

Congress of the United States
Washington, DC 20515

December 01, 2017

The President
The White House
Washington, DC

Dear Mr. President:

We appreciate your commitment to implementing the Global Magnitsky Human Rights Accountability Act (“the Global Magnitsky Act” or “the Act”). As you are aware, the Act authorizes you to impose visa and asset sanctions on foreign persons responsible for gross violations of human rights and government officials or their associates who have engaged in acts of significant corruption. As noted in your April 2017 report on the Act, with the establishment of the Global Magnitsky sanctions program, “the United States is uniquely positioned to lead the international community in pursuing accountability abroad consistent with our values”.

The Global Magnitsky Act requires the submission of reports to Congress with relevant updates to the list of sanctioned individuals and entities, as well as responses to Congressional requests for specific sanctions investigations pursuant to the law. Pursuant to Section 1263 (d) of the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328), we urge you to take immediate action to determine whether Nicaraguan nationals Roberto Jose Rivas Reyes and Francisco Lopez meet the criteria to be sanctioned in accordance with the law for human rights abuses, corruption, and illicit activity. We ask you to use the tools available under the Global Magnitsky Act to reaffirm our unwavering support for democratic principles in Nicaragua and to stand in solidarity with the Nicaraguan people in their fight to end the widespread corruption and human rights abuses under Daniel Ortega.

In July 2017, we supported the administration’s effort to sanction the Venezuelan National Electoral Council. And we similarly have serious concerns regarding the actions of the Electoral Council in Nicaragua. Roberto Jose Rivas Reyes is the President of the Supreme Electoral Council (CSE). In this capacity, Mr. Rivas has worked alongside Daniel Ortega for over a decade to deny the Nicaraguan people free, fair, and transparent elections monitored by international observers. The following excerpts show how a lack of electoral legitimacy and fraudulent actions by the CSE leadership have been well documented by the Department of State:

- According to the Department of State's Country Reports on Human Rights Practices for 2015: “In 2011 the Supreme Electoral Council (CSE) announced the re-election of President Daniel Ortega Saavedra of the Sandinista National Liberation Front (FSLN) in elections that international and domestic observers characterized as seriously flawed. International and domestic organizations raised concerns regarding the constitutional legitimacy of Ortega's re-election. The 2011 elections also provided the ruling party with a supermajority in the National Assembly, allowing for changes in the constitution, including extending the reach of executive branch power and the elimination of restrictions on re-election for executive branch officials and mayors. Observers noted serious flaws during the 2012 municipal elections and March 2014 regional elections.”

- On November 7, 2016, the Department of State issued a press release stating: “The United States is deeply concerned by the flawed presidential and legislative electoral process in Nicaragua, which precluded the possibility of a free and fair election on November 6. In advance of the elections, the Nicaraguan government sidelined opposition candidates for president, limited domestic observation at the polls and access to voting credentials, and took other actions to deny democratic space in the process. The decision by the Nicaraguan government not to invite independent international electoral observers further degraded the legitimacy of the election.”
- According to the Department of State's Country Reports on Human Rights Practices for 2016: “[A]ctions by the ruling Sandinista National Liberation Front (FSLN) party resulted in de facto concentration of power in a single party, with **an authoritarian executive branch exercising significant control over the legislative, judicial, and electoral functions.**” The report continues and also states: “The November 6 elections for president, vice president, national assembly members, and representatives for the Central American parliament did not meet the conditions of being free and fair . . . The November 6 presidential and legislative elections were marred by allegations of institutional fraud and the absence of independent opposition political parties. National observers and opposition leaders claimed rates of abstention from 60 to 70 percent.”

In addition to the accusations of electoral fraud and of particular importance to the designations under the Global Magnitsky Human Rights Accountability Act, Roberto Rivas has also been accused of corruption. Concerns regarding how Mr. Rivas gained his fortune while only making \$5000 a month, according to *Confidencial*, have led various media outlets to investigate his assets:

- On September 22nd, 2011 Rivas was accused of “illicit enrichment” by a group called, *Grupo de Ciudadanos y Abogados Democraticos*. According to a *Confidencial* article released on the same day, the group accuses Rivas of increasing his assets “in an exorbitant way and without any justification.” The accusation reads that “through four corporations” Mr. Rivas has gained “valuable assets in a ‘dubious, irregular and unlawful’ manner.” Gustavo Garcia, one of the accusers, told prosecutor Armando Juarez that this investigation could lead to a discovery of money laundering.
- According to a *La Prensa* article released on September 21th, 2014 and the previously mentioned *Confidencial* article, Mr. Rivas owns a variety of houses, mansions, jet planes and an island. The articles list him owning a condominium valued at over \$6 million dollars in Costa Rica, an islet in front of El Diamante Shipyard in Granada, a summer house in Hermosa Beach, a mansion valued over \$1 million in Costa Rica, a house in San Juan del Sur valued at \$715,000, and two private planes valued at \$2.3 million.

Next, we firmly believe that Petroleos de Venezuela’s (PDVSA) subsidiary in Nicaragua, known as ALBANISA, should receive scrutiny from our law enforcement and Treasury Department officials. Earlier this year, U.S. embassy officials helped arrange for OFAC to brief the Nicaraguan business community because PDVSA’s subsidiary in Nicaragua, ALBANISA, does a significant amount of business with Nicaraguan businesses. With that in mind, we believe that Francisco Lopez, Vice-President of ALBANISA, should be considered for designation as well under the Global Magnitsky Human Rights Accountability Act.

- According to the Department of State’s 2017 Fiscal Transparency Report: “The government has not publicly accounted for the expenditure of significant off-budget assistance from Venezuela and this assistance has not been subject to audit or legislative oversight. Allocations to and earnings from state-owned enterprises were included in the budget on a net basis, but most state-owned enterprises, including ALBANISA, have not been subject to audit.”

Francisco Lopez is accused of profiting from loans he signed off on. The following media excerpts focus on Mr. Lopez's problematic stewardship as head of ALBANISA.

- According to a *Confidencial* article published on January 1st, 2013, Mr. Lopez used his power to grant an almost \$1 million contract to his own family-owned, *Tecnologia y Sistemas S.A.* (Tecnosa, by its designation in Spanish). The check was given as a 'deposit' for a social program, *Calles para el Pueblo*. However, after investigating the project, there was little information found. In fact, no municipalities were listed and while asking, none of the municipalities had even heard of Tecnosa.
- *Confidencial* also states that the check signed by Mr. Lopez cited in the article, is half of the almost \$1 million contract that comes from the "Venezuelan state cooperation that has been privatized."
- *Plaza Publica* published information similar to that contained in the *Confidencial* report on January 28th, 2013, but added that Tecnosa benefited under the Ortega government by receiving tax exemptions and loans from another Nicaraguan agency under scrutiny, *Instituto de Seguridad Social*, for the same project named above.

We must not allow for human rights abusers and corrupt officials to continue violating the rights of the people without consequence in Nicaragua. It should also be noted that Nicaragua has very few investigative journalists and independent media is highly censored by the Nicaraguan government, limiting the ability of local sources to further investigate these and other corrupt actors.

Therefore, we urge the Department of State and the Department of Treasury, working with other relevant Executive Branch agencies, to promptly investigate Roberto Jose Rivas Reyes and Francisco Lopez and, if merited, to sanction them as authorized in the Global Magnitsky Act. This action by the United States would send a powerful message to Daniel Ortega and the Nicaraguan people. We look forward to your response and a continued dialogue with you to support the robust implementation of the Global Magnitsky Act.

Sincerely,



ILEANA ROS-LEHTINEN
Chairman Emeritus
House Foreign Affairs Committee



ALBIO SIRES
Ranking Member
Subcommittee on the Western Hemisphere
House Foreign Affairs Committee



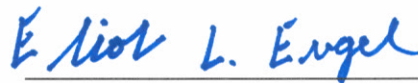
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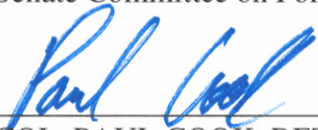
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