

115TH CONGRESS
1ST SESSION

S. 1018

To provide humanitarian assistance for the Venezuelan people, to defend democratic governance and combat widespread public corruption in Venezuela, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 3, 2017

Mr. CARDIN (for himself, Mr. RUBIO, Mr. DURBIN, Mr. CORNYN, Mr. MENENDEZ, Mr. MCCAIN, Mr. NELSON, Mr. KAINE, and Mr. VAN HOLLEN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To provide humanitarian assistance for the Venezuelan people, to defend democratic governance and combat widespread public corruption in Venezuela, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Venezuela Humanitarian Assistance and Defense of
6 Democratic Governance Act of 2017”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress.
- Sec. 4. Humanitarian assistance for the people of Venezuela.
- Sec. 5. Requirement for strategy to coordinate international humanitarian assistance.
- Sec. 6. Support for Organization of American States Inter-American Democratic Charter.
- Sec. 7. Support for international election observation missions and democratic civil society in Venezuela.
- Sec. 8. Support for Caribbean countries.
- Sec. 9. Concerns and report on the involvement of Venezuelan officials in corruption and illicit narcotics trafficking.
- Sec. 10. Sanctions on persons responsible for public corruption and undermining democratic governance in Venezuela.
- Sec. 11. Concerns over PDVSA transactions with Rosneft.

3 **SEC. 2. FINDINGS.**

4 Congress makes the following findings:

5 (1) The deterioration of democratic governance
 6 and the economic crisis in Venezuela have led to an
 7 unprecedented humanitarian situation in which peo-
 8 ple are suffering from severe shortages of essential
 9 medicines and basic food products.

10 (2) According to the World Health Organiza-
 11 tion, Venezuela had a shortage of necessary medica-
 12 tions and medical supplies of—

13 (A) 55 percent in 2014;

14 (B) 67 percent in 2015; and

15 (C) 75 percent in 2016.

16 (3) According to a Human Rights Watch 2016
 17 report, it is increasingly difficult for many Ven-
 18 ezuelans, particularly those in lower or middle-in-

1 come families, to obtain adequate nutrition and
2 there are reports of symptoms of malnutrition, par-
3 ticularly in children.

4 (4) Despite massive shortages of basic food-
5 stuffs and essential medicines, President of Ven-
6 ezuela Nicolás Maduro has rejected repeated re-
7 quests from the Venezuelan National Assembly and
8 civil society organizations to bring humanitarian aid
9 into the country.

10 (5) The International Monetary Fund has esti-
11 mated that in Venezuela in 2016 the country's gross
12 domestic product contracted by 12 percent and infla-
13 tion rate reached 720 percent, and has stated that
14 Venezuela had the worst growth and inflation per-
15 formance in the world.

16 (6) The International Monetary Fund has not
17 convened an Article IV Executive Board consultation
18 for Venezuela since September 13, 2004, which
19 greatly limits the extent of information available to
20 the international community about the severity of
21 the Venezuelan economic crisis.

22 (7) Venezuela's political, economic, and human-
23 itarian crisis is fueling social tensions that are re-
24 sulting in growing incidents of public unrest, looting,

1 violence among citizens, and an exodus of Ven-
2 ezuelans abroad.

3 (8) These social distortions are taking place
4 amidst an alarming climate of criminal violence. Ac-
5 cording to the United Nations Office on Drug and
6 Crime, Caracas, Venezuela had the highest per cap-
7 ita homicide rate of any capital city in the world in
8 2015 at 120 murders per 100,000 citizens.

9 (9) In 2016, 18,155 Venezuelans submitted
10 asylum requests in the United States, which was
11 greatest number of requests by any nationality, ac-
12 cording to U.S. Citizenship and Immigration Serv-
13 ices.

14 (10) International and domestic human rights
15 groups, such as Foro Penal Venezolano, recognize
16 more than 108 political prisoners in Venezuela, in-
17 cluding opposition leader and former Chacao mayor
18 Leopoldo López, Judge María Lourdes Afiuni, Cara-
19 cas Mayor Antonio José Ledezma Díaz, National
20 Assembly Deputy Gilber Caro, and former San Cris-
21 tobal mayor Daniel Ceballos.

22 (11) According to media accounts, 29 people
23 lost their lives as the result of public demonstrations
24 and protests in Venezuela in April 2017.

1 **SEC. 3. SENSE OF CONGRESS.**

2 It is the sense of Congress that—

3 (1) Venezuelan President Nicolás Maduro
4 should permit the delivery of international humani-
5 tarian assistance to address the widespread and
6 deeply concerning shortages of essential medicines
7 and basic food products faced by the people of Ven-
8 ezuela;

9 (2) it is in the best interest of the Venezuelan
10 people for the Government of Venezuela to engage
11 with multilateral and regional economic institutions
12 to ameliorate the effects of the country's ongoing
13 economic, social, and humanitarian crisis;

14 (3) Venezuelan President Nicolás Maduro
15 should immediately release all political prisoners and
16 respect internationally recognized human rights in
17 order to facilitate the conditions for political negotia-
18 tions and dialogue in Venezuela;

19 (4) Venezuelan President Nicolás Maduro and
20 the Supreme Tribunal of Justice of Venezuela
21 should take steps to reinstate the full powers and
22 authorities of the National Assembly of Venezuela in
23 accordance with the Constitution of the Bolivarian
24 Republic of Venezuela;

25 (5) Venezuela's National Electoral Council
26 should establish a specific timeline to hold national,

1 regional, and municipal elections in accordance with
2 the Constitution of the Bolivarian Republic of Ven-
3 ezuela; and

4 (6) the United States should support meaning-
5 ful efforts towards political negotiations and dia-
6 logue through which all parties uphold their commit-
7 ments and agree to specific deadlines to restore re-
8 spect for Venezuela's constitutional mechanisms and
9 resolve the country's political, economic, and human-
10 itarian crisis.

11 **SEC. 4. HUMANITARIAN ASSISTANCE FOR THE PEOPLE OF**
12 **VENEZUELA.**

13 (a) IN GENERAL.—The Secretary of State, in coordi-
14 nation with the Administrator of the United States Agen-
15 cy for International Development, subject to the avail-
16 ability of appropriations, shall work through nongovern-
17 mental organizations to provide—

18 (1) public health commodities to Venezuelan
19 health facilities and services, including medicines on
20 the World Health Organization's List of Essential
21 Medicines and basic medical supplies and equipment;

22 (2) the basic food commodities and nutritional
23 supplements needed to address growing malnutrition
24 and improve food security for the people of Ven-

1 ezuela, with a specific emphasis on the most vulner-
2 able populations;

3 (3) technical assistance to ensure health and
4 food commodities are appropriately selected, pro-
5 cured, and distributed; and

6 (4) improved transparency and accountability in
7 institutions of the Government of Venezuela, includ-
8 ing the publication of official data on public health
9 indicators and shortages of food and medicine.

10 (b) STRATEGY REQUIREMENT.—Not later than 90
11 days after the date of the enactment of this Act, the Sec-
12 retary of State shall submit a strategy for carrying out
13 the activities described in subsection (a) to—

14 (1) the Committee on Foreign Relations of the
15 Senate;

16 (2) the Committee on Appropriations of the
17 Senate;

18 (3) the Committee on Foreign Affairs of the
19 House of Representatives; and

20 (4) the Committee on Appropriations of the
21 House of Representatives.

22 (c) AUTHORIZATION OF APPROPRIATIONS.—

23 (1) IN GENERAL.—There is authorized to be
24 appropriated to the Secretary of State \$10,000,000
25 for fiscal year 2018 to carry out the activities set

1 forth in subsection (a) in accordance with this sec-
2 tion.

3 (2) NOTIFICATION REQUIREMENT.—

4 (A) IN GENERAL.—Amounts appropriated
5 or otherwise made available pursuant to para-
6 graph (1) may not be obligated until 15 days
7 after the date on which the President has pro-
8 vided notice of intent to obligate such funds to
9 the committees listed in subsection (b).

10 (B) WAIVER.—The Secretary of State may
11 waive the requirement under subparagraph (A)
12 if the Secretary of State determines that failure
13 to waive such requirement would pose a sub-
14 stantial risk to human health or welfare. If
15 such a waiver is invoked, the President shall no-
16 tify the committees listed in subsection (b) of
17 the intention to obligate funds under this sec-
18 tion as early as practicable, but in no event
19 later than 3 days after taking the action to
20 which such notification requirement was appli-
21 cable in the context of the circumstances neces-
22 sitating such waiver.

23 (d) BRIEFINGS.—Upon a request from one of the
24 committees listed in subsection (b), the Secretary of State
25 and the Administrator of the United States Agency for

1 International Development shall brief the committee on
 2 the progress made in implementing the strategy submitted
 3 under subsection (b).

4 **SEC. 5. REQUIREMENT FOR STRATEGY TO COORDINATE**
 5 **INTERNATIONAL HUMANITARIAN ASSIST-**
 6 **ANCE.**

7 (a) SENSE OF CONGRESS.—It is the sense of Con-
 8 gress that the United Nations humanitarian agencies, in-
 9 cluding the Office for the Coordination of Humanitarian
 10 Affairs, the World Health Organization, the Food and Ag-
 11 riculture Organization, and UNICEF, should conduct and
 12 publish an independent assessment on—

13 (1) the extent and impact of the shortages of
 14 food and medicine in Venezuela; and

15 (2) the efforts needed to resolve such shortages.

16 (b) STRATEGY.—Not later than 90 days after the
 17 date of the enactment of this Act, the Secretary of State,
 18 in consultation with the Administrator of the United
 19 States Agency for International Development, shall submit
 20 a multi-year strategy to the Committee on Foreign Rela-
 21 tions of the Senate and the Committee on Foreign Affairs
 22 of the House of Representatives that—

23 (1) describes how the United States will secure
 24 support from international donors, including re-
 25 gional partners in Latin America and the Caribbean,

1 for the provision of humanitarian assistance to the
2 people of Venezuela;

3 (2) identifies governments that are willing to
4 provide financial and technical assistance for the
5 provision of such humanitarian assistance to the
6 people of Venezuela and a description of such assist-
7 ance; and

8 (3) identifies the financial and technical assist-
9 ance to be provided by multilateral institutions, in-
10 cluding the United Nations humanitarian agencies
11 listed in subsection (a), the Pan American Health
12 Organization, the Inter-American Development
13 Bank, and the World Bank, and a description of
14 such assistance.

15 (c) DIPLOMATIC ENGAGEMENT AND COORDINA-
16 TION.—The Secretary of State, in coordination with the
17 Administrator of the United States Agency for Inter-
18 national Development, as appropriate, shall—

19 (1) carry out diplomatic engagement to secure
20 contributions of financial and technical assistance
21 from international donors and multilateral institu-
22 tions in support of the strategy submitted under
23 subsection (b); and

1 (2) take all necessary steps to ensure effective
2 cooperation among international donors and multi-
3 lateral institutions in support of such strategy.

4 (d) BRIEFINGS.—Upon a request from the Com-
5 mittee on Foreign Relations of the Senate or the Com-
6 mittee on Foreign Affairs of the House of Representatives,
7 the Secretary of State and the Administrator of the
8 United States Agency for International Development shall
9 brief such committee on the progress made in imple-
10 menting the strategy submitted under subsection (b).

11 **SEC. 6. SUPPORT FOR ORGANIZATION OF AMERICAN**
12 **STATES INTER-AMERICAN DEMOCRATIC**
13 **CHARTER.**

14 (a) FINDINGS.—Congress makes the following find-
15 ings:

16 (1) Article 1 of the Inter-American Democratic
17 Charter, adopted by the Organization of American
18 States in Lima on September 11, 2001, affirms,
19 “The peoples of the Americas have a right to democ-
20 racy and their governments have an obligation to
21 promote and defend it.”.

22 (2) Article 19 of the Inter-American Demo-
23 cratic Charter states “an unconstitutional interrup-
24 tion of the democratic order or an unconstitutional
25 alteration of the constitutional regime that seriously

1 impairs the democratic order in a member state,
 2 constitutes, while it persists, an insurmountable ob-
 3 stacle to its government’s participation in sessions of
 4 the General Assembly . . . and other bodies of the
 5 Organization.”.

6 (3) Article 20 of the Inter-American Demo-
 7 cratic Charter provides—

8 (A) “In the event of an unconstitutional al-
 9 teration of the constitutional regime that seri-
 10 ously impairs the democratic order in a member
 11 state, any member state or the Secretary Gen-
 12 eral may request the immediate convocation of
 13 the Permanent Council to undertake a collective
 14 assessment of the situation and to take such de-
 15 cisions as it deems appropriate.”; and

16 (B) “The Permanent Council, depending
 17 on the situation, may undertake the necessary
 18 diplomatic initiatives, including good offices, to
 19 foster the restoration of democracy.”.

20 (b) SENSE OF CONGRESS.—It is the sense of Con-
 21 gress that—

22 (1) Venezuelan President Nicolás Maduro and
 23 the Supreme Tribunal of Justice of Venezuela have
 24 carried out systematic efforts to undermine, block,
 25 and circumvent the authorities and responsibilities

1 of the Venezuelan National Assembly as mandated
 2 in the Constitution of the Bolivarian Republic of
 3 Venezuela;

4 (2) such efforts by President Maduro and the
 5 Supreme Tribunal of Justice of Venezuela amount to
 6 an unconstitutional alternation of the constitutional
 7 regime that seriously impairs the democratic order
 8 in Venezuela; and

9 (3) the Secretary of State, working through the
 10 United States Permanent Mission to the Organiza-
 11 tion of American States, should take additional steps
 12 to support ongoing efforts by Secretary General Luis
 13 Almagro—

14 (A) to invoke the Inter-American Demo-
 15 cratic Charter;

16 (B) to advance a collective assessment of
 17 the situation in Venezuela; and

18 (C) to promote diplomatic initiatives to
 19 foster the restoration of Venezuelan democracy.

20 **SEC. 7. SUPPORT FOR INTERNATIONAL ELECTION OBSER-**
 21 **VATION MISSIONS AND DEMOCRATIC CIVIL**
 22 **SOCIETY IN VENEZUELA.**

23 (a) IN GENERAL.—Subject to the availability of ap-
 24 propriations, the Secretary of State, in coordination with

1 the Administrator of the United States Agency for Inter-
2 national Development, shall work—

3 (1) with the Organization of American States to
4 ensure credible international observation that con-
5 tributes to free, fair, and transparent democratic
6 electoral processes in Venezuela; and

7 (2) directly, or through nongovernmental orga-
8 nizations—

9 (A) to defend internationally recognized
10 human rights for the people of Venezuela;

11 (B) to support the efforts of independent
12 media outlets to broadcast, distribute, and
13 share information beyond the limited channels
14 made available by the Government of Ven-
15 ezuela;

16 (C) to facilitate open and uncensored ac-
17 cess to the Internet for the people of Venezuela;
18 and

19 (D) to combat corruption and improve the
20 transparency and accountability of institutions
21 that are part of the Government of Venezuela.

22 (b) VOICE AND VOTE AT THE OAS.—The Secretary
23 of State, acting through the United States Permanent
24 Representative to the Organization of American States,
25 should advocate and build diplomatic support for sending

1 an election observation mission to Venezuela to ensure
2 that democratic electoral processes are organized and car-
3 ried out in a free, fair, and transparent manner.

4 (c) STRATEGY REQUIREMENT.—Not later than 90
5 days after the date of the enactment of this Act, the Sec-
6 retary of State shall submit a strategy to carry out the
7 activities described in subsection (a) to—

8 (1) the Committee on Foreign Relations of the
9 Senate;

10 (2) the Committee on Appropriations of the
11 Senate;

12 (3) the Committee on Foreign Affairs of the
13 House of Representatives; and

14 (4) the Committee on Appropriations of the
15 House of Representatives.

16 (d) AUTHORIZATION OF APPROPRIATIONS.—

17 (1) IN GENERAL.—There are authorized to be
18 appropriated to the Secretary of State for fiscal year
19 2018—

20 (A) \$500,000 to carry out the activities set
21 forth in subsection (a)(1); and

22 (B) \$9,500,000 to carry out the activities
23 set forth in subsection (a)(2).

24 (2) NOTIFICATION REQUIREMENT.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), amounts appropriated or
3 otherwise made available pursuant to paragraph
4 (1) may not be obligated until 15 days after the
5 date on which the President has provided notice
6 of intent to obligate such funds to the commit-
7 tees listed in subsection (c).

8 (B) WAIVER.—

9 (i) IN GENERAL.—The Secretary of
10 State may waive the notification require-
11 ment under subparagraph (A) if the Presi-
12 dent determines that such requirement
13 would pose a substantial risk to human
14 health or welfare.

15 (ii) NOTIFICATION REQUIREMENT.—If
16 a waiver is invoked under clause (i), the
17 Secretary of State shall notify the commit-
18 tees listed in subsection (c) of the intention
19 to obligate funds under this section as
20 early as practicable, but in no event later
21 than 3 days after taking the action to
22 which such notification requirement was
23 applicable in the context of the cir-
24 cumstances necessitating such waiver.

1 (e) BRIEFINGS.—Upon a request from one of the
2 committees listed in subsection (c), the Secretary of State
3 and the Administrator of the United States Agency for
4 International Development shall brief the committee on
5 the progress made in implementing the strategy submitted
6 under subsection (c).

7 **SEC. 8. SUPPORT FOR CARIBBEAN COUNTRIES.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) Caribbean countries, despite facing their
11 own challenges, can play a significant role in the
12 Caribbean region by responding to the humanitarian
13 and political crisis in Venezuela.

14 (2) Energy security is a major challenge for
15 Caribbean countries, which depend largely on high-
16 cost imported fuel for electricity generation, and
17 many of which have benefited from preferential
18 treatment by Venezuela.

19 (3) Caribbean countries—

20 (A) are a market for United States prod-
21 ucts and services;

22 (B) have access to renewable and other en-
23 ergy sources; and

24 (C) can attract financing to develop and
25 implement new energy technologies and ap-

1 proaches, with assistance and through public-
2 private partnerships.

3 (b) SENSE OF CONGRESS.—It is the Sense of Con-
4 gress that—

5 (1) the Secretary of State should—

6 (A) strengthen the Caribbean Energy Se-
7 curity Initiative; and

8 (B) extend current programming, such as
9 the Caribbean Sustainable Energy Road Map
10 and Strategy; and

11 (2) the Secretary of State, working with the
12 Administrator of the United States Agency for
13 International Development, the Director of the
14 United States Trade and Development Agency, and
15 the President and Chief Executive Officer of the
16 Overseas Private Investment Corporation, should—

17 (A) support the Clean Energy Finance Fa-
18 cility for the Caribbean and Central America to
19 encourage and facilitate regional investments in
20 energy diversification;

21 (B) promote energy efficiency and integra-
22 tion of renewables into Caribbean energy grids;
23 and

24 (C) promote United States energy missions
25 to the Caribbean.

1 (c) STATEMENT OF POLICY.—According to the
2 United States-Caribbean Strategic Engagement Act of
3 2016 (Public Law 114–291), it is the policy of the United
4 States to increase engagement with—

5 (1) the governments in the Caribbean region;
6 and

7 (2) the private sector and civil society in the
8 United States and in the Caribbean.

9 **SEC. 9. CONCERNS AND REPORT ON THE INVOLVEMENT OF**
10 **VENEZUELAN OFFICIALS IN CORRUPTION**
11 **AND ILLICIT NARCOTICS TRAFFICKING.**

12 (a) FINDINGS.—Congress makes the following find-
13 ings:

14 (1) The deterioration of governance in Ven-
15 ezuela has been exacerbated by the involvement of
16 senior officials of the Government of Venezuela, in-
17 cluding members of the National Electoral Council,
18 the judicial system, and the Venezuelan security
19 forces, in acts of corruption and illicit narcotics traf-
20 ficking and related money laundering.

21 (2) In March 2015, the Department of the
22 Treasury’s Financial Crimes Enforcement Network
23 determined that approximately \$2,000,000,000 had
24 been siphoned from Venezuela’s public oil company,
25 Petróleos de Venezuela S.A., in conjunction with its

1 designation of the Banca Privada d'Andorra as a
2 Foreign Financial Institution of Primary Money
3 Laundering Concern.

4 (3) On August 1, 2016, General Nestor
5 Reverol, Venezuela's current Minister of Interior and
6 former National Guard commander, was indicted in
7 a United States district court for participating in an
8 international cocaine trafficking conspiracy.

9 (4) On November 18, 2016, Franqui Francisco
10 Flores de Freitas and Efrain Antonio Campo Flores,
11 nephews of President Maduro and Venezuelan First
12 Lady Cilia Flores, were convicted in a United States
13 district court on charges of conspiring to import co-
14 caine into the United States.

15 (5) On February 13, 2017, the Department of
16 the Treasury's Office of Foreign Assets Control des-
17 ignated Venezuelan Vice President Tareck Zaidan El
18 Aissami Maddah for his involvement in illicit nar-
19 cotics trafficking, pursuant to the Foreign Narcotics
20 Kingpin Designation Act (21 U.S.C. 1901 et seq.;
21 title VIII of Public Law 106–120).

22 (6) The Department of the Treasury's Office of
23 Foreign Assets Control has designated additional in-
24 dividuals and senior Venezuelan officials for their in-

1 involvement in illicit narcotics trafficking, pursuant to
 2 such Act, including—

3 (A) Venezuelan national Samark Jose
 4 Lopez Bello, who is the primary front man and
 5 money launderer for Tareck Zaidan El Aissami
 6 Maddah;

7 (B) Hugo Armando Carvajal Barrios, who
 8 is the current National Assembly Deputy and
 9 the former Director of Venezuela’s Military In-
 10 telligence Directorate;

11 (C) Henry de Jesus Rangel Silva, who is
 12 the current Governor of Trujillo State and the
 13 former Director of Venezuela’s Directorate of
 14 Intelligence and Prevention Services;

15 (D) Ramon Emilio Rodriguez Chacin, who
 16 previously served as the Minister of Interior;
 17 and

18 (E) Freddy Alirio Bernal Rosales, who pre-
 19 viously served as the Mayor of the Libertador
 20 municipality of Caracas.

21 (b) DEFINITIONS.—In this section:

22 (1) CORRUPTION.—The term “corruption”
 23 means the extent to which public power is exercised
 24 for private gain, including by bribery, nepotism,
 25 fraud, or embezzlement.

1 (2) GRAND CORRUPTION.—The term “grand
2 corruption” means corruption committed at a high
3 level of government that—

4 (A) distorts policies or the central func-
5 tioning of the country; and

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

8 (c) REPORTING REQUIREMENT.—

9 (1) IN GENERAL.—Not later than 180 days
10 after the date of the enactment of this Act, the Sec-
11 retary of State, acting through the Bureau of Intel-
12 ligence and Research, and in consultation with the
13 intelligence community (as defined in section 3(4) of
14 the National Security Act of 1947 (50 U.S.C.
15 3003(4))), shall submit a report to Congress that
16 describes the involvement of senior officials of the
17 Government of Venezuela, including members of the
18 National Electoral Council, the judicial system, and
19 the Venezuelan security forces, in acts of corruption
20 in Venezuela, with a specific emphasis on acts of
21 grand corruption.

22 (2) ADDITIONAL ELEMENTS.—The report sub-
23 mitted under paragraph (1) shall—

24 (A) describe how the acts of corruption de-
25 scribed in the report pose direct challenges for

1 United States national security and inter-
2 national security;

3 (B) identify individuals that frustrate the
4 ability of the United States to combat illicit
5 narcotics trafficking; and

6 (C) include input from the Drug Enforce-
7 ment Administration, the Office of Foreign As-
8 sets Control, and the Financial Crimes Enforce-
9 ment Network.

10 (3) FORM.—The report under paragraph (1)
11 shall be submitted in unclassified form, but may in-
12 clude a classified annex. The unclassified portion of
13 the report shall be made available to the public.

14 **SEC. 10. SANCTIONS ON PERSONS RESPONSIBLE FOR PUB-**
15 **LIC CORRUPTION AND UNDERMINING DEMO-**
16 **CRATIC GOVERNANCE IN VENEZUELA.**

17 (a) FINDING.—Executive Order 13692 (50 U.S.C.
18 1701 note), which was signed on March 8, 2015, estab-
19 lished sanctions against individuals responsible for under-
20 mining democratic processes and institutions and involved
21 in acts of public corruption that were not included in the
22 Venezuela Defense of Human Rights and Civil Society Act
23 of 2014 (Public Law 113–278).

1 (b) SANCTIONS.—Section 5 of the Venezuela Defense
 2 of Human Rights and Civil Society Act of 2014 (Public
 3 Law 113–278) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (2), by striking “or” at
 6 the end;

7 (B) by redesignating paragraph (3) as
 8 paragraph (5); and

9 (C) by inserting after paragraph (2) the
 10 following:

11 “(3) has perpetrated, or is responsible for or-
 12 dering or otherwise directing, significant actions or
 13 policies that undermine democratic processes or in-
 14 stitutions;

15 “(4) has perpetrated, or is responsible for or-
 16 dering or otherwise directing, significant acts of pub-
 17 lic corruption; or”;

18 (2) by redesignating subsections (e) and (f) as
 19 subsections (f) and (g), respectively;

20 (3) by inserting after subsection (d) the fol-
 21 lowing:

22 “(e) BRIEFINGS.—Upon a request from the Com-
 23 mittee on Foreign Relations of the Senate or the Com-
 24 mittee on Foreign Affairs of the House of Representatives,
 25 the Secretary of State, in conjunction with the Secretary

1 of the Treasury, shall offer a classified briefing on the ef-
 2 forts to impose sanctions under this section and the im-
 3 pact of such sanctions.”; and

4 (4) in subsection (f), as redesignated, by strik-
 5 ing “December 31, 2019” and inserting “December
 6 31, 2022”.

7 **SEC. 11. CONCERNS OVER PDVSA TRANSACTIONS WITH**
 8 **ROSNEFT.**

9 (a) FINDINGS.—Congress makes the following find-
 10 ings:

11 (1) In late 2016, Venezuelan state owned oil
 12 company Petróleos de Venezuela, S.A. (referred to in
 13 this section as “PDVSA”), through a no-compete
 14 transaction, secured a loan from Russian govern-
 15 ment-controlled oil company Rosneft, using 49.9 per-
 16 cent of PDVSA’s American subsidiary, CITGO Pe-
 17 troleum Corporation, including its assets in the
 18 United States, as collateral. As a result of this
 19 transaction, 100 percent of CITGO is held as collat-
 20 eral by PDVSA’s creditors.

21 (2) CITGO, a wholly owned subsidiary of
 22 PDVSA, is engaged in interstate commerce and
 23 owns and controls critical energy infrastructure in
 24 19 States in the United States, including an exten-
 25 sive network of pipelines, 48 terminals, and 3 refin-

1 eries, with a combined oil refining capacity of
2 749,000 barrels per day. CITGO's refinery in Lake
3 Charles, Louisiana, is the sixth largest refinery in
4 the United States.

5 (3) The Department of the Treasury imposed
6 sanctions on Rosneft, which is controlled by the Rus-
7 sian Government, and its Executive Chairman, Igor
8 Sechin, following Russia's military invasion of
9 Ukraine and its illegal annexation of Crimea in
10 2014.

11 (4) The Department of Homeland Security has
12 designated the energy sector as critical to United
13 States infrastructure.

14 (5) The growing economic crisis in Venezuela
15 raises the probability that the Government of Ven-
16 ezuela and PDVSA will default on their inter-
17 national debt obligations, resulting in a scenario in
18 which Rosneft could come into control of CITGO's
19 United States energy infrastructure holdings.

20 (b) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that—

22 (1) control of critical United States energy in-
23 frastructure by Rosneft, a Russian government-con-
24 trolled entity currently under United States sanc-

1 tions, would pose a significant risk to United States
2 national security and energy security;

3 (2) the President should take all necessary
4 steps to prevent Rosneft from gaining control of
5 critical United States interstate energy infrastruc-
6 ture;

7 (3) a default by PDVSA on its loan from
8 Rosneft, resulting in Rosneft coming into possession
9 of PDVSA's United States CITGO assets, would
10 warrant careful consideration by the Committee on
11 Foreign Investment in the United States;

12 (4) if PDVSA defaults on its debt obligations,
13 the Department of the Treasury's Office of Foreign
14 Asset Control should review CITGO's transactions
15 with United States persons to assess and ensure
16 compliance with United States sanctions policies and
17 regulations; and

18 (5) the Department of Homeland Security
19 should conduct an assessment of the security risks
20 posed by foreign control of CITGO's United States
21 energy infrastructure holdings.

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