

U.S. DEPARTMENT OF THE TREASURY

Treasury Sanctions Nicaragua Directorate of Mines and Government Official Responsible for Decades of Violence

October 24, 2022

New Executive Order Targets Nicaraguan Gold Sector, Other Sectors May Follow

WASHINGTON — Today, the U.S. Department of the Treasury (Treasury) Office of Foreign Assets Control (OFAC) designated the Nicaraguan mining authority General Directorate of Mines (DGM) as well as one official of the Government of Nicaragua, pursuant to Executive Order (E.O.) 13851.

Additionally, today President Biden signed a new E.O. that amends E.O. 13851 and expands Treasury's authority to hold the Ortega-Murillo regime accountable for its continued attacks on Nicaraguans' freedom of expression and assembly. Furthermore, the new E.O. gives Treasury the authority to target certain persons that operate or have operated in the gold sector of the Nicaraguan economy, and any other sector identified by the Secretary of the Treasury in consultation with the Secretary of State. The new E.O. also provides expanded sanctions authorities that could be used to prohibit new U.S. investment in certain identified sectors in Nicaragua, the importation of certain products of Nicaraguan origin into the United States, or the exportation, from the United States, or by a United States person, wherever located, of certain items to Nicaragua.

"The Ortega-Murillo regime's continued attacks on democratic actors and members of civil society and unjust detention of political prisoners demonstrate that the regime feels it is not bound by the rule of law," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "With President Biden's new Executive Order, we can and will use every tool at our disposal to deny the Ortega-Murillo regime the resources they need to continue to undermine democratic institutions in Nicaragua."

GENERAL DIRECTORATE OF MINES (DGM)

DGM is a subordinate office within the Nicaraguan Ministry of Energy and Mines (MEM). Since the June 2022 designation of Empresas Nicaraguenses de Minas (ENIMINAS), DGM has

managed most mining operations in Nicaragua on behalf of the Nicaraguan government. As such, DGM is an important piece of state-controlled gold operations in Nicaragua. Ortega and his cronies continue to use proceeds derived from the production and sale of gold to line their own pockets and to pay off those who keep the regime in power. The regime has used this power to intimidate and jail those that speak out about the regime's corruption and to sow instability around the world, including by supporting Russia's further invasion of Ukraine. By designating DGM, Treasury aims to cut off the Ortega-Murillo regime from its ability to use gold proceeds to oppress the Nicaraguan people.

DGM is being designated for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, Salvador Mansell Castrillo, who is the Nicaraguan Minister of Energy and Mines and whose property and interests in property were blocked pursuant to E.O. 13851 on November 15, 2021. Today, OFAC also issued Nicaragua General License (GL) 4, which provides a time-limited authorization allowing U.S. persons to wind down transactions involving DGM. OFAC also issued associated guidance noting that foreign persons generally do not risk sanctions for engaging in activities that would be authorized by GL 4.

REINALDO GREGORIO LENIN CERNA JUAREZ (CERNA)

Cerna is a close confidante of Nicaraguan President Daniel Ortega. He was head of state security under the first Ortega presidency in the 1970s and 1980s and was reportedly involved in numerous incidents of violence, murder, and torture and admitted to associating with known terrorist groups. Cerna previously worked at the Consulate of Nicaragua in Honduras and allegedly helped in the assassination of Pablo Emilio Salazar, head of the presidential guard for then president Anastasio Somoza Debayle. Cerna allegedly provided the weapon that killed Salazar. Once he took over as head of State Security under Ortega, according to public reporting, Cerna became renowned and feared as a torturer.

Cerna is being designated, pursuant to E.O. 13851, for being an official of the Government of Nicaragua or having served as an official of the Government of Nicaragua at any time on or after January 10, 2007.

SANCTIONS IMPLICATIONS

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 are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more in the aggregate by one or more of such persons are also blocked. All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked or designated persons are prohibited, unless authorized by a general or specific license issued by OFAC, or otherwise exempt. These prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to E.O. 13851 and the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from its ability to designate and add persons to the SDN List, but also from OFAC's willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [Frequently Asked Question 897](#) . For detailed information on the process to submit a request for removal from an OFAC sanctions list.

[View identifying information on the entity and individuals designated today.](#)

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