

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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Venezuela Humanitarian Assistance and Defense of
6 Democratic Governance Act of 2017”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress.
- Sec. 4. Humanitarian assistance for 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. Support for international election observation missions and democratic civil society in Venezuela.
- Sec. 9. Concerns and report on the involvement of Venezuelan officials in corruption and illicit narcotics trafficking.
- Sec. 10. Sanctions on persons responsible for public corruption and undermining democratic governance in Venezuela.
- Sec. 11. Concerns over PDVSA transactions with Rosneft.
- Sec. 12. Report on Government of the Russian Federation's activities in Venezuela.

3 **SEC. 2. FINDINGS.**

4 Congress makes the following findings:

5 (1) The deterioration of democratic governance
 6 and the economic crisis in Venezuela have led to an
 7 unprecedented humanitarian situation in which peo-
 8 ple are suffering from severe shortages of essential
 9 medicines and basic food products.

10 (2) According to the World Health Organiza-
 11 tion, Venezuela had a shortage of necessary medica-
 12 tions and medical supplies of—

13 (A) 55 percent in 2014;

14 (B) 67 percent in 2015; and

15 (C) 75 percent in 2016.

1 (3) According to a Human Rights Watch 2016
2 report, it is increasingly difficult for many Ven-
3 ezuelans, particularly those in lower- or middle-in-
4 come families, to obtain adequate nutrition and
5 there are reports of symptoms of malnutrition, par-
6 ticularly in children.

7 (4) Maternal deaths in Venezuela increased by
8 66 percent from 2015 to 2016 while infant deaths
9 increased by 30 percent.

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

13 (6) A recent survey—conducted jointly by the
14 Central University of Venezuela, the Andrés Bello
15 Catholic University, and the Simón Bolívar Univer-
16 sity—found that almost 75 percent of Venezuelans
17 lost an average of at least 19 pounds in 2016 as a
18 result of a lack of proper nutrition amidst the coun-
19 try’s economic crisis.

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

1 (8) The International Monetary Fund has esti-
2 mated that in Venezuela in 2016 the country's gross
3 domestic product contracted by 12 percent and infla-
4 tion rate reached 720 percent, and has stated that
5 Venezuela had the worst growth and inflation per-
6 formance in the world.

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

13 (10) Venezuela's political, economic, and hu-
14 manitarian crisis is fueling social tensions that are
15 resulting in growing incidents of public unrest,
16 looting, violence among citizens, and an exodus of
17 Venezuelans abroad.

18 (11) These social distortions are taking place
19 amidst an alarming climate of criminal violence. Ac-
20 cording to the United Nations Office on Drug and
21 Crime, Caracas, Venezuela had the highest per cap-
22 ita homicide rate of any capital city in the world in
23 2015 at 120 murders per 100,000 citizens.

24 (12) In 2016, 18,155 Venezuelans submitted
25 asylum requests in the United States, which was the

1 greatest number of requests by any nationality, ac-
2 cording to U.S. Citizenship and Immigration Serv-
3 ices.

4 (13) International and domestic human rights
5 groups, such as Foro Penal Venezolano, recognize
6 more than 108 political prisoners in Venezuela, in-
7 cluding opposition leader and former Chacao mayor
8 Leopoldo López, Judge María Lourdes Afiuni, Cara-
9 cas Mayor Antonio José Ledezma Díaz, National
10 Assembly Deputy Gilber Caro, and former San Cris-
11 tobal mayor Daniel Ceballos.

12 (14) According to media accounts, over 40 peo-
13 ple lost their lives as the result of public demonstra-
14 tions and protests in Venezuela in April 2017.

15 **SEC. 3. SENSE OF CONGRESS.**

16 It is the sense of Congress that—

17 (1) Nicolás Maduro should permit the delivery
18 of international humanitarian assistance to address
19 the widespread and deeply concerning shortages of
20 essential medicines and basic food products faced by
21 the people of Venezuela;

22 (2) it is in the best interest of the Venezuelan
23 people for the Government of Venezuela to engage
24 with multilateral institutions to ameliorate the ef-

1 fects of the country’s ongoing economic, social, and
2 humanitarian crisis;

3 (3) Nicolás Maduro should immediately release
4 all political prisoners and respect internationally rec-
5 ognized human rights in order to facilitate the con-
6 ditions for political negotiations and dialogue in
7 Venezuela;

8 (4) Nicolás Maduro and the Supreme Tribunal
9 of Justice of Venezuela should take steps to rein-
10 state the full powers and authorities of the National
11 Assembly of Venezuela in accordance with the Con-
12 stitution of the Bolivarian Republic of Venezuela;

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

19 (6) the United States should support meaning-
20 ful efforts towards a substantive dialogue through
21 which all parties uphold their commitments and
22 agree to specific deadlines to restore respect for Ven-
23 ezuela’s constitutional mechanisms and resolve the
24 country’s political, economic, and humanitarian cri-
25 sis.

1 **SEC. 4. HUMANITARIAN ASSISTANCE FOR THE PEOPLE OF**
2 **VENEZUELA.**

3 (a) IN GENERAL.—The Secretary of State, in coordi-
4 nation with the Administrator of the United States Agen-
5 cy for International Development, subject to the avail-
6 ability of appropriations, shall work through credible and
7 independent nongovernmental organizations to provide—

8 (1) public health commodities to Venezuelan
9 health facilities and services, including medicines on
10 the World Health Organization’s List of Essential
11 Medicines and basic medical supplies and equipment;

12 (2) the basic food commodities and nutritional
13 supplements needed to address growing malnutrition
14 and improve food security for the people of Ven-
15 ezuela, with a specific emphasis on the most vulner-
16 able populations; and

17 (3) technical assistance to ensure health and
18 food commodities are appropriately selected, pro-
19 cured, and distributed, predominantly through local
20 nongovernmental organizations.

21 (b) PLAN REQUIREMENT.—Not later than 90 days
22 after the date of the enactment of this Act, the Secretary
23 of State shall submit a plan for carrying out the activities
24 described in subsection (a) which also identifies United
25 States Agency for International Development best prac-

1 tices in delivering humanitarian assistance and how they
2 are being utilized in the Venezuela context to—

3 (1) the Committee on Foreign Relations of the
4 Senate;

5 (2) the Committee on Appropriations of the
6 Senate;

7 (3) the Committee on Foreign Affairs of the
8 House of Representatives; and

9 (4) the Committee on Appropriations of the
10 House of Representatives.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to the Secretary of State
13 \$10,000,000 for fiscal year 2018 to carry out the activities
14 described in subsection (a) in accordance with this section.

15 (d) BRIEFINGS.—Upon a request from one of the
16 committees listed in subsection (b), the Secretary of State
17 and the Administrator of the United States Agency for
18 International Development shall brief the committee on
19 the progress made in implementing the plan submitted
20 under subsection (b).

21 **SEC. 5. REQUIREMENT FOR STRATEGY TO COORDINATE**
22 **INTERNATIONAL HUMANITARIAN ASSIST-**
23 **ANCE.**

24 (a) SENSE OF CONGRESS.—It is the sense of Con-
25 gress that the appropriate United Nations humanitarian

1 agencies should conduct and publish an independent as-
2 sessment on—

3 (1) the extent and impact of the shortages of
4 food and medicine in Venezuela; and

5 (2) the efforts needed to resolve such shortages.

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

13 (1) describes how the United States will secure
14 support from international donors, including re-
15 gional partners in Latin America and the Caribbean,
16 for the provision of humanitarian assistance to the
17 people of Venezuela; and

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

23 (c) BRIEFINGS.—Upon a request from the Committee
24 on Foreign Relations of the Senate or the Committee on
25 Foreign Affairs of the House of Representatives, the Sec-

1 retary of State and the Administrator of the United States
2 Agency for International Development shall brief such
3 committee on the progress made in implementing the
4 strategy submitted under subsection (b).

5 **SEC. 6. SUPPORT FOR EFFORTS AT THE UNITED NATIONS**
6 **ON THE HUMANITARIAN AND POLITICAL CRI-**
7 **SIS IN VENEZUELA.**

8 (a) INITIAL EFFORTS.—The President shall instruct
9 the Permanent Representative of the United States to the
10 United Nations to use the voice and vote of the United
11 States to secure the necessary votes—

12 (1) to place the humanitarian and political cri-
13 sis in Venezuela on the agenda of the United Na-
14 tions Security Council; and

15 (2) to secure a Presidential Statement from the
16 United Nations Security Council urging the Govern-
17 ment of Venezuela to allow the delivery of humani-
18 tarian relief and to lift bureaucratic impediments or
19 any other obstacles so that independent nongovern-
20 mental organizations can provide the proper assist-
21 ance to the people of Venezuela without any inter-
22 ference by such government.

23 (b) ADDITIONAL EFFORTS.—

24 (1) IN GENERAL.—If the Government of Ven-
25 ezuela refuses to allow the delivery of humanitarian

1 relief and lift bureaucratic impediments and any
2 other obstacles described in subsection (a)(2), then
3 beginning not later than 30 days after the conclu-
4 sion of the efforts of the United Nations described
5 in such subsection, the President shall instruct the
6 Permanent Representative of the United States to
7 the United Nations to use the voice and vote of the
8 United States to secure the adoption of a resolution
9 of the United Nations Security Council described in
10 paragraph (2).

11 (2) RESOLUTION DESCRIBED.—The resolution
12 of the United Nations Security Council described in
13 paragraph (1) is a resolution—

14 (A) directing the Government of Venezuela
15 to promptly allow safe and unhindered access
16 for humanitarian agencies and their imple-
17 menting partners, including possible support
18 from neighboring countries; and

19 (B) calling on the Government of Ven-
20 ezuela to—

21 (i) allow the delivery of food and med-
22 icine;
23 (ii) end human rights violations;

1 (iii) agree to free, fair and trans-
2 parent elections with credible international
3 observers;

4 (iv) cease violence; and

5 (v) release all political prisoners.

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

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

11 (1) Article 1 of the Inter-American Democratic
12 Charter, adopted by the Organization of American
13 States in Lima on September 11, 2001, affirms,
14 “The peoples of the Americas have a right to democ-
15 racy and their governments have an obligation to
16 promote and defend it.”.

17 (2) Article 19 of the Inter-American Demo-
18 cratic Charter states “an unconstitutional interrup-
19 tion of the democratic order or an unconstitutional
20 alteration of the constitutional regime that seriously
21 impairs the democratic order in a member state,
22 constitutes, while it persists, an insurmountable ob-
23 stacle to its government’s participation in sessions of
24 the General Assembly . . . and other bodies of the
25 Organization.”.

1 (3) Article 20 of the Inter-American Demo-
2 cratic Charter provides—

3 (A) “In the event of an unconstitutional al-
4 teration of the constitutional regime that seri-
5 ously impairs the democratic order in a member
6 state, any member state or the Secretary Gen-
7 eral may request the immediate convocation of
8 the Permanent Council to undertake a collective
9 assessment of the situation and to take such de-
10 cisions as it deems appropriate.”; and

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

15 (b) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that—

17 (1) Nicolás Maduro and the Supreme Tribunal
18 of Justice of Venezuela have carried out systematic
19 efforts to undermine, block, and circumvent the au-
20 thorities and responsibilities of the Venezuelan Na-
21 tional Assembly as mandated in the Constitution of
22 the Bolivarian Republic of Venezuela;

23 (2) such efforts by Nicolás Maduro and the Su-
24 preme Tribunal of Justice of Venezuela amount to
25 an unconstitutional alternation of the constitutional

1 regime that seriously impairs the democratic order
2 in Venezuela; and

3 (3) the Secretary of State, working through the
4 United States Permanent Mission to the Organiza-
5 tion of American States, should take additional steps
6 to support ongoing efforts by the Secretary General
7 of the Organization of American States—

8 (A) to invoke the Inter-American Demo-
9 cratic Charter;

10 (B) to advance a collective assessment of
11 the situation in Venezuela; and

12 (C) to promote diplomatic initiatives to
13 foster the restoration of Venezuelan democracy.

14 **SEC. 8. SUPPORT FOR INTERNATIONAL ELECTION OBSER-**
15 **VATION MISSIONS AND DEMOCRATIC CIVIL**
16 **SOCIETY IN VENEZUELA.**

17 (a) IN GENERAL.—Subject to the availability of ap-
18 propriations, the Secretary of State, in coordination with
19 the Administrator of the United States Agency for Inter-
20 national Development, shall work—

21 (1) with the Organization of American States
22 and other entities to ensure credible international
23 observation that contributes to free, fair, and trans-
24 parent democratic electoral processes in Venezuela;
25 and

1 (2) directly, or through independent nongovern-
2 mental organizations—

3 (A) to defend internationally recognized
4 human rights for the people of Venezuela;

5 (B) to support the efforts of independent
6 media outlets to broadcast, distribute, and
7 share information beyond the limited channels
8 made available by the Government of Ven-
9 ezuela;

10 (C) to facilitate open and uncensored ac-
11 cess to the Internet for the people of Venezuela;
12 and

13 (D) to combat corruption and improve the
14 transparency and accountability of institutions
15 that are part of the Government of Venezuela.

16 (b) VOICE AND VOTE AT THE OAS.—The Secretary
17 of State, acting through the United States Permanent
18 Representative to the Organization of American States,
19 should advocate and build diplomatic support for sending
20 an election observation mission to Venezuela to ensure
21 that democratic electoral processes are organized and car-
22 ried out in a free, fair, and transparent manner.

23 (c) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to the Secretary of State
25 for fiscal year 2018—

1 (1) \$500,000 to carry out the activities set
2 forth in subsection (a)(1); and

3 (2) \$9,500,000 to carry out the activities set
4 forth in subsection (a)(2).

5 (d) BRIEFINGS.—Upon a request from one of the
6 committees listed in subsection (c), the Secretary of State
7 and the Administrator of the United States Agency for
8 International Development shall brief the committee on
9 the progress made in implementing the strategy submitted
10 under subsection (c).

11 **SEC. 9. CONCERNS AND REPORT ON THE INVOLVEMENT OF**
12 **VENEZUELAN OFFICIALS IN CORRUPTION**
13 **AND ILLICIT NARCOTICS TRAFFICKING.**

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

16 (1) The deterioration of governance in Ven-
17 ezuela has been exacerbated by the involvement of
18 senior officials of the Government of Venezuela, in-
19 cluding members of the National Electoral Council,
20 the judicial system, and the Venezuelan security
21 forces, in acts of corruption and illicit narcotics traf-
22 ficking and related money laundering.

23 (2) In March 2015, the Department of the
24 Treasury's Financial Crimes Enforcement Network
25 determined that approximately \$2,000,000,000 had

1 been siphoned from Venezuela’s public oil company,
2 Petróleos de Venezuela S.A., in conjunction with its
3 designation of the Banca Privada d’Andorra as a
4 Foreign Financial Institution of Primary Money
5 Laundering Concern.

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

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

17 (5) On February 13, 2017, the Department of
18 the Treasury’s Office of Foreign Assets Control des-
19 ignated Tareck Zaidan El Aissami Maddah for his
20 involvement in illicit narcotics trafficking, pursuant
21 to the Foreign Narcotics Kingpin Designation Act
22 (21 U.S.C. 1901 et seq.; title VIII of Public Law
23 106–120).

24 (6) The Department of the Treasury’s Office of
25 Foreign Assets Control has designated additional in-

1 individuals and senior Venezuelan officials for their in-
2 volvement in illicit narcotics trafficking, pursuant to
3 such Act, including—

4 (A) Venezuelan national Samark Jose
5 Lopez Bello, who is the primary front man and
6 money launderer for Tareck Zaidan El Aissami
7 Maddah;

8 (B) Hugo Armando Carvajal Barrios, who
9 is the current National Assembly Deputy and
10 the former Director of Venezuela’s Military In-
11 telligence Directorate;

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

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

19 (E) Freddy Alirio Bernal Rosales, who pre-
20 viously served as the Mayor of the Libertador
21 municipality of Caracas.

22 (b) DEFINITIONS.—In this section:

23 (1) CORRUPTION.—The term “corruption”
24 means the extent to which public power is exercised

1 for private gain, including by bribery, nepotism,
2 fraud, or embezzlement.

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

6 (A) distorts policies or the central func-
7 tioning of the country; and

8 (B) enables leaders to benefit at the ex-
9 pense of the public good.

10 (c) REPORTING REQUIREMENT.—

11 (1) IN GENERAL.—Not later than 180 days
12 after the date of the enactment of this Act, the Sec-
13 retary of State, acting through the Bureau of Intel-
14 ligence and Research, and in consultation with the
15 intelligence community (as defined in section 3(4) of
16 the National Security Act of 1947 (50 U.S.C.
17 3003(4))), shall submit a report to Congress that
18 describes the involvement of senior officials of the
19 Government of Venezuela, including members of the
20 National Electoral Council, the judicial system, and
21 the Venezuelan security forces, in acts of corruption
22 in Venezuela, with a specific emphasis on acts of
23 grand corruption.

24 (2) ADDITIONAL ELEMENTS.—The report sub-
25 mitted under paragraph (1) shall—

1 (A) describe how the acts of corruption de-
2 scribed in the report pose direct challenges for
3 United States national security and inter-
4 national security;

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

8 (C) include input from the Drug Enforce-
9 ment Administration, the Office of Foreign As-
10 sets Control, and the Financial Crimes Enforce-
11 ment Network.

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

16 **SEC. 10. SANCTIONS ON PERSONS RESPONSIBLE FOR PUB-**
17 **LIC CORRUPTION AND UNDERMINING DEMO-**
18 **CRATIC GOVERNANCE IN VENEZUELA.**

19 (a) FINDING.—Executive Order 13692 (50 U.S.C.
20 1701 note), which was signed on March 8, 2015, estab-
21 lished sanctions against individuals responsible for under-
22 mining democratic processes and institutions and involved
23 in acts of public corruption that were not included in the
24 Venezuela Defense of Human Rights and Civil Society Act
25 of 2014 (Public Law 113–278).

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

4 (1) in subsection (a)—

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

7 (B) by redesignating paragraph (3) as
8 paragraph (5); and

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

11 “(3) has perpetrated, or is responsible for or-
12 dering or otherwise directing, significant actions or
13 policies that undermine democratic processes or in-
14 stitutions;

15 “(4) has perpetrated, or is responsible for or-
16 dering or otherwise directing, significant acts of pub-
17 lic corruption; or”;

18 (2) by redesignating subsections (e) and (f) as
19 subsections (f) and (g), respectively;

20 (3) by inserting after subsection (d) the fol-
21 lowing:

22 “(e) BRIEFINGS.—Upon a request from the Com-
23 mittee on Foreign Relations of the Senate or the Com-
24 mittee on Foreign Affairs of the House of Representatives,
25 the Secretary of State, in conjunction with the Secretary

1 of the Treasury, shall offer a classified briefing on the ef-
2 fects to impose sanctions under this section and the im-
3 pact of such sanctions.”; and

4 (4) in subsection (f), as redesignated, by strik-
5 ing “December 31, 2019” and inserting “December
6 31, 2022”.

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

14 **SEC. 11. CONCERNS OVER PDVSA TRANSACTIONS WITH**
15 **ROSNEFT.**

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

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

1 transaction, 100 percent of CITGO is held as collat-
2 eral by PDVSA's creditors.

3 (2) CITGO, a wholly owned subsidiary of
4 PDVSA, is engaged in interstate commerce and
5 owns and controls critical energy infrastructure in
6 19 States in the United States, including an exten-
7 sive network of pipelines, 48 terminals, and 3 refin-
8 eries, with a combined oil refining capacity of
9 749,000 barrels per day. CITGO's refinery in Lake
10 Charles, Louisiana is the sixth largest refinery in the
11 United States.

12 (3) The Department of the Treasury imposed
13 sanctions on Rosneft, which is controlled by the Rus-
14 sian Government, and its Executive Chairman, Igor
15 Sechin, following Russia's military invasion of
16 Ukraine and its illegal annexation of Crimea in
17 2014.

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

21 (5) The growing economic crisis in Venezuela
22 raises the probability that the Government of Ven-
23 ezuela and PDVSA will default on their inter-
24 national debt obligations, resulting in a scenario in

1 which Rosneft could come into control of CITGO's
2 United States energy infrastructure holdings.

3 (b) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that—

5 (1) control of critical United States energy in-
6 frastructure by Rosneft, a Russian government-con-
7 trolled entity currently under United States sanc-
8 tions, would pose a significant risk to United States
9 national security and energy security;

10 (2) the President should take all necessary
11 steps to prevent Rosneft from gaining control of
12 critical United States interstate energy infrastruc-
13 ture;

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

19 (4) if PDVSA defaults on its debt obligations,
20 the Department of the Treasury's Office of Foreign
21 Asset Control should review CITGO's transactions
22 with United States persons to assess and ensure
23 compliance with United States sanctions policies and
24 regulations; and

1 (5) the Department of Homeland Security
2 should conduct an assessment of the security risks
3 posed by foreign control of CITGO's United States
4 energy infrastructure holdings.

5 **SEC. 12. REPORT ON GOVERNMENT OF THE RUSSIAN FED-**
6 **ERATION'S ACTIVITIES IN VENEZUELA.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of the enactment of this Act, the Secretary of State,
9 acting through the Bureau of Intelligence and Research
10 of the Department of State and in consultation with the
11 intelligence community, shall submit to Congress a report
12 that describes the full extent of the Government of the
13 Russian Federation's cooperation with the Government of
14 Venezuela and the Venezuelan armed forces.

15 (b) FORM.—The report under subsection (a) shall be
16 submitted in unclassified form, but may include a classi-
17 fied annex. The unclassified portion of the report shall be
18 made available to the public.

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

○