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THE GLOBAL MAGNITSKY HUMAN RIGHTS ACCOUNTABILITY ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON AFRICA, GLOBAL HEALTH, GLOBAL HUMAN RIGHTS, AND INTERNATIONAL ORGANIZATIONS

OF THE

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HOUSE OF REPRESENTATIVES

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THE GLOBAL MAGNITSKY HUMAN RIGHTS ACCOUNTABILITY ACT

WEDNESDAY, APRIL 29, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA, GLOBAL HEALTH,
GLOBAL HUMAN RIGHTS, AND INTERNATIONAL ORGANIZATIONS,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 o'clock p.m., in room 2255 Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The subcommittee will come to order, and good afternoon. I apologize to our witnesses and guests for the delay. We did have a series of votes, and we can never anticipate that. So I want to apologize for that rather significant delay of ½ hour.

The Sergei Magnitsky Rule of Law Accountability Act of 2012 directed the President to publish and update a list of each person the President has reason to conclude was responsible for the detention, abuse, or death of Sergei Magnitsky, a leader and accounting advisor with Firestone Duncan, an international law and accounting firm with offices in Moscow and London.

William Browder, chief executive officer of Hermitage Capital Management, Limited, one of today's witnesses and a driving force behind the 2012 Magnitsky Act and the legislation that has now been introduced and is pending before our committee, has provided a detailed account of the violent expropriation of the assets of Hermitage, the largest foreign investment brokerage in Russia, by rampant Russian Government corruption, bribery, fraud, forgery, cronyism, and outright theft.

Magnitsky had documented Hermitage's loss and other financial dealings, including draining some $230 million from the Russian Treasury by tax fraud. He was arrested in November 2008 reportedly for tax evasion, and denied medical care, family visits, or due legal process, while in custody. He was beaten and tortured and died in prison in November 2009. He was 37 years old and married with two young children.

The Sergei Magnitsky Rule of Law Accountability Act of 2012 targeted those who participated in related liability concealment efforts, financially benefitted from Sergei Magnitsky's detention, abuse, or death, or were involved in the criminal conspiracy uncovered by Magnitsky or responsible for extrajudicial killings, torture, or other human rights violations committed against individuals

seeking to expose illegal activity carried out by Russian officials or against persons seeking to promote human rights and freedoms.

The act directed the Secretaries of State and Treasury to annually report to Congress on actions taken to implement the act, including rejecting visa applications, revoking existing visas, and blocking property transactions for persons the President put on the Magnitsky list.

The United States is, as we all know, the land of opportunity, but it should not be for those who misused and murdered Sergei Magnitsky. Without the original act, the government officials and business people who perpetrated crimes against a young man, against a major international firm, and against even the Russian people themselves by stealing from them could have taken their ill-gotten gains and come to this country to purchase property and live the good life in the United States.

Today's hearing will examine the need for H.R. 624, the Global Magnitsky Human Rights Accountability Act, which extends these human rights and anti-corruption tools to other countries. The House passed the 2012 Magnitsky Act by a vote of 365 to 43, and there is a strong majority-minority co-sponsorship for H.R. 624.

Since the original Magnitsky Act became law in December 2012, human rights victims and advocates from around the world and anti-corruption champions have asked for a Global Magnitsky Act, first asking that such acts be enacted for specific countries.

H.R. 624 ensures, with minimal cost or burden to the U.S., that our Government gives some justice to victims and stands in solidarity with them in a tangible way, shines a spotlight on perpetrators making them pariahs, and pressures governments to prosecute perpetrators who are their citizens.

The Global Magnitsky Act is intended to destruct the impunity and comfort that far too many international human rights violators currently enjoy, and to keep their tainted money out of our financial systems. It also fights the human rights abuses and corruption that generate national security terrorism and economic threats to the United States.

A few years ago Teodorin Obiang Mangue, son of the President of Equatorial Guinea, visited the United States regularly using funds siphoned from American companies operating in his country. He lived a glamorous life in Malibu, California, dating celebrities and collecting expensive cars. When France issued a warrant for his arrest after he refused to appear at a money laundering hearing, his father provided him with diplomatic immunity to escape prosecution.

In 2012, June, after years of trying to track Teodorin's wealth, the U.S. Department of Justice finally filed a lawsuit in California court alleging massive money laundering and listing among the scandalous kettle of assets his $35 million Malibu mansion with a four-hole golf course, tennis court, and two swimming pools. That is just one of the acquisitions he made in the United States.

The financial manipulations of this young man led in part to the closing of Riggs Bank in Washington, one of the capital's premier financial institutions. Such people should not be able to steal from foreign firms and their own people and then use those funds to live lavishly in our country.

Similarly, those who torture and otherwise commit the worst human rights violations against others should not be welcomed here either. And I have written legislation over the years to enforce that principle. The Ethiopia Freedom, Democracy, and Human Rights Advancement Act of 2006 would have prevented officials who ordered the callous shooting of peaceful demonstrators in Ethiopia from entering this country.

The Foreign Relations Act for Fiscal Years 2000 and 2001 became law—I was the prime sponsor of it—and it required the U.S. Government to impose visa bans on any foreign national the Secretary of State has determined is directly involved in establishing or enforcing population control policies that force a woman to undergo abortions against her will or force a man or woman to undergo sterilizations against their will.

And then there is the Belarus Democracy Act of 2004 and its reauthorizations, which also became law, that imposed visa bans and asset freezes on government officials from the Government of Belarus because of their violations of basic human rights and freedoms, and that has now malaffected, as it should, one of the last dictators in Europe, Alexander Lukashenka, and his cronies.

If we stand by quietly when governments refuse to prosecute human rights abusers and financial fraudsters, then we welcome those guilty of such crimes into the U.S. and into our financial systems, we are indeed enabling their crimes. The 2012 Magnitsky Act was a major step in freeing ourselves from aiding and abetting international perpetrators.

H.R. 624 makes the next step in taking a stand against their crimes. If we are serious about rejecting their deeds, perhaps their governments and other governments will become more serious as well.

I would like to yield to Ms. Bass, the ranking member of the subcommittee.

Ms. BASS. Thank you, Chairman Smith, for your leadership and for calling today's hearing on the Global Magnitsky Human Rights Accountability Act, to give us an opportunity to discuss the need to examine the act toward a global vehicle to hold individuals accountable for human rights abuses.

I would also like to thank our distinguished witnesses for today, including representatives from a range of organizations concerned with global human rights issues. I look forward to hearing each of your perspectives, including your assessment of what more can be done to successfully expose and address gross violations of human rights around the world.

Dealing with issues of corruption and impunity are challenges to national governance worldwide. These challenges become particularly pronounced when governments seek to silence citizens who promote human rights or seek to expose illegal activities by those governments, be they journalists, intellectuals, or other kinds of activists and whistleblowers. To be clear, we know that this silencing takes multiple forms, including illegal detention, torture, and extrajudicial killings.

Again, I want to thank today's witnesses for their time and insight and look forward to working with my colleagues in Congress to further develop legislation to address global human rights

abuses and increase the accountability of governmental officials who violate citizens' human rights.

I yield back.

Mr. SMITH. Thank you, Ms. Bass.

I would like to now recognize Mr. Emmer.

Mr. EMMER. Thank you, Mr. Chairman. Thank you for holding this important hearing. As a co-sponsor of the Global Magnitsky Human Rights Accountability Act, I feel it is important and necessary for us to hold human rights abusers accountable, and I appreciate the opportunity to be part of this hearing. Those who abuse human rights must face serious consequences, and this hearing, along with the Accountability Act, will strengthen the President's ability to sanction human rights abusers.

I look forward to hearing from our panel of witnesses, and, again, thank you, Mr. Chairman and the ranking member, for holding this important hearing, and I yield back.

Mr. SMITH. Thank you, Mr. Emmer.

The chair recognizes Mr. Cicilline.

Mr. CICILLINE. Thank you, Mr. Chairman, and thank you, Ranking Member Bass, for holding today's hearing, and thank you especially, Chairman Smith, for your long leadership on human rights. All people deserve to be respected and to live their lives free from violence, persecution, discrimination, and oppression.

Protecting fundamental human rights is an important responsibility. It should and must remain a cornerstone of American foreign policy, which is why the United States has a responsibility to respond to egregious human rights abuses by imposing sanctions on those who commit or contribute to human rights violations.

Last Congress I introduced the Global Respect Act, which would direct the President to impose visa sanctions on foreign persons who commit egregious human rights violations on the basis of sexual orientation or gender identity. I think it is important to recognize the particular plight faced by LGBT individuals around the world, especially as many continue to be victims of violence and murder at shocking rates.

This bill ensures that we take that approach, a comprehensive approach, to protecting human rights and to be certain that those who are responsible for human rights violations are held accountable. It is critically important to continue to protect the basic human rights of all individuals, all vulnerable and marginalized populations.

The United States must be vigilant in protecting the human rights of racial, ethnic, linguistic minorities, women, and children, religious minorities, and political dissidents, among others. That is why I am very proud to co-sponsor the Global Magnitsky Human Rights Accountability Act.

I look forward to the testimony from our very distinguished panel, and thank you, again, Mr. Chairman, for calling this hearing. And with that, I yield back.

Mr. SMITH. Thank you very much.

I would like to now introduce this very distinguished panel of doers and shakers, men and women, who have made a tremendous difference in the lives of especially those who have had their human rights violated around the globe.

Beginning first with Bill Browder, who is founder and CEO of Hermitage Capital Management. He was the largest foreign investor in Russia until November 2005 when he was denied entry to the country and declared a threat to national security by the Russian Government for exposing corruption at large Russian companies.

In 2008, Russian authorities arrested and imprisoned his lawyer, Sergei Magnitsky, after Mr. Magnitsky uncovered and reported a $230 million fraud committed by the Russian Government officials. Mr. Magnitsky was tortured and denied medical help in prison for months, and finally beaten to death by prison guards in November 2009.

Bill Browder has since led a global campaign to expose the corruption and human rights abuses endemic in Russia. A result of this campaign was the Sergei Magnitsky Rule of Law Accountability Act of 2012 being signed into law, imposing visa bans and asset freezes on certain officials involved in Magnitsky's death and on other gross violations of human rights in Russia.

We will then hear from Ms. Rebiya Kadeer, who is a prominent human rights advocate and leader of the Uyghur people. She is the mother of 11 children and a former laundress turned millionaire. She spent 6 years in a Chinese prison for standing up to the authoritarian Chinese Government. Before her arrest in 1999, she was a well-known Uyghur businesswoman, and at one time among the wealthiest individuals in the People's Republic of China.

Ms. Kadeer has been actively campaigning for the human rights of the Uyghur people since her release. As a matter of fact, she has appeared before this subcommittee at least a half a dozen times, and we have benefitted greatly from her wise counsel and insight.

She has been nominated for the Nobel Peace Prize several times since 2006, despite the Chinese Government's efforts to discredit her. Ms. Kadeer remains a leading pro-democracy Uyghur leader and heads the World Uyghur Congress, which represents the collective interests of the Uyghur people around the world.

We will then hear from Mr. Kenneth Weinstein, who is president and chief executive officer of the Hudson Institute. He joined the Institute in 1991 and was appointed CEO in June 2005. Mr. Weinstein was the president and CEO in March 2011. A political theorist by training whose academic work focuses on the early Enlightenment, Mr. Weinstein has written widely on international affairs for leading publications in the U.S., Europe, and Asia.

He serves as a member of the Broadcasting Board of Governors, the oversight body for U.S. Government civilian international media, including such networks as Voice of America, Radio Free Europe/Radio Liberty, Radio Free Asia, and Middle East Broadcasting.

We will then hear from Dr. Daniel Calingaert, who is an executive vice president at Freedom House. In his role, he oversees Freedom House's contributions to policy debate on democracy and human rights issues and outreach to the U.S. Congress, foreign governments, media, and Freedom House supporters.

He previously supervised Freedom House's civil society programs worldwide. He contributes frequently to policy and media discus-

sions on democracy issues, including Internet freedom, elections, authoritarian regimes, and democracy assistance.

He taught at Georgetown, Johns Hopkins, and American University. He served as director for Asia, as a deputy director for Eastern Europe at the International Republican Institute, where he designed and managed a wide range of promotion programs.

Mr. Cicilline.

Mr. CICILLINE. Thank you, Mr. Chairman. I appreciate the indulgence. I just want to welcome the students who are here from Shea High School in Pawtucket, Rhode Island, my constituents, and welcome them to the subcommittee. You guys should stand up, and we would like to recognize you. Thanks for being here.

[Applause.]

Mr. CICILLINE. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Browder.

STATEMENT OF MR. WILLIAM BROWDER, CHIEF EXECUTIVE OFFICER, HERMITAGE CAPITAL MANAGEMENT

Mr. BROWDER. Chairman Smith, Ranking Member Bass, and members of the subcommittee, thank you very much for giving me the opportunity to address you today.

The name of the law which is being considered is Sergei Magnitsky. Sergei Magnitsky was my lawyer in Russia, and Sergei Magnitsky worked for me trying to uncover government corruption in Russia, which led to an astounding discovery that government officials, working together with organized criminals, had stolen $230 million of taxes that we paid to the Russian Government, not from us but from the Russian Government.

And Sergei, as a patriot, testified against the officials involved, thinking that it should not be allowed that government officials should steal from their own country. And he thought that the President of Russia, Vladimir Putin, was someone who was acting in the national interest, and if this $230 million theft was exposed that the good guys would get the bad guys and that would be the end of the story.

Instead, after Sergei testified against the officials, the same officials he testified against arrested him, put him in pretrial detention, tortured him in the most horrific way for 358 days, and killed him on November 16, 2009.

I got the news on the 17th of November, in the morning of his murder. And it was by far the most horrific, traumatic, life-changing news that I could ever get, and I made a vow to his memory, to his family, and to myself, that I was going to make sure that we saw justice for Sergei Magnitsky, and that his death would not be a meaningless death.

And for the last 5½ years I have been on a quest to get that justice and to bring some meaning to his death, so that something good, possibly good, could come out of it. And originally I thought we could get justice inside of Russia. The details of this death were not a matter of speculation. He wrote everything down in the form of 450 complaints he filed in his 358 days in detention, documenting exactly who did what to him, when, how, where, and why. And those details should have been enough to prosecute more than a dozen people.

Instead, they prosecuted nobody. They exonerated everybody involved, and on the 1-year anniversary of Sergei's death they gave special state honors to some of the people who were most complicit. There are only two people who have ever been prosecuted in this case. Three years after Sergei's death Sergei Magnitsky himself was prosecuted posthumously in the first-ever trial against a dead man in the history of Russia, and I was prosecuted as his co-defendant and sentenced to 9 years in absentia.

It became obvious that if we couldn't get justice inside of Russia, we needed to get justice outside of Russia. So I started traveling the world looking for justice, and I discovered that there actually aren't any mechanisms for international justice. They just don't exist. The best you can do is go to the State Department and have them possibly issue a statement, or go to the British Foreign Office and have them say that they are disappointed with somebody's death.

And so I started to look around to see what kind of justice could we get if we could invent our own mechanism for justice, and this crime was perpetrated for the theft of $230 million, and the people who did this crime wanted to not keep their money in Russia but keep it in the West, and they like to travel to the West, and send their kids to school in the West, and have their family members go shopping in the West.

And so I came to this room, this exact room, in 2010, and I told the story I have just told you in front of the Lantos Commission on Human Rights in front of Congressman McGovern. And I said, "Can you do something about this?" And he came up with the idea of what has now become known as the Sergei Magnitsky Act, which was to freeze assets and ban visas of the people who killed Sergei Magnitsky.

The act was originally just for Sergei Magnitsky, and then a number of people started coming forward, including Boris Nemstov, an opposition leader from Russia, who said, "You have hit the Achilles heel of the Putin regime by doing this. They like to commit their crimes in Russia, but they like to enjoy their money in the West. Could you please expand this so it includes the other gross human rights abusers in Russia?"

And Congressman McGovern, along with Senators and various other Members of Congress, heard these calls and added 65 words to the law to include all other gross human rights abusers. The law passed; this is one of the few things in Washington where there is no partisanship. This is bipartisan. Torturers and murderers have no support from anybody, and, as a result, it passed 92 to 4 in the Senate, and 89 percent in the House of Representatives, and it was signed into law.

And the interesting thing that happened after it was signed into law was that, as I started speaking about it at conferences around the world, I started getting approached by people who have been victimized in other countries. I was approached by people from Tibet, from Venezuela, from Bahrain, from China, and I started hearing their stories, and they all asked me, "How can we do the same thing for our country?" And the answer was, there is no reason why an Uzbek human rights abuser should have a better deal than a Russian human rights abuser.

And I am very grateful for Congressmen Smith and McGovern who decided to initiate and introduce this law in January of this year, because this is really the new technology for dealing with human rights abuse.

It is not new to impose sanctions, but what is new is that we are living in a globalized world now where, you know, perhaps the Khmer Rouge didn't go on vacation to San Tropez, but members of the Kazakhstani regime, who are perpetrating human rights abuses, are seen there all the time.

And in a globalized world we have some leverage to do something here, and this is something we can do. And so I would be very glad to have a wider support than just your support here, and that we make this into law like the Russian version of the Magnitsky Act, and to leave Sergei Magnitsky with a legacy that his death wasn't a meaningless death.

Thank you very much.

[The prepared statement of Mr. Browder follows:]

Written testimony of: **William Browder**
Chief Executive Officer, Hermitage Capital Management
Leader of the Global Justice Campaign for Sergei Magnitsky

Testimony to: **Hearing on the Global Magnitsky Human Rights Accountability Act**
Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations
COMMITTEE ON FOREIGN AFFAIRS

April 29, 2015, 2:00pm – 5:00pm
Rayburn House Office Building, Washington DC 20515

Mr. Chairman, members of the Committee on Foreign Affairs,

Thank you for inviting me to speak about the Global Magnitsky Human Rights Accountability Act.

To briefly introduce myself, my name is William Browder and I am the CEO of Hermitage Capital Management.

The last time I gave testimony to this Committee was in 2012, when I told the tragic story of my murdered Russian lawyer, Sergei Magnitsky.

For those who do not know, Sergei Magnitsky was my lawyer in Moscow, who in 2008 uncovered a massive fraud committed by Russian government officials, which involved the theft of US$230 million of taxes that my company had paid in 2006. Sergei later testified against the state officials involved in this fraud. In retaliation, these very same officials had him arrested and imprisoned without trial.

While in pre-trial detention, Sergei was systematically tortured in an attempt to force him to retract his testimony. Despite the physical and psychological pain he endured, he refused to perjure himself. Over the following year, Sergei suffered such horrifying detention conditions that his health completely broke down. Despite filing over twenty requests to get medical attention, he was denied any medical assistance. He died on 16 November 2009 at the age of 37, leaving behind a wife and two children.

Since Sergei was killed, I have made it my life's work to get justice for him and his family. The cover-up in Russia began almost the minute his heart stopped beating, and it soon became glaringly obvious that justice was not attainable within the country's borders. The courts refused all requests to investigate his death, and all the officials involved were exonerated and given state honours.

As a result of the complete impunity in Russia, I took my quest for justice outside of Russia. While many countries were willing to turn a blind eye to the injustice, there was one country willing to take a stance: the United States. The United States government shares my believe that human rights abuses which occur outside its borders cannot and should not go unpunished. I am pleased to say that the United States Sergei Magnitsky Rule of Law Accountability Act was passed into law in 2012, issuing visa bans and asset freezes on those responsible for Sergei's arrest, death, and the subsequent cover-up, as well as on other Russian human rights abusers.

So far 32 people are prohibited from travelling to the United States and using US financial institutions, 26 of whom are on the list as a result of their involvement in the Magnitsky case. Not only can these people not travel to the US, but they are effectively banned from using financial institutions around the world, as no reputable bank is going to open their vaults to someone on an OFAC sanctions list.

The effect of the Magnitsky Act was evident from the immediate Russian reaction. Russian president Vladimir Putin made it his administration's number one priority to get the sanctions repealed, and in a disgusting and sinister turn, he passed a retaliatory law banning the adoption of Russian orphans by Americans. In a dark and desperate move intended to discredit the Act and the people behind it, both Sergei Magnitsky and myself were convicted of tax evasion in Russia, in the first posthumous prosecution of a dead man in Russian history. I was also sued for libel in the United Kingdom by one of the people on the Magnitsky list, again in an attempt to discredit his appointment on the list.

In Russia, political opposition leaders such as the late Boris Nemstov, Mikhail Kasyanov, Evgenia Chirikova, and Alexei Navalny have all vocally supported the Magnitsky Act and other initiatives to expose the corruption in Russia. Polling data from inside Russia show widespread support of these initiatives by the country's citizens. We learned that prison wardens in Russian prisons were no longer so willing to carry out orders which could be considered human rights abuse, for fear that they too would be added to the Magnitsky list.

Since the passage of the US Magnitsky Act, the world has become more aware of the threat from Russia, with the invasion of Crimea, Ukraine, and the downing of flight MH17 serving as potent reminders of this threat. In fact, the European Union used the Magnitsky Act as a model for targeted sanctions against those responsible for the Russian invasion of Crimea and Ukraine.

Last year, the European Parliament followed the US lead, and in a unanimous vote passed their own Magnitsky Act, listing 30 people to be banned from Europe as a result of their involvement in the case. This law is now awaiting approval by the Council of Ministers. Last month the Canadian Parliament approved a Magnitsky motion, calling on the government to implement a Canadian Magnitsky Act, which will be voted in the Senate in the coming months.

Never has this legislation been more important. Earlier this year, Russian opposition leader and vocal supporter of Magnitsky laws around the world, Boris Nemtsov, was gunned down outside the Kremlin. Just last week, the home of opposition activist Natalia Pelevine was raided. Her telephone, passport, money, computer and documents were confiscated and she is now effectively on house arrest as a suspect in a 'crime' that she did not commit. Increasing media manipulation and the lack of free press in Russia means that it is becoming increasingly difficult for dissidents to get their voices heard.

Since the passage of the US Magnitsky Act, we have received countless emails and social media requests from people in China, Venezuela, Syria, and countries around the world, asking how they can have perpetrators of human rights abuse from their country added to the Magnitsky list. The need for a global act that can accommodate victims of human rights abuse around the world has become abundantly clear.

Global Magnitsky sanctions will issue a stark warning to human rights abusers and kleptocrats around the world, that no longer will they be able to commit atrocities with complete impunity. Targeted sanctions against those involved in corruption and human rights abuse will provide an immediate, tangible consequence which directly affects an individual where it hurts them the most – in their pocket. Leaders of corrupt regimes will know that they are no longer able to protect their ill gotten gains abroad, or flee to their lavish properties in foreign countries. Totalitarian dictatorships ultimately fall, and when they do, the Global Magnitsky Act will prevent those who have committed human rights abuses from claiming asylum almost anywhere in the world.

A Global Magnitsky Act is fully supported by international organisations such as Transparency International, the Human Rights Foundation, the Norwegian Helsinki Committee, the International Campaign for Tibet, Open Dialog Foundation, and Initiatives for China, among others. All of these organisations are currently in the process of developing their own Magnitsky lists, ready to be presented to this Committee when the Act passes.

Sergei Magnitsky was killed because he believed that moral integrity cannot be comprised, and that the rule of law would prevail. A Global Magnitsky law will protect others like him, who have been persecuted because they believe in what is right and fair. I cannot think of a more fitting way to honour his legacy.

Mr. SMITH. Mr. Browder, thank you so very much.

Rebiya Kadeer.

STATEMENT OF MS. REBIYA KADEER, PRESIDENT, WORLD UYGHUR CONGRESS

[The following statement and answers were delivered through an interpreter.]

Ms. KADEER. Good afternoon, Chairman Smith, and Ranking Member Bass, and members of the subcommittee. It is an honor to be here today, and I am grateful to you for inviting me to the hearing on the Global Magnitsky Human Rights Accountability Act.

And I cannot speak English, so, therefore, I prepared a written statement, so my assistant Omer Kanat will read my statement to you.

I am very honored to be here today, and I wish to express my profound appreciation to Representative Smith for inviting me to testify. Representative Smith has been a champion in Congress for those who suffer from human rights abuses and has spoken out on behalf of the Uyghur people.

The Sergei Magnitsky Rule of Law Accountability Act of 2012 was a commitment to defend universal human rights standards, to hold egregious human rights violators in Russia responsible for their acts. The U.S. Congress should be praised for passing this historic legislation on human rights, and President Obama should be commended for signing it into law.

The Magnitsky Act highlighted the profound injustice surrounding the case of Sergei Magnitsky and demonstrated that proactive measures targeting human right abuses can have immediate results. Therefore, the Global Magnitsky Human Rights Accountability Act is an important milestone in the protection of human rights worldwide. Applying the Magnitsky Act universally to include all officials, not just Russian ones, who order or commit gross human rights violations is critical and urgently needed.

Across the globe, people are in dire need of the kind of protection of the Global Magnitsky Act will afford. State officials who engage in egregious human rights abuses often rob their citizens of public money and invest it overseas. It is right to deny these officials access to the United States' financial apparatus and the territory of the United States.

In China, the Uyghur people face massive, systematic, and human rights violations on a daily basis. This pattern of human rights abuses has long been in place. The annual reports of human rights practices in China issued by the U.S. State Department have detailed a broad range of rights concerns regarding Uyghurs, including enforced disappearances; jailing of political dissidents, journalists, and Webmasters; repression of independent religious leaders; forced abortions; destruction of cultural heritage; restrictions of movement; tight controls on freedom of expression, particularly on the Internet; marginalization of the Uyghur language in education and society; pressures exerted on foreign governments to deport Uyghur refugees; and targeted surveillance.

Since Xi Jinping became China's President 2 years ago, human rights violations of the Uyghur people have intensified. Excessive force and extrajudicial killings are a feature of a Chinese state's se-

curity approach to the region. The disproportionate use of force during house-to-house searches, at security checkpoints, and during peaceful demonstrations have led to state-initiated violence. Credible allegations of state violence in Hanerik, Elishku, Alaqagha, and Siriqbuya merit further investigation.

Furthermore, the Chinese state's persecution of Uyghur academic Ilham Tohti and his students demonstrates the highly vindictive and paranoid nature of the Chinese regime. Using legitimate and peaceful means to initiate a meaningful dialogue with the state on the deplorable conditions facing the Uyghurs, Ilham Tohti was targeted by the Chinese authorities and sentenced to life in prison in a legal process that was highly politicized.

The expansion of the Magnitsky Act to apply universally to all officials who have directed, ordered, or committed gross human rights violations will show strong American leadership to protect the fundamental human rights of all people around the world. If this act becomes law, it will have a profound ripple effect, because mere listing some of the most well-known human rights violators in authoritarian states like China will send a powerful message to low-ranking officials that their criminal actions will not be immune to international scrutiny, condemnation, and consequences.

International scrutiny is imperative to achieve tangible results in human rights. My case is example of what can be done when human rights violators are publicly named. Without international pressure and concern, I could have been tortured, or even killed, in prison. However, not everyone is as lucky as me. Many Uyghurs face cruel and unusual torture and punishment in the Chinese prison system every day.

Enacting a Global Magnitsky Act will protect the fundamental human rights of the oppressed and save the lives of many peoples, including the Uyghurs. They will be grateful to the U.S. for taking an important step in the global protection of human rights around the world.

There may be concerns that such an act will directly impact bilateral relations with authoritarian states. It must be noted that this act doesn't specifically target a particular country or a head of state. It only targets individuals who are the most egregious human rights violators, or are the more corrupt officials, and who commit such violations under his or her official capacity.

Therefore, the negative impact of this act on bilateral relations would be minimal, while its positive impact on improving global human rights and creating a model for other countries to follow would be huge.

Thank you.

[The prepared statement of Ms. Kadeer follows:]

HOUSE COMMITTEE ON FOREIGN AFFAIRS

The Global Magnitsky Human Rights Accountability Act

Wednesday, April 29, 2015

Rebiya Kadeer, President, World Uyghur Congress
Translated by Mr. Omer Kanat

I am very honored to be here today and I wish to express my profound appreciation to Representative Chris Smith for inviting me to testify. Representative Smith has been a champion in Congress for those who suffer from human rights abuses and has spoken out on behalf of the Uyghur people when many others would not.

The Sergei Magnitsky Rule of Law Accountability Act of 2012 was a commitment to defend universal human rights standards and to hold egregious human rights violators in Russia responsible for their acts. The U.S. Congress should be praised for passing this historic legislation on human rights and President Obama should be commended for signing it into law. The Magnitsky Act highlighted the profound injustice surrounding the case of Sergei Magnitsky and demonstrated that proactive measures targeting human rights abusers can have immediate results.

Therefore, The Global Magnitsky Human Rights Accountability Act is an important milestone in the protection of human rights worldwide. Applying the Magnitsky Act universally to include all officials, not just Russian one, who order or commit gross human rights violations is critical and urgently needed. We see authoritarian states all over the world more aggressively limiting the fundamental human rights of their citizens.

Across the globe, people are in dire need of the kind of protection the 'Global Magnitsky' Act will afford. State officials who engage in egregious human rights abuses often rob their citizens of public money and invest it overseas. Kleptocrats and autocrats have become one and the same. It is right to deny these officials access to the United States financial apparatus and the territory of the United States.

In China, the Uyghur people face massive, systematic and gross human rights violations on a daily basis. This pattern of human rights abuses has long been in place. The Annual Reports of Human Rights Practices in China issued by the U.S. State Department have detailed a broad range of rights concerns regarding Uyghurs, including: enforced disappearances; jailing of political dissidents, journalists and webmasters; repression of independent religious leaders; forced abortions; destruction of cultural heritage; restrictions of movement and formidable obstacles in obtaining a passport; tight controls on freedom of expression, particularly on the internet; marginalization of the Uyghur language in education and society; pressures exerted on foreign governments to refoul refugees; targeted surveillance; and suppression of non-state sanctioned religious association and assembly.

Since Xi Jinping became China's President two years ago, human rights violations of the Uyghur people have intensified. Excessive force and extrajudicial killings are a feature of the Chinese state's security approach to the region. The disproportionate use of force during house-to-house searches, at security checkpoints and during peaceful demonstrations has led to state-initiated violence; credible allegations of state violence in Hanerik, Alaqagha and Siriqbuya merit further investigation. Furthermore, the Chinese state's persecution of Uyghur academic Ilham Tohti and his family demonstrates the highly vindictive and paranoid nature of the Chinese regime. Using legitimate and peaceful means to initiate a meaningful dialogue with the state on the deplorable conditions facing the Uyghurs, Ilham Tohti was targeted by the Chinese authorities and sentenced to life in prison in a legal process that was highly politicized.

The expansion of the Magnitsky Act to apply universally to all officials who have directed, ordered or committed gross human rights violations will show strong American leadership to protect the fundamental human rights of all people around the world. If this Act becomes law, it will have a profound ripple effect, because merely listing some of the most well-known human rights violators in authoritarian states like China will send a powerful message to low-ranking officials that their criminal actions will not be immune to international scrutiny, condemnation, and consequences.

International scrutiny is imperative to achieve tangible results in human rights. My case is an example of what can be done when human rights violators are publicly named. Without international pressure and concern, I could have been tortured, or even killed in prison. However, not everyone is as lucky. Many Uyghurs face cruel and unusual torture and punishment in the Chinese prison system every day.

Authorities rounded up thousands of Uyghurs suspected of participating in a 1997 demonstration in Ghulja. Amnesty International documented a pattern of arbitrary imprisonment, torture in detention and unfair trials in relation to those rounded up. A number of Uyghurs were executed for their alleged role in the incident.

Furthermore, Human Rights Watch documented the disappearance young Uyghur men and youths after the July 5, 2009 unrest in Urumchi. Human Rights Watch described how Chinese security conducted large-scale sweep operations in the Uyghur neighborhoods of Erdaoqiao and Saimachang of Urumchi. Further troubling aspects of post-July 5 detentions are reports of minors arbitrarily detained, tortured, sentenced or simply disappeared.

Enacting a Global Magnitsky Act will protect the fundamental human rights of the oppressed and save the lives of many peoples, including the Uyghurs. They will be grateful to the U.S. for taking an important step in the global protection of human rights around the world. The oppressed peoples will be grateful to the U.S., because the U.S. will be standing with them, and they will have more reason to hope that human rights violations will stop when the U.S. government lists the perpetrators' names.

There may be concerns that such an Act will directly impact bilateral relations with authoritarian states. It must be noted that this Act doesn't specifically target a particular country or head of a state. It only targets individuals who are the most egregious human rights violators, or are the most corrupt officials, and who commit such violations under his or her official capacity. Therefore, the negative impact of this Act on bilateral relations would be minimal, while its positive impact on improving global human rights and creating a model for other countries to follow would be huge.

Once the U.S. takes the lead enacting such legislation, other democratic states will most likely follow suit. When all democracies enact similar legislation to protect universal human rights standards, then the world will indeed become a much better place with fewer human rights violations.

Therefore, I want thank Representative Smith for holding this important hearing and urge the U.S. Congress to pass the legislation.

Mr. SMITH. Thank you so very much, Ms. Kadeer.
Mr. Weinstein.

STATEMENT OF MR. KENNETH R. WEINSTEIN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, HUDSON INSTITUTE

Mr. WEINSTEIN. Thank you, Chairman Smith, Ranking Member Bass, Representative Cicilline. I deeply appreciate the invitation to appear before you today to discuss Chairman Smith's bill, H.R. 624, the Global Magnitsky Human Rights Accountability Act, as well as the broader issue of corruption as an affront to human rights and a threat to U.S. national security. I want to applaud your moral courage and your leadership on these issues, which has been critical in the past and is needed as we go forward.

Throughout the world, corruption undermines the rule of law, it erodes confidence in democratic accountability, it threatens representative government, and thereby poses a fundamental challenge to human rights. When corruption is highly entrenched, economies are plundered and repression is often brought to bear against citizens and civic organizations demanding accountable governance.

Corrupt regimes, as we now see on a daily basis, also exert a very destablizing influence on international affairs. One only need to rapidly review the headlines to gain a sense of how politically motivated violence is fueled by profiteering and bribery, especially where weak governance is in place. Look around at the turmoil following the Arab Spring, the war in Ukraine, and you'll see different facets of the danger that corruption poses to peace, prosperity, and freedom worldwide.

Whether it be in Afghanistan, Syria, Iraq, or Libya, areas of significant destabilizing conflicts, vast levels of graft and cronyism have been crippling both national and local governments. Corruption serves as a rallying cry for extremist groups and is an obstacle to encountering them effectively on the battlefield.

Across Europe, and we have heard a bit about Asia, authoritarian kleptocracy is a particularly dangerous manifestation of this phenomena. Beyond internal oppression, these regimes are increasingly willing to export bribery and extortion, to support client states, coopt foreign political factions, and undermine the advance of democracy abroad. And these same kleptocracies, as we have heard, are willing to employ appalling violence to preserve the parasitic arrangements that keep them in power.

We saw what happened in the streets of Kiev in 2014 when citizens took to the streets to oust Viktor Yanukovych, the corrupt patron of Moscow, and they stood their courageously despite a wall of batons and a hail of bullets that killed more than 100 of their countrymen.

Their popular will for closer ties to Europe, for democratization, and freedom prevailed, but Russia responded with invasion, annexation, and occupation. To the Kremlin, a free and democratic Ukraine is an unacceptable counterpoint to the corruption and authoritarianism of the Putin regime that we have heard so much about already.

As a result, a sovereign state at the heart of Europe faces military aggression proscribed by the Budapest Memorandum on Secu-

rity Assurances, the Helsinki Final Act, and Article Two of the U.N. Charter.

Meanwhile, fringe political parties throughout Europe, both East and West—and not simply fringe political parties—are being buoyed and bankrolled by the same corrupt governments or private entities that belong to government officials in these countries fueling the war in Ukraine.

Veiled nuclear threats and provocative military maneuvers seek to rattle the nerves of our European partners while aggressive media and social media campaigns spreads disinformation, distract attention from the truth, and sow discord. These operations divide our allies, discredit the NATO security compact, and call into question the values of the post-Cold War political order.

Fortunately, the inherent superiority of both the Western political and financial order grants the U.S. leverage to confront this complex national security threat. As has been noted, corrupt officials often take advantage of open societies to shelter their assets and gain safe haven from political pressures at home.

With apartments and villas of grand standing and large bank accounts abroad, kleptocrats and their cronies and enablers can enjoy the benefits of freedom and rule of law that they or their associates deny to their fellow citizens. This is especially the case when public officials, in collusion with private entities, are allowed to abuse their authority with impunity.

The legislation that you have proposed, the Global Magnitsky Human Rights Accountability Act, offers the United States an opportunity to close this escape valve and to refuse to serve the interests of kleptocrats and our strategic adversaries. This bill is complementary to U.S. policy and can be narrowly and appropriately tailored.

The Obama administration's 2014 fact sheet on the U.S. Global Anticorruption Agenda identifies corruption as a growing national security threat to our country and our allies around the world. Furthermore, it notes that the United States continues to take action to prevent the U.S. legal and financial systems from being exploited by those who engage in or who launder the proceeds of corruption.

Government entities, including the FBI, the Department of Justice, the Department of State, and the Department of Treasury are active in countering kleptocracy. This bill would complement their work by providing a mechanism for congressional action to sanction specific individuals most responsible for human rights abuses and threats to U.S. national security.

The Global Magnitsky Act is neither a blank check to Congress nor an overreaching mandate imposed on the executive branch. Congress' authority respecting the application of the Magnitsky Act is sensibly balanced by the diplomatic and national security prerogatives or priorities set by the executive branch.

The bill provides the President with broad authority to determine the scope of sanctions and grant waivers, as appropriate, in the interest of national security. Conversely, the bill's reporting requirement encourages the President to seriously consider congressional recommendations and make scrupulous determinations based upon its findings.

Finally, the bill reflects beliefs broadly shared by the American public and our partners in the international community. The U.S. is the indispensable nation, the world leader primarily responsible for promoting the rule of law, good governance, human rights, and a peaceful international order.

We are a leader in confronting criminal regimes in the name of freedom. Global Magnitsky will build on this legacy, setting an example for others to follow in refusing to lend legitimacy to human rights abusers by sheltering their stolen assets and welcoming them to our shores.

The bill wisely sanctions only individuals. It leaves important multilateral trade and cultural exchanges upon which citizens of all countries benefit untouched. The bill also expresses solidarity with those suffering under corrupt regimes, taking actions against human rights abusers on behalf of those who cannot do so themselves.

Accordingly, the bill represents an opportunity to take a stand against destabilizing public corruption in a conspicuous, visible, and effective manner, thereby lending support to the fight for democracy, rule of law, and freedom throughout the world.

Last year, Hudson Institute founded the Kleptocracy Initiative, a program aimed at addressing the threats posed by corrupt authoritarian regimes to Western democracy and U.S. national security. We founded this initiative in part because of the threat posed to Western democracies and Western alliances by the growing financial leverage of kleptocrats and their allies in the economies of the West.

Given the threat that they pose to democracy in their own countries and to the defense of freedom abroad, the individuals responsible for unconscionable acts of corruption and human rights violations should not be granted sanctuary on our soil or economic refuge in our financial sector. As such, I applaud the Global Magnitsky Act as an effective and appropriate countermeasure against these criminal regimes.

By refusing to allow abusers of human rights the privilege of access to our financial institutions and entry upon our soil, the Global Magnitsky Act represents a momentous opportunity to demonstrate continued American leadership on this most critical effort.

Thank you again for inviting me to testify. It is an honor to speak before this august subcommittee on an issue of such consequence to our vital national interests.

[The prepared statement of Mr. Weinstein follows:]

STATEMENT OF KENNETH R. WEINSTEIN
Chief Executive Officer, Hudson Institute

The Global Magnitsky Human Rights Accountability Act
Committee on Foreign Affairs
Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations
U.S. House of Representatives
April 29, 2015

Chairman Smith, Ranking Member Bass, and distinguished members of the Subcommittee, I appreciate the invitation to appear before you today to discuss Chairman Smith's bill, H.R. 624, the Global Magnitsky Human Rights Accountability Act, as well as the broader issue of corruption as an affront to human rights and a threat to U.S. national security.

Throughout the world, corruption undermines the rule of law, erodes confidence in democratic institutions, threatens representative government and thereby poses a challenge to human rights. Where corruption is highly entrenched, economies are plundered against the interests of the public, and repression is often brought to bear against citizens and civic organizations demanding accountable governance.

Corrupt regimes also often exert a destabilizing influence on international affairs. One needs only to rapidly review headlines to gain a sense of how politically motivated violence is fueled by profiteering and bribery on a national level. The turmoil following the Arab Spring and the war in Ukraine illustrate different facets of the danger that corruption poses to peace, prosperity, and freedom worldwide.

ISIS is running amok in Syria, Iraq, and Libya. More than a decade of international reconstruction efforts have been hamstrung by graft in Afghanistan. Battlegrounds in the Levant and Arabian Peninsula appear increasingly likely to erupt

into proxy wars between regional powers Iran and Saudi Arabia. One factor is common to all of these destabilizing conflicts. In every one of these countries, vast levels of graft and cronyism cripple both local and national governments. This Achilles' heel serves as both a rallying cry for extremist groups and an obstacle to countering them effectively on the battlefield.

Across Europe and Asia, authoritarian kleptocracy is a particularly dangerous manifestation of this pheonomenon. Beyond internal oppression, these regimes are increasingly willing to export bribery and extortion to support client states, coopt foreign political factions, and undermine the advance of democracy abroad. Kleptocracies are also willing to employ appalling violence to preserve these parasitic arrangements.

In 2014, Ukrainian citizens took to the streets to oust Viktor Yanukovych, a highly corrupt patron of Moscow, despite a wall of batons and a hail of bullets that killed more than one hundred of their countrymen. As popular will for closer ties to Europe, democratization, and freedom prevailed, Russian authorities responded with invasion, annexation, and occupation. To the Kremlin, a free and democratic Ukraine is an unacceptable counterpoint to the corruption and authoritarianism of the Putin regime. As a result, a sovereign state at the heart of the European continent faces military aggression proscribed by the Budapest Memorandum on Security Assurances, the Helsinki Final Act, and Article Two of the United Nations Charter.

Meanwhile, fringe political parties throughout Europe, both East and West, are buoyed and bankrolled by the same corrupt government fueling the war in Ukraine. Veiled nuclear threats and provocative military maneuvers seek to rattle the nerves of our European partners while aggressive media and social media campaigns spread

disinformation, distract attention from the truth, and sow discord among the public. These operations divide our allies, discredit the NATO security compact, and call into question the values of the post-Cold War democratic order.

The inherent superiority of both the Western political and financial order grants the United States leverage to confront this complex national security threat. Corrupt officials often take advantage of open societies to shelter their assets and offer safe haven from political pressure at home. With apartments and villas of grand standing and bank accounts abroad, kleptocrats (and their cronies) can enjoy the benefits of the freedom and rule of law that they deny to their own citizens. This is especially the case when public officials, in collusion with private entities, are allowed to abuse their authority with impunity. Legislation like the Global Magnitsky Human Rights Accountability Act offers the United States an opportunity to close this escape valve and to refuse to serve the interests of kleptocrats and our strategic adversaries.

The Global Magnitsky Act should not be controversial. The bill is complementary to current U.S. policy, and can be narrowly and appropriately tailored.

The Obama Administration's 2014 fact sheet on "The U.S. Global Anticorruption Agenda," identifies corruption as "a growing national security threat to our country and allies around the world." Furthermore, the statement notes that "the United States continues to take action to prevent the U.S. legal and financial systems from being exploited by those who engage in, or launder the proceeds of, corruption." Government entities including the Federal Bureau of Investigation, the Department of Justice, the Department of State, and the Department of the Treasury are active in countering kleptocracy; this bill would complement their work by providing a mechanism for

congressional action to sanction specific individuals most responsible for human rights abuses and threats to U.S. national security.

The Global Magnitsky Act is neither a blank check to Congress nor an overreaching mandate imposed on the Executive Branch. Congress's authority respecting the application of the Magnitsky Act is sensibly balanced by the diplomatic and national security priorities set by Executive Branch. The bill provides the President with broad authority to determine the scope of sanctions and grant waivers as appropriate in the interests of national security. Conversely, the bill's reporting requirement encourages the President to seriously consider congressional recommendations and make scrupulous determinations based upon its findings.

Finally, the bill reflects beliefs shared broadly by the American public and by our partners in the international community. The U.S. is a world leader responsible in part for promoting the rule of law, good governance, human rights, and a peaceful international order. America is also a leader in confronting criminal regimes in the name of freedom. Global Magnitsky will continue this legacy, setting an example for others in refusing to lend legitimacy to human rights abusers by sheltering their stolen assets and welcoming them to our shores. The bill wisely sanctions only individuals: it leaves the important multilateral trade and cultural exchanges upon which citizens of all countries benefit untouched. The bill also expresses solidarity with those suffering under corrupt regimes, taking action against human rights abusers on behalf of those who cannot themselves. The Global Magnitsky Act represents an opportunity to take a stand against destabilizing public corruption in a conspicuous, visible and effective manner, thereby lending support to the fight for democracy, rule of law, and freedom throughout the world.

Last year, Hudson Institute founded the Kleptocracy Initiative, a program aimed at addressing the threats posed by corrupt authoritarian regimes to Western democracy and U.S. national security. We founded this initiative because of the clear and growing threat posed to Western democracies and Western alliances by the growing financial leverage of kleptocrats and their allies in the economies of the West. Given the threat that they pose to democracy in their own countries and to defense of freedom abroad, the individuals responsible for unconscionable acts of corruption should not be granted sanctuary on our soil or economic refuge in our financial sector. As such, I urge that you consider supporting the Global Magnitsky Act as an effective and appropriate countermeasure against these criminal regimes.

In conclusion, I encourage the honorable Members of Congress here today to support the Global Magnitsky Act. By refusing to allow abusers of human rights the privilege of access to our financial institutions and entry upon our soil, the Global Magnitsky Act represents a momentous opportunity to demonstrate continued American leadership on this most critical effort.

Thank you again for inviting me to testify. It is an honor to speak before this august committee on an issue of such consequence to our vital national interests.

Mr. SMITH. Dr. Weinstein, thank you very much for your testimony and insights.

Dr. Calingaert.

STATEMENT OF DANIEL CALINGAERT, PH.D., EXECUTIVE VICE PRESIDENT, FREEDOM HOUSE

Mr. CALINGAERT. Chairman Smith, Ranking Member Bass, Congressman Cicilline, thanks so much for the invitation to speak today. I applaud your leadership on human rights issues and especially for introducing the Global Magnitsky Human Rights Accountability Act.

Earlier today, Freedom House released its annual global survey of press freedom, and the findings were really pretty grim. We see the lowest rating in 10 years. In a separate report where we look at political and civil rights generally, we have seen 9 straight years of decline.

What we are seeing, in essence, is a resurgence of authoritarian governments. And these governments are using tactics that are more and more brazen, and they are really showing open disdain for basic democratic standards. To pick just one example, in Egypt, over 1,400 political activists have been sentenced to death in mass trials that did not even have basic elements of due process. The world is becoming more hostile to our values and also our interests, because undemocratic forces, particularly authoritarian governments, are driving political change.

The U.S. needs to take the initiative on human rights away from authoritarian governments, and the best way to do this is to target their weak spots; namely, impunity and corruption.

Why should we hold individual officials to account for human rights abuses? Well, first, to put increased pressure on governments to respect human rights—and in most cases this means to follow their own constitutions and live up to their own commitments to international human rights agreements.

Second, to deter future human rights violations. If a penalty hangs over a perpetrator's head, he or she may think twice about committing the crime.

Third, to force authoritarian rulers to make a difficult choice. Either they can protect the most repugnant officials in their regimes and attract further scrutiny to the worst aspects of their rule, or they can cut loose the very officials who do their dirty work and keep them in power.

Why should we focus on corruption? Because it is the Achilles' heel of authoritarian regimes. For ordinary citizens, human rights are sometimes a bit abstract, but they fully understand the harm caused by corruption. They detest the injustice of rulers enriching themselves at the public's expense, particularly when citizens are struggling to make ends meet.

The popular uprising in Ukraine against then-President Yanukovych was in large part a reaction to the corruption in the government. The Sergei Magnitsky Rule of Law Accountability Act of 2012 provided a sound policy instrument to address human rights abuses in Russia. It introduced a measure of accountability for the perpetrators of those abuses.

The law carefully targeted visa bans and asset freezes on individuals responsible for gross human rights violations, and it in no way harmed ordinary Russians. The Global Magnitsky bill would direct the President to extend the same consequences to perpetrators of human rights abuses and corrupt officials anywhere in the world.

The global scope of this bill is a key strength. It means no country is singled out, and it would apply to countries like China and Saudi Arabia that tend to escape criticism for their human rights abuses because of competing economic or security interests.

There are a great many others around the world like Sergei Magnitsky who have been targeted for abuse because they dare to call for justice or freedom. To cite just a few recent examples, Gao Yu was sentenced to 7 years in prison in China, really for doing her job, for being a forthright and principled journalist.

Raif Badawi was sentenced in Saudi Arabia to 10 years in prison and 1,000 lashes because his Web site hosted criticism of senior religious figures. The Zone Nine bloggers in Ethiopia face a possible death sentence on terrorism charges because they documented human rights abuses and reported on political prisoners.

In Azerbaijan, Rasul Jafarov was sentenced to 6½ years for exposing the government's poor human rights record at a time when that government is trying to burnish its international credentials and preparing for hosting the European games in June. And also, in Azerbaijan, Khadija Ismayilova was imprisoned because she dared to investigate and publish news articles about corruption by the family of the President Aliyev. The list could go on and on.

The perpetrators of these and similar abuses are rarely denied the benefit of entry to the United States or access to our financial system. The Global Magnitsky bill would change that. If passed, this bill may elicit some angry responses from some authoritarian rulers or complicate U.S. relations with some governments. But what can they say? They can't openly admit that they harbor individuals responsible for human rights abuses and corruption.

When the United States defends human rights, it usually faces resistance—that is expected—but we press ahead because we know that what we are doing is right, and we refuse to let authoritarian rulers dictate the terms of our relationship with them.

We can't accept that the price of security or economic cooperation is to look the other way on human rights violations. We need to be confident enough both to continue the cooperation with other governments but still to hold human rights abusers and corrupt officials to account.

Thank you.

[The prepared statement of Mr. Calingaert follows:]

Global Magnitsky Human Rights Accountability Act: A Crucial Tool for U.S. Foreign Policy

Written Testimony by Daniel Calingaert
Executive Vice President, Freedom House

House Committee on Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations

Hearing: "The Global Magnitsky Human Rights Accountability Act"

April 29, 2015

Introduction

Congressman Smith, Ranking Member Bass, and distinguished members of the committee, thank you for inviting me to speak today about the *Global Magnitsky Human Rights Accountability Act*. I ask that my full statement be submitted for the record, and I will summarize that statement today. I commend Congressman Chris Smith and Congressman Jim McGovern for introducing the *Global Magnitsky Act* in the U.S. House of Representatives.

This bill would target corrupt officials and perpetrators of human rights abuses and begin to hold them to account. All too often, they act with impunity. The bill thus would bolster U.S. efforts to advance human rights at a time when fundamental freedoms are under assault around the world.

Resurgence of Repression

Freedom has declined globally for nine straight years, as Freedom House has documented in its annual ratings of political and civil rights. This decline is driven in large part by a resurgence of authoritarian regimes. In the past year, the decline has accelerated, as authoritarian regimes used more brazen tactics to crack down on their critics and showed open disdain for democratic standards. In Egypt, for example,

1,400 political activists were sentenced to death in mass trials that lacked the most basic elements of due process.

Respect for established human rights norms is deteriorating. Until recently, most authoritarian regimes claimed to respect international agreements, such as the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights. Now authoritarian regimes openly flout these agreements. Basic human rights principles, which were broadly accepted, are now being re-opened for debate.

The universal values of human rights reflect core American beliefs in democracy and individual freedom. By standing up for these values, we not only stay true to our beliefs; we also advance U.S. interests abroad.

Our greatest adversaries are authoritarian regimes, which start regional conflicts, perpetrate mass atrocities, increase the risks of nuclear proliferation, or launch cyber-attacks on American institutions.

Threats to U.S. interests tend to emerge from undemocratic environments and often grow directly out of repressive rule. Russia invaded Ukraine and annexed Crimea to undermine a movement toward democracy, which may have prompted Russians to wonder, if democracy could succeed in neighboring Ukraine, why couldn't it take root in their country? China's government extends its territorial claims in the South China Seas to shore up its legitimacy as the country's citizens express growing frustration with the abuses of Communist Party rule and economic growth shows signs of slowing down. Syrian President Bashar al-Assad drove his country into civil war rather than negotiate in good faith with the political opposition in 2011, and he has slaughtered his people with the support of Iran's clerical regime, which holds onto power by jailing its critics, suppressing minorities, and treating women as second-class citizens.

Many governments, including Russia, Iran, Egypt, and Venezuela, adopt an anti-American posture to deflect attention from their mismanagement and corruption. They blame the United States for their country's ills and try to discredit the idea of democracy, while discontented citizens seek to hold them to account.

A vigorous defense of human rights won't solve right away the problems we face abroad, but it is integral to any long-term solution. Governments that respect the rights of their citizens don't need to grab territory from their neighbors, acquire nuclear weapons, or gun down peaceful protesters.

Authoritarian rule usually undermines stability in the long run, as citizens' frustrations and demands for reform get pent-up. And at times, authoritarian rule fuels instability in the short term. For example,

Egypt has experienced a surge in terrorist attacks since then general, now president Abdel Fattah al-Sisi seized power in July 2013.

The world has become more dangerous and more hostile to U.S. interests because political change is increasingly driven by undemocratic forces, particularly by authoritarian regimes. To make the world more stable and more receptive to U.S. interests, we need to take the initiative away from authoritarian regimes; we need to defend our values and pursue our interests more vigorously, including on human rights.

Accountability for Abuses

The United States can best seize the initiative on human rights by targeting the weak spots of authoritarian rulers—their impunity and corruption.

There are several clear benefits to holding individual officials accountable for human rights abuses. First, accountability is grounded in the basic premise that human rights abuses are unacceptable, no matter how powerful or politically connected the perpetrator. We can defend fundamental rights—to free expression, belief, association, etc.—while still conducting business with foreign governments on a range of issues. In almost every case, we are just pressing the foreign government to live up to its own constitution and international agreements.

Second, individual accountability is likely to do more than criticism of abuses alone to deter future human rights violations. If a penalty hangs over a perpetrator's head, he (or she) may think twice about committing the crime.

Third, and perhaps most important, calls for individual accountability force authoritarian rulers to make a difficult choice: either they protect the most repugnant officials in their regimes, and thereby attract further scrutiny to the worst aspects of their rule; or they cut loose the very officials who do their dirty work and keep them in power.

The benefits of targeting corrupt officials are equally compelling. High-level corruption is the Achilles' heel of authoritarian regimes. They have grown adept at deflecting criticism of their human rights violations by vilifying domestic activists as tools of foreign interests. For example, they talk up the supposed threat of a Western "gay agenda" to portray human rights as alien values imposed from outside, rather than universal norms. But corruption is different. Ordinary people readily understand—and detest—the injustice of rulers enriching themselves at citizens' expense, particularly when those citizens are struggling to make ends meet.

High-level corruption often contributes to, or even drives, human rights abuses. Corrupt leaders stand to lose their ill-gotten gains if they leave office. They will go to ever greater lengths to hold onto power. Former President of Ukraine Viktor Yanukovych was a prime example. As he and his family accumulated massive wealth, restrictions on media intensified, opposition figures were selectively prosecuted, and elections became increasingly manipulated. Efforts to curb high-level corruption thus serve in many cases to target the source of repression as well.

Go Global

The *Sergei Magnitsky Rule of Law Accountability Act of 2012* provided a sound policy instrument to address human rights abuses in Russia. In addition to condemning those abuses and trying to provide some support for Russian human rights defenders, the U.S. government introduced a small measure of accountability for the perpetrators of abuses.

The law carefully targeted sanctions on individuals who, based on credible information, are responsible for gross human rights violations. It in no way harmed ordinary Russians.

The angry reaction of the Russian government was telling. The *Magnitsky Act* hit the Russian government where it hurts. The Russian government responded by banning adoptions of Russian babies by U.S. parents. It couldn't credibly defend the officials who became subject to U.S. visa bans and asset freezes. Instead, it took out its anger on Russian orphans, showing how depraved its leaders are.

The *Global Magnitsky Act* would direct the President to extend the same consequences to perpetrators of human rights abuses and corrupt officials anywhere in the world. No matter where the abuses are committed, the perpetrator could be denied entry to the United States and prevented from using our financial institutions.

The global scope of this bill is a key strength. No country would be singled out. And it would apply to countries like China and Saudi Arabia that tend to escape criticism for their human rights abuses because of U.S. economic or security interests.

Bill Browder has told the story of Sergei Magnitsky in compelling detail. He was instrumental in drawing attention to Magnitsky's tragic fate and identifying the Russian officials responsible.

There are a great many others around the world who, like Sergei Magnitsky, were targeted for abuse because they dared to call for justice or freedom. To cite just a few recent examples:

- Gao Yu was sentenced to seven years in prison in China, for doing her job as a forthright and principled journalist;
- Raif Badawi was sentenced in Saudi Arabia to ten years in prison and 1,000 lashes, and has already suffered 50 lashes, because his website hosted criticism of senior religious figures;
- Zone Nine bloggers in Ethiopia have remained in detention for over a year, as their trail on terrorism charges drags on, because they documented human rights abuses and reported on political prisoners;
- Rasul Jafarov, chairman of the Human Rights Club in Azerbaijan, was sentenced to 6½ years in prison for exposing the Azerbaijani government's poor human rights record while that government seeks to burnish its international credentials by hosting the European Games in June;
- Khadija Ismayilova is also imprisoned in Azerbaijan, because she investigated and published news articles on corruption by the family of President Ilham Aliyev.

This list could go on and on.

The perpetrators of these abuses avoid justice and, in many cases, get little attention. They expect the full protection of their government and probably doubt that they will ever have to answer for their crimes. And they have little reason to worry about U.S. pressure, because the U.S. government has soft-pedaled its criticism of human rights violations in China, Saudi Arabia, Ethiopia, and Azerbaijan.

The U.S. government often mutes its criticism of human rights violations in countries where security or economic interests are at stake. And, it rarely denies the benefits of entry to the United States or access to our financial system to individuals responsible for abuses. The *Global Magnitsky* bill would change that.

If passed, the *Global Magnitsky Human Rights Accountability Act* may elicit angry responses from some governments or complicate U.S. relations with certain countries. But these governments cannot offer an honest response, because they cannot openly admit that they harbor individuals responsible for human rights abuses and corruption.

When the United States defends human rights, it usually faces resistance. That's par for the course. But we press ahead, because we know that we are doing what is right, and we refuse to let authoritarian rulers dictate the terms of our relationship with them. We cannot accept that the price of security or economic cooperation is to look away from human rights violations. We should be strong and confident enough to both continue cooperation and hold human rights abusers and corrupt officials to account.

Thank you.

Mr. SMITH. Thank you very much for your testimonies, and for yours, Dr. Caligaert.

Let me just ask a few opening questions. This bill is all about micro-targeting. It is to ensure that the people who commit the crime, while they may not do time, they certainly won't be able to come to the United States and buy and sell assets as well as physically come here. It makes them inadmissible.

Since I did write the law in 2000 which targeted the forced abortion perpetrators in the People's Republic of China, I had asked the Congressional Research Service to tell us what they think the number of people who were made inadmissible turned out to be, and the report came back that it was less than 30, which was an absolute horror to me.

You know, 14 years later, although the report from the CRS was a few years ago, there was a lack of enforcement that I found to be appalling. And Rebiya Kadeer in the past has talked about how the Uyghurs are targeted for the coercive population control policies as a matter of genocide, not just to thin the herd, to put it in a very crude way, because that is how the Chinese Government looks at it, but as an act of genocide.

China gets a pass frequently when it comes to human rights. I wrote the Trafficking Victims Protection Act. By law, they had to place China on Tier 3 because of its residing on the watch list for the requisite number of years. Then, as soon as the government—in this case the Obama administration—had the opportunity to put them back onto the watch list, they did it, which was appalling to me.

And so what I am suggesting is, how do we ensure that the mega countries, the big countries, the ones with whom we have large amounts of trade, perhaps those that we are afraid of, and I do think there is far too much fear at State on the PRC—I mean, it is easy to focus on Belarus and others, and I know because I know that law, the Belarus Democracy Act. Two hundred-plus people are on the list. The European Union parallels our list. Lukashenka's companies and other cronies of his cannot do business here or in Europe, which is a great thing, but Belarus is "this" big [makes diminitive hand gesture] as compared to China.

So, please give your thoughts on how do we ensure effectiveness. We purposely put a national security waiver in. As Bill Browder knows, no national interest waiver, which is one of the weakest of the standards. We have reporting to give us reasons why they are not taking action. Many will feed into the list of perpetrators that the State Department has to look at to put on the list, including NGOs.

It is a big question, because, you know, I have writing human rights law all my career, 35 years here, and we always take a pass when it comes to the Chinas of this world, but we will focus on Honduras, we will focus on something smaller where retaliation is not something we are worried about.

Bill.

Mr. BROWDER. Having had 2 years of experience with just this issue, so the Magnitsky Act was passed in December 2012, and I have now been trying since then to get people on the Magnitsky

list. This is an example, not quite as big as China, but Russia is a country that the current government hasn't wanted to upset.

And there is one provision of this law which is a very, very valuable provision of law, which we have used and I am trying to use going forward; there is something called a congressional trigger in this law. And the congressional trigger means that the chairman and ranking member of a certain number of committees can demand the Treasury Secretary and the State Department to review names of people to be sanctioned, and then they have to respond within 120 days with a determination of whether they are or are not human rights abusers or whether they would want to invoke executive privilege or a confidentiality provision.

But the beauty of this law is that it is the one situation that allows Congress oversight over human rights policy of the administration. And it doesn't matter whether it is a Democratic administration or a Republican administration. Administrations generally don't like to do things, and that is the beauty of Congress. And so it doesn't work perfectly. I have to come to Washington a regular basis. I am here this week doing this, but it is better than just leaving it to the devices of the administration to do something.

Mr. SMITH. Anybody else?

Mr. CALINGAERT. I agree with Bill Browder that I would expect, let us say, slow walking from any administration if the bill passes, but I think it would change the dynamic of the debate. In the human rights field, there is a lot of focus on abuses themselves and bringing them to light and condemning them. There are efforts to support human rights defenders and acknowledge their courage, but there are these missing pieces of really figuring out who is responsible and when and how will justice take place.

I think there is growing attention in the human rights field, but there could be much more of that. I wouldn't claim this is in any way systematic, but just sort of asking experts in the field, both about China and Iran, about how difficult would it be to compile information on the officials responsible for the kind of gross violations that we are talking about.

And, you know, some groups are, but my sense is it is probably not as systematic as it could be, and I think the opening that the bill H.R. 624 provides would really invite this, because it is not just an opportunity for Congress to suggest names to add to the visa ban list, but also opportunity for human rights organizations to do so.

And I think by opening that door you will get a response, and then it puts the onus on the administration to explain who they are adding to the list, and if they are keeping people off the list do they have good reasoning for that.

Mr. SMITH. If I could, on the issue of retaliation and commercial interests, I expect there will be a significant pushback from the Chamber of Commerce perhaps. I am a great believer that the Foreign Corrupt Practices Act had a tremendous impact on ensuring that our businessmen and women were not tricked or coerced or even unwittingly, or perhaps even willingly, become bribers of officials.

By having that standard, it actually makes it more likely when we deal in other countries that we just say, "Look, I can't do this.

I can't break the law." And it helps level the playing field, at least for U.S. competitors, but not necessarily international.

But I am wondering if this will incentivize this bill, more transparency, respect for international human rights, or do you think the argument that we will have lodged against it that it will hurt commercial interests—I mean, to this day, I am shocked beyond words—when Bill Clinton delinked Most Favored Nation status on May 26, 1994, with China and human rights, and we lost leverage as never before after all of us lauded him for linking it in the first place.

Profits trumped human rights, and I have concerns that that pressure will build. I mean, we are seeing it even with the fast track proposal that is likely to be up on the floor of the House and the Senate for TPP. In two Congresses in a row, House has passed my bill called the Vietnam Human Rights Act, all kinds of benchmarks, and Vietnam gets a pass. As they did with the Bilateral Trade Agreement, things got worse after the trade agreement, not better.

And so how do we make the case that this will lead to more transparency, better practices? Would any of you like to take that on? Because I think besides, you know, torture, which we all at this witness table, and on this side of the dais as well, are passionate about, I think this makes for a better environment for doing business, because corruption does hijack democracy.

I chair the delegation to OSCE Parliamentary Assembly. One year, in Bucharest, the whole theme was corruption and how it hijacks democracies. And I don't think that is readily understood. So if any of you would like to take a shot at that? Bill.

Mr. BROWDER. Well, I think I am the case study in why this bill is important. I was the largest foreign investor in Russia, and the corruption of the regime led to them kicking me out of the country and trying to seize all of my assets. When a young lawyer intervened, he was then effectively executed in slow motion. And I had no protection whatsoever.

And so, well, I mean, it is kind of absurd for the—it is like almost what I call a Stockholm syndrome for the people who are still out there, to be trying to defend their hostage takers by saying they shouldn't do this. I mean, basically, what this does is gives businesses a tool to say that if your business is raided by a bunch of corrupt officials, there is consequence to those officials.

And so it is an invalid argument to be making. They want to make that argument; I guarantee you. It is both an immoral and an invalid argument to say that by creating consequences for human rights abuses connected to corruption that that is bad for business. It is good for business. It is just not right.

Mr. SMITH. We will ask the administration to testify, to give their views on the bill at our next hearing on this, but we will also write to them in the meantime to try to get their input to see if they can support this.

I am afraid that part of the objection will be, and I would appreciate your view on this, they will say the Office of Foreign Assets Control does not have sufficient personnel. If past is prologue, we will probably get a hyperinflated number as to how many people need to be working this.

We got this on the International Megan's Law, we got it on a trafficking bill, we got it on a religious freedom bill. They say people can't be double- and triple-hatted and make this a part of their portfolio. And then CBO comes in and gives us a score that becomes, you know, a killer cost.

Do we have resources now sufficient, or do we need to be hiring more people, do you think?

Mr. CALINGAERT. I can't give a detailed assessment. I would make a couple of points. First of all, I would hope that if the bill passes that Congress would also look into the possibility of authorizing some additional funds for implementing, because even if the, let us say, State Department and Treasury Department agree, you will want to make sure that they have the people to follow up on the names that are submitted from Congress, from others.

I mean, and, you know, you heard the context of my remarks. I think this act, and its implementation, should really receive priority because it can change this much larger dynamic in the world. I mean, obviously, we keep pushing on all of the different fronts of legislation and the work that human rights groups do, but I have a hard time thinking of any other tool out there that really just pinpoints the most noxious aspects of the worst regimes out there and could really be effective with the tools that we have.

Mr. SMITH. Ms. Kadeer.

Ms. KADEER. Wang Lequan was the Party Secretary of the Xinjiang Uyghur Autonomous Region, and he ordered in July 2009 the suppression and crackdown, and directly involved in the killing of the hundreds of the Uyghurs. And he was of course removed from his position, but he was transferred to Beijing, and he is in Beijing.

He was also a corrupt official. He was involved in corruption as well. But the government is protecting this individual, so, therefore, now he is in Beijing in a safe place.

And after Wang Lequan, Zhang Chunxian was elected as the Party Secretary of the Xinjiang Uyghur Autonomous Region. He was also involved in this crackdown, ongoing crackdown, in Uyghur autonomous region. But he was invited to Capitol Hill in 2009 by a Senator, so it is a surprise how he was granted visa.

So there are hundreds and thousands of people involved in these kinds of crackdowns in human rights abuses, in corruption, so it should start from Capitol Hill, from the Members of the Congress. Members of the Congress should be very careful in inviting the people who are involved in these kind of corruption and human rights abuses.

This Global Human Rights Accountability Act should also include the Chinese officials, especially the regional officials who are directly involved in human rights abuses and killing of the peaceful protesters, Uyghurs, in the region, for all of the Chinese officials, of course, but the regional officials are very much involved directly in these abuses.

Mr. SMITH. Yes, Bill.

Mr. BROWDER. Having dealt with a lot of difficulties and seen what the costs are in Russia, I think it is a bad argument for them to be saying it is going to cost us, we are going to have to employ

a few more people. I live by the philosophy that a dollar spent fighting bad, fighting evil, is worth $100 trying to do good.

And there are many, many programs that are very expensive where we are trying to do good, but this is one of these things where in the private sector almost nobody wants to fight bad, because fighting bad then involves retaliation, it involves personal risk. I am a perfect example of that risk.

This is an example where the government needs to do this, because the private sector doesn't. And so the investment is relatively minimal. I believe that it was a $6 million investment in the 2012 Sergei Magnitsky Rule of Law Accountability Act. And the amount of money that is now being spent to support Ukraine is going to be in the billions.

And so I think that it would be a stupid argument for them to make that they can't employ a few more people to analyze a few more documents. It is like saying we can't afford judges, so we should let criminals go free.

Mr. SMITH. Well put. Unfortunately, there is a vote on the floor with 2½ minutes left, and then there might be a followup to this vote. I do have some additional questions. I would like to submit it to you, and perhaps you could get back to us for the record.

But thank you for your leadership. Thank you for your testimonies. It certainly has been most helpful and insightful. And I look forward to working with you going forward.

The hearing is adjourned.

[Whereupon, at 3:36 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations
Christopher H. Smith (R-NJ), Chairman

April 29, 2015

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations in Room 2255 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Wednesday, April 29, 2015

TIME: 2:00 p.m.

SUBJECT: The Global Magnitsky Human Rights Accountability Act

WITNESSES: Mr. William Browder
Chief Executive Officer
Hermitage Capital Management

Ms. Rebiya Kadeer
President
World Uyghur Congress

Mr. Kenneth R. Weinstein
President and Chief Executive Officer
Hudson Institute

Daniel Calingaert, Ph.D.
Executive Vice President
Freedom House

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Africa, Global Health, Global Human Rights, and International Organizations* HEARING

Day *Wednesday* **Date** *April 29, 2015* **Room** *2255 Rayburn HOB*

Starting Time *2:30 p.m.* **Ending Time** *3:35 p.m.*

Recesses [*0*] (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Rep. Chris Smith

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

The Global Magnitsky Human Rights Accountability Act

SUBCOMMITTEE MEMBERS PRESENT:

Rep. Tom Emmer, Rep. David Cicilline, Rep. Karen Bass

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

Question for the record from Rep. Chris Smith for Mr. Browder
Question for the record from Rep. Chris Smith for Mr. Weinstein

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *3:35 p.m.*

Gregory D. Simpkins
Subcommittee Staff Director

Question for the Record Submitted by
Representative Chris Smith
Mr. William Browder
House Committee on Foreign Affairs
Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations
April 29, 2015

Question:

The American business community often objects to sanctions of any kind. American companies are able to operate even in the most challenging, corrupt, repressive environments because of relationships with government officials and business leaders. They argue that if the U.S. government sanctions and names a powerful, well-connected government official, a government might retaliate against American companies and make it difficult or impossible to continue to operate in that country. As the CEO of a very successful investment and assets management firm, that specialized in investing in these kind of environments, what are your best arguments for why a Global Magnitsky Act would be good for American businesses and the American economy?

Answer:

A Global Magnitsky Act will protect American companies from the extortion, theft, and abuse which is inherent in countries that lack a concrete rule of law, by creating consequences for the individuals commit these crimes. To argue that the law will damage American business interests due to the potential retaliation from corrupt regimes is akin to arguing against a police force because it would make criminals uncomfortable. I can say with firsthand experience that the economic benefit of preventing corrupt individuals from embezzling and stealing from American companies far outweighs the potential loss of business in a particular country, should that country choose to protect its corrupt citizens over its economic interests.

Furthermore, a Global Magnitsky Act will protect American companies from making investments with corrupt individuals and becoming inadvertently involved in laundering the proceeds of crime. There is an increasing awareness in the global community of financial crime and corruption, thanks to recent events such as Euromaidan in the Ukraine, as well as ongoing efforts by NGOs and activists to expose corrupt regimes. Should companies engage in business with human rights violators and kleptocrats, they risk loss of business, seizure of assets, and even criminal charges. A Global Magnitsky Act will protect American companies from this by ousting corrupt individuals and preventing American companies from doing business with them.

Question for the Record Submitted by
Representative Chris Smith,
Chairman of the House Committee on Foreign Affairs
Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations
To Mr. Kenneth Weinstein
April 29, 2015

Question:

To advance our national security, the U.S. government sometimes collaborates and cooperates with governments that are filled with officials who egregiously violate internationally recognized human rights and commit major corruption in their own countries. This spans counter-terrorism to agreements to host our military bases and allow for transit to re-supply our troops. Some people argue that something like a Global Magnitsky Act would undermine these partnerships and therefore undermine our national security. What is your response to this argument?

Answer:

Thank you for your question, Chairman Smith.

Promoting national security and advancing human rights are not mutually exclusive. Although the US actively cooperates with -- and in some cases, even maintains strategic partnerships with regimes whose human rights records are abysmal -- these specific agreements have never been the core of our critical bilateral relationships. Indeed, in most of the cases where we do have active cooperation with such countries, we also maintain some pressure on human rights issues concurrently and in appropriate balance with our economic and national security commitments.

Global Magnitsky would not upset this equilibrium. As mentioned earlier, the bill's focus on individuals rather than states ensures that sanctions may be narrowly and judiciously applied. The option of adding names via a classified annex or exercising a national security waiver allows the President flexibility in tailoring sanctions to complement and not undermine our national security interests in regions where our bilateral relations are particularly sensitive. The potential need to temper Global Magnitsky sanctions in light of specific national security concerns should not justify abandoning our support for internationally recognized human rights values. In fact, the destabilizing consequences of public corruption should motivate our partners around the globe to collaborate in this effort.

Rather than abandoning the promotion of human rights in strategic regions due to present exigencies, our national security policy should look to the future. By promoting human rights through measures like the Global Magnitsky Act, we may work to create more reliable and sustainable partnerships to protect and preserve our national security well beyond the expiration of our current logistical needs.

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