WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated CEIEC for supporting the illegitimate Maduro regime’s efforts to undermine democracy in Venezuela, including its efforts to restrict internet service and conduct digital surveillance and cyber operations against political opponents. Chinese technology companies, including CEIEC, continue to challenge democratic values of freedom and transparency by developing and exporting tools to monitor, censor, and surveil citizens’ activities on the internet.

“The illegitimate Maduro regime’s reliance on entities like CEIEC to advance its authoritarian agenda further illustrates the regime’s prioritization of power over democratic values and processes,” said Secretary Steven T. Mnuchin. “The United States will not hesitate to target anyone helping to suppress the democratic will of the Venezuelan people and others around the world.”

This entity was designated pursuant to Executive Order (E.O.) 13692, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, actions or policies that undermine democratic processes or institutions.

Nondemocratic governments use Chinese-exported technologies such as those CEIEC has provided to repress political dissent within their own borders. CEIEC has been supporting the Maduro regime’s malicious cyber efforts since 2017. CEIEC has provided software, training, and technical expertise to Venezuela government entities, which was then used against the people of Venezuela. CEIEC provides cyber support and technical experts to state-run telecommunications provider Venezuelan National Telephone Company (CANTV), which controls 70 percent of internet service in all of Venezuela. The suite of software and hardware that CEIEC provided Venezuela is a commercialized version of China’s “Great Firewall.” The Great Firewall is China’s nationwide system of web blocks and filters, used to maintain strict online censorship, control the information Chinese citizens can access.
outside China, and prevent the internal dissemination of content deemed undesirable by political leadership.

The Maduro regime has repeatedly demonstrated its willingness to suppress its citizens’ democratic rights, intimidate them from expressing their political views, or overwhelm their voices using technology-enabled means, as buttressed by CEIEC. Venezuela’s online independent newspapers are frequently blocked by CANTV. Additionally, live-streamed speeches by the Interim Government are routinely blocked. On January 5, 2020, CANTV restricted access to social media on the same day as a leadership vote in the National Assembly, while security forces blocked lawmakers and media from accessing the premises. On April 30, 2019, during a popular uprising against the Maduro regime, Venezuelan citizens experienced power failures and weak or lost cellphone signals, leading to an information blackout. In February 2019, the Interim Government created a website for volunteers to participate in the delivery of international humanitarian aid. CANTV manipulated the Domain Name System to redirect visitors to a fake website that was designed to phish visitors’ personal information.

CEIEC has over 200 subsidiaries and offices around the world. Concurrent with this action, OFAC is issuing a general license that, for 45 days, authorizes all transactions and activities prohibited by E.O. 13692, as amended, that are ordinarily incident and necessary to the wind-down of transactions involving CEIEC.

As a result of today’s action, all property and interests in property of CEIEC, or any entity in which it owns, directly or indirectly, a 50 percent or greater interest, 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 the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

View identifying information on the entity sanctioned today.

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