

Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion

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Global Magnitsky designations target government insiders engaging in bribery, kickbacks, and procurement fraud while draining state coffers

Washington – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned Ashraf Seed Ahmed Al-Cardinal (Al-Cardinal) and Kur Ajing Ater (Ajing) for their involvement in bribery, kickbacks and procurement fraud with senior government officials. OFAC is also designating five companies determined to be owned or controlled by Al-Cardinal, and one company owned or controlled by Ajing. OFAC designated these individuals and entities pursuant to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act and targets perpetrators of serious human rights abuse and corruption.

“These South Sudanese elites and corrupt government officials have drained state coffers and usurped the country’s resources with impunity. Al-Cardinal and Ajing leverage their businesses and political connections to engage in corruption at great expense to the South Sudanese people,” said Sigal Mandelker, Treasury Under Secretary for Terrorism and Financial Intelligence. “The South Sudanese government must take urgent measures to increase transparency and enforce accountability against those involved in systemic corruption. Privileged elites should not be allowed to profit from conflict as they undermine efforts to bring lasting peace to South Sudan.”

As a result of today’s action, all property and interests in property of the individuals and entities named below, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other designated persons, that are in the United States or in the possession or control of U.S. persons, are blocked and must be reported to OFAC. Unless authorized by a general or specific license issued by OFAC or otherwise exempt, OFAC’s regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. In addition, any approval, financing, facilitation, or guarantee by a U.S.

person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by E.O. 13818 if performed by a U.S. person or within the United States would be prohibited.

ASHRAF SEED AHMED AL-CARDINAL

Sudanese businessman Al-Cardinal has been used by a senior South Sudanese government official as an intermediary to deposit and hold a large amount of funds in a country outside of South Sudan. Following OFAC's designation of Benjamin Bol Mel in December 2017, the senior South Sudanese official began to use a bank account in the name of one of Al-Cardinal's companies to store his personal funds in an attempt to avoid the effects of potential sanctions designations. Further, in early 2019, the South Sudanese government made millions of dollars in payments to a company owned by Al-Cardinal; while the official reason was for the payment for food, the money instead went to senior South Sudanese government officials. Other South Sudanese government officials have expressed dissatisfaction with the massive corruption in the South Sudanese government, noting that although large amounts of money were paid to Al-Cardinal for supplies and provisions, government forces never seemed to be adequately supplied.

Separately, a company partially owned by Al-Cardinal has been publicly implicated in the importation of amphibious armored vehicles into South Sudan that gave the Government of South Sudan the ability to extend offensives that included violent attacks on innocent civilians.

Five companies owned or controlled by Al-Cardinal were also designated today: Alcardinal General Trading Limited, Alcardinal General Trading LLC, Al Cardinal Investments Co. LTD, Alcardinal Petroleum Company limited, and NILETEL.

Al-Cardinal is being designated for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, corruption, including the misappropriation of state assets, the expropriation of private assets for personal gain, corruption related to government contracts or the extraction of natural resources, or bribery.

KUR AJING ATER

Ajing is a South Sudanese businessman who has bribed key officials in the Government of South Sudan in order to maintain influence and access to the South Sudanese oil market. Ajing used these bribes to both curry favor with a senior gatekeeper within the Government of South Sudan and to ensure the silence and compliance of a key government officials. In late 2018, the

South Sudanese government made a large cash payment to Ajing. While the official reason was for the payment of food, the money instead went directly to a senior South Sudanese government official. In addition, Ajing has been obligated large amounts of oil by the Government of South Sudan, and has given money and vehicles to government officials in return. Ajing has claimed to have paid senior officials millions of dollars and has cooperated with the request of a senior official to route oil payments in cash rather than through official bank accounts. Further, Ajing was the recipient of a multi-year contract to purchase food for the South Sudanese military, and in return, paid a percentage of the contract back to a senior South Sudanese government official. According to public media reports, Ajing received millions of dollars in contracts for the South Sudanese military, including one contract that alone exceeds the total amount budgeted for the military's goods and services for the year by a factor of ten.

Ajing is being designated for having materially assisted, sponsored, or provided financial, material, technological support for, or goods or services to or in support of, an entity that has engaged in, or whose members have engaged in, corruption, including the misappropriation of state assets, the expropriation of private assets for personal gain, corruption related to government contracts or the extraction of natural resources, or bribery. One company owned or controlled by Ajing was also designated today: Lou Trading and Investment Company Limited.

GLOBAL MAGNITSKY

Building upon the Global Magnitsky Human Rights Accountability Act, on December 20, 2017, the President signed E.O. 13818, in which the President found that the prevalence of human rights abuse and corruption which have their source, in whole or in substantial part, outside the United States, had reached such scope and gravity that it threatens the stability of international political and economic systems. Human rights abuse and corruption undermine the values that form an essential foundation of stable, secure, and functioning societies; have devastating impacts on individuals; weaken democratic institutions; degrade the rule of law; perpetuate violent conflicts; facilitate the activities of dangerous persons; and undermine economic markets. The United States seeks to impose tangible and significant consequences on those who commit serious human rights abuse or engage in corruption, as well as to protect the financial system of the United States from abuse by these same persons.

To date, the Department of the Treasury has designated 126 individuals and entities under E.O. 13818. This figure is in addition to the numerous human rights or corruption related designations Treasury has issued under other various authorities. In total, since January of

2017, Treasury has taken action against more than 680 individuals and entities with links to human rights abuse or corruption.

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

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