

VENEZUELA AT A CROSSROADS

TESTIMONY OF
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Chairman Engel, Ranking Member McCaul, and Members of the Committee:

Thank you for the opportunity to testify on our efforts to restore democracy to Venezuela, one of the Administration's top priorities. Venezuela is at a crossroads. Over the past month we have witnessed a massive outpouring of hope, courage, and tenacity by the Venezuelan people as they have taken to the streets to protest a regime that has brought them nothing but poverty, misery, and repression. They have placed their hopes in a young, dynamic, and legitimate leader, Juan Guaidó, to lead them through a transition to democracy.

We join with the Venezuelan people in this effort. The United States has a compelling national interest in stopping the destabilization that Venezuela's decline has brought to the region as more than 3 million people have been forced to flee in one of the largest migration crises in the world today.

Under the illegitimate and unrecognized Maduro regime the situation inside Venezuela will only get worse. Consider the following:

- Venezuela has become the most violent country in the world. In large part this is due to poverty and desperation, directly caused by the former Maduro regime's disastrous mismanagement of the economy and policy of social divisiveness. It is also due to Maduro's neighborhood gangs—or "colectivos"—who prey on the poor through extortion, kidnapping, and murder.
- Hyperinflation, thanks to Maduro's economic policies, mismanagement, and regime corruption, has spiraled out of control. Within the last month

it grew by 220 percent. In total, by the end of 2019, it could reach 10 million percent.

- One of the most significant consequences of Maduro's disastrous economy is food insecurity. Only 30 percent of the protein required in the regular diet of the Venezuelan population is available. Scarcity and high prices have reached critical levels for food processors and grocery markets. In the meantime, the regime's subsidized food program, known as "CLAP," only arrives regularly to known Maduro supporters, a cruel source of political manipulation. The rest of the population sees its delivery only once a month or less, if at all.
- Cases of malaria and tuberculosis are rising exponentially. Measles and diphtheria, which are preventable through vaccination and had been once eliminated in Venezuela, are resurging due to the lack of needed medicine and treatment.
- And the resources that could save Venezuela from its economic crisis have been misappropriated. Over the last ten years, Maduro and his cronies looted over \$11 billion of national wealth. PdVSA, once considered *the Venezuelan people's* crown jewel, has functioned as an ATM for Maduro and his inner circle. Refineries are operating at less than 25 percent capacity; most of Venezuela's oil engineers have fled the country, and oil production – from the country sitting on the world's largest proven oil reserves – is on track to fall to less than one million barrels of oil per day this year.

As a result of the corruption, violence, and mismanagement by the former Maduro dictatorship, more than 3 million Venezuelans – more than 10 percent of Venezuela's population – have been forced to flee their country in order to survive. They have spread throughout the region in search of food, medicine, work, and international protection. Generous neighboring countries have opened their doors to these refugees and migrants, but these countries now are finding themselves challenged to continue to absorb the daily outpouring of desperate Venezuelans.

The light in all of this darkness has been Venezuela's National Assembly—the last democratic institution in Venezuela. This courageous group of patriots struggles to set Venezuela free, in the face of threats from Maduro and his thugs. They have called the Venezuelan people to action, and the people have responded. *Interim* President Juan Guaidó has provided new hope to those who want to return

to a free and democratic Venezuela – a Venezuela that benefits all Venezuelan citizens, not just Maduro and his inner circle. Through his efforts, we look forward to a democratic and multi-party effort to lead their transition, an economic recovery that benefits all, and competitive, free, and fair presidential elections truly representative of the will of the people.

We have always recognized that the solution to Venezuela’s political and economic crisis must be led and achieved by the Venezuelan people. The U.S. Government is doing everything within its power to support that effort. We do this because the restoration of peace, democracy, and prosperity would reunite Venezuela with the democratic community of the hemisphere. It would also refute the false promise of authoritarianism championed by a small number of dysfunctional states, most notably Cuba which has provided direct support for Maduro’s repressive tactics including the recent deployment of its most feared units, the Black Wasps.

On January 24, Secretary Pompeo announced "The United States is ready to provide an initial sum of \$20 million in humanitarian assistance to the people of Venezuela." As I speak to you today, Mr. Chairman, the State Department and its interagency partners are hard at work responding to Interim President Guaidó’s call for international humanitarian assistance with this initial contribution. We invite international partners to join us in helping to fill warehouses and assistance centers with basic supplies the Venezuelan people so desperately need. We also continue our implementation of over \$140 million in existing aid and development programming to address the regional humanitarian crisis.

Maduro and his cronies are conspiring to prevent this life-saving assistance from reaching the Venezuelan people. A few days ago we learned that one of the Maduro regime’s inner circle thugs in Tachira State, Freddy Bernal, upon learning of our humanitarian assistance plans, immediately cancelled gasoline shipments designated for the state in order to paralyze the state government’s ability to support the entry of humanitarian aid. Others, like Diosdado Cabello, have labeled his own people as “traitors,” “selfish,” and “disgusting” for wanting to receive international aid.

Maduro’s actions, and those of his enablers, have not and will not go unanswered. We have effectively levied individual and sectoral sanctions on the former Maduro regime. And they are making a difference. We have exponentially increased the cost of doing business for the regime in the gold sector, the financial sector, and now the oil sector—the combination of which has created enormous

pressure on Maduro and his band of thieves. We have frozen the bank accounts of the regime's most notorious gang leaders and revoked their visas and those of their immediately family members who benefited from their corruption and complicity. They and their families are no longer welcome in the United States. We are asking other nations who recognize the legitimate Guaido government to do the same and revoke visas of regime leaders.

As a result of this growing pressure, there is a storm brewing inside the inner circle; a growing dissatisfaction and distrust that will eventually bring about an end to Maduro's reign of terror. While it is impossible to predict the moment this will happen, we believe the current political and economic environment is unsustainable and that he will not be able to weather it much longer.

We stand in common purpose with regional partners such as the Lima Group, which came together in August 2017 to find a peaceful exit to the crisis in Venezuela. The group declared in its first statement its full support and solidarity to the democratically elected National Assembly. That statement rang as clear and true then as it does now.

Other international actors, including the Organization of American States and the United Nations Security Council, are also instrumental in this pivotal moment for Venezuela. They establish the critical international framework and consensus necessary for restoring democracy. We recognize global diplomacy is required to ensure a peaceful and inclusive transition.

This is not an effort by the United States alone but an effort by what is now near 50 democracies in this hemisphere and around the world. We are witnessing a historic shift in our hemisphere toward democratic solidarity. The Venezuelan desire for freedom has galvanized a global effort and wide recognition for *Interim* President Guaidó has poured in, further isolating Maduro.

And for those remaining supporters of the former Maduro regime, we have one simple message: your time is up. A new, free, and prosperous Venezuela is rising, and your fellow citizens will remember who stood by them in their struggle. This includes especially the armed forces and all security forces, who will be needed in the future to build a secure Venezuela where law and order defeat criminality and violence. Now is the time for the armed forces to support the Venezuelan people, reclaim their own legitimacy, and turn to helping build tomorrow's Venezuela.

Over the next weeks and months, the international community will take full advantage of the momentum built over the last few weeks.

- We will continue our pressure against Maduro and his inner circle by a variety of means. But we will also provide off-ramps to those who will do what is right for the Venezuelan people.
- We will support Venezuela's interim president, the new government, and its aspirations to create a new Venezuela – full of hope, promise, and potential – and we will work together toward a democratic transition.
- We were all thrilled to see newly appointed Ambassador to the United States Carlos Vecchio in the chamber for the State of the Union Address. He is getting set up in Washington as he represents the legitimate government to our country and government.
- We will continue pressing our humanitarian assistance delivery with the help of our regional partners and the international community.
- And we will expose and speak out against Maduro and his enablers' cruelty and violence, recognizing the Venezuelan voices that have witnessed it firsthand.

Conclusion

In conclusion, Mr. Chairman, Nicolas Maduro and his cronies are reeling from the force of Venezuela's own people, who are determined to live in freedom and dignity.

We are hopeful and confident the Venezuelan people will succeed in their quest for liberty. And when they do achieve this monumental goal, it will show despots and dictators not only in our hemisphere, but in the rest of the world, that the democratic will of the people will always outlive and outshine those who try to suppress it.

Mr. Chairman, thank you for inviting me here today and thank you for the continuing interest and support this Committee has shown toward the struggle for freedom in Venezuela. I look forward to answering any questions you may have.