

Press Releases: Background Briefing on the Rollout of the Global Magnitsky Sanctions

Special Briefing
Senior Administration Officials
Via Teleconference
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MODERATOR: All right. Thank you so much, sir. Thank you, everyone. Good morning and thanks for joining us for today's background call on the rollout of the first iteration of the sanctions under the Global Magnitsky Act. We are joined today by [Senior Administration Official One] as Senior Administration Official Number One; also, [Senior Administration Official Two] who will be referred to as Senior Administration Official Number Two; and finally, [Senior Administration Official Three] will be referred to as State Department [\[i\]](#) Official Number Three.

As a reminder, this background briefing is embargoed until the end of the call. With that, I'd be happy to turn it over to our officials for some opening remarks each, and then we'll take a few of your questions. We'll start with [Senior Administration Official One] and then hand it over to [Senior Administration Official Two]. Go right ahead.

SENIOR ADMINISTRATION OFFICIAL ONE: Great. Thank you so much, and thank you very much, everybody, for joining the call this morning. As the [Moderator] had mentioned, today we would like to discuss the Trump administration's implementation of the 2016 Global Magnitsky Human Rights Accountability Act, which, as many of you know, was passed in December of 2016. We've worked very hard over the last year to establish this new program and look forward to discussing it with you today.

Today there have been three actions that have been taken: the first, there was an executive order signed by the President of the United States; second are sanctions actions taken by the Department of Treasury; and third is the submission of the annual report which details the implementation efforts of this report, have been delivered to Congress.

Very generally, I think we as an interagency over the last year have taken an expansive view of the implementation of the Global Magnitsky Act, engaging every diplomatic post and bureau here at the State Department. We've worked very closely with the United States intelligence and law enforcement community, various members of the interagency, especially the Department of

the Treasury, who will be speaking a little bit later, NGOs, and of course with Congress.

Our objective was to leverage this new global tool to pursue tangible and significant consequences for the entire spectrum of those who commit human rights abuse and engage in corruption. We have sought to target those who will send a strong message to the international community and that the United States takes seriously our role in promoting international norms.

We continue to use this tool without hesitation to target the most egregious actors in every corner of the globe and look to today's actions to set the standard for the future.

The way that we'll do this is I'll pass the microphone over to [Senior Administration Official Three] and then from there we will pass things along to the Department of Treasury Office of Foreign Assets Control, and they can go into more details on the actual sanctions actions that were taken today – actually, that should have just gone live at 10:30 this morning. So if it's okay, I can pass it over to [Senior Administration Official Three].

MODERATOR: Certainly. [Senior Administration Official Three], do you have anything you'd like to add to that?

SENIOR ADMINISTRATION OFFICIAL THREE: Very briefly, I would just say that the actions taken today are very consistent with our longstanding approach to human rights abuses and corruption, namely, to hold accountable individuals who engage in such acts and to deter future such acts. And with that, I'll turn it over to our colleague in Treasury.

MODERATOR: Okay, Treasury.

SENIOR ADMINISTRATION OFFICIAL TWO: Thank you, and hi. I'm with the Office of Foreign Assets Control. In the executive order announced today, the President sanctioned 13 human rights abusers, kleptocrats, and corrupt actors, and the Treasury Department has designated an additional 39 affiliated companies and individuals. I know that you have the press release by now with all the details, and I'll touch on just a few names.

The people targeted today are – include those responsible for a range of human rights abuses. For example, Yahya Jammeh, the former president of The Gambia, has been accused of creating a unit within the armed forces to terrorize, interrogate, and kill Gambian citizens whom he believed threatened his reign. In addition, Mukhtar Hamid Shah, the Pakistani surgeon, was a leader in an illicit organ-trafficking network involved in the kidnapping, detention, and removal of kidneys from Pakistani laborers.

We are also targeting the corrupt today. Today we sanctioned Dan Gertler, an international businessman and billionaire, who used his connections with the president of the Democratic Republic of the Congo, as well as other officials, to amass his fortune through hundreds of millions of dollars' worth of opaque and corrupt mining and oil deals.

In targeting these individuals today, Treasury has frozen their assets and

restricted their ability to access the international financial system. This – these sanctions send a strong message to those who profit from suffering and corruption that there is a steep price to pay for abusing human rights while also preventing them from abusing our financial system.

And with that, I'd like to turn it back to the moderator.

MODERATOR: Thank you. Anyone else have anything to add here? Okay, we'll open with our first question. And our first question is from – pardon me?

STAFF: Conor Finnegan from ABC News.

QUESTION: Hey, thanks very much.

MODERATOR: Conor Finnegan, are you there?

QUESTION: Yeah, I'm here. Can you hear me?

MODERATOR: Yes. Go right ahead.

QUESTION: Thanks very much for holding the call, guys. I just wanted to ask about the Burmese sanctions. What kinds of conversations did you have with the civilian half of the government before the sanctions were announced today given the fragility of that partnership? And since this military commander is the only Burmese official, does the U.S. Government believe that he acted alone or can we expect other military officials to be sanctioned going forward? Thank you.

SENIOR ADMINISTRATION OFFICIAL THREE: This is [Senior Administration Official Three] from the Department of State. The Secretary has made very clear both publicly and privately in his discussions with the civilian Government of Burma that we intended to hold accountable individuals responsible for the atrocities that have taken place in Rakhine State. And so the designation of this official is consistent with what the Secretary has said publicly and privately.

Sorry, your second question was what does this –

SENIOR ADMINISTRATION OFFICIAL ONE: Well, in terms of – to get to your second question – in terms of future designations and where we go from here, I think what we have stated earlier is that the U.S. Government is committed to implementing this sanctions program in a manner that, number one, reflects the way that Congress put it, but also then reflects the way that the President has directed us to – directed us to implement this program in his executive order. We don't talk about future potential designations and other investigations, and I'll let OFAC touch on that a little bit as well, but should there be future designations, they could happen anywhere in the world, including Burmese individuals.

MODERATOR: Okay. OFAC, do you have anything you would like to add to that?

SENIOR ADMINISTRATION OFFICIAL TWO: Nothing further. That covered it. Thanks.

MODERATOR: Okay. Thank you. Arshad Mohammed from Reuters.

OPERATOR: And give me just one moment. Arshad, your line is open.

QUESTION: Thank you. Couple of quick questions, one kind of stupid. Has – I should know the answer to this, but have sanctions ever been previously imposed under the Global Magnitsky Act?

Second, the Treasury official said that the sanctions undertaken restrict these individuals' ability to access the international financial system. Is that restriction solely a function of the fact that U.S. persons are generally prohibited from engaging in transactions with them? In other words, is it solely a function of the fact that U.S. persons, i.e. banks, can't deal with these people and that that in turn restricts their access to the international financial system?

And then, finally – and again, this I guess would be for the Treasury – the language in the release says “are generally prohibited from engaging in transactions.” What are the circumstances under which transactions could take place? Does that mean that they'd have to get a specific – a U.S. individual would have to get a specific license from OFAC, or are there other kinds of exceptions to this? Thank you.

MODERATOR: Treasury?

SENIOR ADMINISTRATION OFFICIAL TWO: Thank you, Arshad. This is [Senior Administration Official Two] from OFAC. Senior – I think I'm Senior Administration Official Number Two for purposes of this call. So let me take your questions in turn, and then turn it over to my State colleagues for any elaboration.

First, is this the first time we've imposed sanctions under the Global Magnitsky Act? Yes, indeed it is. These actions – this statute was enacted a year ago and this is – we have timed this with the delivery of our first Global Magnitsky Report to Congress. And then (inaudible) these sanctions.

Second, access to the international financial system. Yes, by virtue of the fact that OFAC sanctions not only block all assets under U.S. jurisdiction, meaning held by U.S. persons wherever located, but also prevent U.S. persons from dealing with persons designated today, to include individuals or companies. That effectively shuts out – given the dominance of the U.S. financial system, it effectively shuts out many folks from the international system.

Third, the language about being generally prohibited. Yes, that language is rather legal, and it is designed to acknowledge any licenses, whether specific or general, or exemptions that may apply in individual cases.

SENIOR ADMINISTRATION OFFICIAL ONE: That covers it from our perspective.

MODERATOR: Okay. Next question. Alicia Rose from the NHK.

OPERATOR: And before I go to Alicia's line, I'll remind everybody else to

please press * and then 1 to ask a question. And Ms. Rose, your line is open.

QUESTION: Yes, thank you for holding the call. Just to piggyback off of the earlier question on the Burmese designation, could you go into more detail on why you chose this one individual? And again, do you believe other military officials are also responsible for the ethnic cleansing in Rakhine State?

SENIOR ADMINISTRATION OFFICIAL THREE: [Senior Administration Official Three] again. So I think all we can say is that we determined that this individual was responsible for or oversaw human rights abuses as consistent with what the law requires. As [Senior Administration Official One] said earlier, we will continue to assess the evidence against other individuals and make determinations as appropriate based on that evidence. So I would not infer from this one designation that we're determining only that this individual is responsible, nor would I infer one way or the other what our future intended actions are.

MODERATOR: Okay. Anybody else have anything to add? Okay. Next question to Michael Lavers from *The Washington Blade*.

QUESTION: Hi. Thank you so much for the call this morning. I just wanted to ask kind of a more background question about the former Gambian president. I'm just curious – excuse me – if Jammeh's anti-LGBT record was a factor in today's – was a factor in today's designation. Thank you.

SENIOR ADMINISTRATION OFFICIAL ONE: I think what I would refer you is specifically what we've put into the press release. Obviously, the press release does not go into the full deliberation and legal determination that we do with the various packages and in the policy considerations, but I think that what we'll do is stick to what we actually say in the press release, unless Treasury has anything else to add.

MODERATOR: Treasury?

SENIOR ADMINISTRATION OFFICIAL TWO: No thanks. Nothing else to – more to add to [Senior Administration Official One]'s comments. Our full basis for the action is outlined in our press release.

MODERATOR: Next question, Luis Alonso from the Associated Press.

OPERATOR: And Luis, your line is open.

QUESTION: Yes, hi. Good morning. Thank you for this. I just want to clarify a previous answer. The official said that these designations today are for human rights abusers who are consistent with the – what the law requires. And I would like to ask some elaboration of what actually the law requires for a person to be designated. I see that in the case of (inaudible), multiple officials and businessmen from many countries in Latin America are linked to this investigation, but only one person is designated here today. What exactly – does that mean that the law – what is consistent with the law? Thank you.

SENIOR ADMINISTRATION OFFICIAL ONE: Treasury, do you have something to add

first before State gets into it?

SENIOR ADMINISTRATION OFFICIAL TWO: Sure. I would refer – Luis, I would refer you to the text of the Global Magnitsky Act, as well as the executive order that President Trump outlined today, for a full articulation and complete articulation of what the law targets.

SENIOR ADMINISTRATION OFFICIAL ONE: And from our perspective, that's exactly right. And when it comes to any type of sanctions actions, what is specifically written in the legislation and the executive order drives what we are legally able to do. And so any of the designations that we make have to fit within that particular criteria.

MODERATOR: Okay. If I could just go back for one second, Michael Lavers from *Blade*, you had asked a question about LGBTI, and I want to be clear. We held a call yesterday that covered the Russian Magnitsky sanctions, and there were I believe two individuals who were – [Senior Administration Official Three], perhaps you could address this – two individuals who were designated under those sanctions. We have a full explanation of that on our transcript from our call yesterday, but that was handled in part under the Russian Magnitsky sanctions. So I just wanted to make that clear for you, Michael.

SENIOR ADMINISTRATION OFFICIAL THREE: And Michael, let me just add – [Senior Administration Official Three] here – that the designation of Ramzan Kadyrov and one of his subordinates – I don't have the name immediately at hand – but in those designations we did publicly indicate that their persecution of LGBT individuals was part of the basis for the designation.

MODERATOR: Okay. Next question, then.

OPERATOR: Comes from the line of Arshad Mohammed with Reuters. Please, go ahead.

QUESTION: Hey, sorry, just one follow-up, again for the Treasury official. Do these sanctions effectively bar a non-U.S. financial institution from dealing with these individuals? In other words, if, say, a French bank dealt with such or engaged in a transaction with a sanctioned individual, would that French bank then be barred from engaging in transactions with a U.S. financial institution?

SENIOR ADMINISTRATION OFFICIAL TWO: Thanks, Arshad. To – this is the Treasury official. Again, to build out my response a little bit, a non-U.S. financial institution like a French bank that engages in a transaction with a designated person with no touchpoints to the U.S. system – so no U.S. persons are involved or it does not transit or touch the U.S. financial system in any way – is not, by the terms and the letter of the law, prohibited from engaging in such action. Practically speaking, however, our understanding and our experience is that non-U.S. financial institutions, including French – for example, a French bank – may well consult the OFAC designations today as an indicator of risk and out of an abundance of caution. So while they may not be strictly prohibited by the terms of our law from engaging in these transactions, practically speaking, our – the list and OFAC's actions are

implemented on a broader scale.

MODERATOR: Okay. Anyone have anything to add to that? Okay, then our final question goes to Dave Clark from AFP. Hi, Dave.

QUESTION: Hey, good morning. Thanks for doing this. I noticed that there's a Russian on today's list, on the global list, Artem Chayka. I was wondering what the reasoning for targeting a Russian under the global sanctions is given that there's already a Magnitsky Act for Russian bad actors. Going forward, all – should we expect that everyone will be blacklisted under the global act, or will there still be a separate list maintained for Russians?

SENIOR ADMINISTRATION OFFICIAL THREE: This is [Senior Administration Official Three]. The – we'll call it the regular Magnitsky act – does not cover acts of corruption, and the designation of the Russian today under Global Magnitsky is because it is for his involvement in acts of corruption.

SENIOR ADMINISTRATION OFFICIAL ONE: And just to add on that in terms of how we would do things in the future, we have two authorities, one specific to Russia Magnitsky and one in the Global Magnitsky, that we have at our disposal. I would not make the assumption that now that we have a Global Magnitsky program that we would not continue to make designations under the Russian Magnitsky program. And as you know, there are Congressional requirements for both of these two acts, and so we want to make sure that we are implementing them in a way that is consistent with the spirit of what Congress wanted in addition with what the President of the United States wants.

MODERATOR: Right. Anybody else have anything to add? Okay, well thank you, everyone. Thanks so much for joining us for this call. The embargo has now been lifted. To our colleagues over at Treasury, OFAC, thank you so much for your time today, and my colleagues here at the State Department, thank you as always. And if we don't talk again, have a very happy holidays. Thank you.

[\[i\]](#) Senior Administration

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