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New Executive Order Targets Venezuelan Economy and Corrupt Asset Transfers

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November 2, 2018 – On November 1, 2018, President Trump issued an [Executive Order](#) targeting corrupt asset transfers by the Maduro administration. The order empowers the Treasury Secretary to impose sanctions on persons operating in Venezuela’s economy, as well as persons and their family members participating in corrupt asset transfers at the expense of the Venezuelan people. In an [FAQ](#) issued contemporaneously by the Office of Foreign Assets Control (“OFAC”), it was explained that the order is intended to “impose costs on those who unjustly benefit from dishonest or fraudulent conduct, illicit activity, and/or deceptive transactions within Venezuela’s gold sector or other identified sectors, or in relation to the Government of Venezuela or its projects or programs.”

The Executive Order specifically authorizes OFAC to make additions to the Specially Designated Nationals (“SDN”) list of individuals and/or entities which:

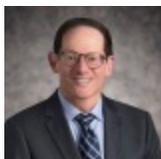
- “operate in the gold sector of the Venezuelan economy or in any other sector of the Venezuelan economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;”
- “[are] responsible for or complicit in, or to have directly or indirectly engaged in, any transaction or series of transactions involving deceptive practices or corruption and the Government of Venezuela or projects or programs administered by the Government of Venezuela, or are an immediate adult family member of such a person;”
- “have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any activity or transaction [involving deceptive practices or corruption and the Venezuelan government or government-administered projects or programs], or any person whose property and interests in property are blocked pursuant to this order;” or
- “[are] owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order.”

Notably, while the Executive Order specifies Venezuela’s gold industry, it also broadly empowers OFAC to designate persons operating “in any other sector of the Venezuelan economy.” Arguably, this provision will allow OFAC to sanction anyone operating in any part of the Venezuelan economy, including its oil sector. However, in an [FAQ](#), OFAC pledged to “use its discretion to target in particular those who operate corruptly in the gold or other identified sectors of the Venezuela economy, and not those who are operating legitimately in such sectors.”

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