

Fried Frank International Trade and Investment *Alert*TM



President Obama Imposes Sanctions on Venezuelan Officials

On March 9, 2015, President Obama issued an [Executive Order](#) imposing economic sanctions on certain current and former Venezuelan officials involved in human rights abuses and public corruption. The Executive Order implements, and expands upon, the Venezuela Defense of Human Rights and Civil Society Act of 2014, which became law in December 2014. The designated persons are subject to an asset freeze and travel ban, and the Treasury Department is authorized to designate further individuals and entities. These sanctions build upon Executive and Congressional action taken by the United States over the past year in response to the Venezuelan military's crackdown on protestors and related anti-democratic activity.

The primary effect of the Executive Order is to target and subject to an asset freeze persons determined by the United States:

- (i) to be responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, or to have participated in:
 - a. actions or policies that undermine democratic processes or institutions;
 - b. significant acts of violence or conduct that constitutes a serious abuse or violation of human rights, including during anti-government protests since February 2014;
 - c. actions that prohibit, limit, or penalize the exercise of freedom of expression or peaceful assembly; or
 - d. public corruption by senior Venezuelan government officials;
- (ii) to be a current or former leader of an entity that has, or whose members have, engaged in any activity described in (i), or of an entity blocked under this Executive Order;
- (iii) to be current or former Venezuelan government officials;
- (iv) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any activity described in (i) or of an entity blocked under this Executive order; or
- (v) to be owned or controlled by, or acting on behalf of, any person blocked under this Executive Order.

The Executive Order designates seven individuals who are current or former officials in the Venezuelan military, police, or intelligence service. These individuals are considered blocked, and U.S. persons may not transact with them. In addition to authorizing an asset freeze, the Executive Order also suspends entry into the United States, as immigrants or non-immigrants, by individuals meeting the criteria for the blocking sanctions.

The White House has [stated](#) that these sanctions are “aimed at persons involved in or responsible for the erosion of human rights guarantees, persecution of political opponents, curtailment of press freedoms, use of violence and human rights violations and abuses in response to antigovernment protests, and arbitrary arrest and detention of antigovernment protestors, as well as the significant public corruption by senior government officials in Venezuela.” However, the U.S. Government has made clear that it is not targeting the people, country, or government of Venezuela.

This latest round of sanctions builds upon export control and visa restrictions imposed on Venezuela in 2014, as we [previously reported](#). This is also the first use of the President’s authority under the December 2014 Venezuela sanctions legislation. In fact, this Executive Order expands upon the human rights-related legislation by targeting those involved in undermining democratic processes and public corruption in Venezuela. On that score, the White House noted that Venezuela is considered the most corrupt country in Latin America, and the United States is seeking to safeguard its financial system from the inflow of illegal proceeds from public corruption. Interestingly, the White House even [contrasted this move](#) with its recent opening of relations with Cuba, one of Venezuela’s main allies: “[I]t’s unfortunate that during a time when we’ve opened up engagement with every other nation in the Americas, Venezuela has opted to go in the opposite direction. Despite the difficulties in our official relationship, the United States remains committed to maintaining our strong and lasting ties with the people of Venezuela, and is open to improving our relationship with the Venezuelan government.”

If you have any questions regarding this Executive Order or how it may impact your business, please reach out to the contacts listed below.

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This alert is not intended to provide legal advice, and no legal or business decision should be based on its content. If you have any questions about the contents of this alert, please call your regular Fried Frank contact or an attorney listed below:

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