

115TH CONGRESS
2D SESSION

H. R. 7314

To combat corruption and money laundering in Guatemala.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2018

Mrs. TORRES introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To combat corruption and money laundering in Guatemala.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Guatemala Rule of
5 Law Accountability Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means—

1 (A) the Committee on Foreign Affairs and
2 the Committee on Appropriations of the House
3 of Representatives; and

4 (B) the Committee on Foreign Relations
5 and the Committee on Appropriations of the
6 Senate.

7 (2) FOREIGN PERSON.—The term “foreign per-
8 son” means a person that is not a United States
9 person.

10 (3) GRAND CORRUPTION.—The term “grand
11 corruption” means public corruption committed at a
12 high level of government that—

13 (A) distorts policies or the central func-
14 tioning of the country; and

15 (B) enables leaders to benefit at the ex-
16 pense of the public good.

17 (4) UNITED STATES PERSON.—The term
18 “United States person” means—

19 (A) a natural person who is a citizen or
20 resident of the United States or a national of
21 the United States (as defined in section 101(a)
22 of the Immigration and Nationality Act (8
23 U.S.C. 1101(a)); and

24 (B) an entity that is organized under the
25 laws of the United States or any State.

1 **SEC. 3. FINDINGS.**

2 Congress finds the following:

3 (1) The Department of State’s 2018 Inter-
4 national Narcotics Control Strategy Report stated
5 that, in Guatemala, “widespread corruption per-
6 meates public and private institutions and exacer-
7 bates the country’s security, governmental, and eco-
8 nomic challenges”.

9 (2) The same report, discussing money laun-
10 dering in Guatemala, noted that “[d]rug trafficking
11 is a major source of illicit funds. Other sources in-
12 clude corruption, extortion, human trafficking, com-
13 merce of other illicit goods, and tax evasion. Money
14 is laundered primarily through real estate, ranching,
15 and the gaming industry. It is also laundered
16 through a series of small transactions below the U.S.
17 \$10,000 reporting requirement, either in small
18 banks along the Guatemala-Mexico border, or by
19 travelers carrying cash to other countries”.

20 (3) On August 10, 2018, Guatemala’s Attorney
21 General filed a request before the Supreme Court of
22 Guatemala to remove the immunity of Guatemala’s
23 President, Jimmy Morales, so that he could be
24 charged for the crime of illicit financing, based on
25 investigations carried out jointly by the Office of the

1 Attorney General and the International Commission
2 against Impunity in Guatemala (CICIG).

3 (4) On August 31, 2018, the United States
4 Embassy in Guatemala issued a press release stating
5 that “Since 2013 the United States Government has
6 donated 148 Jeep J8 vehicles to the Government of
7 Guatemala. These vehicles were donated for law en-
8 forcement use by the Interagency Task Forces
9 Tecun Uman, Chorti, and Xinca for the purpose of
10 combatting criminal activity and narcotics traf-
11 ficking, with a focus on Guatemala’s borders. Sev-
12 eral of these vehicles were recently observed in Gua-
13 temala City, including in close proximity to CICIG’s
14 headquarters and the United States Embassy. The
15 United States is monitoring closely that all equip-
16 ment donated for law enforcement activity in Guate-
17 mala is used appropriately and in accordance with
18 existing agreements.”.

19 (5) On the same date, Guatemala’s President,
20 Jimmy Morales, appeared at a press conference to
21 announce that he would not renew the mandate of
22 CICIG, which expires in 2019, or the visa of its
23 commissioner, Ivan Velasquez, which was set to ex-
24 pire on September 18, 2018.

1 (6) On September 4, 2018, the Government of
2 Guatemala issued a statement to the effect that Ivan
3 Velasquez, who was on travel at the time, was not
4 permitted to reenter the country.

5 (7) On September 17, 2018, Guatemala’s For-
6 eign Minister, Sandra Jovel, and Minister of the In-
7 terior, Enrique Degenhart, made public statements
8 indicating that the Government of Guatemala in-
9 tended to ignore an order from the Guatemalan Con-
10 stitutional Court, that the government must allow
11 the CICIG commissioner to enter the country.

12 **SEC. 4. SANCTIONS AGAINST FOREIGN PERSONS THAT EN-**
13 **GAGE IN CORRUPTION AND OTHER ACTIVI-**
14 **TIES IN GUATEMALA.**

15 (a) IN GENERAL.—Not later than 180 days after the
16 date of the enactment of this Act, the President shall im-
17 pose the sanctions described in subsection (b) with respect
18 to any foreign person who is a current or former official
19 of the Government of Guatemala, or any foreign person
20 acting on behalf of or in cooperation with an official of
21 that government, that has knowingly—

22 (1) committed or facilitated acts of grand cor-
23 ruption, money laundering, narcotics trafficking, or
24 financing political campaigns with the proceeds of
25 narcotics trafficking;

1 (2) obstructed investigations or prosecutions of
2 grand corruption carried out by Guatemalan public
3 prosecutors;

4 (3) misused equipment provided by the Sec-
5 retary of State or the Secretary of Defense to the
6 Guatemalan military or national civilian police for
7 the purpose of combating drug trafficking or secur-
8 ing Guatemala's border;

9 (4) disobeyed rulings of the Guatemalan Con-
10 stitutional Court; or

11 (5) impeded or interfered with the work of any
12 United States Government agency or any institution
13 receiving contributions from the United States Gov-
14 ernment, including the International Commission
15 against Impunity in Guatemala (CICIG).

16 (b) SANCTIONS DESCRIBED.—

17 (1) IN GENERAL.—The sanctions described in
18 this subsection are the following:

19 (A) ASSET BLOCKING.—The exercise of all
20 powers granted to the President by the Inter-
21 national Emergency Economic Powers Act (50
22 U.S.C. 1701 et seq.) to the extent necessary to
23 block and prohibit all transactions in all prop-
24 erty and interests in property of a person deter-
25 mined by the President to be subject to sub-

1 section (a) if such property and interests in
2 property are in the United States, come within
3 the United States, or are or come within the
4 possession or control of a United States person.

5 (B) EXCLUSION FROM THE UNITED
6 STATES AND REVOCATION OF VISA OR OTHER
7 DOCUMENTATION.—In the case of an alien de-
8 termined by the President to be subject to sub-
9 section (a), denial of a visa to, and exclusion
10 from the United States of, the alien, and rev-
11 ocation in accordance with section 221(i) of the
12 Immigration and Nationality Act (8 U.S.C.
13 1201(i)), of any visa or other documentation of
14 the alien.

15 (2) PENALTIES.—A person that violates, at-
16 tempts to violate, conspires to violate, or causes a
17 violation of paragraph (1)(A) or any regulation, li-
18 cense, or order issued to carry out paragraph (1)(A)
19 shall be subject to the penalties set forth in sub-
20 sections (b) and (c) of section 206 of the Inter-
21 national Emergency Economic Powers Act (50
22 U.S.C. 1705) to the same extent as a person that
23 commits an unlawful act described in subsection (a)
24 of that section.

1 (3) EXCEPTION RELATING TO IMPORTATION OF
2 GOODS.—

3 (A) IN GENERAL.—The requirement to
4 block and prohibit all transactions in all prop-
5 erty and interests in property under paragraph
6 (1)(A) shall not include the authority to impose
7 sanctions on the importation of goods.

8 (B) DEFINITION.—In this paragraph, the
9 term “good” means any article, natural or man-
10 made substance, material, supply or manufac-
11 tured product, including inspection and test
12 equipment, and excluding technical data.

13 (4) EXCEPTION TO COMPLY WITH UNITED NA-
14 TIONS HEADQUARTERS AGREEMENT.—Sanctions
15 under paragraph (1)(B) shall not apply to an alien
16 if admitting the alien into the United States is nec-
17 essary to permit the United States to comply with
18 the Agreement regarding the Headquarters of the
19 United Nations, signed at Lake Success June 26,
20 1947, and entered into force November 21, 1947,
21 between the United Nations and the United States,
22 or other applicable international obligations.

23 (c) REGULATORY AUTHORITY.—The President shall
24 issue such regulations, licenses, and orders as are nec-
25 essary to carry out this section.

1 (d) TERMINATION.—This section shall terminate on
2 the date that is 2 years after the date of the enactment
3 of this Act.

4 **SEC. 5. LIMITATION ON TRANSFER OF EQUIPMENT TRANS-**
5 **FER TO SECURITY FORCES.**

6 (a) IN GENERAL.—Not later than 60 days after the
7 date of the enactment of this Act, the Secretary of State,
8 in coordination with the Administrator of the United
9 States Agency for International Development and the Sec-
10 retary of Defense, as appropriate, shall issue regulations
11 requiring the inclusion of appropriate clauses for any new
12 foreign assistance contracts, grants, and cooperative
13 agreements covering the transfer of equipment to the Gua-
14 temalan military or national civilian police, to ensure that
15 any United States equipment that is provided to the Gov-
16 ernment of Guatemala may be recovered if such equipment
17 is used for purposes other than those for which it was pro-
18 vided.

19 (b) EXCEPTIONS AND WAIVER.—

20 (1) EXCEPTIONS.—Subsection (a) shall not
21 apply to humanitarian assistance, disaster assist-
22 ance, or assistance to combat corruption.

23 (2) WAIVER.—The Secretary of State or the
24 Secretary of Defense, on a case by case basis, may
25 waive the requirement under subsection (a) if the

1 Secretary of State or the Secretary of Defense cer-
2 tifies to the appropriate congressional committees
3 that such waiver is important to the national secu-
4 rity interests of the United States.

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