Treasury Issues Sanctions on International Anti-Corruption Day

December 9, 2021

Designations target corrupt individuals and networks in Central America, Europe, and Africa

WASHINGTON — Today, on International Anti-Corruption Day, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is targeting fifteen individuals and entities across several countries in Central America, Africa, and Europe. Today's actions are taken pursuant to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act and targets perpetrators of corruption and serious human rights abuse. Treasury's actions today are complemented by the U.S. Department of State's announcement of visa restrictions under Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, targeting several corrupt current and former officials, as well as their immediate family members, and making them ineligible for entry into the United States.

"Corrupt acts take resources from citizens, undermine public trust, and threaten the progress of those who fight for democracy," said Secretary of the Treasury Janet L. Yellen. "Treasury is committed to countering those who seek personal enrichment at the expense of the people who trust them to to serve — especially in the middle of a global pandemic. We are taking these actions today to expose and hold corrupt leaders accountable."

International Anti-Corruption Day has been observed annually on December 9 since the United Nations General Assembly adopted the United Nations Convention against Corruption (UNCAC) on October 31, 2003, to raise public awareness of the importance of anti-corruption initiatives in countering corruption and preventing it from undermining democratic institutions, eroding governmental stability, and slowing economic development. There are currently 189 parties to the UNCAC. Countering the transnational nature of corruption requires strong international partnerships and robust anti-money laundering and counter terrorist financing regimes. Today's actions reinforce the priority placed upon curbing corruption through strategic and regulatory action at the Summit for Democracy.

Corruption allows bad actors to abuse their authority and extract unfair gains at the expense of others. Fighting corruption is one of the pillars of the Summit, because it is a critical part of

engendering the trust in institutions that undergirds democracies. Treasury is equipped with powerful tools to root out corruption by targeting the financial systems and flows that allow bad actors to profit from corruption, and Treasury is committed to using these tools to protect and strengthen democracy around the world. Today's actions are one part of a series of actions taken to fight corruption in line with the U.S. Strategy on Countering Corruption released on Monday. Treasury's actions to further this strategy by combating these illicit activities will make our economy — and the global economy — stronger, fairer, and safer from criminals and national security threats.

CORRUPTION RELATED TO COVID-19 PROCUREMENT

Corruption involving procurement of life-saving medical supplies represents a profound betrayal of public trust and a waste of critically needed resources. Corruption also undermines public trust during a time in which that trust is critical for governments' pandemic response. Crises such as the COVID-19 pandemic expose the dangers of systemic corruption, whether it manifests as a lack of transparency in public procurement. facilitating contract awards to unqualified companies, or as a diversion of funds meant for essential healthcare services.

CORRUPTION IN EL SALVADOR: MARTHA CAROLINA RECINOS DE BERNAL

Martha Carolina Recinos De Bernal (**Recinos**) was the head of a multiple-ministry, multi-million dollar corruption scheme involving suspicious procurements in the construction of a hospital, in addition to directing various government ministers to authorize several suspicious pandemic-related purchases, including millions of dollars in surgical masks and millions more on hospital gowns from companies with no apparent ties to the healthcare or manufacturing industries. As of summer 2021, Salvadoran officials awarded millions of dollars in inflated contracts related to the government's response to the COVID-19 pandemic, which in turn allowed for kickbacks to Salvadoran government officials and some of President Bukele's advisors. Relatedly, Bukele administration officials, including Chief of Cabinet **Recinos**, reportedly resold donated personal protective equipment and other medical aid at significant markups for their personal benefit.

Additionally, **Recinos** also directed a corruption scheme in which government-purchased food baskets intended for COVID-19 relief were diverted for the use of specific Nuevas Ideas candidates to garner support in the February 2021 municipal and legislative elections. Instead

of delivering the items as a service from the government, the food baskets were used to obtain votes and support in the lead up to the elections.

Recinos is designated pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly 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.

CORRUPTION IN GUATEMALA: MANUEL VICTOR MARTINEZ OLIVET

In March 2021, **Manuel Victor Martinez Olivet** (**Martinez**) was accused of engaging in various acts of misappropriation, fraud, and abuse of authority during his tenure as the Director of the Santa Rosa Health Area within the Guatemalan Ministry of Public Health. Guatemalan authorities initially began their investigation into **Martinez**'s activities following press reporting alleging that **Martinez** favored companies related to his family and directly awarded contracts to them without going through the public bidding process, circumventing the regular procurement process.

Martinez is designated pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly 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.

CORRUPTION IN SOUTH SUDAN: ARC RESOURCES CORPORATION LTD AND WINNERS CONSTRUCTION COMPANY LIMITED

OFAC designated **ARC Resources Corporation Limited** (**ARC Resources**) and **Winners Construction Company Limited** (**Winners**) for being owned or controlled by Benjamin Bol Mel (Bol Mel), an individual included in the Annex of E.O. 13818 in December 2017. Bol Mel previously oversaw ABMC Thai-South Sudan Construction Company Limited (ABMC), which was awarded contracts worth tens of millions of dollars by the Government of South Sudan (GoSS) and allegedly received preferential treatment from high-level GoSS officials in a non-competitive process for selecting ABMC to do roadwork throughout South Sudan. **ARC**

Resources is linked to ABMC, and has been used by senior members of GoSS for laundering money. Both **ARC Resources** and **Winners** have been used to evade sanctions and travel restrictions on Bol Mel, and have been awarded noncompetitive and substantial oil-backed contracts from the GoSS for road construction.

ARC Resources and **Winners** are designated pursuant to E.O. 13818 for being owned or controlled by, directly or indirectly, Bol Mel, a person whose property and interests in property are blocked pursuant to E.O. 13818.

CORRUPTION IN LIBERIA: PRINCE YORMIE JOHNSON

Prince Yormie Johnson (**Johnson**) is a former warlord and current member of the Liberian Senate. He is the former Chairman of the Senate Committee on National Security, Defense, Intelligence, and Veteran Affairs. In 1990, he was responsible for the murder of former Liberian President Samuel Doe, and **Johnson** is named in Liberia's Truth and Reconciliation Report as having committed atrocities during the country's first civil war.

As a Senator, **Johnson** has been involved in pay-for-play funding with government ministries and organizations for personal enrichment. As part of the scheme, upon receiving funding from the Government of Liberia (GOL), the involved government ministries and organizations launder a portion of the funding for return to the involved participants. The pay-for-play funding scheme involves millions of U.S. dollars. Additionally, **Johnson** receives an undeserved salary from the GOL as a salaried intelligence "source" yet he does not provide any form of intelligence reporting to the GOL; Johnson is reportedly being paid in order to maintain domestic stability. **Johnson** has also offered the sale of votes in multiple Liberian elections in exchange for money.

Johnson is designated pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or a person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly 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.

CORRUPTION IN UKRAINE: ANDRIY PORTNOV

Andriy Portnov (**Portnov**), the former Deputy Head of the Ukrainian Presidential Administration under former President Yanukovych, has cultivated extensive connections to Ukraine's judicial and law enforcement apparatus through bribery. Widely known as a court

fixer, **Portnov** was credibly accused of using his influence to buy access and decisions in Ukraine's courts and undermining reform efforts. As of 2019, **Portnov** took steps to control the Ukrainian judiciary, influence associated legislation, sought to place loyal officials in senior judiciary positions, and purchase court decisions. In mid-2019, **Portnov** colluded with a high ranking Ukrainian government official to shape the country's higher legal institutions to their advantage and influence Ukraine's Constitutional Court. Additionally, **Portnov** has been involved in an attempt to influence the Ukrainian Prosecutor General.

Portnov is designated pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or a person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly 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.

Additionally, OFAC designated the **Andriy Portnov Fund** pursuant to E.O. 13818 for being owned or controlled by **Portnov**.

CORRUPTION IN ANGOLA: LEOPOLDINO FRAGOSO DO NASCIMENTO AND MANUEL HELDER VIEIRA DIAS JUNIOR

Leopoldino Fragoso do Nascimento (**Nascimento**) and **Manuel Helder Vieira Dias Junior** (**Dias Junior**) are former government officials that stole billions of dollars from the Angolan government through embezzlement. **Nascimento** and **Dias Junior** colluded with other Angolan individuals and Treasury-designated Sam Pa to misappropriate funding intended for infrastructure development projects, including the use of phantom projects. Pa was designated on April 17, 2014 for undermining democratic processes and institutions in Zimbabwe, facilitating public corruption by Zimbabwean senior officials through illicit diamond deals, and providing financial and logistical support to the Government of Zimbabwe and Specially Designated Nationals (SDNs). The two are also suspected of siphoning off millions of dollars from Angolan infrastructure projects and then using their positions in the Angolan economy to protect themselves from the possibility of criminal charges. As part of a military equipment deal, **Dias Junior** brokered with a third-country defense manufacturer an additional large sum of money for other senior Angolan government officials.

Nascimento and **Dias Junior** are designated pursuant to E.O. 13818 for being foreign persons who are current or former government officials, or persons acting for or on behalf of such an official, who are responsible for or complicit in, or has directly or indirectly 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.

Additionally, OFAC is also designating four entities that are owned or controlled by **Nascimento**: **Cochan S.A.**, **Cochan Holdings LLC**, **Geni SARL**, and **Geni Novas Tecnologias S.A.**.

OFAC is also designating one entity, **Baia Consulting Limited** (**Baia**), pursuant to E.O. 13818 that is owned or controlled by **Dias Junior**, and his spouse, **Luisa De Fatima Giovetty**, for materially assisting, sponsoring, or providing financial, material, or technological support for, or goods or services to or in support of, **Baia**.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the persons above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or otherwise exempt, 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 are prohibited. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any blocked person or the receipt of any contribution or provision of funds, goods, or services from any such person.

GLOBAL MAGNITSKY

Building upon the Global Magnitsky Human Rights Accountability Act, E.O. 13818 was issued on December 20, 2017, in recognition that the prevalence of human rights abuse and corruption that have their source, in whole or in substantial part, outside the United States, had reached such scope and gravity as to threaten 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.

The U.S. Department of Homeland Security's Human Rights Violators and War Crimes Center assisted OFAC in identifying perpetrators of serious human rights abuse and corruption.

View more information on today's designations.

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