

US Imposes New Round of Sanctions on Venezuelan Individuals and Entities

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On September 25, 2018, the US Department of Treasury's Office of Foreign Assets Control (OFAC) imposed a new round of sanctions on Venezuela, targeting, among other parties, Venezuela's First Lady and high-ranking officials of the Government of Venezuela.¹ The new round of sanctions were introduced one day after a bipartisan bill was introduced in Congress to increase pressure on the Venezuelan government through expanded sanctions.

Targeting President Maduro's "Inner Circle"

OFAC designated President of Venezuela Nicolas Maduro on July 31, 2017. According to OFAC, the new designations target key current or former officials of the Venezuelan government who President Maduro has relied on to remain in power.² The individuals added to OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) include:

- First Lady and Former Attorney General Cilia Adela Flores de Maduro,
- Executive Vice President Delcy Eloina Rodriguez Gomez,
- Minister of Popular Power for Communication and Information Jorge Jesus Rodriguez Gomez, and
- Minister of Defense Vladimir Padrino Lopez.

Furthermore, OFAC has designated additional individuals and entities, as well as an aircraft, that are part of a network supporting Rafael Alfredo Sarria Diaz, who according to OFAC is a key front person for sanctioned President of Venezuela's National Constituent Assembly (ANC) Diosdado Cabello Rondon, and was designated earlier this year.

- **N488RC**; Aircraft Model G200; Aircraft Manufacturer's Serial Number (MSN) 228; Aircraft Tail Number N488RC

¹ The full list of Venezuelan individuals and entities added to the SDN List on September 25 – including identifying information – can be found here: <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20180925.aspx>

² The Treasury Department's press release can be found here: <https://home.treasury.gov/news/press-releases/sm495>

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- **Agencia Vehiculos Especiales Rurales y Urbanos, C.A. (AVERUCA, C.A.)**, determined by OFAC to be a Venezuelan company that operates N488RC and whose president is Rafael Sarria
 - **Jose Omar Paredes (Paredes)**, determined by OFAC to be the Chief Pilot of AVERUCA, C.A.
 - **Quiana Trading Limited (Quiana Trading)**, determined by OFAC to be the beneficial owner of N488RC
 - **Edgar Alberto Sarria Diaz (Edgar Sarria)**, determined by OFAC to be a director of Director of Quiana Trading
 - **Panazeate SL**, determined by OFAC to be a company based in Valencia, Spain owned or controlled by Edgar Sarria

All property and interests in property of these individuals and entities on the SDN List located in the United States or within the possession or control of a US person³, wherever located, are considered blocked and may not be dealt in. Any entity in which a blocked person holds a 50 percent or greater ownership interest is itself considered blocked by operation of law. US persons may not engage in any dealings, directly or indirectly, with blocked persons. Provision of goods, services or support for blocked parties is identified as a criterion for potential future designation.

Legislation Proposed to Increase Pressure on Venezuelan Government

The new round of sanctions follow in the footsteps of new legislation introduced on September 24 by a bipartisan group of senators that would expand humanitarian relief and increase economic, political and diplomatic pressure on the Venezuelan government in order to “restore democracy and rule of law” in Venezuela.⁴ The proposed legislation, titled the “Venezuela Humanitarian Relief, Reconstruction, and Rule of Law Act of 2018” would:

- Expand sanctions on Venezuelan government officials, narcotics trafficking, and money laundering;
- Codify and expand sanctions on Venezuelan government debt;
- Codify US measures targeting Venezuela’s oil-backed cryptocurrency;
- Mandate increased intelligence reporting on Venezuelan officials’ role in corruption and drug trafficking;
- Mandate increased intelligence reporting on the role of certain foreign governments – including Russia, China, Cuba, and Iran – and actors in Venezuela; and
- Require the State Department to work with Latin American governments to establish their own sanctions targeting Venezuelan officials who are responsible for human rights abuses or public corruption, and to increase sanctions coordination with European and Latin American partners.

For additional information about the methods that Venezuelan senior political figures, their associates, and front persons use to move and hide corrupt proceeds, including how they try to exploit the UpS financial system and real estate market, please refer to FinCEN’s advisories [FIN-2017-A006](#), “Advisory on Widespread Public Corruption in Venezuela,” and [FIN-2017-A003](#), “Advisory to Financial Institutions and Real Estate Firms and Professionals.”

Companies looking to do business related to Venezuela should monitor future developments closely, and exercise caution to ensure compliance with all applicable sanctions.

³ US persons are defined to include US citizens and permanent residents, wherever located; entities organized under US law, including foreign branches; and any person located in the United States.

⁴ <https://www.foreign.senate.gov/imo/media/doc/09-25-18%20Venezuela%20Bill%20Leg%20Counsel%20Edit1.pdf>

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