

Treasury Targets Cuban Support for the Illegitimate Venezuelan Regime

July 3, 2019

Treasury further removes sanctions on company that has ended its involvement in Venezuelan oil shipments to Cuba

Washington – Today, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated Cubametales, the Cuban state-run oil import and export company, for its continued importation of oil from Venezuela. Cuba, in exchange for this oil, continues to provide support, including defense, intelligence, and security assistance, to the illegitimate regime of former President Nicolas Maduro. Today’s action, taken pursuant to Executive Order (E.O.) 13850, as amended, targets the company for operating in the oil sector of the Venezuelan economy.

“Maduro is clinging to Cuba to stay in power, buying military and intelligence operatives in exchange for oil. Treasury’s sanctions on Cubametales will disrupt Maduro’s attempts to use Venezuela’s oil as a bargaining tool to help his supporters purchase protection from Cuba and other malign foreign actors,” said Treasury Secretary Steven T. Mnuchin. “Treasury’s decision to remove restrictions on PB Tankers and unblock previously sanctioned vessels is a reminder that positive changes in behavior can result in the lifting of sanctions.”

On October 31, 2000, the Government of Cuba solidified its investment in the oil sector of Venezuela through the Cuba-Venezuela Integral Cooperation Agreement (CIC). Through this agreement, Venezuela exports oil to Cuba, and in return, Cuba provides assistance to several sectors of the Venezuelan economy, to include the provision of medical services, technology, and military assistance. The goods and services Cuba provides Venezuela continue to fuel the corruption of Maduro and his associates and help maintain their control over the increasingly impoverished Venezuelan people whose oil has been shipped to Cuba in support of dictatorship.

Since the January 28, 2019 designation of Petroleos de Venezuela, S.A. (PDVSA), the Venezuelan state-owned oil company, Cubametales and other Cuba-based entities have continued to

support Maduro through oil shipments from Venezuela.

Cubametales is based in Havana, Cuba and is responsible for guaranteeing 100 percent of imports and exports of fuels and imports of additives and basic oils for lubricants to and from Cuba. Additionally, Cubametales has been the recipient, and charterer, of shipments of oil from Venezuela to Cuba and has expanded its operations to include non-traditionally traded oil products such as sulfur fuel and diluted crude oil. As a part of the original CIC agreement, the agreement states that Cubametales (and its administrative manager) and PDVSA are responsible for setting the terms and conditions for PDVSA oil exports up to 53,000 barrels per day on a quarterly basis.

As a result of today's action, all property and interests in property of this entity, and of any entities that are owned, directly or indirectly, 50 percent or more by the designated entity, that are in the United States or in the possession or control of U.S. persons are blocked and must be 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 blocked or designated persons.

DELISTING OF PB TANKER S.P.A

In addition to today's designation of Cubametales, OFAC is delisting PB Tankers S.p.A. (PB Tankers). OFAC designated PB Tankers on April 12, 2019, for operating in the oil sector of the Venezuelan economy. As a part of this designation, six vessels were identified as blocked property in the interest of PB Tankers; one vessel, named the Silver Point, was used to deliver oil products from Venezuela to Cuba. Following the company's designation, PB Tankers terminated its charter agreement with Cubametales, which had chartered the Silver Point to transport oil between Venezuela and Cuba. Likewise, PB Tankers took additional steps to increase scrutiny of its business operations to prevent future sanctionable activity.

Treasury recognizes the actions that PB Tankers has taken to ensure that its vessels are not complicit in propping up the illegitimate former Maduro regime in Venezuela. As a result of today's action, all property and interests in property, which had been blocked as a result of PB Tankers' designation, are unblocked, and all otherwise lawful transactions involving U.S. persons and PB Tankers are no longer prohibited.

DELISTINGS PROMOTE POSITIVE CHANGES IN BEHAVIOR

U.S. sanctions need not be permanent; sanctions are intended to bring about a positive change of behavior. The United States has made clear that the removal of sanctions is available for persons designated under E.O. 13692 or E.O. 13850, both as amended, who take concrete and meaningful actions to restore the democratic order, including through refusing to operate in Venezuela's oil sector, which continues to provide a lifeline to the illegitimate regime of former President Nicolas Maduro.

ADDITIONAL RESOURCES

For 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 U.S. financial system and real estate market, please refer to Treasury's Financial Crimes Enforcement Network (FinCEN) advisories [FIN-2019-A002](#) , "Updated Advisory on Widespread Public Corruption in Venezuela," [FIN-2017-A006](#) , "Advisory to Financial Institutions and Real Estate Firms and Professionals" and [FIN-2018-A003](#) , "Advisory on Human Rights Abuses Enabled by Corrupt Senior Foreign Political Figures and their Financial Facilitators."

[Identifying information.](#)

####