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DEPARTMENT OF STATE

[Public Notice: 10258]

Global Magnitsky Human Rights Accountability Act Annual Report

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: This notice contains the text of the report, submitted by the President required by the Global Magnitsky Human Rights Accountability Act, as submitted by the Secretary of State.

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SUPPLEMENTARY INFORMATION: On December 21, 2017, The Secretary of State approved the following report pursuant to a delegation of authority from the President under Executive Order 13818. Executive Order 13818, which implements the Global Magnitsky Human Rights Accountability Act (PL 114-328, Subtitle F), was issued by the President on December 20, 2017 with an effective date of December 21, 2017. The text of the report follows:

As required by Section 1264 of the Global Magnitsky Human Rights Accountability Act of 2016 (P.L. 114-328, Subtitle F) (the “Act”), and in accordance with the executive order (E.O.) issued to implement the Act, the Secretary of State, in consultation with the Secretary of the Treasury, submits this report to detail the Administration’s implementation of the Act in 2017.

Enacted on December 23, 2016, the Act authorizes the President to impose financial sanctions and visa restrictions on foreign persons responsible for acts of corruption or certain human rights violations. On December 20, 2017, the President issued an executive order to implement the Act. This executive order authorizes the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, to impose financial sanctions on persons determined to be directly or indirectly responsible for serious human rights abuse or acts of significant corruption. The executive order also authorizes the Secretary of State to impose visa restrictions on persons designated pursuant to the executive order.

The United States is committed to protecting and promoting human rights and combatting corruption around the world. These efforts advance a world order that reflects U.S. values and increases the security of the United States, its allies, and its partners. The United States has led, and is uniquely positioned to continue leading, the international community in efforts to combat human rights abuse and corruption on the international stage. Sanctions issued pursuant to the Act, as implemented by the executive order, are consistent with these longstanding efforts.

The United States will, under the executive order, pursue tangible and significant consequences for those who commit serious human rights abuse and engage in corruption. This tool will be used without hesitation to advance U.S. interests in cases involving human rights abusers or corrupt actors who are

beyond the reach of other U.S. sanctions authorities, but whose designation could have an impact on these and other malign actors.

Financial Sanctions:

Over the last year, various departments and agencies of the United States Government have actively collected information from multiple sources – including the Intelligence Community, U.S. missions around the world, non-governmental organizations, and Congress – to support sanctions designations under the executive order.

In the executive order, the President issued sanctions and visa restrictions on several persons around the world for human rights abuse or corruption. Simultaneously, the Department of the Treasury issued a number of designations targeting individuals and entities engaged in human rights abuse or corruption or supporting those sanctioned by the President. The Annex and designations issued this year pursuant to the executive order are detailed below:

Yahya Jammeh: Yahya Jammeh (Jammeh), the former President of The Gambia who came to power in 1994 and stepped down in 2017, has a long history of engaging in serious human rights abuses and corruption. Jammeh created a terror and assassination squad called the Junglers that answered directly to him. Jammeh used the Junglers to threaten, terrorize, interrogate, and kill individuals whom Jammeh assessed to be threats. During Jammeh's tenure, he ordered the Junglers to kill a local religious leader, journalists, members of the political opposition, and former

members of the government, among others. Jammeh used the Gambia's National Intelligence Agency (NIA) as a repressive tool of the regime – torturing political opponents and journalists. Throughout his presidency, Jammeh routinely ordered the abuse and murder of those he suspected of undermining his authority.

During his tenure, Jammeh used a number of corrupt schemes to plunder The Gambia's state coffers or otherwise siphon off state funds for his personal gain. Ongoing investigations continue to reveal Jammeh's large-scale theft from state coffers prior to his departure. According to The Gambia's Justice Ministry, Jammeh personally, or through others acting under his instructions, directed the unlawful withdrawal of at least \$50 million of state funds. The Gambian Government has since taken action to freeze Jammeh's assets within The Gambia.

Related to Jammeh's designation, the Department of the Treasury also designated *Africada Airways, Kanilai Group International, Kanilai Worni Family Farms Ltd, Royal Africa Capital Holding Ltd, Africada Financial Service & Bureau de Change Ltd, Africada Micro-Finance Ltd, Africada Insurance Company, Kora Media Corporation Ltd, Atlantic Pelican Company Ltd, Palm Grove Africa Dev't Corp. Ltd, Patriot Insurance Brokers Co. Ltd, and Royal Africa Securities Brokerage Co Ltd.*

Roberto Jose Rivas Reyes: As President of Nicaragua's Supreme Electoral Council, drawing a reported government salary of \$60,000 per year, Roberto Jose Rivas Reyes (Rivas) has been accused in the press of amassing sizeable personal wealth, including multiple properties, private jets, luxury vehicles, and a yacht. Rivas has been described by a Nicaraguan Comptroller General as "above the law," with investigations into his corruption having been blocked by Nicaraguan government officials. He has also perpetrated electoral fraud undermining Nicaragua's electoral institutions.

Dan Gertler: Dan Gertler (Gertler) is an international businessman and billionaire who amassed his fortune through hundreds of millions of dollars' worth of opaque and corrupt mining and oil deals in the Democratic Republic of the Congo (DRC). Gertler has used his close friendship with DRC President Joseph Kabila to act as a middleman for mining asset sales in the DRC, requiring some multinational companies to go through Gertler to do business with the Congolese state. As a result, between 2010 and 2012 alone, the DRC reportedly lost over \$1.36 billion in revenues from the underpricing of mining assets that were sold to offshore companies linked to Gertler. The failure of the DRC to publish the full details of one of the sales prompted the International Monetary Fund to halt loans to the DRC totaling

\$225 million. In 2013, Gertler sold to the DRC government for \$150 million the rights to an oil block that Gertler purchased from the government for just \$500,000, a loss of \$149.5 million in potential revenue. Gertler has acted for or on behalf of Kabila, helping Kabila organize offshore leasing companies.

Related to Gertler's designation, the Department of the Treasury designated *Pieter Albert Deboutte, Fleurette Properties Limited, Fleurette Holdings Netherlands B.V., Gertler Family Foundation, Oil of DR Congo SPRL, Jarvis Congo SARL, International Diamond Industries, D.G.D. Investments Ltd., D.G.I. Israel Ltd, Proglan Capital Ltd, Emaxon Finance International Inc., Africa Horizons Investment Limited, Caprikat Limited, Foxwhelp Limited, Caprikat and Foxwhelp SARL, Lora Enterprises Limited, Zuppa Holdings Limited, Orama Properties Ltd, DGI Mining Ltd, and Rozaro Development Limited.*

Slobodan Tesic: Slobodan Tesic (Tesic) is among the biggest dealers of arms and munitions in the Balkans; he spent nearly a decade on the United Nations (UN) Travel Ban List for violating UN sanctions against arms exports to Liberia. In order to secure arms contracts with various countries, Tesic would directly or indirectly provide bribes and financial assistance to officials. Tesic also took potential clients on high-value vacations, paid for their children's education at western schools or universities, and

used large bribes to secure contracts. Tesic owns or controls two Serbian companies, Partizan Tech and Technoglobal Systems DOO Beograd, and two Cyprus-based companies Grawit Limited and Charso Limited. Tesic negotiates the sale of weapons via Charso Limited and used Grawit Limited as a mechanism to fund politicians.

Related to Tesic's designation, the Department of the Treasury designated *Preduzece Za Trgovinu Na Veliko I Malo Partizan Tech DOO Beograd-Savski Venac ("Partizan Tech")*, *Charso Limited*, *Grawit Limited*, and *Technoglobal Systems DOO Beograd*.

Maung Maung Soe: In his former role as chief of the Burmese Army's Western command, Maung Maung Soe oversaw the military operation in Burma's Rakhine State responsible for widespread human rights abuse against Rohingya civilians in response to attacks by the Arakan Rohingya Salvation Army. The Secretary of State determined on November 22 that the situation in northern Rakhine state in Burma constituted ethnic cleansing. The United States Government examined credible evidence of Maung Maung Soe's activities, including allegations against Burmese security forces of extrajudicial killings, sexual violence, and arbitrary arrest as well as the widespread burning of villages. Security operations have led to hundreds of thousands of Rohingya

refugees fleeing across Burma's border with Bangladesh. In August 2017, witnesses reportedly described mass killings and arson attacks by the Burmese Army and Burmese Border Guard Police, both then under Maung Maung Soe's command in northern Rakhine State. In August 2017, soldiers described as being from the Western Command allegedly entered a village and reportedly separated the inhabitants by gender. According to witnesses, soldiers opened fire on the men and older boys and committed multiple acts of rape. Many of the women and younger children were reportedly also shot. Other witnesses described soldiers setting huts on fire with villagers inside.

Benjamin Bol Mel: Benjamin Bol Mel (Bol Mel) is the President of ABMC Thai-South Sudan Construction Company Limited (ABMC), and has served as the Chairman of the South Sudan Chamber of Commerce, Industry, and Agriculture. Bol Mel has also served as South Sudanese President Salva Kiir's principal financial advisor, has been Kiir's private secretary, and was perceived within the government as being close to Kiir and the local business community. Several officials were linked to ABMC in spite of a constitutional prohibition on top government officials transacting commercial business or earning income from outside the government.

Bol Mel oversees ABMC, which has been awarded contracts worth tens of millions of dollars by the Government of South Sudan. ABMC allegedly received preferential treatment from high-level officials, and the Government of South Sudan did not hold a competitive process for selecting ABMC to do roadwork on several roads in Juba and throughout South Sudan. Although this roadwork had been completed only a few years before, the government budgeted tens of millions of dollars more for maintenance of the same roads.

Related to Bol Mel's designation, the Department of the Treasury designated *ABMC Thai-South Sudan Construction Company Limited and Home and Away LTD.*

Mukhtar Hamid Shah: Mukhtar Hamid Shah (Shah) is a Pakistani surgeon specializing in kidney transplants who Pakistani police believe to be involved in kidnapping, wrongful confinement, and the removal of and trafficking in human organs. As an owner of the Kidney Centre in Rawalpindi, Pakistan, Shah was involved in the kidnapping and detention of, and removal of kidneys from, Pakistani laborers. Shah was arrested by Pakistani authorities in connection with an October 2016 incident in which 24 individuals from Punjab were found to be held against their will. Impoverished and illiterate Pakistanis from the countryside were reportedly lured to Rawalpindi with the promise of a job, and

imprisoned for weeks. Doctors from the Kidney Centre were allegedly planning to steal their kidneys in order to sell them for a large profit. Police state that one of the accused arrested in connection with the events estimated that more than 400 people were imprisoned in the apartment at various times.

Gulnara Karimova: Gulnara Karimova (Karimova), daughter of former Uzbekistan leader Islam Karimov, headed a powerful organized crime syndicate that leveraged state actors to expropriate businesses, monopolize markets, solicit bribes, and administer extortion rackets. In July 2017, the Uzbek Prosecutor General's Office charged Karimova with directly abetting the criminal activities of an organized crime group whose assets were worth over \$1.3 billion. Karimova was also charged with hiding foreign currency through various means, including the receipt of payoffs in the accounts of offshore companies controlled by an organized criminal group, the illegal sale of radio frequencies and land parcels, siphoning off state funds through fraudulent dividend payments and stock sales, the illegal removal of cash, the non-collection of currency earnings, and the import of goods at inflated prices. Karimova was also found guilty of embezzlement of state funds, theft, tax evasion, and concealment of documents. Karimova laundered the proceeds of corruption back to her own accounts through a complex network of subsidiary companies and

segregated portfolio funds. Karimova's targeting of successful businesses to maximize her gains and enrich herself in some cases destroyed Uzbek competitors. Due in part to Karimova's corrupt activities in the telecom sector alone, Uzbeks paid some of the highest rates in the world for cellular service.

Angel Rondon Rijo: Angel Rondon Rijo (Rondon) is a politically connected businessman and lobbyist in the Dominican Republic who funneled money from Odebrecht, a Brazilian construction company, to Dominican officials, who in turn awarded Odebrecht projects to build highways, dams, and other projects. According to the U.S. Department of Justice, Odebrecht is a Brazil-based global construction conglomerate that has pled guilty to charges of conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act, and agreed to a criminal fine of \$4.5 billion. In 2017, Rondon was arrested by Dominican authorities and charged with corruption for the bribes paid by Odebrecht.

Artem Chayka: Artem Chayka (Chayka) is the son of the Prosecutor General of the Russian Federation and has leveraged his father's position and ability to award his subordinates to unfairly win state-owned assets and contracts and put pressure on business competitors. In 2014, reconstruction of a highway began, and Chayka's competitor for supplying materials to the project

suddenly fell under prosecutorial scrutiny. An anonymous complaint letter with a fake name initiated a government investigation against the competitor. Government inspectors did not produce any documents confirming the legality of the inspections, and did not inform subjects of the investigation of their rights. Traffic police were deployed along the route to the competitor, weight control stations were suddenly dispatched, and trees were dug up and left to block entrances. The competitor was forced to shut down, leaving Chayka in a position to non-competitively work on the highway project. Also in 2014, Chayka bid on a state-owned stone and gravel company, and was awarded the contract. His competitor contested the results and filed a lawsuit. Prosecutors thereafter raided his home. After Chayka's competitor withdrew the lawsuit, prosecutors dropped all charges.

Gao Yan: Gao Yan (Gao) was the Beijing Public Security Bureau Chaoyang Branch director. During Gao's tenure, human rights activist Cao Shunli was detained at Beijing Municipal Public Security Bureau Chaoyang Branch where, in March 2014, Cao fell into a coma and died from organ failure, her body showing signs of emaciation and neglect. Cao had been arrested after attempting to board a flight to attend human rights training in Geneva, Switzerland. She was refused visitation by her lawyer, and was refused medical treatment while she suffered from tuberculosis.

Sergey Kusiuk: Sergey Kusiuk (Kusiuk) was commander of an elite Ukrainian police unit, the Berkut. Ukraine's Special Investigations Department investigating crimes against activists identified Kusiuk as a leader of an attack on peaceful protesters on November 30, 2013, while in charge of 290 Berkut officers, many of whom took part in the beating of activists. Kusiuk has been named by the Ukrainian General Prosecutor's Office as an individual who took part in the killings of activists on Kyiv's Independence Square in February 2014. Kusiuk ordered the destruction of documentation related to the events, and has fled Ukraine and is now in hiding in Moscow, Russia, where he was identified dispersing protesters as part of a Russian riot police unit in June 2017.

Julio Antonio Juarez Ramirez: Julio Antonio Juarez Ramirez (Juarez) is a Guatemalan Congressman accused of ordering an attack in which two journalists were killed and another injured. Guatemalan prosecutors and a UN-sponsored commission investigating corruption in Guatemala allege that Juarez hired hit men to kill Prensa Libre correspondent Danilo Efrain Zapan Lopez, whose reporting had hurt Juarez's plan to run for reelection. Fellow journalist Federico Benjamin Salazar of Radio Nuevo Mundo was also killed in the attack and is considered a collateral victim. Another journalist was wounded in the attack.

Yankuba Badjie: Yankuba Badjie (Badjie) was appointed as the Director General of The Gambia's NIA in December 2013 and is alleged to have presided over abuses throughout his tenure. During Badjie's tenure as Director General, abuses were prevalent and routine within the NIA, consisting of physical trauma and other mistreatment. In April 2016, Badjie oversaw the detention and murder of Solo Sandeng, a member of the political opposition. In February 2017, Badjie was charged along with eight subordinates with Sandeng's murder. Prior to becoming Director General, Badjie served as the NIA Deputy Director General for Operations. Prior to becoming a member of the NIA's senior leadership, Badjie led a paramilitary group known as the Junglers to the NIA's headquarters to beat a prisoner for approximately three hours, leaving the prisoner unconscious and with broken hands. The following day, Badjie and the Junglers returned to beat the prisoner again, leaving him on the verge of death.

Visa Restrictions:

Although no visa restrictions were imposed under the Act during the first year of its enactment, persons designated pursuant to the executive order may be subject to the visa restrictions articulated in Sec. 2. Sec. 2 contains restrictions pursuant to Presidential Proclamation 8693, which establishes a mechanism for imposing visa restrictions on Specially Designated Nationals and Blocked Persons (SDNs) designated under the executive order and certain other executive orders,

as well as individuals designated otherwise for travel bans in UN Security Council resolutions. In addition, the Department of State continues to take action, as appropriate, to implement authorities pursuant to which it can impose visa restrictions on those responsible for human rights violations and corruption, including Presidential Proclamations 7750 and 8697, and Section 7031(c) of the FY2017 Consolidated Appropriations Act. The Department of State continues to make visa ineligibility determinations pursuant to the Immigration and Nationality Act (INA), including Section 212(a)(3)(E) which makes individuals who have participated in acts of genocide or committed acts of torture, extrajudicial killings, and other human rights violations ineligible for visas.

Termination of Sanctions:

No sanctions imposed under the Act were terminated.

Efforts to Encourage Governments of Other Countries to Impose Sanctions

Similar to those Authorized by the Act:

The United States is committed to encouraging other countries to impose sanctions on a similar basis to those provided for by the Act. The Departments of State and Treasury have consulted closely with United Kingdom and Canadian government counterparts over the last year to encourage development and implementation of statutes similar to the Act by those governments. Both countries have enacted similar laws. The Departments of State and Treasury shared information with various foreign partners regarding sanctions and other actions that might be taken against persons pursuant to the Act, as implemented by the E.O., in parallel with other governments' relevant authorities.

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