



Testimony of Brad Brooks-Rubin
Policy Director to The Sentry and The Enough Project
House Foreign Affairs Committee, Subcommittee on Africa, Global Health, Global
Human Rights, and International Organizations
“The Questionable Case for Easing Sudan Sanctions”
April 26, 2017

Chairman Smith, Ranking Member Bass, Members of the Subcommittee, thank you for holding this important hearing and providing The Enough Project and our financial investigative initiative, The Sentry, with the opportunity to share our perspective on a country that has long vexed U.S. policymakers. Congress has a deep and bipartisan history of leading U.S. efforts to promote peace, human rights, religious freedom, and counterterrorism objectives in Sudan, and this is an absolutely critical moment for Congress to continue that engagement.

It is a critical moment because, this past January, in the waning moments of the last Administration, an all-or-nothing choice on economic sanctions on Sudan—either maintain the two decades-old comprehensive sanctions or lift them entirely—was created. This false choice came out of a limited, five-track engagement process that was developed in mid-2016. This process is insufficient because it does not address basic governance issues in Sudan, it does not include crucial human rights and religious freedom issues, and it removes the bulk of U.S. leverage without requiring any peace agreement for the multiple wars being waged today in Sudan. The far more sophisticated tools of financial pressure that are available today can be deployed in a much more nuanced way than a “sanctions on all of Sudan” or a “no sanctions at all” approach.

We believe Congress and the Trump Administration must correct this course—now. This correction can best be achieved by developing a de-linked and independent Human Rights and Peace Track with the Government of Sudan that would supplement but remain independent of the five-track engagement process. This diplomatic track should address the most critical reform issues in Sudan, and it should be tied directly to modernized and focused financial pressures tools, as well as new incentives, which can maximize the chances of achieving U.S. foreign policy objectives in Sudan.

This new track should focus on the United States’ most pressing policy goals for Sudan: advancing human rights, religious freedom, essential democratic reforms, good governance, and ultimately a comprehensive peace. Without addressing these goals, the Government of Sudan will maintain its longstanding patterns of behavior, advancing policies that have led to the continuous deadly war, religious persecution, dictatorship,

mass migration to Europe, grand corruption, and affiliation with terrorist organizations that have marked its rule for the last 28 years.

Achieving the objectives in this new track will require tools that are more focused, sophisticated, and impactful than the dull instruments of comprehensive sanctions we have previously used. Instead, we must use state-of-the-art financial pressures that target key elements of the regime and the corporate and banking networks that underlie it. The comprehensive sanctions in place now come from a previous era and were never robustly implemented and updated. But they nevertheless affected the regime's ability to connect to the international financial system, especially in recent years, as sanctions enforcement triggered by a different program—Iran's—caused global banks to go back, review their systems, and realize they were still banking with Sudan through the correspondent banking system. As banks then started to work harder to cut their ties to Sudan, the Government of Sudan launched an aggressive public relations and propaganda campaign, blaming U.S. sanctions for all the miseries inflicted on the Sudanese people by its own massive grand corruption and poor policies.

Rather than giving up this renewed leverage, Congress should adopt legislation that ties a new suite of these modernized financial pressures, as well as appropriate incentives, to a new Human Rights and Peace Track. In particular, the new pressures should include very specific and robust targeted sanctions based on the best financial intelligence available (which our initiative, The Sentry, will help provide) and anti-money laundering measures designed to achieve our foreign policy objectives, and more effectively protect the integrity of the U.S. financial system. This new track can also include incentives: if issues concerning Khartoum's relationships with terrorist groups not covered in the five-track engagement process are included here, the status of Sudan as a State Sponsor of Terrorism should also be under renewed consideration.

The financial pressures that should be associated with the Human Rights and Peace Track are not just a few more sanctions, or variations on the broad measures of the past. These pressures would constitute a fundamentally different approach, shifting from one that is geography-based to one that is conduct-based. In this new approach, the new pressures would focus solely on individuals and entities that are responsible for major human rights abuses, grand corruption, religious persecution, conflict gold trading, weapons exporting, and undermining any peace process. The approach targets those whose conduct drives this regime, and then it seeks to disrupt the facilitating corporate and banking network that supports them.

We must use the types of dynamic, modern approaches that were taken against Iran, Burma, and Russia and can address the corporate networks and economic sectors in Sudan that provide the financial lifeline to the Bashir regime and enable its repressive capacities and ability to inflict harm on Sudanese citizens. Entities in Sudan like the National Intelligence and Security Service (NISS) operate in ways that are not unlike the entities that the United States has targeted in Iran. In Sudan, conflict-affected gold and weapons exports provide much-needed, off-budget cash that is used to sustain violence and line the pockets of the corrupt elites who have transformed the Sudanese economy

into a private domain for their own enrichment.

The United States knows how to target this kind of system; we just need to be willing to do it. Some of the key measures that we could take include:

- Sanctions that freeze the assets of Sudan's National Intelligence and Security Service (NISS) and its corporate network, establishing a 25 percent threshold for ownership that would result in designation.
- Sectoral sanctions focused on the conflict gold and weapons manufacturing sectors.
- Targeted sanctions on individuals responsible for acts of public corruption and serious human rights abuses throughout Sudan, ensuring we target individuals with significant personal assets and/or corporate holdings.
- Requiring compliance with these sanctions by foreign subsidiaries of U.S. companies to prevent evasion.
- Public reporting by companies doing business in Sudan in order to ensure companies are taking appropriate due diligence measures.
- Directing Treasury's Financial Crimes Enforcement Network (FinCEN) to investigate whether the gold sector or other networks in Sudan constitute a "primary money laundering concern," to issue advisories related to their investigations, and to work with financial institutions and other jurisdictions to investigate Sudanese Politically Exposed Persons and other targets. These efforts will focus the financial sector on the key concerns in Sudan and help to mitigate against future, large-scale de-risking.
- Congressional appropriation of funds to the relevant agencies to do this work that has been desperately needed for many years but never done.

These are the types of pressures, combined with appropriate incentives, that can generate meaningful leverage for creating real and lasting change in Sudan through the Human Rights and Peace Track. Changing the behavior of a genocidal regime requires use of the most effective tools we have at our disposal, tools that are narrowly targeted at the sectors and individuals most involved in committing mass atrocities against the population and diverting the country's rich resources to private purposes. By adopting this framework, Congress and the Trump Administration can finally implement a strategic approach to sanctions and pressures related to Sudan.

This approach would be in stark contrast to the five-track engagement process, which I will address briefly. As my colleague Omer Ismail recently described in his testimony before the Lantos Commission, some of the violence in Sudan has eased. We attribute this in part to the evolving nature of the use of force in the conflict areas. Nevertheless, there are parts of Sudan that have known a more peaceful period in recent months. We also note that Sudan has demonstrated restraint with respect to South Sudan, and we presume cooperation continues on many counterterrorism fronts.

At the same time, as Omer and many others have testified, the Sudanese government's restraint in some areas contrasts with its continued violence in the conflict zones. There

have been numerous violent attacks on civilians in Darfur. Government fly-overs continue to threaten people in South Kordofan, including the Nuba Mountains. There were militia attacks in Blue Nile this year, and in the military campaigns it launched in 2016 the Sudanese government forces used a large quantity of new weapons and new types of military equipment, as Conflict Armament Research has documented. Worse, while the government of Sudan is allowing cross-border humanitarian access to areas in South Sudan affected by famine, humanitarian access for parts of Blue Nile and South Kordofan states remains restricted. The people in several isolated areas urgently need assistance and have been killed while moving through active conflict zones to find food and basic supplies.

Meanwhile, Sudan has used the provisional easing of the sanctions put in place in January, not to begin the necessary reforms of the structural deformities of the country's economy, but instead to order fighter jets and battle tanks from its traditional arms suppliers, Russia and China. These procurements, when concluded, will buttress the regime's preferred choice of settling internal conflicts by military means rather than through negotiated approaches that resolve the root causes of conflicts. These types of short-term purchases are made possible by easier access to financing in the global marketplace, principally because there are fewer concerns about the potential for single transactions in a specific timeframe to be blocked or rejected, and a generally more enabling economic environment within Sudan where there is more available capital.

Acknowledging both the progress and areas where benchmarks are unmet, we believe two things should happen with respect to the next steps of the five-track engagement process:

- The interagency assessment process should continue, and an honest assessment should be made in July. Our expectation is that the five-track engagement process will remain unfulfilled when viewed as an entire package, because at least two of the five tracks will not be in compliance. For example, if entire regions of Sudan remain off-limits for aid organizations because of Sudanese government restrictions, continuing this policy of using the denial of food as a weapon, should the United States really permanently remove its sanctions? That would certainly be a shocking outcome even to the architects of this five-track engagement process. If the government is indeed noncompliant on any of the tracks, then the final step of complete removal of the comprehensive sanctions should be delayed for a sufficient period, such as one year.
- In response to the violence in Darfur, and as a way of reinforcing the need for serious engagement on all five tracks leading up to July, the Administration should use its authority under Executive Order 13400, the Darfur sanctions—which are not part of the five-track engagement process—to impose asset freezes on those responsible for the violence. As with other sanctions programs connected to negotiation or engagement processes, the Administration should tighten pressure along the way to reinforce the objectives.

In the end, the fate of the five-track engagement process and the comprehensive sanctions should be a lower priority, because it creates a false policy choice (comprehensive sanctions versus nothing) over benchmarks that do not fundamentally alter the nature of a regime that has wrought havoc within Sudan and the region for nearly three decades. Congress should take the lead in designing a clear U.S. policy approach, one that deploys the types of modernized pressures that can generate meaningful leverage for creating real and lasting change in Sudan through a Human Rights and Peace Track. Changing the behavior of a genocidal regime requires use of the most effective tools we have at our disposal, which could narrowly target the individuals and entities that are most involved in committing mass atrocities against the population and diverting the country's rich resources to private purposes. We should ensure that these measures are tied to clear foreign policy objectives. This would give the U.S. government the best chance to effectively address its core policy objectives in Sudan.

Sudan Sanctions Background

As a reminder to the Committee, President Clinton imposed sweeping economic sanctions on Sudan in November 1997, highlighting the Bashir regime's support for international terrorism, destabilizing activity throughout the region, and human rights violations, particularly related to religious freedom and slavery.

These were comprehensive trade sanctions, not quite as sweeping as those for Cuba or Iran, but close. The sanctions prohibited all imports and exports of goods and services to or from Sudan, as well as new investment in Sudan, any transactions related to the petroleum or transportation sectors in Sudan, and so on. They also "blocked" and prohibited all transactions with the Government of Sudan, meaning that any such transactions would not only be prohibited, but also funds would be frozen if they came into a U.S. bank or into the hands of other U.S. persons. Targeted sanctions, where we name a specific person or company to a list and freeze their assets, had only begun to be used by the U.S. government as a tool in 1995, so this broad-brush approach was really all we had in the toolbox in 1997.

A second Sudan-related program, connected to Darfur, was imposed in 2006 and did use the targeted model, specifically to implement U.N. Security Council resolutions; this program has resulted in the sanctioning of a total of seven people and one company, with not one name added during the entirety of the Obama Administration. As with the Government of Sudan sanctions, should a U.S. person, such as a bank, have a transaction involving one of these eight targets, then it must freeze those funds.

To round out the picture, Sudan was named to the State Sponsor of Terrorism list in 1993, though this has much more impact on U.S. development assistance and diplomatic/international financial institution engagement than as a direct economic sanctions measure.

Throughout the 2000s, Congress passed several pieces of critical legislation—the Sudan Peace Act, the Darfur Peace and Accountability Act, the Sudan Accountability

and Divestment Act of 2007 among them—and this legislation had a significant impact on Sudan policy, as well as easing sanctions in 2006 on certain parts of what is now South Sudan.

For the most part, these programs have remained in place in a more or less static form. The blunt, comprehensive sanctions remained in place largely unchanged for almost 20 years, with elements implemented by both the Departments of Treasury and Commerce. As such, the sanctions start to lose their effect because they are not tied to dynamic policy goals; sanctions that remain static for 20 years simply become policy unto themselves.

For example, only twice after the year 2000 did Treasury add any names to its sanctions list for these Government of Sudan sanctions, once in 2004 and once in 2007 as a response to the Darfur crisis. In both cases, the names added to the list were not even “new” sanctions. These were actions to identify companies or entities that were technically subject to sanctions already by virtue of being owned or controlled by the Government of Sudan, but where that may not have been clear to banks or the public. Perhaps needless to say, this is far, far fewer than the number of times Treasury acted to add names or identify blocked property in comparable comprehensive sanctions programs like those for Iran and Cuba.

The failures to develop or enforce the sanctions over two decades enabled the Bashir regime to create ways to go around the sanctions. There were—helpfully—steps taken to ease the impact of sanctions on the people of Sudan during the Obama Administration, although more could have been done in this regard as well. But throughout the last Administration, there was no demonstrable attempt to create greater leverage directly with the Government of Sudan or the worst actors in the regime, nor was there an effort to build on the sanctions mechanisms that were already in place.

In general, enforcement of Sudan sanctions through civil penalties lagged behind other comprehensive programs like those for Iran or Cuba, despite repeated promises by State and Treasury officials to step up enforcement efforts against violators, notably in 2007 in connection with efforts to address the Darfur crisis.¹ Sanctions without the willingness to conduct the necessary investigations and enforce actions against violators will not be effective against a resourceful regime that will find evasion methods, no matter how the sanctions program is crafted. Congressional leadership is essential to ensure the agencies administering and enforcing sanctions are well resourced and have the political direction necessary for them to be able to focus on a country like Sudan.

Over the last several years, however, sanctions did begin to take a stronger bite. Specifically, as Treasury, Justice, and the State of New York stepped up enforcement of sanctions against global banks, particularly for manipulation of the correspondent banking system, and as these enforcement actors imposed penalties in the hundreds of millions and even billions of dollars, the Government of Sudan saw some of its banking channels close. BNP Paribas, in particular, which prosecutors claimed played a central

role in providing access to the U.S. financial system for the Government of Sudan, paid billions of dollars in penalties.²

Again, this was not enforcement originally intended to affect Sudan—it was focused on Iran and other threats—but it swept up Sudan because of the existence of comprehensive sanctions against the country. That is, as one bank after another started to receive these penalties, all major banks started to look at their own transactions and businesses and disclose (or receive subpoenas from the government requiring them to disclose) their own violations. They simultaneously began to look for ways to minimize risk, which meant examining correspondent and other relationships and ensuring that Sudan was excluded from their systems.

Of course—and this is an important consideration moving forward with the new Human Rights and Peace Track and related pressures—this process of working harder to ensure they had no connection to Sudan was largely driven by sanctions, but not entirely. Sudan’s place for several years on the list of countries with deficiencies in its anti-money laundering system and its overall abysmal ranking as a place to do business also played into these decisions.

The Government of Sudan then began to feel the pinch and stepped up its propaganda campaign, arguing for how sanctions were hurting the Sudanese people—which is true in some cases. But as shown by a report released by the Enough Project yesterday, called *Sudan’s Deep State*, the real damage to the people of Sudan comes from the Government of Sudan itself and its creation of a violent kleptocracy, including stealing from the people to benefit the corrupt inner circle of President Bashir, and using violence as a means of maintaining power while it manipulates key economic sectors, such as gold, weapons, and land. According to official figures, Sudan spends more than 70 percent of its annual budget on military and security, while spending less than 2 percent of the budget on health, education, and social services.

Five-Track Engagement Process and Sanctions Relief

Midway through 2016, the Obama Administration took the Government of Sudan up on what became Khartoum’s principal pre-occupation: to stave off further enforcement and de-risking and have sanctions removed. To do so, the Administration created a five-track engagement process, focusing on a series of specific issues. These tracks cover important concerns, and the United States asked the Government of Sudan to make progress on each.³

There has been some progress achieved during the six-month implementation period, including the absence of a dry-season military offensive and an apparent reduction in Sudanese meddling in the war in South Sudan. However, six months is not enough time to gain confidence that any changes will endure, especially given the lack of independent verification mechanisms. As my colleague Omer Ismail recently testified before the Lantos Commission, echoing many other voices, the easing of violence is not necessarily a result of newfound Sudanese government restraint but rather “the evolving nature of the use of coercive force in the conflict areas.” In addition, he noted

that “there have also been significant attacks and other security incidents in South Kordofan (including in the Nuba Mountains) and in Blue Nile in the last nine months” and that access to urgently-needed humanitarian assistance has not improved in many areas. Overall, the Sudanese government continues to commit acts of violence, abuse human rights, and engage in corrupt activities.

More critically, the five tracks failed to address the internal pathologies in Sudan that perpetuate the system of violent kleptocracy developed over close to three decades. Three of the five tracks largely address regional issues. The tracks failed to incentivize opening of political space—for example, by freeing political prisoners or halting the practice of routinely closing down newspapers—or an inclusive political process in which Sudanese people from all groups can openly discuss the future of their country. This deficiency allowed the Khartoum regime to continue its relentless attacks on religious freedoms, free expression, and the rights to association and peaceful assembly, even as the regime technically complied with many of the benchmarks for the five tracks. The regime also forged ahead with a unilateral political process through a national dialogue that designed to impose a *fait accompli* on the opposition and the population and to further secure its grip on power.

Despite outlining a set of limited tracks and securing only initial progress on those limited tracks, the Obama Administration took steps to give away nearly all of the leverage it could use in future engagement, at least in the short or medium terms. This past January 13, mere days before President Obama left office, Treasury issued a General License that allowed U.S. persons to conduct all transactions that had been prohibited for years by the comprehensive sanctions. Imports, exports, financial services, investment, transactions with the Government of Sudan—all are now permitted.

Even more surprisingly, the United States unblocked more than \$30 million, according to the most recently available Terrorist Assets Report,⁴ in frozen funds and allowed them to be returned, a step normally reserved for the very end of a sanctions program.

Finally, on January 13, President Obama issued an Executive Order that set the clock ticking on a six-month process to determine if progress is maintained on the five tracks. If the interagency reports to the President that Sudan has maintained progress, the November 1997 Executive Order and other related orders will terminate, with sanctions ended. True, seven people and people company will remain subject to sanctions related to Darfur, and the State Sponsor of Terrorism designation will also remain in place, but nearly all the remaining potential for leverage and pressures to achieve a negotiated political solution, imperfect though they have been, will be terminated without attempting to use smarter or more modernized tools. The Executive Order created an all-or-nothing approach to sanctions—either the comprehensive sanctions or nothing—that was simply not necessary and not appropriate, given the limited nature of the five tracks.

That the negotiations on reform and some element of sanctions removal began is not the objection—that’s always the goal of well-designed sanctions: to incentivize targets

to change behavior in a manner that achieves a specific policy goal. But in this case, the design and execution were flawed, and the action taken is potentially disastrous, given that the Government of Sudan has already undertaken a public relations campaign touting the end of sanctions and is seeing some previously closed banking channels start to reopen. Given the many challenges of doing business in Sudan, it will certainly be some time before there is large-scale investment, but these are important steps to note.

Contrast this, briefly, with the U.S. Government's posture toward Iran, where many years of sanctions and pressures led to a negotiation on an important but particular subset of issues, with the lifting of a particular subset of the sanctions on the table. Regardless of your position on that agreement, there is general consensus that the pressures led the Iranians to negotiate. And it is notable that at every stage of that negotiation, the United States met progress from Iran not only with the prescribed limited relief but also with more pressure. In at least three instances in 2014 alone,⁵ during the heart of the negotiations, in the days before or after key negotiation sessions, Treasury took sanctions measures, whether new designations or penalty cases. And when doing so, the Treasury press releases made the direct connection with the need for leverage in negotiations.

In sum, in general with Iran, the U.S. government tightened sanctions, got concessions from Iran, and kept tightening pressure at key moments to create leverage for the policy outcome it sought. Many certainly remain critical of the specifics and of the ultimate result, but the process itself was far stronger than that taken with Sudan. In the Sudan case, the U.S. government did not tighten sanctions, it got limited concessions, and it eased almost all sources of financial pressure, giving up much of its leverage for achieving its overall desired policy outcome. The different results reflect, at least in part, the contradictory approaches to sanctions.

Noting our many concerns with the five-track engagement process, if the Trump Administration decides to continue this approach, then it should ensure that an honest assessment is conducted to assess whether progress on these tracks is demonstrable and real, to ensure that all tracks are evaluated and verified, to ensure that no single track is unduly privileged over others, and to see that pressure is used to respond to violations. Specifically, we believe:

- The interagency assessment process should continue, and an honest assessment should be made in July. Our expectation is that the five tracks will remain unfulfilled when viewed as an entire package, and if that is the case, then the final step of complete removal of the comprehensive sanctions should be delayed for a sufficient period, such as one year.
- In response to the violence in Darfur, and as a way of reinforcing the need leading up to July for serious engagement on all five tracks, the Administration should use its authority under Executive Order 13400, the Darfur sanctions—which are not part of the five-track engagement process—to impose asset freezes on those responsible for the violence. As with other sanctions programs

connected to negotiation or engagement processes, the Administration should tighten pressure along the way to reinforce the objectives.

A Human Rights and Peace Track, with Leverage

This approach is insufficient if we are seeking more fundamental change in Sudan, and Congress should work to make sure the Trump Administration changes it, through support, pressure, and legislation. As such, we focus instead on the most essential need—the need to launch an independent, de-linked Human Rights and Peace track to address the most pressing policy goals related to Sudan: ending the Bashir regime’s use of violence, disrupting the corrupt networks and violent kleptocratic system that our report *Sudan’s Deep State* documents in great detail, and bringing peace and genuine political reform to the country.

This track must encompass essential reforms concerning political space, human rights, religious freedom, and good governance. The United States must approach this Human Rights and Peace track with what it missed with the first five: dynamic and focused leverage that targets and enforces meaningful pressure on the most entrenched elements of the regime and targets its financial lifelines. This leverage must be precise, forceful, and consistent. When a commitment is made along the Human Rights and Peace track by the Bashir regime, which has so often broken its promises to the United States and the international community, the response should not be automatic easing in an all-or-nothing dynamic, but reinforcement of the pressure, along with necessary incentives, as a sign of the United States’ seriousness of purpose. Build pressure, show results, and that approach will change the dynamic between the United States and Sudan over time.

To ensure this approach is deployed, Congress should introduce strong, bipartisan legislation that ensures that the strategy of negotiating this Human Rights and Peace track is coupled with appropriate incentives and necessary pressures that include elements detailed below, which go beyond sanctions to include anti-money laundering measures. In addition to appropriate incentives, these measures in particular can more forcefully and systematically target the proceeds of corruption being placed in the international financial system, often by transiting through New York, by requiring banks to focus on the conduct more than the specific individuals or entities involved:

Sanctions:

- In order to have an impact on one of the core elements of the regime’s corrupt corporate footprint, authorization of sanctions on any companies owned or controlled by the Sudanese National Intelligence and Security Service (NISS) or any senior NISS officials. These sanctions should include:
 - Establishment of a requirement for ownership/control percentage threshold for sanctions at 25 percent, rather than 50 percent.
 - Creation of a “watch list” of companies that may not meet that threshold but require additional investigation.
- Authorization of sanctions for any individual or entity involved in weapons manufacturing or in the gold sector, the latter in order to combat the problem of

conflict-affected gold. These sanctions should also include the following elements in order to ensure compliance throughout the financial sector:

- Foreign financial institutions providing financing for either the weapons sector or industrial gold mining may face denial of correspondent banking privileges or involvement in U.S. government contracts.
- Prohibition on U.S. persons from any direct or indirect activity that results in the financing of these sectors.
- Extension of these prohibitions to activities of foreign subsidiaries of U.S. companies.
- Authorization of sanctions on any person facilitating or benefiting from acts of public corruption or any person responsible for serious human rights abuses committed by the Government of Sudan.
- Requirement that companies doing business in Sudan grossing more than \$100,000 should report to the U.S. Embassy in Sudan with criteria similar to the Burma Responsible Investment Reporting Requirements, which is supported by many large companies and ensures sufficient levels of due diligence.

Anti-money laundering:

- Require FinCEN to conduct an assessment of the Sudanese gold sector, including an identification of countries that import Sudanese gold, the entities involved, and the extent to which the gold sector is enriching the Government of Sudan.
- Require FinCEN to pursue Issuance of an investigative request, pursuant to Section 314(a) of the Patriot Act, to financial institutions for records pertaining to Politically Exposed Persons, their corporate networks, and individuals and entities of concern with respect to the gold sector.
- FinCEN should report on its determination of whether any institutions, accounts, or classes of transactions within or related to Sudan should be considered a “primary money laundering concern” pursuant to Section 311 of the Patriot Act.
- Treasury and State should conduct (i) outreach to banks and financial institutions relating to preventing the processing of transactions on behalf of the regime or the Sudanese Politically Exposed Persons identified above, (ii) outreach to European, Asian and regional Financial Intelligence Units relating to anti-money laundering enforcement and investigations related to Sudan and Sudanese Politically Exposed Persons; (iii) outreach to banks and governments highlighting the need to continue processing transactions to benefit the Sudanese people.

Congress should also ensure that Treasury has sufficient resources to conduct the necessary investigations and then implement and enforce the actions taken.

Conclusion

Implementation of these smarter, more targeted sanctions and AML pressures, along with vigorous enforcement and integration with our negotiation strategy on, and incentives linked to, the most critical policy issues within Sudan, can raise the chances of success over the long term on the Human Rights and Peace track, which must be the policy focus.

Endnotes

¹ U.S. State Department, “Remarks on Darfur and Sanctions,” John D. Negroponte, Deputy Secretary of State; Adam Szubin, Treasury Department Office of Foreign Assets Control Director; and Andrew Natsios, Special Envoy to Sudan, Washington, DC, May 29, 2007, available at <https://2001-2009.state.gov/s/d/2007/85716.htm>. (“The most important part of the President’s announcement this morning in terms of the actual coercive measures are the enforcement mechanisms.”)

² Nate Raymond, “BNP Paribas sentenced in \$8.9 billion accord over sanctions violations,” Reuters, May 1, 2015, available at <http://www.reuters.com/article/us-bnp-paribas-settlement-sentencing-idUSKBN0NM41K20150501>; United States of America v. BNP Paribas S.A., Statement of Facts, June 28, 2014, available at <https://www.justice.gov/sites/default/files/opa/legacy/2014/06/30/statement-of-facts.pdf>.

³ The five tracks are (1) de-escalation of the violence in conflict areas; (2) improving humanitarian access to populations in need within these areas; (3) refraining from destabilizing the peace process in South Sudan; (4) cooperation in containing threats from the remnants of the Lord’s Resistance Army (LRA); and (5) supporting the U.S. counterterrorism efforts.

⁴ U.S. Treasury Department Office of Foreign Assets Control, “Terrorist Assets Report: Calendar Year 2015, Twenty-fourth Annual Report to the Congress on Assets in the United States Relating to Terrorist Countries and International Terrorism Program Designees” (Washington), available at <https://www.treasury.gov/resource-center/sanctions/Programs/Documents/tar2015.pdf>.

⁵ U.S. Treasury Department, “Treasury Designates Additional Individuals and Entities Under Iran-related Authorities,” Press release, December 30, 2014, available at <https://www.treasury.gov/press-center/press-releases/Pages/jl9731.aspx>; U.S. Treasury Department, “Treasury Targets Networks Linked to Iran,” Press release, August 29, 2014, available at <https://www.treasury.gov/press-center/press-releases/Pages/jl2618.aspx>; U.S. Treasury Department, “Treasury Targets Networks Linked To Iran,” Press release, February 6, 2014, available at <https://www.treasury.gov/press-center/press-releases/Pages/jl2287.aspx>.