



## Venezuela: U.S. Policy Overview

While historically the United States has had close relations with Venezuela, a major oil supplier, friction in bilateral relations rose under the leftist populist government of President Hugo Chávez (1999-2013), who died in March 2013 after battling cancer for almost two years. After Chávez's death, Venezuela held presidential elections in April 2013 in which acting President Nicolás Maduro, who had been serving as Chávez's vice president, defeated Henrique Capriles of the opposition Democratic Unity Roundtable (MUD) by a margin of just 1.5%, with the opposition alleging significant irregularities. Venezuela's December 2013 municipal elections demonstrated mixed results for the ruling United Socialist Party of Venezuela (PSUV) and the MUD.

In 2014 and 2015, the Maduro government has faced significant challenges. High rates of crime and violence fueled student-led street protests in February 2014 that were violently suppressed by Venezuelan security forces and militant pro-government civilian groups. The government arrested and imprisoned a major opposition figure, Leopoldo López, along with two opposition mayors. While the protests largely dissipated by June 2014, at least 43 people were killed on both sides of the conflict and more than 800 injured. The Union of South America Nations (UNASUR) initiated a dialogue between the government and the opposition in April 2014, but the talks broke down because of a lack of progress.

Since mid-2014, the rapid decline in the price of oil has hit Venezuela hard, with a contracting economy, high inflation, declining international reserves, and increasing poverty. The Maduro government cracked down on the opposition again in February 2015, arresting the mayor of metropolitan Caracas, Antonio Ledezma. Attention in Venezuela is now focused on elections for the unicameral National Assembly that are to take place in late 2015, but have not yet been scheduled.

### U.S. Policy

U.S. policymakers and Members of Congress have had concerns for over a decade about the deterioration of human rights and democratic conditions in Venezuela as well as the Venezuelan government's lack of cooperation on anti-drug and counterterrorism efforts.

### Security Concerns

Since 2005, Venezuela has been designated annually (by President George W. Bush and President Obama, as part of the annual narcotics certification process) as a country that has failed to adhere to its international antidrug obligations. Since 2008, the United States has imposed financial sanctions on eight current or former Venezuelan officials for allegedly helping the Revolutionary Armed Forces of

Colombia (FARC) with drug and weapons trafficking. The State Department maintained in its 2015 *International Narcotics Control Strategy Report* that Venezuela was one of the preferred drug trafficking routes for illegal drugs from South America and that "political corruption" impeded the prosecution of drug traffickers in the country. As in past years, the State Department reiterated that cooperation with Venezuela could be deepened if it signed an already negotiated addendum to a 1978 bilateral counternarcotics agreement. Press reports in May 2015 maintained that U.S. federal prosecutors were investigating several high-ranking Venezuelan officials for cocaine trafficking and money laundering.

With regard to anti-terrorism cooperation, the Secretary of State has made an annual determination since 2006 that Venezuela has not been "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms Export Control Act (AECA). The most recent determination was made in May 2014. As a result, the United States imposes an arms embargo, which prohibits all U.S. commercial arms sales and retransfers to Venezuela.

For a number of years, there has been concern among policymakers about Iran's growing activities in Latin America, particularly its relations with Venezuela. Under the Chávez government, relations with Iran grew, particularly under the presidency of Iranian President Mahmoud Ahmadinejad (2005-2013), and Venezuela played a key role in the development of Iran's expanding relations with several other countries in region. In the aftermath of the departure of Ahmadinejad from office and the death of Chávez in 2013, many analysts contend that Iranian relations with the region have diminished. Current Iranian President Hassan Rouhani, who took office in August 2013, has not placed a priority on relations with Latin America. Since 2008, the United States has imposed sanctions on three Venezuelan companies for support to Iran and on several Venezuelan individuals for supporting the radical Lebanon-based Islamic Shiite group Hezbollah, which is supported by Iran.

### Human Rights Sanctions

Human rights organizations and U.S. officials have expressed concerns for more than a decade about the deterioration of democratic institutions and threats to freedom of speech and press in Venezuela.

In response to the Venezuelan government's heavy-handed response to the protests in 2014, the Obama Administration strongly criticized the government's actions and called for dialogue. After dialogue between the government and the opposition failed, the Administration imposed visa restrictions in July 2014 and February 2015 on more than

50 current or former Venezuelan officials involved in human rights abuses.

For a number of years, developments in Venezuela and U.S. relations with the country have largely been oversight issues for Congress, but the 113<sup>th</sup> Congress enacted legislation in December 2014—the **Venezuela Defense of Human Rights and Civil Society Act of 2014** (P.L. 113-278). Among its provisions, the law required the President to impose sanctions (asset blocking and visa restrictions) against those who the President determines are responsible for significant acts of violence or serious human rights abuses associated with the 2014 protests or, more broadly, anyone that has directed or ordered the arrest or prosecution of a person primarily because of the person’s legitimate exercise of freedom of expression or assembly. The act included presidential waiver authority for the application of sanctions if the President determines it is in the national security interest of the United States.

On March 8, 2015, President Obama issued Executive Order (EO) 13692 that implemented P.L. 113-278 and went beyond the requirements of the law (Federal Register, March 11, 2015, pp. 12747-12751). The EO authorizes targeted sanctions (asset blocking and visa restrictions) against those involved in:

- actions or policies that undermine democratic processes or institutions;
- significant acts of violence or conduct that constitute a serious abuse or violation of human rights, including against persons involved in antigovernment protests in Venezuela in or since February 2014 (noted in P.L. 113-278);
- actions that prohibit, limit, or penalize the exercise of freedom of expression or peaceful assembly (noted in P.L. 113-278); or
- public corruption by senior officials within the government of Venezuela.

The EO also authorizes targeted sanctions against any person determined to be a current or former leader of any entity that has, or whose members have, engaged in any of activity described above, or to be a current or former official of the government of Venezuela. In an annex to the EO, President Obama froze the assets of seven Venezuelans: six members of Venezuela’s security forces and a prosecutor who had charged two opposition leaders with conspiracy in politically motivated cases.

As expected, President Maduro lashed out at the United States for the sanctions and warned Venezuela’s National Assembly that the United States was poised to attack Venezuela, including a naval blockade. Some analysts maintain that the imposition of the sanctions, and particularly the language portraying Venezuela as constituting an extraordinary threat to the United States, played into Maduro’s narrative of Venezuela once again being bullied by U.S. aggression. In Venezuela, the opposition MUD voiced disapproval of the characterization of Venezuela as a threat and the imposition of unilateral

sanctions. In Latin America, several countries and regional organizations criticized the sanctions and expressed support for Venezuela.

U.S. officials explained that the EO employed standard language required by U.S. sanctions law that included the finding of “an unusual extraordinary threat to the national security and foreign policy of the United States.” They emphasized that the sanctions do not target the people or the economy of Venezuela, and that the United States is not seeking to destabilize or topple the Maduro government. Rather, Administration officials contend that they are using sanctions against those individuals involved in human rights abuses and other actions that undermine democracy. In an effort to allay concerns in Latin America about the language used in the EO, U.S. Deputy National Security Advisor for Strategic Communications Ben Rhodes stated on April 7, 2015, just ahead of President Obama’s trip to the seventh Summit of the Americas held in Panama, that “the United States does not believe that Venezuela poses some threat to our national security.” (White House, “On-the-Record Conference Call on the President’s Trip to Jamaica and Panama,” April 7, 2015.)

### Looking Ahead

Despite the tensions in relations, the Obama Administration has maintained that the United States remains committed to seeking constructive engagement with Venezuela. On April 11, 2015, President Obama met briefly with President Maduro on the sidelines of the Summit of the Americas in Panama. President Obama reportedly maintained that he wished for “peaceful dialogue” in Venezuela and reiterated that the United States was not interested in threatening Venezuela, but in supporting democracy, stability, and prosperity in the country and the region. Concerns that opposition to the sanctions by Venezuela and other countries might have put the United States on the defensive at the summit did not materialize.

Looking ahead, it remains uncertain whether U.S.-Venezuelan relations will get back on track in the short to medium term. While trade linkages will remain significant, with Venezuela continuing to be an important U.S. foreign oil supplier, overall bilateral relations will likely continue to be strained, particularly in the lead up to the country’s legislative elections. Some observers caution that the United States needs to be careful in its policy approach toward Venezuela in the lead up to those elections so as not to take any action that could be used politically by the Maduro government in an attempt to boost support for the ruling party.

**For additional information**, see CRS Report R43239, *Venezuela: Background and U.S. Relations*.

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