked the Kingdom of Saudi Arabia. This act of aggression was sophisticated in its planning and brazen in its execution. Regardless of transparent attempts to shift blame, the evidence points to Iran—and only Iran. As a result, President Trump instructed his administration to substantially increase the already-historic sanctions on the world's leading state sponsor of terrorism. Today, we have

followed through on his direction.

The United States has sanctioned Iran's Central Bank and its National Development Fund, as well as Etemad Tejarat Pars, an Iran-based company, which has been found to conceal financial transfers for military purchases. These entities support the regime's terrorism and regional aggression by financing the Islamic Revolutionary Guard Corps, a designated Foreign Terrorist Organization, its Qods Force, and Hizballah, the Iranian regime's chief proxy force.

Also on August 29, 2019, the State Department issued a statement, available at <https://www.state.gov/sanctioning-of-jammal-trust-bank/>, regarding the E.O. 13224 sanctions on Lebanon-based Jammal Trust Bank SAL for supporting Hizballah's illicit financial and banking activities. On August 30, 2019, the State Department issued a press statement, available at <https://www.state.gov/united-states-sanctions-irgc-qods-force-oil-network/>, on the E.O. 13224 designation of ship captain Kumar Akhilesh for acting for or on behalf of the IRGC-Qods Force and blocking of the vessel. OFAC designated Akhilesh and identified the Adrian Darya 1, "an oil tanker transporting 2.1 million barrels of Iranian crude oil ultimately benefitting Iran's Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF)." August 30, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm765>.

OFAC designated eight individuals and 28 entities pursuant to E.O. 13224 in the fourth quarter of 2019: 84 Fed. Reg. 55,379 (Oct. 16, 2019) (one entity, BAHMAN GROUP); 84 Fed. Reg. 65,216 (Nov. 26, 2019) and Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm831> (four individuals—Sayed Habib Ahmad KHAN, Rohullah WAKIL, Ismail BAYALTUN, and Ahmet BAYALTUN—and five entities—SAHLOUL MONEY EXCHANGE COMPANY, AL SULTAN MONEY TRANSFER COMPANY, NEJAAT SOCIAL WELFARE ORGANIZATION, TAWASUL COMPANY, and ACL ITHALAT IHRACAT); Treasury press release, available at <https://home.treasury.gov/index.php/news/press-releases/sm853> (one individual—Abdolhossein KHEDRI—and five entities—GATEWICK LLC, GOMEI AIR SERVICES CO., LTD., JAHAN DESTINATIONS TRAVEL AND TOURISM LLC, KHEDRI JAHAN DARYA CO., and MARITIME SILK ROAD LLC); 84 Fed. Reg. 70,266 (Dec. 20, 2019) (three individuals—Nazem Said AHMAD, Saleh ASSI, and Tony SAAB—and seventeen entities—ARAMOUN 1506 SAL, BEIRUT DIAM SAL, BEIRUT GEM SAL, BEIRUT TRADE SAL, BLUE STAR DIAMOND SAL—OFFSHORE, DAMOUR 850 SAL, DEBBIYE 143 SAL, GEBAA 2480 SAL, MONTECARLO BEACH SAL, NOUMAYRIYE 1057 SAL, NOUR HOLDING SAL, AL YUMUN REAL ESTATE COMPANY SAL, INTER ALIMENT SAL OFF-SHORE, MINOCONGO, PAIN VICTOIRE, SALASKO OFFSHORE S.A.L., and TRANS GAZELLE); see also December 13, 2019 Treasury Department press release, available at <https://home.treasury.gov/index.php/news/press-releases/sm856>, and December 13, 2019 State Department press statement, available at <https://www.state.gov/u-s-designates-lebanese-businessmen-who-have-supported-hizballah/>. The State Department press release regarding designations of "two prominent Lebanese businessmen whose illicit financial activities, including money laundering and tax evasion, have provided financial support for Hizballah," also includes the following:

Nazem Ahmad and Saleh Assi's years of illegitimate business activity to gather and funnel illicit proceeds to Hizballah demonstrate yet again that Hizballah is concerned first and foremost with funding itself and disregards the interests of Lebanon and the Lebanese people. Ahmad and Assi have concealed their illicit revenue from the Lebanese government through means including money laundering, trafficking in conflict diamonds, and tax evasion. They have thereby deprived Lebanon of much-needed tax revenue to ensure there was more money for Hizballah and themselves.

...The designations of Ahmad and Assi, their associate Tony Saab, and their affiliated companies are one tool the United States has deployed to disrupt Hizballah's financial facilitation networks and increase pressure on the group. We will continue to bring pressure on Hizballah and those who support it until Hizballah abandons its terrorist activity.

**c. *Annual certification regarding cooperation in U.S. antiterrorism efforts***

See Chapter 3 for discussion of the Secretary of State's 2019 determination regarding countries not cooperating fully with U.S. antiterrorism efforts.

**10. Cyber Activity and Election Interference**

**a. *Malicious Cyber-Enabled Activities***

For background on E.O. 13694 of April 1, 2015, "Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities," see *Digest 2015* at 677-78.

As discussed *infra*, on September 30, 2019, OFAC designated several individuals and entities pursuant to E.O. 13848 (election interference), some of whom were also designated pursuant to E.O. 13694: AUTOLEX TRANSPORT LTD., BERATEX GROUP LIMITED, and LINBURG INDUSTRIES LTD. 84 Fed. Reg. 53,241 (Oct. 4, 2019).

On December 5, 2019, OFAC designated seventeen individuals—Carlos ALVARES, Aleksei BASHLIKOV, Gulsara BURKHONOVA, David GUBERMAN, Georgios MANIDIS, Azamat SAFAROV, Tatiana SHEVCHUK, Ruslan ZAMULKO, Denis Igorevich GUSEV, Andrey PLOTNITSKIY, Dmitriy Alekseyevich SLOBODSKOY, Kirill Alekseyevich SLOBODSKOY, Dmitriy Konstantinovich SMIRNOV, Ivan Dmitriyevich TUCHKOV, Igor Olegovich TURASHEV, Maksim Viktorovich YAKUBETS, and Artem Viktorovich YAKUBETS—and seven entities—EVIL CORP, BIZNES-STOLITSA, OOO, OPTIMA, OOO, TREID-INVEST, OOO, TSAO, OOO, VERTIKAL, OOO, and YUNIKOM, OOO—pursuant to E.O. 13694. 84 Fed. Reg. 67,772 (Dec. 11, 2019). See also December 5, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm845>.

**b. *Election Interference***

On September 12, 2018, the President issued E.O. 13848, “Imposing Certain Sanctions in the Event of Foreign Interference in a United States Election.” 83 Fed. Reg. 46,843 (Sep. 14, 2018). Among other things, the order requires an assessment of and a report about any election interference and mandates and authorizes certain sanctions in light of the assessment and report.

On September 30, 2019, OFAC designated the following individuals and entities linked to INTERNET RESEARCH AGENCY pursuant to E.O. 13848 (along with certain aircraft and a vessel not listed herein): seven individuals—Dzheykhun Nasimi Ogly ASLANOV, Mikhail Leonidovich BURCHIK, Denis Igorevich KUZMIN, Igor Vladimirovich NESTEROV, Vadim Vladimirovich PODKOPAEV, Yevgeniy Viktorovich PRIGOZHIN, Vladimir Dmitriyevich VENKOV—and four entities—AUTOLEX TRANSPORT LTD. (also designated pursuant to E.O. 13694 for cyber activities and E.O. 13661 regarding the situation in Ukraine), BERATEX GROUP LIMITED (also designated pursuant to E.O. 13694 and E.O. 13661), LINBURG INDUSTRIES LTD. (also designated pursuant to E.O. 13694 and E.O. 13661), and INTERNET RESEARCH AGENCY LLC. 84 Fed. Reg. 53,241 (Oct. 4, 2019); Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm787>; see also September 30, 2019 State Department press statement, available at <https://www.state.gov/u-s-targets-russian-actors-involved-in-efforts-to-influence-u-s-elections/>, which includes the following:

Today, the United States continues to take action in response to Russian attempts to influence U.S. democratic processes by imposing sanctions on four entities and seven individuals associated with the Internet Research Agency and its financier, Yevgeniy Prigozhin. This action increases pressure on Prigozhin by targeting his luxury assets, including three aircraft and a vessel.

**11. The Russia Magnitsky and Global Magnitsky Sanctions Programs and Other Measures Aimed at Corruption and Human Rights Violations**

**a. *The Russia Magnitsky Act***

On May 16, 2019, OFAC designated the following pursuant to the Magnitsky Act: five Individuals—Ruslan GEREMEYEV, Gennady Vyacheslavovich KARLOV, Sergey Leonidovich KOSSIEV, Elena Anatolievna TRIKULYA, Abuzayed VISMURADOV—and one entity, TEREK SPECIAL RAPID RESPONSE TEAM. 84 Fed. Reg. 27,190 (June 11, 2019). A May 16, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm691>, provides information on those designated:

Today, OFAC designated Elena Anatolievna Trikulya (Trikulya) for having participated in efforts to conceal the legal liability for the detention, abuse, or death of Sergei Magnitsky. As an investigator with the Investigative Committee,



Trikulya ignored evidence and signed the denial of a petition to initiate a criminal inquiry into those responsible for Magnitsky's unlawful detention and death. Trikulya's actions demonstrate her participation in efforts to prevent the pursuit of justice for those involved in Magnitsky's detention, abuse, or death.

OFAC also designated Gennady Vyacheslavovich Karlov (Karlov) for having participated in efforts to conceal the legal liability for the detention, abuse, or death of Sergei Magnitsky. As the Deputy Section Chief of the Investigative Committee of the Ministry of Internal Affairs, Karlov made false or misleading claims about Magnitsky's detention and abuse, which in turn provided a justification for Magnitsky's detention. Karlov also oversaw aspects of Magnitsky's detention, including a decision not to respond to complaints made by Magnitsky about his deteriorating health, a decision to transfer Magnitsky to a different prison facility one week prior to a scheduled surgery, and the denial of Magnitsky's requests to allow a visit by his relatives.

Today, OFAC also designated Abuzayed Vismuradov (Vismuradov) for being responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights committed against individuals seeking to expose illegal activity carried out by officials of the Government of the Russian Federation, or to obtain, exercise, defend, or promote internationally recognized human rights and freedoms, such as the freedoms of religion, expression, association, and assembly, and the rights to a fair trial and democratic elections, in Russia. As the commander of the Terek Special Rapid Response Team in the Chechen Republic, Vismuradov was in charge of an operation that illegally detained and tortured individuals on the basis of their actual or perceived LGBTI status.

OFAC also designated the Terek Special Rapid Response Team for being responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights committed against individuals seeking to expose illegal activity carried out by officials of the Government of the Russian Federation, or to obtain, exercise, defend, or promote internationally recognized human rights and freedoms, such as the freedoms of religion, expression, association, and assembly, and the rights to a fair trial and democratic elections, in Russia. Fighters of the Terek Special Response Team detained and tortured persons they believed to be LGBTI, sometimes after the individuals were lured to meetings using social media.

Sergey Leonidovich Kossiev (Kossiev) is also being designated by OFAC for being responsible for extrajudicial killing, torture, or other gross violations of internationally recognized human rights committed against individuals seeking to obtain, exercise, defend, or promote internationally recognized human rights and freedoms, such as the freedoms of religion, expression, association, and assembly, and the rights to a fair trial and democratic elections, in Russia. As the head of the Corrective Colony 7 (IK-7) penal colony in the Republic of Karelia, Kossiev oversaw and participated in the beatings and abuse of prisoners. Kossiev



oversaw and participated in the beatings and abuse of prisoners, and attempted to conceal the evidence of such abuse.

Finally, OFAC is designating Ruslan Geremeyev (Geremeyev) for acting as an agent of or on behalf of Head of Chechen Republic Ramzan Kadyrov in a matter relating to extrajudicial killings, torture, or other gross violations of internationally recognized human rights committed against individuals seeking to obtain, exercise, defend, or promote internationally recognized human rights and freedoms, such as the freedoms of religion, expression, association, and assembly, and the rights to a fair trial and democratic election in Russia. OFAC designated Ramzan Kadyrov pursuant to the Magnitsky Act on December 20, 2017. Geremeyev is a former deputy commander of the Sever Battalion in Chechnya, which is considered part of Kadyrov's personal guard. Russian investigators twice tried to bring charges against Geremeyev as the possible organizer of Boris Nemtsov's murder, but were blocked by the head of the Investigations Committee.

**b. *The Global Magnitsky Sanctions Program***

On December 23, 2016, the Global Magnitsky Human Rights Accountability Act (Pub. L. 114–328, Subtitle F) (the “Global Magnitsky Act” or “Act”) was enacted, authorizing the President to impose financial sanctions and visa restrictions on foreign persons in response to certain human rights violations and acts of corruption. The administration is required by the Act to submit a report on implementation of the Act and efforts to encourage other governments to enact similar sanctions. On December 20, 2017, the President issued E.O. 13818, “Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption.” 82 Fed. Reg. 60,839 (Dec. 26, 2017). E.O. 13818 implements and builds upon the Global Magnitsky Act. See *Digest 2017* at 669–71 for background on E.O. 13818.

On May 17, 2019, OFAC designated the following pursuant to the Global Magnitsky program and E.O. 13818: four individuals (Ana Lilia LOPEZ TORRES, Roberto SANDOVAL CASTANEDA, Lidy Alejandra SANDOVAL LOPEZ, and Pablo Roberto SANDOVAL LOPEZ) and four entities (BODECARNE, IYARI, L-INMO, and VALOR Y PRINCIPIO DE DAR). 84 Fed. Reg. 23,635 (May 22, 2019); May 17, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm692>.

On July 18 2019, OFAC designated the following four individuals pursuant to the Global Magnitsky program and E.O. 13818: Rayan AL-KILDANI, Waad QADO, Nawfal Hammadi AL-SULTAN, Ahmad Abdullah AL-JUBOURI. 84 Fed. Reg. 35,452 (July 23, 2019). See also Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm735>, which provides information on the designated individuals:

Al-Kildani is the leader of the 50th Brigade militia. In May 2018, a video circulated among Iraqi human rights civil society organizations in which al-Kildani cut off the ear of a handcuffed detainee.

The 50th Brigade is reportedly the primary impediment to the return of internally displaced persons to the Ninewa Plain. ... accused ... of intimidation, extortion, and harassment of women.

Qado is the leader of the 30th Brigade militia. The 30th Brigade has extracted money from the population around Bartalla, in the Ninewa Plain, through extortion, illegal arrests, and kidnappings. The 30th Brigade has frequently detained people without warrants, or with fraudulent warrants, and has charged arbitrary customs fees at its checkpoints. Members of the local population allege that the 30th Brigade has been responsible for egregious offenses including physical intimidation, extortion, robbery, kidnapping, and rape.

Al-Sultan is a former governor of Ninewa Province, Iraq. Following a ferry accident in Ninewa's capital, Mosul, that killed nearly 100 people, Iraq's parliament removed al-Sultan from office. The ferry, loaded to five times its capacity, had been carrying families to an island on the Tigris River when it sank. Iraqi authorities have issued an arrest warrant for the former governor, who fled shortly after the accident.

Al-Sultan has faced allegations of widespread corruption since 1994. He was removed from his first post as mayor because of corruption and a conviction on smuggling charges. In 2017, the United Nations Development Program suspended reconstruction projects after multiple allegations of al-Sultan siphoning off United Nations funds.

Al-Jubouri, also known as Abu Mazin, is a former governor of Salah al-Din, Iraq, and current Member of Parliament who has engaged in corruption. Al-Jubouri was removed as governor and sentenced to prison in July 2017 upon conviction for misusing authority and federal funds and appropriating land for personal use. Al-Jubouri has since been released. Al-Jubouri has been known to protect his personal interests by accommodating Iran-backed proxies that operate outside of state control.

On September 13, 2019, OFAC designated Kale KAYIHURA pursuant to E.O. 13818 for involvement in both serious human rights abuse and corruption. 84 Fed. Reg. 58,456 (Oct. 31, 2019); see also September 13, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm775>, which explains that the OFAC action was in conjunction with the State Department's Section 7031(c) designation of Kayihura, discussed *infra*. The Treasury Department press release describes Kayihura as follows:

As the [Inspector General of Police (IGP) of the Ugandan Police Force (UPF)], Kayihura led individuals from the UPF's Flying Squad Unit, which has engaged in the inhumane treatment of detainees at the Nalufenya Special Investigations

Center (NSIC). Flying Squad Unit members reportedly used sticks and rifle butts to abuse NSIC detainees, and officers at NSIC are accused of having beaten one of the detainees with blunt instruments to the point that he lost consciousness. Detainees also reported that after being subjected to the abuse they were offered significant sums of money if they confessed to their involvement in a crime.

In addition, Kayihura has engaged in numerous acts of corruption, including using bribery to strengthen his political position within the Government of Uganda, stealing funds intended for official Ugandan government business, and using another government employee to smuggle illicit goods, including drugs, gold, and wildlife, out of Uganda.

On October 10, 2019, OFAC sanctioned four individuals for corruption in South Africa pursuant to E.O. 13818: Salim ESSA, Ajay GUPTA, Atul GUPTA, and Rajesh GUPTA. 84 Fed. Reg. 58,456 (Oct. 31, 2019); Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm789>; see also State Department press statement, available at <https://www.state.gov/global-magnitsky-sanctions-against-corruption-network-in-south-africa/>. The State Department press statement includes the following:

We commend the critical role played by South Africa's civil society activists, whistleblowers, and investigative journalists to shine the spotlight on the Gupta network's elicitation of criminal abuse of public office and other acts of corruption, which have deterred investment and impeded South Africa's economic growth. The United States strongly supports ongoing efforts by the Government of South Africa, including its independent judiciary, judicial commissions of inquiry, and law enforcement agencies, to investigate and prosecute alleged instances of corruption. Successfully prosecuting and deterring corruption is essential to building a future of accountable government that fosters economic growth and opportunity for all of South Africa's citizens.

On October 11, 2019, OFAC designated two individuals and six entities pursuant to E.O. 13818 for involvement in corruption in South Sudan: Ashraf Seed Ahmed AL-CARDINAL and Kur AJING ATER; AL CARDINAL INVESTMENTS CO. LTD, ALCARDINAL GENERAL TRADING LIMITED, ALCARDINAL GENERAL TRADING LLC, ALCARDINAL PETROLEUM COMPANY LIMITED, NILETEL, and LOU TRADING AND INVESTMENT COMPANY LIMITED. 84 Fed. Reg. 58,457 (Oct. 31, 2019); see also State Department press statement, available at <https://www.state.gov/treasury-sanctions-individuals-for-corruption-in-south-sudan/> and Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm790>.

In a December 6, 2019 press statement, available at <https://www.state.gov/on-sanctioning-those-involved-in-killing-protestors-and-corruption-in-iraq/>, the State Department announced OFAC sanctions on four Iraqis pursuant to E.O. 13818 due to their involvement in serious human rights abuse and corruption. Those designated are:

Iranian-backed militia leaders Qais AL-KHAZALI, Laith AL-KHAZALI, and Husayn Falih ‘Aziz AL-LAMI, and Iraqi politician Khamis Farhan al-Khanjar AL-ISSAWI. See December 6, 2019 Treasury Department press release at <https://home.treasury.gov/news/press-releases/sm847>.

On December 6, 2019, the State Department held a special briefing with Assistant Secretary of State for Near Eastern Affairs David Schenker on designations of Iraqis pursuant to the Global Magnitsky program. The briefing is transcribed at <https://www.state.gov/assistant-secretary-for-near-eastern-affairs-david-schenker-on-iraqi-global-magnitsky-designations/>, and excerpted below.

---

\* \* \* \*

Today the United States is sanctioning three Iraqis for their involvement in the brutal crackdown on peaceful protesters in Iraq, and a fourth for corruption and bribery.

Treasury designated Qais al-Khazali, Laith al-Khazali, Husayn Falih ‘Aziz al-Lami, pursuant to Executive Order 13818 for their involvement in serious human rights abuses in Iraq. Additionally, OFAC designated politician Khamis Farhan al-Khanjar al-Issawi for bribing government officials and engaging in widespread corruption at the expense of the Iraqi people.

According to the UN, over 400 Iraqis have been killed while protesting for better governance and a brighter future. For several months, the Iraqi people have led a patriotic quest for genuine reform and transparency in government. They have gone to the streets to raise their voices for a just government with leaders who will put Iraq’s national interests first.

Frankly, without that commitment from Iraq’s political leaders, it makes little difference who they designate as prime minister. As I said last week, Iraqis are fed up with economic stagnation, endemic corruption, and mismanagement. They want better from their leaders, and they want accountability.

Iraqis are also demanding their country back. Three of today’s designees—al-Lami, Qais al-Khazali and Laith al-Khazali—were directed by Iranian regime when they or the armed groups they lead committed serious human rights abuses. Iraqis have paid a steep and bloody price for the malign influence of Iranian regime. Tehran claims it is exporting “revolution”. It is increasingly clear to us and the people of the region, however, that the theocracy’s top export is corruption and repression.

As for Khamis al-Khanjar, he’s wielded significant political influence through the bribery of Iraqi political figures. The Iraqi people are protesting corruption of this very sort.

\* \* \* \*

In a December 10, 2019 press statement, the Department of State reviewed the Global Magnitsky designations made during 2019. The press statement is available at <https://www.state.gov/united-states-takes-action-against-corruption-and-serious-human-rights-abuse/> and excerpted below.

---

\* \* \* \*

This week and last, the United States announced 72 sanctions designations under the Global Magnitsky sanctions program. These actions target serious human rights abuse and corruption on a global scale, demonstrating the United States' action to pursue tangible and significant consequences for those who undermine the rule of law, disregard internationally accepted human rights standards, and threaten the stability of international political and economic systems.

As the world recognizes International Anticorruption Day on December 9 and International Human Rights Day on December 10, the United States is doing its part to promote accountability by remaining committed to the American ideals underpinning Global Magnitsky. In 2019 alone, the United States has designated 97 individuals and entities under this program, which complement other tools and authorities the United States uses to impose economic and visa restrictions on malign actors. We will continue to leverage these tools to disrupt and deter human rights abuse and corruption around the globe in 2020 and beyond.

The United States also applauds our international partners for their commitment to these same ideals. We congratulate the European Union on its decision yesterday to pursue the development of an EU Human Rights Sanctions regime. These tools isolate, deter, and promote accountability for states, leaders, individuals, and entities whose actions run contrary to global values of respect for human rights and combatting corruption.

Finally, we also commend the courageous work of civil society and journalists, who play an important role in exposing human rights abuse and corruption and in holding public officials accountable. Together, we must strive to ensure those who have committed such acts are cut off from the benefits of access to our financial systems and our shores.

\* \* \* \*

Also on December 10, 2019, the State Department released a media note announcing a tranche of Global Magnitsky designations, which is available at <https://www.state.gov/global-magnitsky-program-designations-for-corruption-and-serious-human-rights-abuse/>, and excerpted below. See also Treasury Department press releases, available at <https://home.treasury.gov/index.php/news/press-releases/sm849> and <https://home.treasury.gov/news/press-releases/sm852>.

---

\* \* \* \*

On International Anticorruption Day and International Human Rights Day, the United States reiterates its commitment to combat corruption and to promote and protect human rights globally. The Department of the Treasury's Office of Foreign Assets Control designated 68 individuals and entities pursuant to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act, targeting corrupt individuals and perpetrators of serious human rights abuse.

Designations of the following individuals and entities under E.O. 13818 relate to corruption in Cambodia, Latvia, and Serbia:

**TRY PHEAP**—built a large-scale illegal logging network that relies on the collusion of Cambodian officials. In one instance, Try Pheap paid Cambodian National Park officials to keep his operations secret from the international community. ...[E]leven Cambodia-registered entities owned or controlled by Try Pheap were also designated for corruption: [...]

**KUN KIM**—a former senior General in the Royal Cambodian Armed Forces (RCAF), who has reaped significant financial benefit from his relationship with a People's Republic of China (PRC) state-owned entity. Kim used RCAF soldiers to intimidate, demolish, and clear out land sought by the PRC-owned entity. Three members of Kun Kim's family and five entities owned or controlled by these individuals were concurrently designated for corruption: [...]

**AIVARS LEMBERGS**—the Mayor of Ventspils, Latvia, and an oligarch accused of money laundering, bribery, and abuse of office. The following four Latvia-based entities owned or controlled by Aivars Lembergs were also designated: [...]

The following nine individuals and seven associated entities were designated for acting or purporting to act for or on behalf of Slobodan Tesic, a previously designated arms dealer.

**GORAN ANDRIC**—a close associate of Slobodan Tesic who facilitated arms deals on behalf of designated entities. An entity owned, controlled by, that acted on behalf of, or purported to have acted on behalf of Goran Andric and/or Slobodan Tesic was concurrently designated: **Velcom Trade D.O.O. Beograd**

**ESAD KAPIDZIC**—an associate of Slobodan Tesic who received and moved money on his behalf. Two entities owned, controlled by, that acted on behalf of, or are purported to have acted on behalf of Esad Kapidsic and/or Slobodan Tesic were concurrently designated: [...]

**NEBOJSA SARENAC**—nephew and close associate of Slobodan Tesic who serves as managing director of previously designated entities associated with the Slobodan Tesic as well as of an entity concurrently designated: **Melvale Corporation D.O.O. Beograd**

**ZORAN PETROVIC**—managing director and principal of previously designated entity that has negotiated on Slobodan Tesic's behalf.

**NIKOLA BRKIC**—a principal and legal representative of a previously designated entity involved in Slobodan Tesic's arms network.

**MILAN SUBOTIC**—owner, managing director, and representative of the following Serbia-based entity concurrently designated for facilitating Slobodan Tesic's arms deals: **Vectura Trans DOO**

**ZELIMIR PETROVIC**—owner, managing director, and representative of ... Serbia-based [**Araneks DOO**] concurrently designated for facilitating Slobodan Tesic's arms deals...

**SRETEN CVJETKOVIC**—part owner and legal representative of a previously designated entity involved in Slobodan Tesic's arms network.

**LJUBO MARICIC**—director of and former representative of previously designated entities involved in Slobodan Tesic's arms network.

In addition, three separate entities were designated for acting or purporting to act for or on behalf of Slobodan Tesic, a previously designated arms dealer. [...]

Designations of the following individuals and entities under E.O. 13818 relate to serious human rights abuse in Burma, Pakistan, Slovakia, Libya, the Democratic Republic of Congo, and South Sudan:

---

\*\*\* Editor's note: On December 18, 2019, OFAC removed sanctions imposed on the Ventspils Freeport Authority after the Latvian government passed legislation removing it from the control of oligarch Aivar Lembergs. See Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm860>.

**MIN AUNG HLAING**—Commander-in-Chief of the Burmese security forces, members of which have committed serious human rights abuse under his command.

**SOE WIN**—Deputy Commander-in-Chief of the Burmese security forces, members of which have committed serious human rights abuse during his tenure.

**THAN OO**—a leader of the 99th Light Infantry Division (Burma), an entity whose members have engaged in serious human rights abuse under his command.

**AUNG AUNG**—a leader of the 33rd Light Infantry Division (Burma), an entity whose members have engaged in serious human rights abuse under his command.

These designations do not affect Burmese military-owned or operated enterprises.

**RAO ANWAR KHAN**—former Senior Superintendent of Police in District Malir, Pakistan, responsible for serious human rights abuse, including alleged involvement in over 400 extra-judicial killings, including the murder of Naezebullah Mehsood.

**MARIAN KOCNER**—a prominent Slovak businessman charged with ordering the murder of investigative journalist Jan Kuciak and his fiancée, Martina Kusnirova. Marian Kocner is accused of hiring former Slovak Intelligence Service members to surveil Kuciak ahead of the murder. Kuciak’s investigative journalism exposed how Kocner earned millions of Euros through fraudulent tax returns and corrupt dealings and highlighted connections to the police and prosecutors. The following six entities owned or controlled by Marian Kocner were concurrently designated: [...]

**MAHMUD AL-WARFALLI**—a commander of the al-Saiqa Brigade (Libya). Since 2016, al-Warfalli has carried out or ordered the killings of 43 unarmed detainees in eight separate incidents.

The following individuals are being designated for being the leader of the Allied Democratic Forces (ADF) of the Democratic Republic of Congo [“DRC”] or for materially assisting the ADF through recruitment, logistics, administration, financing, intelligence, and operations coordination. The ADF was designated in 2014 as an armed group active in DRC responsible for targeting children in situations of armed conflict, including through killing, rape, abduction, and forced displacement impacting the Great Lakes region.

**MUSA BALUKU**—leader of the ADF, an entity that has engaged in, or whose members have engaged in, serious human rights abuse.

In addition, five commanders of the ADF who have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of the ADF, an entity that has engaged in, or whose members have engaged in, serious human rights abuse were designated: **AMIGO KIBIRIGE, MUHAMMED LUMISA, ELIAS SEGUJJA, KAYIIRA MUHAMMAD, AMISI KASADHA**

The following members of the security forces of the Government of South Sudan designated for their role in serious human rights abuse including abuse carried out against prominent political and civil society actors whose views did not accord with those of the ruling regime. Government security force actions such as these, which have narrowed political space in South Sudan, are a significant impediment to full implementation of the nation’s peace process. The U.S. decision to designate these individuals reflects our determination to promote accountability of all those impeding South Sudan’s peace process. We urge regional and international partners to take similar action so as to send a clear signal that further delays in South Sudan’s peace process are unacceptable to the international community.



**ABUD STEPHEN THIONGKOL**—commander of the South Sudan detention facility where a member of the Sudan People’s Liberation Movement – In Opposition (SPLM-IO) and a human rights lawyer were held before being killed.

**MALUAL DHAL MUORWEL**—responsible for or complicit in, or directly or indirectly engaged in the killings of a member of the SPLM-IO and a human rights lawyer and has been identified as the commander of forces who detained and assaulted three international monitors in December of 2018.

**MICHAEL KUAJIEN**—responsible for or complicit in, or directly or indirectly engaged in the kidnapping of a member of the SPLM-IO and a human rights lawyer.

**JOHN TOP LAM**—responsible for or complicit in, or directly or indirectly engaged in the kidnapping of a member of the SPLM-IO and a human rights lawyer.

**ANGELO KUOT GARANG**—responsible for or complicit in, or directly or indirectly engaged in the killings of a member of the SPLM-IO and a human rights lawyer, as well as the killings of other individuals.

\* \* \* \*

Secretary Pompeo also remarked on the Global Magnitsky sanctions imposed on December 10, International Human Rights Day, in his December 11, 2019 remarks to the press. His remarks are available at

<https://www.state.gov/secretary-michael-r-pompeo-remarks-to-the-press-3/>, and include the following:

Since Monday, the U.S. Government has designated an additional 68 individuals and entities in nine countries for corruption and human rights abuses using the Global Magnitsky Act. As you’ll recall, that act authorized the United States Government to call out corruption, human rights offenders, freeze their assets, ban them from entering our great country. The 68 individuals and entities sanctioned this week hail from Burma, from Cambodia, from the Democratic Republic of the Congo, from Latvia, Libya, Pakistan, Serbia, Slovakia, and South Sudan.

The human rights abuses that we are attempting to stop include extrajudicial killings, mass executions of unarmed detainees, the murder of an investigative journalist, and the use of rape, murder, and abductions as weapons of war. Notably, we sanctioned four Burmese military leaders responsible for rape, executions, and systemic violence against the innocent Rohingya villagers and other religious and ethnic minorities. We are the first and only country to take public action against the commander-in-chief of the Burmese military forces, Min Aung Hlaing, and his deputy. We call on others to do the same.

***c. Designations under Section 7031(c) of the Annual Consolidated Appropriations Act***

The Department of State acts pursuant to Section 7031(c) of the Department of State’s annual appropriations act (the original provision having been enacted in the Fiscal Year 2008 appropriations act and continued and expanded in subsequent appropriations

acts) to designate those involved in gross violations of human rights (“GVHRs”) or significant corruption, and their immediate family members. Officials and their immediate family members designated under Section 7031(c) are ineligible for entry into the United States. The following summarizes public designations by the Secretary of State in 2019 pursuant to 7031(c).

On February 22, 2019, the State Department announced the designation under Section 7031(c) of several individuals from the Democratic Republic of Congo (“D.R.C.”) for their involvement in significant corruption related to the electoral process in the country. See media note, available at <https://www.state.gov/public-designation-of-and-visa-restrictions-placed-on-multiple-officials-of-the-democratic-republic-of-the-congo-due-to-involvement-in-significant-corruption-human-rights-violations-or-abuses-or-u/>. The following individuals were designated: Mr. Corneille Nangaa, President of the D.R.C. National Independent Electoral Commission (“CENI”); Mr. Norbert Basengezi Katintima, Vice President of CENI; Mr. Marcellin Mukolo Basengezi, Advisor to the President of CENI; Mr. Aubin Minaku Ndjalandjoko, President of the D.R.C.’s National Assembly; and Mr. Benoit Lwamba Bindu, President of the D.R.C.’s Constitutional Court. The Secretary of State also imposed visa restrictions on election officials as well as military and government officials believed to be responsible for, complicit in, or to have engaged in human rights violations or abuses or undermining of the democratic process in the D.R.C.

On March 25, 2019, the State Department announced in a media note, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-former-guatemalan-official-blanca-aida-stalling-davila/>, the Section 7031(c) designation (due to involvement in significant corruption) of former Guatemalan official Blanca Aida Stalling Davila. The Secretary of State also designated her adult sons Julio Alejandro Molina Stalling and Otto Fernando Molina Stalling.

On April 8, 2019, the Department announced in a media note, available at <https://www.state.gov/public-designation-of-sixteen-saudi-individuals-under-section-7031c-of-the-fy-2018-department-of-state-foreign-operations-and-related-programs-appropriations-act/>, the Section 7031(c) designations of sixteen Saudi individuals for their involvement in the murder of Jamal Khashoggi. Those designated are Saud al-Qahtani, Maher Mutreb, Salah Tubaigy, Meshal Albostani, Naif Alarifi, Mohammed Alzahrani, Mansour Abahussain, Khalid Alotaibi, Abdulaziz Alhawsawi, Waleed Alsehri, Thaar Alharbi, Fahad Albalawi, Badr Alotaibi, Mustafa Almadani, Saif Alqahtani, Turki Alsehri.

On April 25, 2019, the State Department announced in a media note, available at <https://www.state.gov/public-designation-due-to-gross-violations-of-human-rights-of-muslim-khuchiev-the-chairman-of-the-government-of-the-chechen-republic-of-the-russian-federation/>, the Section 7031(c) designation of Chairman of the Government of the Chechen Republic Muslim Khuchiev, due to his involvement in GVHRs. The Department also designated his spouse, Sapiyat Shabazova.

On July 3, 2019, the State Department announced in a media note, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-malawian-official-uladi-basikolo-mussa/>, the Section 7031(c) designation

of Uladi Basikolo Mussa, the Malawian Special Advisor on Parliamentary Affairs and former Malawian Minister of Home Affairs, due to his involvement in significant corruption. The Secretary of State also designated Mr. Mussa's spouse, Cecillia Mussa.

On July 16, 2019, the State Department announced in a press statement, available at <https://www.state.gov/public-designation-due-to-gross-violations-of-human-rights-of-burmese-military-officials/>, the Section 7031(c) designation of the following Burmese individuals and their immediate family members for their involvement in GVHRs in northern Rakhine State, during the ethnic cleansing of Rohingya: Commander-in-Chief Min Aung Hlaing, Deputy Commander-in-Chief Soe Win, Brigadier General Than Oo, Brigadier General Aung Aung. The press statement also includes the following:

One egregious example of the continued and severe lack of accountability for the military and its senior leadership was the recent disclosure that Commander-in-Chief Min Aung Hlaing ordered the release of the soldiers convicted of the extrajudicial killings at Inn Din during the ethnic cleansing of Rohingya. The Commander-in-Chief released these criminals after only months in prison, while the journalists who told the world about the killings in Inn Din were jailed for more than 500 days.

On August 1, 2019, the State Department announced in a press statement, available at <https://www.state.gov/public-designation-of-anselem-nhamo-sanyatwe-under-section-7031c-of-the-fy-2019-department-of-state-foreign-operations-and-related-programs-appropriations-act/>, that it was designating Anselem Nhamo Sanyatwe under Section 7031(c) for involvement in GVHRs. The press statement provides the following information on the designation:

The Secretary of State is publicly designating Anselem Nhamo Sanyatwe, former Commander of the Zimbabwe National Army's Presidential Guard Brigade and current Ambassador Designate of Zimbabwe to Tanzania, ...due to his involvement in gross violations of human rights. ... The Department has credible information that Anselem Nhamo Sanyatwe was involved in the violent crackdown against unarmed Zimbabweans during post-election protests on August 1, 2018 that resulted in six civilian deaths.

The law also requires the Secretary of State to publicly or privately designate such officials and immediate family members. In addition to the designation of Anselem Nhamo Sanyatwe, the Department is also publicly designating his spouse, Chido Machona.

On August 2, 2019, in a press statement available at <https://www.state.gov/the-united-states-publicly-designates-venezuelas-rafael-enrique-bastardo-mendoza-and-ivan-rafael-hernandez-dala-for-gross-violations-of-human-rights/>, the State Department announced designations of Venezuela's Rafael Enrique Bastardo Mendoza and Ivan

Rafael Hernandez Dala pursuant to Section 7031(c) for involvement in GVHRs. The press statement explains further:

The security and intelligence organizations led by Bastardo and Hernandez have been implicated for their human rights violations and abuses and the repression of civil society and the democratic opposition. These acts were documented extensively in the July 5, 2019 report by the United Nations High Commissioner for Human Rights, as well as credible reports by other human rights organizations. The United Nations High Commissioner for Human Rights report noted at least 7,523 extrajudicial killings documented by a Venezuelan non-governmental organization.

In accordance with the law, in addition to the designation of Bastardo and Hernandez, I am publicly designating Bastardo's spouse, Jeisy Catherine Leal Andarcia, and Hernandez's spouse, Luzbel Carolina Colmenares Morales, as well as the minor children of both officials.

On August 14, 2019, the Department announced in a press statement, available at <https://www.state.gov/public-designation-of-sudans-salah-gosh-under-section-7031c/>, the Section 7031(c) designation of Salah Abdalla Mohamed Mohamed Salih, known as Salah Gosh, the former director general of Sudan's National Intelligence and Security Services, due to his involvement in GVHRs. The press statement specifies that Salah Gosh was involved in torture. The Department also designated his spouse, Awatif Ahmed Seed Ahmed Mohamed, and daughter, Shima Salah Abdallah Mohamed.

On September 5, 2019, in a media note available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-romania-liviu-nicolae-dragnea/>, the State Department announced the designation under Section 7031(c) of Liviu Nicolae Dragnea, a former government official in Romania, due to his involvement in significant corruption. Mr. Dragnea's two children, Valentin Ștefan Dragnea and Maria Alexandra Dragnea, were also designated.

On September 10, 2019, in a press statement available at <https://www.state.gov/public-designation-due-to-involvement-in-gross-violations-of-human-rights-of-vladimir-yermolayev-and-stepan-tkach-officials-of-the-investigative-committee-in-the-russian-federation/>, the State Department announced the designations of Vladimir Yermolayev and Stepan Tkach, officials of the Investigative Committee in the Russian Federation, for their involvement in GVHRs, pursuant to Section 7031(c). The press statement elaborates:

The Department has credible information that Yermolayev and Tkach were involved in torture and/or cruel, inhuman, or degrading treatment or punishment of Jehovah's Witnesses in Surgut, Russia. On February 15, 2019, officers of the Surgut Investigative Committee, led by Yermolayev and Tkach, subjected at least seven Jehovah's Witnesses to suffocation, electric shocks, and severe beatings during interrogation at the Committee's headquarters. This brutality stands in marked contrast to the peaceful practices of the Jehovah's

Witnesses who have been criminally prosecuted for their religious beliefs in Russia since a 2017 Supreme Court decision affirming their wrongful designation as an “extremist organization.”

On September 13, 2019, the Department designated Kale Kayihura and his family members under Section 7031(c) for involvement in GVHRs. The State Department press statement on the designation, available at <https://www.state.gov/public-designation-due-to-gross-violations-of-human-rights-of-kale-kayihura-of-uganda/>, identifies Kayihura as, “the former Inspector General of the Uganda Police Force and its commanding officer from 2005-2018.” The statement goes on to say that, “Kayihura was involved in torture and/or cruel, inhuman, or degrading treatment or punishment, through command responsibility of the Flying Squad, a specialized unit of the Uganda Police Force that reported directly to Kayihura.” The Treasury Department concurrently designated Kayihura under E.O. 13818. Immediate family members subject to designation include his spouse, Angela Umurisa Gabuka, his daughter, Tesi Uwibambe, and his son, Kale Rudahigwa.

On September 26, 2019, the Department designated Raul Modesto Castro Ruz, the First Secretary of the Central Committee of the Cuban Communist Party and First Secretary of the Cuban Revolutionary Armed Forces, under Section 7031(c), due to his involvement in GVHRs. See State Department press statement, available at <https://www.state.gov/public-designation-of-raul-castro-due-to-involvement-in-gross-violations-of-human-rights/>. The Department also designated his children, Alejandro Castro Espin, Deborah Castro Espin, Mariela Castro Espin, and Nilsa Castro Espin. The press statement further explains:

As First Secretary of the Cuban Communist Party, Raul Castro oversees a system that arbitrarily detains thousands of Cubans and currently holds more than 100 political prisoners. As First Secretary of Cuba’s Armed Forces, Castro is responsible for Cuba’s actions to prop up the former Maduro regime in Venezuela through violence, intimidation, and repression. In concert with Maduro’s military and intelligence officers, members of the Cuban security forces have been involved in gross human rights violations and abuses in Venezuela, including torture. Castro is complicit in undermining Venezuela’s democracy and triggering the hemisphere’s largest humanitarian crisis, forcing 15 percent of the Venezuelan population to flee the country and precipitating a food shortage and health crisis of unprecedented scale in this region.

On October 25, 2019 the Department designated Owen Ncube under Section 7031(c) due to his involvement in GVHRs in his capacity as Zimbabwe’s Minister of State for National Security. See press statement, available at <https://www.state.gov/public-designation-of-owen-ncube-due-to-involvement-in-gross-violations-of-human-rights-under-section-7031c-of-the-fy-2019-department-of-state-foreign-operations-and-related-programs-appropriati/>. The press statement includes the following:

We are deeply troubled by the Zimbabwean government's use of state-sanctioned violence against peaceful protestors, and civil society, as well as against labor leaders and members of the opposition leaders in Zimbabwe. We urge the government to stop the violence, investigate, and hold accountable officials responsible for human rights violations and abuses in Zimbabwe.

On November 16, 2019, the State Department designated Julio Cesar Gandarilla Bermejo, Minister of Cuba's Ministry of the Interior (MININT), under Section 7031(c), due to his involvement in GVHRs. See press statement, available at <https://www.state.gov/public-designation-of-julio-cesar-gandarilla-bermejo-under-section-7031c-of-the-fy-2019-department-of-state-foreign-operations-list/>. The Department also designated his children, Julio Cesar Gandarilla Sarmiento and Alejandro Gandarilla Sarmiento. The press statement includes the following:

In addition to the GVHRs in Venezuela that serve as basis for this designation, Cuba's Ministry of the Interior is responsible for arbitrarily arresting and detaining thousands of Cuban citizens and unlawfully incarcerating more than 100 political prisoners in Cuba. Ministry officials have overseen the torture of political dissidents, detainees, and prisoners, as well as the murder of some of these individuals by police and security forces. Gandarilla Bermejo is complicit in arbitrarily or unlawfully surveilling these groups, whether they be citizens or visitors.

On November 18, 2019, the State Department designated former Kenyan Attorney General Amos Sitswila Wako under Section 7031(c) for involvement in significant corruption. See press statement, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-kenyas-former-attorney-general-amos-sitswila-wako/>. The Department also designated Wako's wife, Flora Ngaira, and son, Julius Wako.

On December 3, 2019, the State Department designated former Guatemalan Minister of Communications, Infrastructure, and Housing Alejandro Sinibaldi under Section 7031(c) due to his involvement in significant corruption. See press statement, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-former-guatemalan-minister-alejandro-sinibaldi/>. The Department also designated his spouse, Maria Jose Saravia Mendoza, his son Alejandro Sinibaldi Saravia, and his two minor children.

On December 10, 2019, the State Department designated two former Paraguayan officials under Section 7031(c) due to their involvement in significant corruption: former president of Paraguay's judicial disciplinary board and senator, Oscar Gonzalez Daher, and former Attorney General, Javier Diaz Veron. See media note, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-two-former-paraguayan-officials-oscar-gonzalez-daher-and-javier-diaz-veron/>. The Department also designated the following members of Mr. Daher's immediate family: Nelida Chaves de Gonzalez, Oscar Ruben Gonzalez Chaves,



and Maria Gonzalez Chaves; and the following members of Mr. Veron's immediate family: Maria Selva Morinigo, Yeruti Diaz Morinigo, Manuel Diaz Morinigo, Alejandro Diaz Morinigo, and Mr. Veron's minor child.

Also on December 10, 2019, the Department designated Cambodian official Kun Kim and Latvian official Aivars Lembergs under Section 7031(c) due to their involvement in significant corruption. See media note, available at <https://www.state.gov/public-designations-due-to-significant-corruption-of-latvian-and-cambodian-officials/>. The Department also designated Kun Kim's spouse King Chandy and children Kim Phara and Kim Sophary and Aivars Lembergs's wife, Kristine Lembergs, and children Anrijs Lembergs and Liga Lembergs.

On December 20, 2019, the Department designated Honduran Congressman Oscar Ramon Najera (and his son, Oscar Roberto Najera Lopez) pursuant to Section 7031(c). See press statement, available at <https://www.state.gov/public-designation-due-to-involvement-in-significant-corruption-of-honduran-congressman-oscar-ramon-najera/>. The press statement provides the following on Mr. Najera:

In his official capacity, Mr. Najera engaged in and benefitted from public corruption related to the Honduran drug trafficking organization Los Cachiros. In May 2013, the United States identified Los Cachiros as a significant foreign narcotics trafficking group pursuant to the Kingpin Act.

## **12. Targeted Visa Restrictions and Sanctions Relating to Threats to Democratic Process and Restoration of Peace, Security, and Stability**

### ***a. China (relating to Xinjiang)***

In an October 8, 2019 press statement from Secretary Pompeo, available at <https://www.state.gov/u-s-department-of-state-imposes-visa-restrictions-on-chinese-officials-for-repression-in-xinjiang/>, the State Department announced visa restrictions on Chinese officials involved in the repression of minority groups in Xinjiang. Excerpts follow from the press statement.

The Chinese government has instituted a highly repressive campaign against Uighurs, ethnic Kazakhs, Kyrgyz, and other members of Muslim minority groups in the Xinjiang Uighur Autonomous Region (Xinjiang) that includes mass detentions in internment camps; pervasive, high-tech surveillance; draconian controls on expressions of cultural and religious identities; and coercion of individuals to return from abroad to an often perilous fate in China. Today, I am announcing:

- Visa restrictions on Chinese government and Communist Party officials who are believed to be responsible for, or complicit in, the detention or abuse of Uighurs, Kazakhs, or other members of Muslim minority groups in Xinjiang, China. Family members of such persons may also be subject to these restrictions.



- These visa restrictions complement yesterday's announcement by the Department of Commerce regarding the imposition of export restrictions on U.S. products exported to 28 entities, including elements of the Public Security Bureau and commercial companies in Xinjiang, involved in China's campaign of surveillance, detention, and repression.

The United States calls on the People's Republic of China to immediately end its campaign of repression in Xinjiang, release all those arbitrarily detained, and cease efforts to coerce members of Chinese Muslim minority groups residing abroad to return to China to face an uncertain fate. The protection of human rights is of fundamental importance, and all countries must respect their human rights obligations and commitments. The United States will continue to review its authorities to respond to these abuses.

On October 9, 2019, the Department of Commerce added 28 entities located in China to the Entity List (entities acting contrary to the national security or foreign policy interests of the United States), also in response to the repression of minority groups in Xinjiang. 84 Fed. Reg. 54,002 (Oct. 9, 2019). The consequences for entities on the Entity List include a license requirement for all items subject to the EAR and a license review policy of case-by-case review for certain Export Control Classification Numbers as well as a presumption of denial for other items subject to the Export Administration Regulations ("EAR"). The Federal Register notice includes the following:

Pursuant to § 744.11(b) of the EAR, the [End-User Review Committee, or] ERC determined that the Xinjiang Uighur Autonomous Region (XUAR) People's Government Public Security Bureau, eighteen of its subordinate municipal and county public security bureaus and one other subordinate institute are engaging in activities contrary to the foreign policy interests of the United States, and eight additional entities are enabling activities contrary to the foreign policy interests of the United States. Specifically, these entities have been implicated in human rights violations and abuses in the implementation of China's campaign of repression, mass arbitrary detention, and high-technology surveillance against Uighurs, Kazakhs, and other members of Muslim minority groups in the XUAR.

**b. *Nicaragua***

On November 27, 2018, the President issued E.O. 13851, "Blocking Property of Certain Persons Contributing to the Situation in Nicaragua." In an April 17, 2019 media note, available at <https://www.state.gov/additional-financial-sanctions-against-nicaragua/>, the State Department announced additional sanctions pursuant to E.O. 13851:

The United States has sanctioned Laureano Ortega and Banco Corporativo SA (Bancorp), pursuant to Executive Order 13851...

Laureano Ortega, son of President Daniel Ortega and Vice President Rosario Murillo, is a key enabler of the Ortega regime's corruption. On the

regime's behalf, he has sought international financial support and foreign investment. In doing so, he has placed the interests of his family and his personal fortune ahead of the interests of the Nicaraguan people by engaging in corrupt business deals. Bancorp has served as the personal slush fund for the Ortega family and the instrument for corrupt deals with Nicolas Maduro and his former regime in Venezuela.

See also 84 Fed. Reg. 22,937 (May 20, 2019) (designations of Ortega and Bancorp); April 17, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm662>.

On June 21, 2019, OFAC designated four individuals pursuant to E.O. 13851. 84 Fed. Reg. 34,049 (July 16, 2019) (Gustavo Eduardo PORRAS CORTES (also designated pursuant to the Nicaragua Human Rights and Anticorruption Act of 2018 (NHRAA), Public Law 15–335); Orlando Jose CASTILLO CASTILLO; Sonia CASTRO GONZALEZ (also designated pursuant to NHRAA); and Oscar Salvador MOJICA OBREGON). See June 21, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm715>.

In Public Notice 10838, dated July 6, 2019, the Department of State certified pursuant to Section 6(A) of the Nicaragua Human Rights and Anticorruption Act of 2018 that the Government of Nicaragua is not taking effective steps to:

- Strengthen the rule of law and democratic governance, including the independence of the judicial system and electoral council;
- combat corruption, including by investigating and prosecuting cases of public corruption;
- protect civil and political rights, including the rights of freedom of the press, speech, and association, for all people of Nicaragua, including political opposition parties, journalists, trade unionists, human rights defenders, indigenous peoples, and other civil society activists;
- investigate and hold accountable officials of the Government of Nicaragua and other persons responsible for the killings of individuals associated with the protests in Nicaragua that began on April 18, 2018; and
- hold free and fair elections overseen by credible domestic and international observers.

84 Fed. Reg. 37,380 (July 31, 2019).

On November 7, 2019, OFAC designated three Nicaraguan government officials under E.O. 13851 for their role in human rights abuse, election fraud, and corruption in Nicaragua: Ramon Antonio Avellan Medal, Lumberto Ignacio Campbell Hooker, and Roberto Jose Lopez Gomez. November 7, 2019 Treasury press release, available at <https://home.treasury.gov/news/press-releases/sm828>. OFAC simultaneously designated Ramon Antonio Avellan Medal for human rights abuse pursuant to the Nicaragua Human Rights and Anticorruption Act of 2018 ("NHRAA"). *Id.* On November 8,

2019, the State Department issued a press statement about the recent Nicaragua-related sanctions, available at <https://www.state.gov/further-financial-sanctions-to-address-human-rights-abuses-and-corruption-in-nicaragua/>. The press statement explains:

The United States has sanctioned key regime officials Roberto Jose Lopez Gomez, Ramon Antonio Avellan Medal, and Lumberto Ignacio Campbell Hooker pursuant to Executive Order 13851 (“Blocking Property of Certain Persons Contributing to the Situation in Nicaragua”). With this action, their U.S. assets are blocked and U.S. persons are generally prohibited from engaging in transactions with Lopez, Avellan, and Campbell. Avellan was concurrently designated under the Nicaragua Human Rights and Anti-Corruption Act of 2018.

Avellan is Deputy Director General of the Nicaraguan National Police (NNP) and has been instrumental in maintaining Ortega’s control of the police and his parapolice counterparts, essential tools of the regime’s repression. The NNP conducts arbitrary arrests, extrajudicial executions, and disappearances of anti-government protesters. This campaign of repression by the NNP and parapolice under Avellan’s command has led to scores of deaths and hundreds more injured. Campbell is the Acting President of the Supreme Electoral Council and responsible for electoral manipulation in Ortega’s favor, ensuring Ortega and his allies prevail in elections through fraudulent means. Lopez is a retired Army officer and Director of the Nicaraguan Social Security Institute (INSS). He orchestrated President Ortega’s use of public retirement funds to reward loyalists and defraud Nicaraguans, in addition to employing INSS enforcement mechanisms to target political opponents.

On December 12, 2019, OFAC sanctioned the son of President Ortega for money laundering and supporting corruption, along with companies used by members of the Ortega family to enrich themselves. See Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm854>. The State Department also issued a press statement announcing OFAC’s December 12 E.O. 13851 designations, which is available at <https://www.state.gov/the-united-states-takes-action-against-the-ortega-regime-in-nicaragua/>, and includes the following:

Today, the United States announces new financial sanctions against Daniel Ortega’s son Rafael Ortega and three Nicaraguan companies. ...

Today’s action, prohibits U.S. persons from conducting transactions with Rafael Ortega, Inversiones Zanzibar, Servicio De Proteccion Y Vigilancia, and DNP. Rafael Ortega is a key money manager for the Ortega family, working alongside the previously sanctioned Vice President of Nicaragua and First Lady Rosario Murillo. Rafael Ortega uses at least two companies under his control, Inversiones Zanzibar, S.A and Servicio De Proteccion Y Vigilancia, S.A., to generate profits, launder money, and gain preferential access to markets for the Ortega regime. He uses Inversiones Zanzibar to obscure the transfer of profits

from Distribuidor Nicaraguense de Petroleo, also designated today, and as a front company to procure fuel stations in an attempt to obscure DNP's ownership of such fuel stations. Servicio De Proteccion Y Vigilancia is a security firm which has received millions in Nicaraguan government contracts. DNP is a chain of gas stations controlled by the Ortega family. DNP was purchased with public money and then transferred to the Ortega family, and it benefits from non-competitive contracts with government institutions.

**c. Nigeria**

In a July 23, 2019 press statement, the State Department announced visa restrictions on Nigerians believed to be responsible for, or complicit in, undermining the democratic process. The press statement is available at <https://www.state.gov/imposing-visa-restrictions-on-nigerians-responsible-for-undermining-the-democratic-process/>.

**d. Mali**

On July 26, 2019, the President issued Executive Order 13882, "Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Mali." 84 Fed. Reg. 37,055 (July 30, 2019). The action responds to:

repeated violations of ceasefire arrangements made pursuant to the 2015 Agreement on Peace and Reconciliation in Mali; the expansion of terrorist activities into southern and central Mali; the intensification of drug trafficking and trafficking in persons, human rights abuses, and hostage-taking; and the intensification of attacks against civilians, the Malian defense and security forces, the United Nations Multi-dimensional Integrated Stabilizations Mission in Mali (MINUSMA), and international security presences...

Sections 1 and 2 of the E.O. are excerpted below.

---

\* \* \* \*

**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: any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) to be responsible for or complicit in, or to have directly or indirectly engaged in, any of the following in or in relation to Mali:

(A) actions or policies that threaten the peace, security, or stability of Mali;

(B) actions or policies that undermine democratic processes or institutions in Mali;

(C) a hostile act in violation of, or an act that obstructs, including by prolonged delay, or threatens the implementation of, the 2015 Agreement on Peace and Reconciliation in Mali;

(D) planning, directing, sponsoring, or conducting attacks against local, regional, or state institutions, the Malian defense and security forces, any international security presences, MINUSMA peacekeepers, other United Nations or associated personnel, or any other peacekeeping operations;

(E) obstructing the delivery or distribution of, or access to, humanitarian assistance;

(F) planning, directing, or committing an act that violates international humanitarian law or that constitutes a serious human rights abuse or violation, including an act involving the targeting of civilians through the commission of an act of violence, abduction or enforced disappearance, forced displacement, or an attack on a school, hospital, religious site, or location where civilians are seeking refuge;

(G) the use or recruitment of children by armed groups or armed forces in the context of the armed conflict in Mali;

(H) the illicit production or trafficking of narcotics or their precursors originating or transiting through Mali;

(I) trafficking in persons, smuggling migrants, or trafficking or smuggling arms or illicitly acquired cultural property; or

(J) any transaction or series of transactions involving bribery or other corruption, such as the misappropriation of Malian public assets or expropriation of private assets for personal gain or political purposes;

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

(iii) 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. (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 date of this order.

**Sec. 2.** The unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section 1 of this order would be detrimental to the interests of the United States, and the entry of such persons into the United States, as immigrants or nonimmigrants, is hereby suspended, except where the Secretary of State determines that the person's entry is in the national interest of the United States, including when the Secretary so determines based on a recommendation of the Attorney General, that the person's entry would further important United States law enforcement objectives. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

\* \* \* \*

A July 26, 2019, State Department press statement, available at <https://www.state.gov/the-white-house-announces-actions-to-combat-violence-in-mali/>, provides the following on the new order relating to Mali:

The UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) has faced more violence and danger than any other peacekeeping mission in UN history. We commend the difficult work these peacekeepers and their partners do in the region. The signatory parties to the 2015 peace accord—both government and armed group—have made distressingly little headway in implementing key components of the accord that could move Mali toward broader peace and tackle many of the grievances that push Malian citizens toward violence.

The President's executive order will freeze assets and suspend travel for individuals or entities that seek to undermine the peace, security, or stability of Mali. The United States will continue to work with its partners and the UN's Mali Sanctions Committee to identify those who seek to capitalize on instability or maintain the status quo rather than work towards peace, and make them subject to the full effect of sanctions.

On December 20, 2019, the United States sanctioned five individuals pursuant to E.O. 13882. See State Department press statement, available at <https://www.state.gov/united-states-sanctions-five-malian-individuals/>. The press statement says that the sanctions are "in line with UN Security Council Resolution 2484 (2019)," and target "individuals threatening the peace, security, and stability in Mali, as well as an individual obstructing humanitarian assistance." Those sanctioned are identified in the OFAC press release, available at <https://home.treasury.gov/news/press-releases/sm866>:

**HOUKA HOUKA AG ALHOUSSEINI**

Houka Houka Ag Alhousseini (Houka Houka) was designated for being responsible for, or complicit in, or having directly or indirectly engaged in, actions or policies that threaten the peace, security, or stability of Mali.

Houka Houka is an active fighter for Jama'at Nusrat al-Islam wal-Muslimin (JNIM), a designated Foreign Terrorist Organization (FTO). Houka Houka has been responsible for tax collection activities to raise funds for Al-Qa'ida in the Islamic Maghreb (AQIM) operations in Mali. AQIM is also a designated FTO. Houka Houka has extended his authority by using the fear that AQIM instigates in the Timbuktu region through targeted assassinations and complex attacks against Malian and international defense and security forces.

**MAHRI SIDI AMAR BEN DAHA**

Mahri Sidi Amar Ben Daha (Ben Daha) was designated for being responsible for, or complicit in, or having directly or indirectly engaged in, actions or policies that threaten the peace, security, or stability of Mali.

Ben Daha operates transportation companies in eastern Mali that launder narcotics trafficking money and deliver supplies to jihadists. Ben Daha has used profits from illicit narcotics trafficking to purchase commercial bus and trucking companies. From November 14 to 18, 2018, Ben Daha instructed dozens

of combatants to blockade the venue for regional consultations in Gao in coordination with Mohamed Ould Mataly, effectively blocking discussion on key provisions of the 2015 Agreement on Peace and Reconciliation related to reform of the territorial structure of northern Mali.

**MOHAMED OULD MATALY**

Mohamed Ould Mataly (Ould Mataly) was designated for being responsible for, or complicit in, or having directly or indirectly engaged in, actions or policies that threaten the peace, security, or stability of Mali.

In November 2018, Ould Mataly coordinated with his close associate Mahri Sidi Amar Ben Daha to instruct dozens of combatants to blockade the venue for regional consultations in Gao, blocking discussion on key provisions of the Agreement. In July 2016, Ould Mataly was one of the instigators of demonstrations hostile to the implementation of the Agreement.

**MOHAMED BEN AHMED MAHRI**

Mohamed Ben Ahmed Mahri (Ben Ahmed Mahri) was designated for being responsible for, or complicit in, or having directly or indirectly engaged in, actions or policies that threaten the peace, security, or stability of Mali.

Ben Ahmed Mahri has funded terrorist armed groups through his drug trafficking, notably Al-Murabitun, which merged with other terrorist groups to form JNIM, with control over routes that cross northern Mali from Mauritania, Burkina Faso, and Niger. Ben Ahmed Mahri uses convoys led by UN-sanctioned individual Ahmoudou Ag Asriw to traffic drugs. These trafficking convoys frequently generate clashes with competitors associated with other armed groups.

**AHMED AG ALBACHAR**

Ahmed Ag Albachar (Ag Albachar) was designated for being responsible for, or complicit in, or having directly or indirectly engaged in, obstructing the delivery or distribution of, or access to, humanitarian assistance, in relation to Mali.

Ag Albachar, the self-proclaimed president of a humanitarian commission, has intimidated and extorted aid organizations in Mali's Kidal region, severely hindering their work. Ag Albachar has controlled which humanitarian projects take place, as well as the projects' location, timing, and who implements them. Ag Albachar has also usurped a significant share of humanitarian aid in the Kidal region by imposing illegitimate constraints on humanitarian actors under the threat of violence.

**e. *South Sudan***

In a December 12, 2019 press statement, Secretary Pompeo announced visa restrictions on South Sudan peace process spoilers. The press statement, available at <https://www.state.gov/visa-restrictions-on-south-sudan-peace-process-spoilers/>, includes the following:



The people of South Sudan have suffered enough while their leaders delay the implementation of a sustainable peace. The South Sudanese deserve leaders who are committed to building consensus and willing to compromise for the greater good. As the United States re-evaluates its bilateral relationship with the Government of South Sudan, the Department of State will implement visa restrictions under Immigration and Nationality Act Section 212(a)(3)(C) against those who undermine or impede the peace process in South Sudan. Individuals who have directly or indirectly impeded peace including: violating a ceasefire or cessation of hostilities agreement; violating the UN arms embargo; engaging in corruption that fuels the conflict; suppressing freedoms of expression, association, peaceful assembly, or other abuses or violations; or by failing to abide by signed peace agreements may be subject to visa restrictions. Such visa restrictions could include immediate family members of these individuals.

On December 16, 2019, OFAC designated two senior South Sudanese officials pursuant to E.O. 13664: Minister of Cabinet Affairs Martin Elia Lomuro and Minister of Defense and Veteran Affairs Kuol Manyang Juuk. See Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm857>. The press release explains:

Minister of Cabinet Affairs Martin Elia Lomuro has been responsible for actively recruiting and organizing local militias to conduct attacks against opposition forces in South Sudan; and, Minister of Defense and Veteran Affairs Kuol Manyang Juuk has failed to remove military forces from the battlefield as agreed, fomented violence with rival tribes, and oversaw the training of tribal militias to prepare for the possibility of renewed violence. These ministers perpetuated the conflict to cement the political status quo, fueling South Sudan's war economy.

***f. Democratic Republic of the Congo***

On March 21, 2019, Corneille Yobeluo NANGAA, Norbert Basengezi KATINTIMA, and Marcellin BASENGEZI were designated pursuant to E.O. 13671, for being responsible for or complicit in, or having engaged in, directly or indirectly, actions or policies that undermine democratic processes or institutions in the Democratic Republic of the Congo. 84 Fed. Reg. 30,804 (June 27, 2019); March 21, 2019 Treasury Department press release, available at <https://home.treasury.gov/news/press-releases/sm633>. See *supra* regarding their designations by the State Department under Section 7031(c). On August 15, 2019, OFAC designated Francois OLENGA pursuant to E.O. 13671 on the same grounds. 84 Fed. Reg. 43,259 (Aug. 20, 2019).

### 13. Transnational Crime

Executive Order 13581, “Blocking Property of Transnational Criminal Organizations,” was signed in 2011. On March 15, 2019, the President signed Executive Order 13863, “Taking Additional Steps to Address the National Emergency With Respect to Significant Transnational Criminal Organizations.” 84 Fed. Reg. 10,255 (Mar. 19, 2019). E.O. 13863 amends E.O. 13581 by providing the following definition:

(e) the term “significant transnational criminal organization” means a group of persons that includes one or more foreign persons; that engages in or facilitates an ongoing pattern of serious criminal activity involving the jurisdictions of at least two foreign states, or one foreign state and the United States; and that threatens the national security, foreign policy, or economy of the United States.

## B. EXPORT CONTROLS

### 1. Additions to Entity List: Huawei

Effective May 16, 2019, the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”), added Huawei Technologies Co., Ltd. (“Huawei”) and 68 of its non-U.S. affiliates to the Entity List. 84 Fed. Reg. 22,961 (May 21, 2019). The additions were predicated on the determination “there is reasonable cause to believe that Huawei has been involved in activities contrary to the national security or foreign policy interests of the United States,” and that the Huawei affiliates “pose a significant risk of involvement in activities contrary to the national security or foreign policy interests of the United States.” *Id.* The Export Administration Regulations (“EAR”) impose additional license requirements on, and limit the availability of most license exceptions for exports, reexports, and transfers (in-country) to, those on the Entity List. *Id.* The Federal Register notice provides the following on the determination:

To illustrate, Huawei has been indicted in the U.S. District Court for the Eastern District of New York on 13 counts of violating U.S. law (Superseding Indictment), including violations of the International Emergency Economic Powers Act (IEEPA), by knowingly and willfully causing the export, reexport, sale and supply, directly and indirectly, of goods, technology and services (banking and other financial services) from the United States to Iran and the government of Iran without obtaining a license from the Department of Treasury's Office of Foreign Assets Control (OFAC), as required by OFAC's Iranian Transactions and Sanctions Regulations ([31 CFR part 560](#)), and conspiracy to violate IEEPA by knowingly and willfully conspiring to cause the export, reexport, sale and supply, directly and indirectly, of goods, technology and services (banking and other financial services) from the United States to Iran and the government of Iran without obtaining a license from OFAC as required by OFAC's Iranian Transactions and Sanctions Regulations ([31 CFR part 560](#)). The Superseding Indictment also alleges

that Huawei and an Iranian-based affiliate, working with others, knowingly and willfully conspired to impair, impede, obstruct, and defeat, through deceitful and dishonest means, the lawful government operations of OFAC.

Further, Huawei's affiliates present a significant risk of acting on Huawei's behalf to engage in such activities ... . Without the imposition of a license requirement as to these affiliated companies, there is reasonable cause to believe that Huawei would seek to use these entities to evade the restrictions imposed by its addition to the Entity List. As set forth in the Superseding Indictment filed in the Eastern District of New York, Huawei participated along with certain affiliates in the alleged criminal violations of U.S. law, including one or more non-U.S. affiliates. The Superseding Indictment also alleges that Huawei and affiliates acting on Huawei's behalf engaged in a series of deceptive and obstructive acts designed to evade U.S. law and to avoid detection by U.S. law enforcement.

Commerce issued (and extended) a Temporary General License ("TGL") allowing certain involvement in transactions with Huawei and its affiliates. See press releases, available at <https://www.commerce.gov/news/press-releases/2019/05/departments-commerce-issues-limited-exemptions-huawei-products>, <https://www.commerce.gov/news/press-releases/2019/08/departments-commerce-adds-dozens-new-huawei-affiliates-entity-list-and>, and <https://www.commerce.gov/news/press-releases/2019/11/us-department-commerce-extends-huawei-temporary-general-license>.

Effective August 19, 2019, BIS added 46 more Huawei affiliates to the Entity List. 84 Fed. Reg. 43,493 (Aug. 21, 2019).

## **2. Debarments**

On June 6, 2019, the State Department published notice of the statutory debarment of 23 individuals and entities for violating the Arms Export Control Act ("AECA"). 84 Fed. Reg. 26,500 (June 6, 2019); see also State Department media note, available at <https://www.state.gov/u-s-department-of-state-debars-23-persons-for-violating-or-conspiring-to-violate-the-arms-export-control-act/>.

## **3. Consent Agreements**

### **a. *Darling Industries***

In a February 28, 2019 media note, available at <https://www.state.gov/u-s-department-of-state-concludes-400000-settlement-of-alleged-export-violations-by-darling-industries-inc/>, the State Department announced the conclusion of an administrative settlement with Darling Industries, Inc. ("Darling") of Tucson, AZ, resolving alleged violations of the AECA and the International Traffic in Arms Regulations ("ITAR"). The media note explains further:

The Department of State and Darling have reached an agreement pursuant to ITAR § 128.11 to address alleged unauthorized exports of defense articles, including technical data; the unauthorized furnishing of defense services; and failure to appoint a qualified Empowered Official. ...

Under the terms of the eighteen (18) month Consent Agreement, Darling will pay a civil penalty of \$400,000. The Department has agreed to suspend \$200,000 of this amount on the condition that the funds have or will be used for Department-approved Consent Agreement remedial compliance measures. Also, Darling must conduct an external audit to assess and improve its compliance program during the Consent Agreement term.

Darling voluntarily disclosed to the Department the alleged AECA and ITAR violations, which are resolved under this settlement. Darling also acknowledged the serious nature of the alleged violations, cooperated with the Department's review, and instituted a number of compliance program improvements during the course of the Department's review. For these reasons, the Department has determined that it is not appropriate to administratively debar Darling at this time.

**b. *L3Harris Technologies, Inc.***

In a September 23, 2019 media note, available at <https://www.state.gov/u-s-department-of-state-concludes-13-million-settlement-of-alleged-export-violations-by-l3harris-technologies-inc/>, the State Department announced the conclusion of an administrative settlement with L3Harris Technologies, Inc. (L3Harris) of Melbourne, Florida, to resolve alleged violations of the AECA and the ITAR. The media note explains further:

Under the terms of the 36-month Consent Agreement, L3Harris will pay a civil penalty of \$13 million. The Department has agreed to suspend \$6.5 million of this amount on the condition that the funds have or will be used for Department-approved Consent Agreement remedial compliance measures. In addition, an external Special Compliance Officer will be engaged by L3Harris to oversee the Consent Agreement, which will also require the company to conduct two external audits of its compliance program during the Agreement term as well as implement additional compliance measures.

**c. *AeroVironment***

On November 20, 2019, the State Department announced in a media note, available at <https://www.state.gov/u-s-department-of-state-concludes-1000000-settlement-of-alleged-export-violations-by-aerovironment-inc/>, that it had concluded an administrative settlement with AeroVironment, Inc. (AV) of Simi Valley, California,

relating to the AECA and ITAR. Information about the settlement as provided in the media note follows:

The Department of State and AV have reached an agreement pursuant to ITAR § 128.11 to address alleged unauthorized exports of defense articles, including technical data; the failure to properly maintain records involving ITAR-controlled transactions; and violations of the provisos, terms, and conditions of export authorizations. ...

Under the terms of the twenty-four (24) month Consent Agreement, AV will pay a civil penalty of \$1,000,000. The Department has agreed to suspend \$500,000 of this amount on the condition that the funds have or will be used for Department-approved Consent Agreement remedial compliance measures. AV must also hire an outside Special Compliance Officer (SCO) for a term of one year and conduct an external audit to assess and improve its compliance program during the Consent Agreement term.

AV voluntarily disclosed to the Department the alleged AECA and ITAR violations, which are resolved under this settlement. AV also acknowledged the serious nature of the alleged violations, cooperated with the Department's review, and instituted a number of compliance program improvements during the course of the Department's review. For these reasons, the Department has determined that it is not appropriate to administratively debar AV at this time.

#### **4. Litigation**

##### **a. Stagg v. Department of State**

As discussed in *Digest 2016* at 677-79, plaintiff in *Stagg* lost a motion seeking to enjoin enforcement of provisions of the ITAR licensing scheme that would require a license for dissemination of information that is in the public domain but was previously made public without a license. The Court of Appeals affirmed the district court's denial of the preliminary injunction. In 2019, the case was decided by the district court on cross motions for summary judgment. In a January 30, 2019 decision, the district court held that the challenged ITAR provisions do not violate the First or Fifth Amendment of the U.S. Constitution and granted the State Department's motion for summary judgment. *Stagg v. Dept. of State*, 354 F.Supp.3d 448 (S.D.N.Y. 2019). On April 25, 2019, the court denied plaintiff's motion for reconsideration. Plaintiff has appealed the district court's decision.

##### **b. Washington v. Department of State**

In 2016, the Fifth Circuit upheld State Department enforcement of AECA and ITAR restrictions on the posting of CAD files for 3D printing of various weapons on the website of Defense Distributed. For background on the litigation in *Defense Distributed*, see *Digest 2015* at 680-84 and *Digest 2016* at 668-75. The State Department

subsequently reached a settlement with Defense Distributed and other parties to the prior litigation, allowing the publication on the Internet of the CAD files for the automated production of 3D-printed weapons. Several states then sued in federal court in the State of Washington, claiming the federal government action was *ultra vires* and in violation of the Administrative Procedure Act (“APA”) and the Tenth Amendment to the U.S. Constitution. On November 12, 2019, the U.S. District Court for the Western District of Washington issued a decision, finding that the removal of the restrictions on publication of the CAD files was arbitrary and capricious and rejecting the U.S. government position that the court lacked jurisdiction to consider such challenges to this type of agency regulatory determination. *Washington v. United States Dep’t of State*, 420 F. Supp. 3d 1130 (W.D. Wash. 2019). Defense Distributed has appealed the district court’s November 12, 2019 decision.\*

**c. Thorne v. Department of State**

In *Thorne et al. v. Department of State, et al.*, No. 2:19cv1982 (D. Nev. Dec. 23, 2019), plaintiff Thorne challenged the State Department’s denial of his licenses for the permanent export of firearms and ammunition to South African entities (also plaintiffs)—including the agency classification of one of the entities as an “unreliable recipient” of U.S.-origin defense articles that were transferred to unauthorized end users. The court found that the government’s denial of licenses and reliability determination in this case are not subject to judicial reconsideration under the APA and are absolutely committed to the agency’s judgment in furtherance of national security and foreign policy (citing *Heckler v. Chaney*, 470 U.S. 821, 830 (1985) and 22 C.F.R. § 128.1).

---

\* Editor’s note: The U.S. government did not appeal the district court’s decision. On January 23, 2020, agency rulemaking reassigned the relevant items to be subject to Department of Commerce regulation, 85 Fed. Reg 3819, prompting a new legal challenge by the State of Washington in federal district court in the Western District of Washington. The United States has appealed from the Western District of Washington’s grant of a preliminary injunction against enforcement of certain aspects of the January 23, 2020 rulemaking. *Washington v. U.S. State Department*, 20-cv-111 (W.D. Wash 2020). *Digest 2020* will discuss further developments.

**Cross References**

*U.S. Passports Invalid for Travel to North Korea*, **Ch. 1.A.5.**  
*Suspension of Entry related to Venezuela*, **Ch. 1.B.4.b.**  
*Suspension of Entry of Senior Officials of the Government of Iran* **Ch. 1.B.4.c.**  
*Denial of Visas to PLO and Palestinian Authority Officials*, **Ch. 1.B.4.d.**  
*U.S. actions against terrorist groups*, **Ch. 3.B.1.c.**  
*FinCEN re Iran as money laundering concern*, **Ch. 3.B.4.**  
*UN Investigative Team for Accountability of Da'esh/ISIL ("UNITAD")*, **Ch. 3.C.3.a.**  
*ICJ re Iran*, **Ch. 7.B.1.**  
*Inter-American Treaty of Reciprocal Assistance (Venezuela sanctions)*, **Ch. 7.D.1.**  
*OAS actions on Venezuela*, **Ch. 7.D.2.a.**  
*Cuba Claims*, **Ch. 8.D.**  
*Recognition of Juan Guaido as interim president of Venezuela*, **Ch. 9.A.2.**  
*Cuba*, **Ch. 9.A.7.**  
*Ukraine*, **Ch. 9.B.1.**  
*Restrictions on Air Service to Cuba*, **Ch. 11.A.3.**  
*Turkey agreement to ceasefire in Northeast Syria*, **Ch. 17.B.2.**  
*Caesar Syria Civilian Protection Act of 2019*, **Ch. 17.C.2.**  
*Action in self-defense against Iranian UAS*, **Ch. 18.A.2.**  
*Iran's attempted space launches*, **Ch. 19.B.4.a.**  
*OPCW adds Novichok to CWC Annex on Chemicals*, **Ch. 19.D.1.b.**  
*Chemical weapons in Syria*, **Ch. 19.D.2.**