Suspend the Rules and Pass the Bill, H. R. 2658, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

115TH CONGRESS
1ST SESSION

H. R. 2658

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 HOUSE OF REPRESENTATIVES

MAY 25, 2017

Mr. ENGEL (for himself, Ms. ROS-LEHTINEN, Mr. SIRES, and Mr. DIAZ-BALART) 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 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,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Venezuela Humanitarian Assistance and Defense of Democratic Governance Act of 2017”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Sense of Congress.
Sec. 4. Requirement for strategy to provide humanitarian assistance to the people of Venezuela.
Sec. 5. Requirement for strategy to coordinate international humanitarian assistance.
Sec. 6. Support for efforts at the United Nations on the humanitarian and political crisis in Venezuela.
Sec. 7. Support for Organization of American States Inter-American Democratic Charter.
Sec. 8. Concerns and report on the involvement of Venezuelan officials in corruption and illicit narcotics trafficking.
Sec. 9. Sanctions on persons responsible for public corruption and undermining democratic governance in Venezuela.
Sec. 10. Concerns over PDVSA transactions with Rosneft.
Sec. 11. Report on activities of certain governments in Venezuela.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The deterioration of democratic governance and the economic crisis in Venezuela have led to an unprecedented humanitarian situation in which people are suffering from severe shortages of essential medicines and basic food products.

(2) According to the World Health Organization, Venezuela had a shortage of necessary medications and medical supplies of—

(A) 55 percent in 2014;
(B) 67 percent in 2015; and

(C) 75 percent in 2016.

(3) According to a Human Rights Watch 2016 report, it is increasingly difficult for many Venezuelans, particularly those in lower- or middle-income families, to obtain adequate nutrition and there are reports of symptoms of malnutrition, particularly in children.

(4) Maternal deaths in Venezuela increased by 66 percent from 2015 to 2016 while infant deaths increased by 30 percent.

(5) There were 240,000 confirmed malaria cases in Venezuela in 2016—a 76 percent increase over 2015.

(6) A survey—conducted jointly by the Central University of Venezuela, the Andrés Bello Catholic University, and the Simón Bolivar University—found that almost 75 percent of Venezuelans lost an average of at least 19 pounds in 2016 as a result of a lack of proper nutrition amidst the country’s economic crisis.

(7) Despite massive shortages of basic food-stuffs and essential medicines, Nicolás Maduro has rejected repeated requests from the Venezuelan Na-
tional Assembly and civil society organizations to bring humanitarian aid into the country.

(8) The International Monetary Fund has estimated that in Venezuela in 2016 the country’s gross domestic product contracted by 12 percent and inflation rate reached 720 percent, and has stated that Venezuela had the worst growth and inflation performance in the world.

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

(10) Venezuela’s political, economic, and humanitarian crisis is fueling social tensions that are resulting in growing incidents of public unrest, looting, violence among citizens, and an exodus of Venezuelans abroad.

(11) These social distortions are taking place amidst an alarming climate of criminal violence. According to the United Nations Office on Drug and Crime, Caracas, Venezuela had the highest per capita homicide rate of any capital city in the world in 2015 at 120 murders per 100,000 citizens.
(12) In 2016, 18,155 Venezuelans submitted asylum requests in the United States, which was the greatest number of requests by any nationality, according to U.S. Citizenship and Immigration Services.

(13) International and domestic human rights groups, such as Foro Penal Venezolano, recognize more than 600 political prisoners in Venezuela, including opposition leader and former Chacao mayor Leopoldo López, Judge María Lourdes Afiuni, Caracas Mayor Antonio José Ledezma Díaz, National Assembly Deputy Gilber Caro, and former San Cristobal mayor Daniel Ceballos.

(14) According to media accounts, over 125 people lost their lives as the result of public demonstrations and protests in Venezuela since April 2017.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) Nicolás Maduro should permit the delivery of international humanitarian assistance to address the widespread and deeply concerning shortages of essential medicines and basic food products faced by the people of Venezuela;
(2) it is in the best interest of the Venezuelan people for the Government of Venezuela to engage with multilateral institutions to ameliorate the effects of the country’s ongoing economic, social, and humanitarian crisis;

(3) Nicolás Maduro should immediately release all political prisoners and respect internationally recognized human rights in order to facilitate the conditions for political negotiations and dialogue in Venezuela;

(4) Nicolás Maduro and the Supreme Tribunal of Justice of Venezuela should take steps to reinstate the full powers and authorities of the National Assembly of Venezuela in accordance with the Constitution of the Bolivarian Republic of Venezuela;

(5) Venezuela’s National Electoral Council should establish a specific timeline to hold national, regional, and municipal elections in accordance with the Constitution of the Bolivarian Republic of Venezuela and allow supervision of credible international electoral observers; and

(6) the United States should support meaningful efforts towards a substantive dialogue through which all parties uphold their commitments and agree to specific deadlines to restore respect for Ven-
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ezuela’s constitutional mechanisms and resolve the
country’s political, economic, and humanitarian cri-

4 SEC. 4. REQUIREMENT FOR STRATEGY TO PROVIDE HU-
MANITARIAN ASSISTANCE TO THE PEOPLE
OF VENEZUELA.

7 (a) IN GENERAL.—Not later than 90 days after the
date of the enactment of this Act, the Secretary of State,
in coordination with the Administrator of the United
States Agency for International Development, shall submit
to the Committee on Foreign Affairs of the House of Rep-
resentatives, the Committee on Foreign Relations of the
Senate, the Committee on Appropriations of the House of
Representatives and the Committee on Appropriations of
the Senate a strategy to provide humanitarian assistance
to the people of Venezuela through credible and inde-
pendent nongovernmental organizations operating in Ven-
ezuela or in neighboring countries to alleviate the suffering
of the Venezuelan people.

20 (b) MATTERS TO BE INCLUDED.—The strategy re-
quired under subsection (a) shall include the following:

22 (1) A description of how and to what extent the
following assistance will be provided:

24 (A) Public health commodities for Ven-
ezuelan health facilities and services, including
medicines on the World Health Organization’s List of Essential Medicines and basic medical supplies and equipment.

(B) Basic food commodities and nutritional supplements needed to address growing malnutrition and improve food security for the people of Venezuela, with a specific emphasis on the most vulnerable populations.

(C) Technical assistance to ensure health and food commodities are appropriately selected, procured, and distributed, predominantly through local nongovernmental organizations.

(2) An identification of United States Agency for International Development best practices in delivering humanitarian assistance and how such best practices are being utilized in providing humanitarian assistance to Venezuela.

SEC. 5. REQUIREMENT FOR STRATEGY TO COORDINATE INTERNATIONAL HUMANITARIAN ASSISTANCE.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the appropriate United Nations humanitarian agencies should conduct and publish an independent assessment on—
(1) the extent and impact of the shortages of
food and medicine in Venezuela; and

(2) the efforts needed to resolve such shortages.

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

(1) describes how the United States will secure
support from international donors, including re-

gional partners in Latin America and the Caribbean,
for the provision of humanitarian assistance to the
people of Venezuela; and

(2) identifies governments that are willing to
provide financial and technical assistance for the
provision of such humanitarian assistance to the
people of Venezuela and a description of such assist-
ance.

**SEC. 6. SUPPORT FOR EFFORTS AT THE UNITED NATIONS**

**ON THE HUMANITARIAN AND POLITICAL CRIS-
SIS IN VENEZUELA.**

(a) **Initial Efforts.**—The President shall instruct
the Permanent Representative of the United States to the
United Nations to use the voice and vote of the United States to secure the necessary votes—

(1) to place the humanitarian and political crisis in Venezuela on the agenda at the United Nations; and

(2) to secure a Presidential Statement from the United Nations urging the Government of Venezuela to allow the delivery of humanitarian relief and to lift bureaucratic impediments or any other obstacles so that independent nongovernmental organizations can provide the proper assistance to the people of Venezuela without any interference by such government.

(b) ADDITIONAL EFFORTS.—

(1) IN GENERAL.—If the Government of Venezuela refuses to allow the delivery of humanitarian relief and lift bureaucratic impediments and any other obstacles described in subsection (a)(2), then beginning not later than 30 days after the conclusion of the efforts of the United Nations described in such subsection, the President shall instruct the Permanent Representative of the United States to the United Nations to use the voice and vote of the United States to secure the adoption of a resolution described in paragraph (2).
(2) Resolution Described.—The resolution of the United Nations described in paragraph (1) is a resolution—

(A) directing the Government of Venezuela to promptly allow safe and unhindered access for humanitarian agencies and their implementing partners, including possible support from neighboring countries; and

(B) calling on the Government of Venezuela to—

(i) allow the delivery of food and medicine;

(ii) end human rights violations;

(iii) agree to free, fair and transparent elections with credible international observers;

(iv) cease violence; and

(v) release all political prisoners.

SEC. 7. SUPPORT FOR ORGANIZATION OF AMERICAN STATES INTER-AMERICAN DEMOCRATIC CHARTER.

(a) Findings.—Congress makes the following findings:

(1) Article 1 of the Inter-American Democratic Charter, adopted by the Organization of American
States in Lima on September 11, 2001, affirms,

“The peoples of the Americas have a right to democracy and their governments have an obligation to promote and defend it.”

(2) Article 19 of the Inter-American Democratic Charter states “an unconstitutional interruption of the democratic order or an unconstitutional alteration of the constitutional regime that seriously impairs the democratic order in a member state, constitutes, while it persists, an insurmountable obstacle to its government’s participation in sessions of the General Assembly . . . and other bodies of the Organization.”

(3) Article 20 of the Inter-American Democratic Charter provides—

(A) “In the event of an unconstitutional alteration of the constitutional regime that seriously impairs the democratic order in a member state, any member state or the Secretary General may request the immediate convocation of the Permanent Council to undertake a collective assessment of the situation and to take such decisions as it deems appropriate.”; and

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

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Nicolás Maduro, the National Electoral Council of Venezuela, and the Supreme Tribunal of Justice of Venezuela have carried out systematic efforts to undermine, block, and circumvent the authorities and responsibilities of the Venezuelan National Assembly as mandated in the Constitution of the Bolivarian Republic of Venezuela;

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

(3) the Secretary of State, working through the United States Permanent Mission to the Organization of American States, should take additional steps to support ongoing efforts by the Secretary General of the Organization of American States—

(A) to invoke the Inter-American Democratic Charter;

(B) to advance a collective assessment of the situation in Venezuela; and
(C) to promote diplomatic initiatives to foster the restoration of Venezuelan democracy.

SEC. 8. CONCERNS AND REPORT ON THE INVOLVEMENT OF VENEZUELAN OFFICIALS IN CORRUPTION AND ILLICIT NARCOTICS TRAFFICKING.

(a) FINDINGS.—Congress makes the following findings:

(1) The deterioration of governance in Venezuela has been exacerbated by the involvement of senior officials of the Government of Venezuela, including members of the National Electoral Council, the judicial system, and the Venezuelan security forces, in acts of corruption and illicit narcotics trafficking and related money laundering.

(2) In March 2015, the Department of the Treasury’s Financial Crimes Enforcement Network determined that approximately $2,000,000,000 had been siphoned from Venezuela’s public oil company, Petróleos de Venezuela S.A., in conjunction with its designation of the Banca Privada d’Andorra as a Foreign Financial Institution of Primary Money Laundering Concern.

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

(4) On November 18, 2016, Franqui Francisco Flores de Freitas and Efrain Antonio Campo Flores, nephews of Nicolás Maduro and Venezuelan First Lady Cilia Flores, were convicted in a United States district court on charges of conspiring to import cocaine into the United States.


(6) The Department of the Treasury’s Office of Foreign Assets Control has designated additional individuals and senior Venezuelan officials for their involvement in illicit narcotics trafficking, pursuant to such Act, including—

(A) Venezuelan national Samark Jose Lopez Bello, who is the primary front man and money launderer for Tareck Zaidan El Aissami Maddah;
(B) Hugo Armando Carvajal Barrios, who is the current National Assembly Deputy and the former Director of Venezuela’s Military Intelligence Directorate;

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

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

and

(E) Freddy Alirio Bernal Rosales, who previously served as the Mayor of the Libertador municipality of Caracas.

(7) On September 12, 2017, Ambassador William Brownfield testified before the Senate Caucus on International Narcotics Control that drug trafficking organizations in Venezuela have “completely penetrated virtually every security, law enforcement, and justice-related institution” and that “there will be no long-term, democratic, prosperous and secure solution in Venezuela until there is a solution to the drug trafficking organization presence”.

(b) DEFINITIONS.—In this section:
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(1) CORRUPTION.—The term “corruption” means the extent to which public power is exercised for private gain, including by bribery, nepotism, fraud, or embezzlement.

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

(A) distorts policies or the central functioning of the country; and

(B) enables leaders to benefit at the expense of the public good.

(c) REPORTING REQUIREMENT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, acting through the Bureau of Intelligence and Research, and in consultation with the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4))), shall submit a report to Congress that describes the involvement of senior officials of the Government of Venezuela, including members of the National Electoral Council, the judicial system, and the Venezuelan security forces, in acts of corruption in Venezuela, with a specific emphasis on acts of grand corruption.
(2) ADDITIONAL ELEMENTS.—The report submitted under paragraph (1) shall—

(A) describe how the acts of corruption described in the report pose direct challenges for United States national security and international security;

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

(C) include input from the Drug Enforcement Administration, the Office of Foreign Assets Control, and the Financial Crimes Enforcement Network.

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

SEC. 9. SANCTIONS ON PERSONS RESPONSIBLE FOR PUBLIC CORRUPTION AND UNDERMINING DEMOCRATIC GOVERNANCE IN VENEZUELA.

(a) FINDING.—Executive Order 13692 (50 U.S.C. 1701 note), which was signed on March 8, 2015, established sanctions against individuals responsible for undermining democratic processes and institutions and involved in acts of public corruption that were not included in the

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

(1) in subsection (a)—

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

(B) by redesignating paragraph (3) as paragraph (5);

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

“(3) is responsible for, or complicit in, ordering, controlling, or otherwise directing, significant actions or policies that undermine democratic processes or institutions;

“(4) is a government official, or a senior associate of such an official, that is responsible for, or complicit in, ordering, controlling, or otherwise directing, acts of significant corruption, including the expropriation of private or public assets for personal gain, corruption related to government contracts or the extraction of natural resources, bribery, or the facilitation or transfer of the proceeds of corruption to foreign jurisdictions; or”; and
(D) in paragraph (5) (as redesignated), by
striking “paragraph (1) or (2)” and inserting
“paragraph (1), (2), (3), or (4)”; and
(2) in subsection (c), by striking “December 31,
2019” and inserting “December 31, 2022”.

(c) SENSE OF CONGRESS.—It is the sense of Con-
gress that the President and Secretary of State should
seek to encourage partner countries of the Organization
of American States, the European Union, and the United
Nations to impose sanctions with respect to Venezuelan
individuals that are similar to sanctions imposed by the
United States with respect to such Venezuelan individuals.

SEC. 10. CONCERNS OVER PDVSA TRANSACTIONS WITH
ROSNEFT.

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

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

(2) CITGO, a wholly owned subsidiary of PDVSA, is engaged in interstate commerce and owns and controls critical energy infrastructure in 19 States in the United States, including an extensive network of pipelines, 48 terminals, and 3 refineries, with a combined oil refining capacity of 749,000 barrels per day. CITGO’s refinery in Lake Charles, Louisiana is the sixth largest refinery in the United States.

(3) The Department of the Treasury imposed sanctions on Rosneft, which is controlled by the Russian Government, and its Executive Chairman, Igor Sechin, following Russia’s military invasion of Ukraine and its illegal annexation of Crimea in 2014.

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

(5) The growing economic crisis in Venezuela raises the probability that the Government of Venezuela and PDVSA will default on their international debt obligations, resulting in a scenario in
which Rosneft could come into control of CITGO’s United States energy infrastructure holdings.

(b) Sense of Congress.—It is the sense of Congress that—

(1) control of critical United States energy infrastructure by Rosneft, a Russian government-controlled entity currently under United States sanctions, would pose a significant risk to United States national security and energy security;

(2) the President should take all necessary steps to prevent Rosneft from gaining control of critical United States interstate energy infrastructure;

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

(4) if PDVSA defaults on its debt obligations, the Department of the Treasury’s Office of Foreign Asset Control should review CITGO’s transactions with United States persons to assess and ensure compliance with United States sanctions policies and regulations; and
(5) the Department of Homeland Security should conduct an assessment of the security risks posed by foreign control of CITGO’s United States energy infrastructure holdings and keep the relevant committees of Congress fully informed of its findings and any subsequent strategy to address vulnerabilities to United States energy security as a result.

SEC. 11. REPORT ON ACTIVITIES OF CERTAIN GOVERNMENTS IN VENEZUELA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, acting through the Bureau of Intelligence and Research of the Department of State and in consultation with the intelligence community, shall submit to Congress a report that describes the full extent of cooperation by the Governments of the Russian Federation, the People’s Republic of China, Cuba, and Iran with the Government of Venezuela and the Venezuelan armed forces.

(b) FORM.—The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex. The unclassified portion of the report shall be made available to the public.

(c) DEFINITION.—In this section, the term “intelligence community” has the meaning given such term in
section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4)).