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## Venezuela: Overview of U.S. Sanctions Policy

Since 2005, the United States has imposed targeted sanctions on Venezuelan individuals and entities that have engaged in criminal, antidemocratic, or corrupt actions. In response to increasing human rights abuses and corruption by the government of President Nicolás Maduro, in power since 2013, the Trump Administration expanded U.S. sanctions to include financial sanctions, sectoral sanctions, and sanctions on the government.

After the Venezuelan opposition united to run against Maduro in the 2024 presidential election, the Biden Administration offered limited sanctions relief to incentivize the Maduro government to enable a free and fair electoral process. By April 2024, the Administration had rolled back most sanctions relief due to Maduro officials' antidemocratic actions, including barring opposition primary winner Maria Corina Machado from running.

On July 28, 2024, Venezuela's National Electoral Commission claimed that Maduro won 51.2% of the vote, defeating the Unity Platform candidate Edmundo González Urrutia, backed by Machado. These results contradict precinct-level voting tabulations published by the opposition, showing González won by a wide margin. The U.S. government recognized González as the winner on August 1.

Maduro officials have enforced the election results they claim through harsh postelection repression of protesters, activists, and opposition leaders. After the attorney general issued an arrest warrant accusing González of terrorism, González fled into exile. In response, on September 12, the Department of the Treasury's Office of Foreign Assets Control (OFAC) imposed financial sanctions on 16 Maduro officials for their role in either electoral fraud or repression. Some in Congress have called for additional sanctions. This product does not discuss foreign aid restrictions.

### Visa Restrictions

Since FY2018, the State Department has imposed visa restrictions related to corruption or human rights abuses pursuant to Section 7031(c) of annual Department of State, Foreign Operations, and Related Programs appropriations acts on 14 Venezuelans. The State Department also has privately revoked the visas of nearly 2,000 Venezuelans, including those of Venezuelan officials and their families.

### Terrorism-Related Sanctions

Since 2006, the Secretary of State has made an annual determination (most recently in May 2023) that Venezuela is not "cooperating fully with United States anti-terrorism efforts" pursuant to Section 40A of the Arms Export Control Act (22 U.S.C. §2781). The United States has prohibited all U.S. commercial arms sales and retransfers to Venezuela. In 2008, pursuant to Executive Order (E.O.)

13224, the U.S. Department of the Treasury designated two individuals and two travel agencies in Venezuela as Specially Designated Nationals (SDNs) subject to asset blocking sanctions for financially supporting Hezbollah, a U.S.-designated Foreign Terrorist Organization.

### Export Controls

U.S. Department of Commerce export controls related to Venezuela affect dual-use technology, including expanded restrictions since mid-2020 on sales to military or military-intelligence end users.

### Drug Trafficking-Related Sanctions

Treasury has imposed asset blocking sanctions on 11 individuals and 25 companies with connections to Venezuela by designating them as Specially Designated Narcotics Traffickers pursuant to the Foreign Narcotics Kingpin Designation Act (P.L. 106-120, Title VIII, as amended; 21 U.S.C. §§1901 et seq.).

### Targeted Sanctions Related to Antidemocratic Actions, Human Rights Violations, and Corruption

In response to increasing repression in Venezuela, Congress enacted the Venezuela Defense of Human Rights and Civil Society Act of 2014 (P.L. 113-278; 50 U.S.C. §1701 note). Among its provisions, the law required the President to impose sanctions on those the President identified as responsible for significant acts of violence, serious human rights abuses, or antidemocratic actions. Congress extended these sanctions authorizations through 2023 in P.L. 116-94.

President Obama issued E.O. 13692 to implement P.L. 113-278 in March 2015, and Treasury issued regulations in July 2015 (31 C.F.R. Part 591). The E.O. targets (for asset blocking and visa restrictions) those involved in actions or policies undermining democratic processes or institutions; serious human rights abuses; prohibiting, limiting, or penalizing freedom of expression or peaceful assembly; and public corruption. It includes any person who is a current or former leader of any entity engaged in any of those activities, as well as current or former government officials. Although the sanctions authorities in P.L. 116-94 expired in December 2023, the President still has the authority to impose them under E.O. 13692.

Treasury has imposed SDN sanctions on roughly 131 Venezuelans and at least eight entities pursuant to E.O. 13692. Those individuals include President Maduro, his wife, and his son; Vice President Delcy Rodríguez; Defense Minister Vladimir Padrino Lopez; supreme court judges; and governors. Also subject to SDN sanctions are the 16 election officials, judges, prosecutors, and security sector officials designated on September 12, 2024, for undermining democracy during and after the July 28 election.

### Additional Financial Sanctions

President Trump imposed additional financial sanctions on Venezuela in response to the government's human rights abuses and antidemocratic actions. In August 2017, President Trump issued E.O. 13808, which prohibited access to U.S. financial markets by the Venezuelan government, including state energy company *Petróleos de Venezuela, S.A. (PdVSA)*, with certain exceptions intended to minimize the impact on the Venezuelan people and U.S. interests. In March 2018, President Trump issued E.O. 13827 to prohibit transactions involving the Venezuelan government's issuance of digital currency, coin, or token. In May 2018, President Trump issued E.O. 13835, which prohibited transactions related to purchasing Venezuelan debt and any debt owed to Venezuela pledged as collateral. Since then, OFAC has issued licenses preventing the forced sale of CITGO, a U.S. subsidiary of PdVSA, to creditors.

### Broader Sectoral Sanctions

On November 1, 2018, President Trump issued E.O. 13850. This E.O. set forth a framework to block the assets of, and prohibit certain transactions with, any person determined by the Secretary of the Treasury to operate in designated sectors of the Venezuelan economy or to engage in corrupt transactions with the Maduro government.

On January 28, 2019, pursuant to E.O. 13850, Treasury designated PdVSA as operating in the oil sector of the Venezuelan economy and the Secretary of the Treasury determined the company was subject to U.S. sanctions. The E.O. froze all property and interests in property of PdVSA subject to U.S. jurisdiction and prohibited U.S. persons (companies or individuals) from engaging in transactions with the company. Treasury also sanctioned Venezuela's Central Bank, National Development Bank, and state-owned gold company, *Minerven*. Treasury has imposed sanctions pursuant to E.O. 13850 on 22 individuals, 91 entities, and 47 vessels. The Biden Administration has not added any individuals, entities, or vessels to this list.

### Sanctions on the Maduro Government

In August 2019, President Trump issued E.O. 13884, freezing the assets of the Maduro government in the United States. The order prohibited U.S. persons from engaging in transactions with the Maduro government unless authorized by OFAC. E.O. 13884 also authorized financial sanctions and visa restrictions on non-U.S. persons who assist the Maduro government. There are five individuals and one entity designated under this executive order, none of which were designated by the Biden Administration. To allow assistance to the Venezuelan people, OFAC issued licenses authorizing transactions involving the delivery of food, agricultural commodities, and medicine; remittances; international organizations; and communications services. A 2021 Government Accountability Office report found that, despite those licenses, overcompliance with U.S. sanctions had limited some humanitarian assistance.

### Biden Administration: Licenses Issued and Revoked

Since 2019, OFAC has issued and amended licenses to allow certain transactions. In November 2022, after Maduro-opposition negotiations restarted, OFAC issued a license allowing Chevron to resume production in

Venezuela and the import and export of petroleum products at its existing joint ventures in Venezuela.

On October 18, 2023, after Maduro and the opposition signed the Barbados Agreement, which included a roadmap toward holding competitive elections, Treasury issued General License 43 (G.L. 43) authorizing transactions with *Minerven* (the gold company) and a six-month general license (G.L. 44) temporarily authorizing transactions involving the oil and gas sector in Venezuela.

U.S. officials warned that the licenses could be revoked if the Maduro government did not create a process to allow all candidates to run and release wrongfully detained Americans and Venezuelan political prisoners. By mid-December, the Maduro government minimally satisfied those conditions. Nevertheless, in January 2024, OFAC revoked G.L. 43 after Venezuela's supreme court upheld a ban on the candidacy of the opposition's chosen nominee, *María Corina Machado*.

On April 18, the Administration did not renew the oil sector license, citing the Maduro government's continued violations of the Barbados Agreement. Instead, OFAC issued a new license giving companies 45 days to wind down operations that were authorized by G.L. 44. OFAC stated that companies may seek specific licenses to work in Venezuela and that projects underway before G.L. 44 took effect may continue. This policy retains U.S. influence over which companies may work in Venezuela and allows U.S. and other companies to recoup debts owed by PdVSA through oil-for-debt swaps. Former U.S. officials have called for an end to these specific licenses due to the disputed election and postelection repression.

### Congressional Considerations

Congress has been broadly supportive of U.S. policies aimed at hastening a return to democracy in Venezuela, including the use of targeted sanctions. Bills to reauthorize such sanctions on individuals who engage in corruption, human rights abuses, and/or antidemocratic actions under the Venezuela Emergency Relief, Democracy, Assistance, and Development (VERDAD) Act (P.L. 116-94, Division J), which expired in December 2023, have been ordered to be reported in the House (H.R. 6831) and introduced in the Senate (S. 3363). Other introduced legislation would create new election-related sanctionable offenses (e.g. H.R. 5670) and require the imposition of visa restrictions on current and former Maduro government officials (S. 1129).

Resolutions recognizing González's victory have been introduced in both the House and the Senate (e.g., H.Res. 1409; S.Res. 804). Legislation also has been introduced to prohibit U.S. investments in Venezuela's energy sector (S. 4993) until the legitimate election results are respected. Other introduced legislation (H.R. 9546/S. 5003) would codify some executive orders against the Maduro government or any successor government that includes former Maduro officials.

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