

Treasury Targets South Sudanese Government Officials and Related Companies for Continued Destabilization

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OFAC Designates Three Individuals and Three Related Companies for Destabilizing Activities, and FinCEN Issues Advisory Alerting Financial Institutions to Potential South Sudanese Corruption

Washington – Today, the U.S. Department of the Treasury took multiple actions in response to the continued deterioration of the humanitarian situation in South Sudan and the role of officials of the South Sudanese Government in undermining the peace, security, and stability of the country. The Office of Foreign Assets Control (OFAC) designated two South Sudanese government officials and one former official for their roles in destabilizing South Sudan and three companies that are owned or controlled by one of the officials. Additionally, the Financial Crimes Enforcement Network (FinCEN) issued an advisory to financial institutions concerning the potential movement of assets belonging to South Sudanese politically exposed persons.

“These actions send a clear message to those enriching themselves at the expense of the South Sudanese people that we will not let them exploit the U.S. financial system to move and hide the proceeds of their corruption and malign behavior,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “Treasury will forcefully respond to the atrocities ongoing in South Sudan by targeting those who abuse human rights, seek to derail the peace process, and obstruct reconciliation in South Sudan.”

OFAC SANCTIONS

OFAC sanctioned Malek Reuben Riak Rengu, Michael Makuei Lueth, and Paul Malong Awan, in addition to three companies owned or controlled by Malek Reuben Riak Rengu, pursuant to Executive Order (E.O.) 13664, which authorizes sanctions against persons who threaten the peace, security, or stability of South Sudan. As a result of today’s actions, all of these individuals’ and entities’ assets within U.S. jurisdiction are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

In addition, entry into the United States by individuals designated under E.O. 13664 is suspended pursuant to that Executive order.

FINCEN ADVISORY

FinCEN issued an Advisory alerting U.S. financial institutions to their potential exposure to anti-money laundering risks caused by certain South Sudanese senior political figures attempting to use the U.S. financial system to move or hide proceeds of public corruption. FinCEN's Advisory describes South Sudanese corruption and reminds financial institutions of their due diligence and suspicious activity report (SAR) filing obligations related to senior foreign political figures.

OFAC SANCTIONED INDIVIDUALS AND ENTITIES

MALEK REUBEN RIAK RENGU, DEPUTY CHIEF OF DEFENSE FORCE AND INSPECTOR GENERAL OF THE SUDAN PEOPLE'S LIBERATION ARMY (SPLA)

Malek Reuben Riak Rengu (Malek Reuben) has been designated for being responsible for or complicit in, or having engaged in: (1) actions or policies that threaten the peace, security, and stability of South Sudan; and (2) actions or policies that have the purpose or effect of expanding or extending the conflict in South Sudan or obstructing reconciliation or peace talks or processes.

Between 2013 and 2016, Malek Reuben held the position of Deputy Chief of Staff for Logistics of the South Sudanese military, known as the SPLA. This position played a central role in weapons procurement for the first several years of the conflict. Malek Reuben was reportedly one of a group of senior security officials responsible for planning the April 2015 offensive in Unity State, which reportedly included widespread destruction, targeting of civilians, large population displacement, and numerous human rights abuses. UN experts determined that ammunition supplied by the SPLA to youth groups was critical in sustaining the offensive. Malek Reuben allegedly supported a hardline position in a mid-2015 meeting of the National Liberation Council, which met and decided to reject a draft peace proposal.

In 2013, Riak apparently facilitated the procurement of \$38 million worth of arms and equipment including 100 anti-tank guided missile launchers, 1,200 missiles, 9,574 automatic rifles, 2,394 40mm grenade launchers, 20 million rounds of 7.62x39mm ammunition, 319 general-purpose machine guns, 2 million rounds of 7.62x54 ammunition, 660 pistols, 2 million

rounds of 9x19mm ammunition, and 40,000 rounds of high explosive rocket ammunition. Information indicates that, in early 2015, Malek Reuben attended a meeting during which officials of the South Sudan Ministry of Defense met with representatives of an arms firm offering to supply the SPLA with heavy military equipment. At the time, the SPLA sought tanks, artillery pieces, armored personnel carriers, and heavy machine guns. Information further indicates that, in early 2016, Malek Reuben traveled with a delegation to a nearby country where he appealed to the government to sell South Sudan ammunition and secure spare parts for its attack helicopters. Allegedly, in late 2016, Malek Reuben planned to travel overseas to acquire additional weapons for the SPLA. Malek Reuben also reportedly provided ammunition and weapons to tribal militias.

Additionally, Malek Reuben reportedly used his position as Deputy Chief of General Staff for Logistics to issue contracts with inflated prices in order to receive extensive kickbacks. In 2015, it was suspected Malek Reuben was fabricating procurement contracts for food provision to SPLA troops. Malek Reuben also reportedly controls a private company, Mak International Services Co Ltd, that sells explosives to private companies in South Sudan in an arrangement promoted on an exclusive basis by the SPLA, and received payments and cash deposits of hundreds of thousands of U.S. dollars by foreign-backed companies.

OFAC also designated **All Energy Investments Ltd, A+ Engineering, Electronics & Media Printing Co. Ltd**, and **Mak International Services Co Ltd** – all based in South Sudan – for being owned or controlled by Malek Reuben.

MICHAEL MAKUEI LUETH, SOUTH SUDANESE MINISTER OF INFORMATION AND BROADCASTING

Michael Makuei Lueth (Makuei) has been designated for being responsible for or complicit in, or having engaged in: (1) attacks against United Nations (UN) missions; (2) obstruction of the activities of international peacekeeping, diplomatic, or humanitarian missions in South Sudan, or of the delivery or distribution of, or access to, humanitarian assistance; and (3) actions or policies that have the purpose or effect of expanding or extending the conflict in South Sudan or obstructing reconciliation or peace talks or processes.

In March 2014, Makuei supported and advocated for South Sudanese Government inspections of all vehicles belonging to the UN and the UN Mission in South Sudan (UNMISS), reportedly obstructing the delivery of humanitarian goods in South Sudan. Information indicates that he was also involved in planning and coordinating an April 17, 2014 attack on the UN compound in

the Jonglei State capital of Bor, which killed three UN guards and 140 civilians, mostly women and children, and injured as many as 270. Makuei worked to obstruct and undermine the execution and implementation of the August 2015 Agreement on the Resolution of the Conflict in the Republic of South Sudan (ARCSS).

In addition, in February 2016, Makuei reportedly declared that territory in South Sudan's Upper Nile region was a "war zone" that was not covered by the provisions of the ARCSS. Days later, violence broke out in the Upper Nile region and the South Sudanese military aided irregular tribal militias in storming the UNMISS Protection of Civilians site in Malakal. These forces looted property, set ablaze portions of the camp and killed civilians and humanitarian workers.

On April 23, 2016, Makuei ordered the closure of Juba International Airport, apparently to delay and obstruct the formation of the Transitional Government of National Unity. Makuei claimed that the closure was due to the inadequate verification of the weapons accompanying opposition security forces, even though the South Sudanese military had already verified them.

PAUL MALONG AWAN, FORMER SOUTH SUDANESE CHIEF OF GENERAL STAFF OF THE SPLA

Paul Malong (Malong) has been designated for being responsible for or complicit in, or having engaged in: (1) actions or policies that threaten the peace, security, or stability of South Sudan; (2) actions or policies that have the purpose or effect of expanding or extending the conflict in South Sudan or obstructing reconciliation or peace talks or processes; and (3) obstruction of the activities of international peacekeeping, diplomatic, or humanitarian missions in South Sudan, or of the delivery or distribution of, or access to, humanitarian assistance.

Malong's alleged order for his troops to disarm and later attack Nuer soldiers was one of the incidents that is believed to have led to the start of the civil war in South Sudan. Malong's actions in December 2013 reportedly led to the indiscriminate killing of many innocent civilians, with the Presidential Guard force killing civilians in and near Juba.

Shortly after the signing of the August 2015 peace agreement, Malong apparently approved an air assault by the SPLA on rebel positions in Upper Nile State. Malong planned to undermine the peace deal by sending militarized river barges with tanks and heavy mortars to opposition positions and bait them into attacking SPLA troops.

In early 2016, information indicates that Malong ordered SPLA units to prevent the transport of humanitarian supplies across the Nile River, where tens of thousands of civilians were facing

hunger, claiming that food aid would be diverted from civilians to militia groups. As a result of Malong's orders, food supplies were blocked from crossing the Nile for at least two weeks.

As of late May 2016, it is believed that Malong ordered the SPLA to deny freedom of movement to an international peacekeeping and monitoring team in areas with reported fighting. Malong also is believed to have denied the team's access to areas where the SPLA planned to conduct offensives out of a fear that the SPLA would be labeled as violating the peace agreement.

It has been reported that Malong – knowingly countermanding orders from President Salva Kiir – ordered the July 10, 2016 tank, helicopter gunship, and infantry assaults on then-First Vice President Machar's residence and the opposition's "Jebel" base in Juba. Malong was reportedly responsible for attempted efforts to kill Machar, and continued to press his commanders to capture or kill Machar. Malong dispatched SPLA helicopter gunships and troops to attack opposition forces. In July 2016, Malong apparently was planning military operations against Machar and the forces that remained loyal to him, and personally oversaw efforts from SPLA headquarters to intercept Machar.

In April 2017, Malong allegedly ordered the SPLA to clear all people from the area around Wau to include civilians, and continued to try to clear opposition forces from Wau and other areas around Wau. Malong reportedly did not discourage the killing of civilians by the SPLA troops, and persons suspected of hiding rebels were considered legitimate targets.

Additionally, Malong is believed to have been involved in acts of corruption. After his dismissal and flight from Juba, Malong was stopped outside of Juba in early May 2017 and reportedly found with currency worth millions of U.S. dollars in his possession that he had allegedly stolen from the SPLA treasury. In 2014, under Malong, the Ministry of Defense procured loans of billions of dollars from South Sudanese oil companies in order to acquire military equipment. However, as of later that year, no actual military purchases using these funds had been made. Malong reportedly has several properties outside of South Sudan, and several of Malong's children have owned stakes in companies that appear to operate in a wide range of business sectors, including a petroleum company.

[Identifying information on the individuals and companies designated.](#)

[Information on FinCEN's Advisory.](#)

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