

Treasury Targets Influential Former Venezuelan Official and His Corruption Network

May 18, 2018

Washington – Today the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated Venezuelan national Diosdado Cabello Rondón (Cabello) pursuant to Executive Order (E.O.) [13692](#) , for being a current or former official of the Government of Venezuela. OFAC also designated three other individuals for being current or former officials, or for acting for or on behalf of designated individuals as key figures in Cabello’s corruption network. Those individuals are José David Cabello Rondón, Cabello’s brother, designated for being a current or former official of the Government of Venezuela; Marleny Josefina Contreras Hernández, Cabello’s wife, designated for being a current or former official of the Government of Venezuela; and Rafael Alfredo Sarria Diaz, Cabello’s front man (“*testaferro*”), designated for acting for or on behalf of Cabello. In addition, OFAC blocked three companies that are owned or controlled by Sarria in Florida: SAI Advisors Inc., Noor Plantation Investments LLC, and 11420 Corp. OFAC further blocked 14 properties in Florida and New York, owned by Sarria directly or through his companies.

“The Venezuelan people suffer under corrupt politicians who tighten their grip on power while lining their own pockets. We are imposing costs on figures like Diosdado Cabello who exploit their official positions to engage in narcotics trafficking, money laundering, embezzlement of state funds, and other corrupt activities,” said Secretary of the Treasury Steven T. Mnuchin. “This Administration is committed to holding those accountable who violate the trust of the Venezuelan people, and we will continue to block attempts to abuse the U.S. financial system.”

These designations reflect the commitment of the United States to use every available diplomatic and economic tool to hold accountable corrupt officials and support the Venezuelan people’s efforts to restore their democracy. The United States will continue to take appropriate action, including designating persons for sanctions, to respond to the situation in Venezuela as it develops. U.S. sanctions need not be permanent; they are intended to change behavior. However, we would consider lifting sanctions for persons sanctioned under E.O. 13692 that take concrete and meaningful actions to restore democratic order, refuse to take part in human

rights abuses and speak out against abuses committed by the government, and combat corruption in Venezuela.

Diosdado Cabello Rondón

Cabello is the First-Vice President of the *Partido Socialista Unido de Venezuela*, or the United Socialist Party of Venezuela (PSUV), the political party of Venezuelan President Nicolas Maduro Moros (Maduro), whom OFAC designated pursuant to E.O. 13692 on July 31, 2017. Cabello is a former army lieutenant who forged a close link in the Venezuelan military academy with former, now-deceased Venezuelan President Hugo Chavez (Chavez). Cabello is also a former President and deputy of the Venezuelan National Assembly, Venezuela's legislative body, and he remained a deputy of the National Assembly until the Maduro regime usurped the powers of the National Assembly and created the illegitimate National Constituent Assembly, of which Cabello is currently a member. Cabello has held numerous positions within the Venezuelan government, having previously served as Minister of Public Works and Housing, Minister of the Interior and Justice, Minister of Infrastructure, Director of the Venezuelan National Telecommunications Commission (CONATEL), and Governor of the state of Miranda.

Often referred to as the second most powerful man in Venezuela—after Maduro—Cabello has maintained significant leadership positions in the Venezuelan government since Chavez elevated him to the position of Minister of Interior and Justice. Cabello has abused these influential positions in furtherance of his illicit and corrupt activities to control and direct government agencies and military officials in Venezuela such as the *Cuerpo de Investigaciones Cientificas, Penales y Criminalisticas*, or the Body of Scientific, Penal, and Criminal Investigations (CICPC), and the *Servicio Bolivariano de Inteligencia Nacional*, or the Bolivarian National Intelligence Service (SEBIN), the Venezuelan domestic intelligence service. Cabello has entrenched a network of supporters by deciding who gets promoted within agencies such as the Ministry of Defense and the Ministry of Public Works. Cabello in turn used that sphere of influence to personally profit from extortion, money laundering, and embezzlement.

As of May 2017, Cabello had conducted a significant amount of illicit business with others, including Francisco Jose Rangel Gomez (Rangel Gomez), who reported to Cabello. Rangel Gomez was designated by OFAC pursuant to E.O. 13692 on January 5, 2018 as a current or former official of the Government of Venezuela. Cabello, Rangel Gomez, and their associates laundered money from the embezzlement of Venezuelan state funds and their dealings with drug traffickers through a series of apartment buildings and commercial shopping centers. Additionally, Cabello, Rangel Gomez, and their associates worked together to illegally access

and exploit mines. In particular, they mined and extracted iron and exported it through *Ferrominera del Orinoco* (FdO), a subsidiary of the state-owned Venezuelan conglomerate, *Corporacion Venezolana de Guyana*; although FdO was a legitimate business, Cabello and his associates had frontmen inside the company who facilitated the illegal extraction and export of iron. As of December 2016, Venezuelan officials has used state-owned enterprises, *Venezolana de Aluminio* (Venalum) and *Aluminos Nacionales S.A.* (Alunasa), to launder money to Costa Rica and Russia. The president of Venalum, as well as another individual who actually ran the company, engaged in drug trafficking and money laundering, and used Venalum as cover for these operations. Under the direction of Rangel Gomez, in his capacity as the Governor of the state of Bolivar, Venalum used boats to move minerals and launder money through Panama to the Costa Rica branch of Alunasa. Cabello directed the Venezuelan military to place several Alunasa employees in Costa Rica to oversee the operation. Additionally, Cabello laundered money through Venalum to Russia.

In addition to money laundering and illegal mineral exports, Cabello is also directly involved in narcotics trafficking activities. Working with current Venezuelan Executive Vice President Tareck El Aissami (El Aissami), whom OFAC designated pursuant to the Kingpin Act on February 13, 2017, Cabello organizes drug shipments being moved from Venezuela through the Dominican Republic, and onwards to Europe. Cabello also directs Pedro Luis Martin Olivares, who was designated pursuant to the Kingpin Act on May 7, 2018, in illicit activities. In late 2016, Cabello and Martin worked together to move illicit money to Panama, the Dominican Republic, and the Bahamas. As of March 2017, Cabello seized drug loads from small-scale drug traffickers, and combined and exported them through a Venezuelan government-owned airport. Cabello, along with President Maduro and others, divided proceeds from these narcotics shipments. Also as of early 2017, Cabello demanded information from the Venezuelan government bureaucracy about wealthy individuals who had made large purchases, which may have helped him identify other drug traffickers, money launderers, and competitors, for the purposes of stealing their drugs and property, and eliminating the competition.

José David Cabello Rondón

José David Cabello Rondón (José David) is the current Superintendent of the *Servicio Nacional Integrado de Administracion Aduanera y Tributaria*, or the National Integrated Customs and Tax Administration (SENIAT). He previously served as the Minister of Infrastructure and the Minister of Popular Power for Industries. José David has used his access as the head of the Venezuelan Tax and Customs agency to extort money for personal gain from Venezuelans. As of late 2017,

Cabello, in his role as the First Executive Vice-President of the PSUV, and José David as the head of the SENIAT, were the main beneficiaries of extortion schemes against domestic and foreign private companies. The brothers shared a percentage of the extortion proceeds with other ministers and officials in Maduro's inner circle. A typical extortion scheme involved SENIAT officials auditing a business and identifying both actual and falsified irregularities. The SENIAT officials would then give the business the option to pay a single large fine to SENIAT or a smaller fine to SENIAT with a smaller kickback to the officials. The companies would then log the kickbacks as business transactions. SENIAT officials increasingly have the kickbacks paid to specifically established, temporary Venezuelan bank accounts for fear of U.S. financial sanctions levied against senior officials and to avoid increased scrutiny of foreign bank accounts.

Beyond extorting profits from Venezuela's Customs and Tax Administration, in September 2017, the Cabello brothers, acting in their capacity as high-level Venezuelan government officials, approved a money laundering scheme based on illicit financial activities targeting the Venezuelan state-owned oil company *Petroleos de Venezuela, S.A.* (PDVSA).

Rafael Alfredo Sarria Diaz

Rafael Alfredo Sarria Diaz (Sarria) has laundered money for Venezuelan officials by buying real estate since 2010. Sarria acts for or on behalf of Cabello as his main front man, or "*testaferro*," advising, assisting, and profiting, himself, from Cabello's corrupt profits and illegal proceeds. The two have maintained an illicit business relationship since at least 2010, when Sarria and Cabello had partnerships and corporations in Panama, and Sarria owned several real estate properties in Florida that were registered under his own name. In reality, Sarria acted as the named representative for Cabello in the ownership of these properties. As of 2015, Sarria continued to manage multiple properties and financial arrangements for Cabello, and in 2016, he was involved in drug trafficking activities on Cabello's behalf. As of 2018, Sarria advises and assists Cabello, and he profits from the investment of Cabello's corruptly obtained wealth.

Concurrent with designating Sarria, OFAC blocked three companies in Florida that are owned or controlled by Sarria: SAI Advisors Inc., Noor Plantation Investments LLC, and 11420 Corp., through which Sarria owns 12 properties in Florida. Sarria owns an additional property in Florida and another property in New York in his name.

Marleny Josefina Contreras Hernández

Marleny Josefina Contreras Hernández is married to Cabello and is the Minister of Popular Power for Tourism, as well as the President of Venezuela's National Institute of Tourism.

As a result of today's action, all property and interests in property of these persons that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated persons.

For additional information about the methods that Venezuelan senior political figures, their associates, and front persons use to move and hide corrupt proceeds, including how they try to exploit the United States financial system and real estate markets, please refer to FinCEN's advisories, [FIN-2017-A006](#) , "Advisory on Widespread Public Corruption in Venezuela" and [FIN-2017-A003](#)  "Advisory to Financial Institutions and Real Estate Firms and Professionals.

[For identifying information on the individuals designated today, click here.](#)

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