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Venezuela: Background and U.S. Relations

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SUMMARY

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Venezuela: Background and U.S. Relations

Venezuela remains in a deep crisis under the authoritarian rule of Nicolás Maduro of the United Socialist Party of Venezuela. Maduro, narrowly elected in 2013 after the death of Hugo Chávez (president, 1999-2013), began a second term on January 10, 2019, that is widely considered illegitimate. Since January 2019, Juan Guaidó, president of Venezuela's democratically elected, opposition-controlled National Assembly, has sought to form a transition government to serve until internationally observed elections can be held. The United States and 57 other countries recognize Guaidó as interim president, but he has been unable to wrest Maduro from power and has faced increased danger since returning home from a January-February 2020 tour, which included a meeting with President Trump. Some observers believe that National Assembly elections due this year might start an electoral path out of the current stalemate.

Venezuela's economy has collapsed. The country is plagued by hyperinflation, severe shortages of food and medicine, and a dire humanitarian crisis. In April 2019, United Nations officials estimated that 90% of Venezuelans were living in poverty. Maduro has blamed U.S. sanctions for these problems, but observers cite economic mismanagement and corruption for the crisis. U.N. agencies estimate that 4.8 million Venezuelans had fled the country as of February 2020, primarily to neighboring countries.

U.S. Policy

Since recognizing the Guaidó government in January 2019, the United States has coordinated its efforts with Interim President Guaidó. U.S. strategy has emphasized diplomatic efforts to bolster support for Guaidó; targeted sanctions and visa revocations to increase pressure on Maduro officials, along with broader sanctions on the state oil company and government; and humanitarian aid ($472 million to countries sheltering Venezuelans and $56 million for Venezuela from FY2017-FY2019). In October 2019, the U.S. Agency for International Development (USAID) signed an agreement with the Guaidó government enabling the provision of development assistance and increased democracy and human rights assistance. After announcing sanctions on a subsidiary of Rosneft (Russia's state oil company), which has transported Venezuela's oil, U.S. officials vowed to keep "maximum pressure" on Maduro and his foreign backers until he agrees to allow a transition government to convene free and fair legislative and presidential elections.

Congressional Action

Congress has supported the Administration's efforts to support a restoration of democracy in Venezuela and provide humanitarian support to Venezuelans, although some Members have expressed concerns about the humanitarian impact of sanctions. In February 2019, Congress enacted P.L. 116-6, which provided $17.5 million in FY2019 assistance for democracy programs in Venezuela. In December 2019, Congress enacted P.L. 116-94, which appropriates $30 million in FY2020 assistance for democracy programs in Venezuela and incorporates the VERDAD Act (S. 1025), a comprehensive bill to address the crisis in Venezuela. The VERDAD Act incorporated House-passed measures authorizing FY2020 humanitarian aid to Venezuela (H.R. 854), restricting the export of defense articles to Venezuela (H.R. 920), and requiring a U.S. strategy to counter Russian influence in Venezuela (H.R. 1477). The Administration's FY2021 budget request proposes $200 million in democracy aid aimed to support a democratic transition in Venezuela and $5 million in global health assistance. In December 2019, Congress also enacted P.L. 116-92, which prohibits federal contracting with persons who do business with the Maduro government. In July 2019, the House passed H.R. 549, designating Venezuela as a beneficiary country for temporary protected status. On July 30, 2019, a Senate effort to pass H.R. 549 by unanimous consent failed.

Also see CRS In Focus IF10230, *Venezuela: Political Crisis and U.S. Policy*; CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*; CRS In Focus IF11216, *Venezuela: International Efforts to Resolve the Political Crisis*; CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*.

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Introduction

Venezuela, long one of the most prosperous countries in South America with the world's largest proven oil reserves, continues to be in the throes of a deep political, economic, and humanitarian crisis. On January 10, 2019, Maduro took office for a second term after winning an election in May 2018 that was deemed illegitimate within Venezuela and by the United States and more than 50 other countries. Maduro has resisted domestic and international pressure to leave office and allow an interim government led by Juan Guaidó, reelected in January 2020 as president of the National Assembly, to serve until free and fair elections can be convened.[1] Since returning from an international tour in February 2020, which included a White House meeting with President Trump, Guaidó has sought to unify the opposition behind efforts to ensure that elections held in 2020 are free and fair. Guaidó and his supporters are facing increasing harassment by the Maduro government. (See "Interim President Recognized, but Maduro Still in Power, 2019-Present," below.)

Venezuela at a Glance

Population: 27.5 million (2019 est., IMF)

Area: 912,050 square kilometers (slightly more than twice the size of California)

GDP: $70.1 billion (2019, current prices, IMF est.)

GDP Growth: -18% (2018, IMF est.); -35% (2019, IMF est.)

GDP Per Capita: $2,548 (2019, current prices, IMF est.)

Key Trading Partners: Exports—U.S.: 35.2%, India: 21.4%, China: 15.2%. Imports—U.S.: 51.5%, China: 15.7%, Brazil: 13.8% (2019, EIU)

Unemployment: 44.3% (2019, IMF)

Life Expectancy: 74.7 years (2017, UNDP)

Literacy: 97.1% (2016, UNDP)

Legislature: National Assembly (unicameral), with 167 members; National Constituent Assembly, with 545 members (United States does not recognize)

Sources: Economist Intelligence Unit (EIU); International Monetary Fund (IMF); United Nations Development Programme (UNDP).

U.S. relations with Venezuela, a major oil supplier, deteriorated under the Hugo Chávez government (1999-2013), which undermined human rights, the separation of powers, and freedom of expression. U.S. concerns have deepened as the Maduro government has manipulated democratic institutions; cracked down on the opposition, media, and civil society; engaged in drug trafficking and corruption; and refused most humanitarian aid. With international efforts to find a political solution to the crisis stalled, the Trump Administration has asserted its intention to exert "maximum pressure" on Maduro until he agrees to leave office or to convene free and fair legislative and presidential elections.[2] U.S. sanctions on a Rosneft subsidiary that has helped the Maduro government avoid oil sanctions were announced in February 2020 and could be the first of additional secondary sanctions.

This report provides an overview of the overlapping political, economic, and humanitarian crises in Venezuela, followed by an overview of U.S. policy toward Venezuela.

[1] In the absence of an elected president, the Venezuelan Congress's president must become acting president of a transition government until elections can be called. Constitution of the Bolivarian Republic of Venezuela, 1999, as amended by Amendment No. 1 of 15 February 2009, Article 233, translation by the Ministry of Communication and Information of the Bolivarian Republic of Venezuela, 2010.

[2] U.S. Department of State, "Special Representative for Venezuela Elliott Abrams On-Camera Briefing in the Press Briefing Room," February 18, 2020.

Figure 1. Political Map of Venezuela

Source: Congressional Research Service (CRS).

Political Situation

Legacy of Hugo Chávez: 1999-2013[3]

Venezuela had one of the most stable political systems in Latin America from 1958 until 1989. After that period, however, numerous economic and political challenges plagued the country. In 1989, then-President Carlos Andres Pérez initiated an austerity program that fueled riots in which several hundred people were killed. In 1992, two attempted military coups threatened the Pérez presidency, one led by Hugo Chávez. Chávez served two years in prison for a failed coup attempt. In May 1993, the legislature dismissed Pérez from office for misusing public funds. The election of former President Rafael Caldera (1969-1974) as president in December 1993 brought a measure of political stability, but the government faced a severe banking crisis. A rapid decline in the world price of oil caused a recession, which contributed to Hugo Chávez's landslide 1998 election victory. Most observers attribute Chávez's rise to power to Venezuelans' rejection of the

[3] CRS Report R42989, *Hugo Chávez's Death: Implications for Venezuela and U.S. Relations*, by Mark P. Sullivan.

country's two traditional parties, Democratic Action (AD) and the Social Christian party (COPEI), which were judged to have squandered the country's oil wealth.

Under Chávez, Venezuela adopted a new constitution (ratified by plebiscite in 1999), a new unicameral legislature, and a new name for the country—the Bolivarian Republic of Venezuela, named after the 19th century South American liberator Simón Bolívar. Buoyed by windfall profits from increases in the price of oil, the Chávez government expanded the state's role in the economy. Chávez's charisma, use of oil revenue to fund domestic social programs and provide subsidized oil to Cuba and other Central American and Caribbean countries, and willingness to oppose the United States captured global attention.

After Chávez's death, his legacy has been debated. President Chávez established an array of social programs and services known as *missions* that helped reduce poverty by some 20% and improve literacy and access to health care.[4] Nevertheless, his presidency was "characterized by a dramatic concentration of power and open disregard for basic human rights guarantees," especially after his brief ouster from power in 2002.[5] Declining oil production, combined with massive debt and high inflation, have shown the costs involved in Chávez's failure to save or invest past oil profits, tendency to take on debt and print money, and decision to fire thousands of technocrats after an oil workers' strike in 2002-2003.

Venezuela's 1999 constitution, amended in 2009, centralized power in the presidency and established five branches of government rather than the traditional three branches.[6] Those branches include the presidency, a unicameral National Assembly, a Supreme Court, a National Electoral Council (CNE), and a "Citizen Power" branch (three entities that ensure that public officials at all levels adhere to the rule of law and that can investigate administrative corruption). The president is elected for six-year terms and can be reelected indefinitely; however, he or she also may be made subject to a recall referendum (a process that Chávez submitted to in 2004 and survived but Maduro cancelled in 2016). Chávez exerted influence over all the government branches, particularly after an outgoing legislature dominated by *chavistas* appointed pro-Chávez justices to control the Supreme Court in 2004 (a move that Maduro's allies would repeat in 2015).

In addition to voters having the power to remove a president through a recall referendum process, the National Assembly has the constitutional authority to act as a check on presidential power. The National Assembly consists of a unicameral Chamber of Deputies with 167 seats whose members serve for five years and may be reelected once. With a simple majority, the legislature can approve or reject the budget and the issuing of debt, remove ministers and the vice president from office, overturn enabling laws that give the president decree powers, and appoint the five members of the CNE (for seven-year terms) and the 32 members of the Supreme Court (for one 12-year term). With a two-thirds majority, the assembly can remove judges, submit laws directly to a popular referendum, and convene a constitutional assembly to revise the constitution.

[4] Daniel Hellinger and Anthony Petros Spanakos, "The Legacy of Hugo Chávez," *Latin American Perspectives,* vol. 44, no. 1, January 2017, pp. 4-15.

[5] Although President Chávez remained widely popular until mid-2001, his standing eroded afterward amid growing concerns by some that he was imposing a leftist agenda on the country. In April 2002, massive protests and pressure by the military led to the ousting of Chávez from power for less than three days. He ultimately was restored to power by the military after an interim president alienated the military and the public by taking hardline measures, including the suspension of the constitution. Human Rights Watch, "Venezuela: Chávez's Authoritarian Legacy," March 5, 2013.

[6] Antonio Ramirez, "An Introduction to Venezuelan Governmental Institutions and Primary Legal Sources," New York University Law School Library, May 2016.

Maduro Government: 2013-2018[7]

Nicolás Maduro

A former trade unionist who served in Venezuela's legislature from 1998 until 2006, Nicolás Maduro held the position of National Assembly president from 2005 to 2006, when he was selected by President Chávez to serve as foreign minister. Maduro retained that position until mid-January 2013, concurrently serving as vice president beginning in October 2012, when President Chávez tapped him to serve in that position following his reelection. Maduro often was described as a staunch Chávez loyalist. Maduro's partner since 1992 is well-known Chávez supporter Cilia Flores, who served as the president of the National Assembly from 2006 to 2011; the two were married in July 2013.

After Chávez's death in March 2013, Venezuela held presidential elections in April. Acting President Nicolás Maduro defeated Henrique Capriles of the Democratic Unity Roundtable (MUD) of opposition parties by 1.5%. The opposition alleged significant irregularities and protested the outcome; Maduro sought to consolidate his authority. Security forces and allied civilian groups violently suppressed protests and restricted freedom of speech and assembly. In 2014, 43 people died and 800 were injured in clashes between pro-Maduro forces and student-led protesters concerned about rising crime. Maduro imprisoned opposition figures, including Leopoldo López, head of the Popular Will (VP) party, who was sentenced to more than 13 years in prison for allegedly inciting violence. In February 2015, the government again cracked down.

In the December 2015 legislative elections, the MUD captured a two-thirds majority in Venezuela's National Assembly—a major setback for Maduro. The PSUV-aligned Supreme Court blocked three MUD deputies from taking office, depriving the opposition of a two-thirds majority. From January 2016 through August 2017, the Supreme Court blocked laws and assumed the legislature's functions. At the same time, opposition efforts in 2016 focused on attempts to recall President Maduro in a national referendum that was delayed and then suspended by the CNE. In late 2016, most of the opposition (except the VP party) agreed to talks with the government mediated by the Vatican; the former leaders of the Dominican Republic, Spain, and Panama; and the head of the Union of South American Nations. By December 2016, the opposition had left the talks due to the government's lack of progress in meeting its commitments.[8]

Developments in 2017-May 2018 Election. In 2017, the Maduro government continued to harass and arbitrarily detain opponents. In addition, President Maduro appointed a hardline vice president, Tareck el Aissami, former governor of the state of Aragua and designated by the United States as a drug kingpin. Popular protests had dissipated. In addition to restricting freedom of assembly, the government cracked down on media outlets and journalists.

Despite these obstacles, the MUD became reenergized in response to the Supreme Court's March 2017 rulings to dissolve the legislature and assume all legislative functions. After domestic protests, a rebuke by then-Attorney General Luisa Ortega (a Chávez appointee), and an outcry from the international community, President Maduro urged the court to revise those rulings, and it complied. In April 2017, the government banned opposition leader and two-time presidential candidate Henrique Capriles from seeking office for 15 years, which fueled more protests. From March to July 2017, the opposition conducted large protests against the government, calling for President Maduro to release political prisoners, respect the separation of powers, and hold an early presidential election. Clashes between security forces (backed by armed civilian militias) and protesters left more than 130 dead and hundreds injured (see "Human Rights," below).

[7] See also CRS Report R43239, *Venezuela: Issues for Congress, 2013-2016*, by Mark P. Sullivan.

[8] Those commitments included (1) releasing political prisoners, (2) announcing an electoral calendar, (3) respecting the National Assembly's decisions, and (4) addressing humanitarian needs.

In May 2017, President Maduro announced that he would convene a constituent assembly to revise the constitution and scheduled July 30 elections to select delegates to that assembly. The Supreme Court ruled that Maduro could convoke the assembly without first holding a popular referendum (as the constitution requires). The opposition boycotted, arguing that the elections were unconstitutional; a position shared by then-Attorney General Ortega and international observers (including the United States). Despite an opposition boycott, the government orchestrated the July 2017 election of a 545-member National Constituent Assembly (ANC). Even though many countries do not recognize its legitimacy, the ANC dismissed Attorney General Ortega and declared itself superior to other branches of government. Ortega fled Venezuela in August 2017 and has since spoken out against the Maduro government. The ANC also approved a decree allowing it, not the National Assembly, to pass legislation.

President Maduro gained the upper hand over the MUD despite international condemnation of his actions. In October 2017, the PSUV won 18 of 23 gubernatorial elections. Although fraud likely took place given the discrepancies between opinion polls and the election results, the opposition could not prove that it was widespread. There is evidence that the PSUV linked receipt of future government food assistance to votes for its candidates by placing food assistance card registration centers next to polling stations, a practice also used in subsequent elections.[9] The MUD coalition initially rejected the election results, but four victorious MUD governors took their oaths of office in front of the ANC (rather than the National Assembly), a decision that fractured the coalition.

With the opposition in disarray, President Maduro moved to consolidate power and blamed U.S. sanctions for the country's economic problems. Maduro fired and arrested the head of Petróleos de Venezuela, S.A. (PdVSA) and the oil minister for corruption. He appointed a general with no experience in energy to fill both positions, consolidating military control over the economy. The ANC approved a law to further restrict freedom of expression and assembly. Although most opposition parties did not participate in municipal elections held in December 2017, a few, including A New Time (UNT), led by Manuel Rosales, and Progressive Advance, led by Henri Falcón, fielded candidates. The PSUV won more than 300 of 335 mayoralties.

May 2018 Elections and Aftermath. The Venezuelan constitution established that the country's presidential elections were to be held by December 2018. Although many prominent opposition politicians had been imprisoned (Leopoldo López, under house arrest), barred from seeking office (Henrique Capriles), or in exile, some MUD leaders sought to unseat Maduro through elections. Those leaders negotiated with the PSUV to try to obtain guarantees, such as a reconstituted CNE and international observers, to help ensure the elections would be as free and fair as possible. In January 2018, the ANC ignored those negotiations and called for elections to be moved up from December to May 2018, violating a constitutional requirement that elections be called with at least six months anticipation.[10] The MUD declared an election boycott, but Henri Falcón, former governor of Lara, broke with the coalition to run.

Venezuela's presidential election proved to be minimally competitive and took place within a climate of state repression. There were no internationally accredited election monitors. The government coerced its workers to vote and placed food assistance card distribution centers next to polling stations. The CNE reported that Maduro received 67.7% of the votes followed by Falcón (21%). Voter turnout was much lower in 2018 (46%) than in 2013 (80%). After independent monitors reported widespread fraud, Falcón called for new elections to be held.

[9] Michael Penfold, *Food, Technology, and Authoritarianism in Venezuela's Elections*, Woodrow Wilson Center, April 18, 2018.

[10] José Ignacio Hernández G., "Rigged Elections: Venezuela's Failed Presidential Election," Electoral Integrity Project, May 30, 2018.

Following the disputed election, Maduro faced mounting economic problems, coup attempts, and increasing international isolation. His government released some political prisoners; established Delcy Rodriguez, former head of the ANC and former foreign minister, as executive vice president; and made changes to increase his control over the judiciary and the intelligence services. It also arrested those perceived as threats, including military officers and an opposition legislator accused of involvement in an August 2018 alleged assassination attempt against Maduro.[11] Foro Penal and Human Rights Watch have documented several cases in which those accused of plotting coups were subjected to "beatings, asphyxiation and electric shocks."[12] The October 2018 death in custody of Fernando Albán, an opposition politician, provoked domestic and international outrage. (See "Human Rights," below.)

Interim President Recognized, but Maduro Still in Power, 2019-Present

On January 10, 2019, Maduro began a second term. The United States, the European Union (EU), the Group of Seven (G-7), and most Western Hemisphere countries do not recognize his mandate as legitimate. They view the National Assembly as Venezuela's only democratic institution.

On January 5, 2019, the National Assembly elected Juan Guaidó, a 35-year old industrial engineer from the VP party, as its president. In mid-January, Guaidó announced he was willing to serve as interim president until new elections were held. Buoyed by a huge turnout for protests he called for, Guaidó took the oath of office on January 23, 2019. The United States and more than 50 other countries (including most EU and many Western Hemisphere countries) recognized Guaidó as interim president.

In 2019, Guaidó's supporters organized two high-profile but ultimately unsuccessful efforts to get security forces to abandon Maduro: in February, Guaidó supporters sought to bring emergency aid into the country across borders that Maduro had closed; and on April 30, Guaidó called for a civil-military uprising. Guaidó and his allies initially hoped that sustained protests and international pressure would lead to enough military defections to compel Maduro to leave office relatively quickly, but those hopes have not materialized. Aside from the former head of the national intelligence agency (General Manuel Christopher Figuera), who supported the April 30 uprising, the military high command remained loyal to Maduro. A corruption scandal involving opposition legislators in late 2019 also hurt Guaidó's credibility.[13]

Analysts have speculated about why Maduro has retained the loyalty of most security forces in Venezuela. Military leaders have enriched themselves through corruption, drug trafficking, and other illicit industries. Some military leaders also may fear that they could face prosecution for human rights abuses under a new government or extradition abroad. The U.S. government has said it may remove sanctions on officials who abandon Maduro (as they did with General Figuera), but that could be difficult, depending upon the individual and sanctions involved. Finally, Venezuelan intelligence officials, trained and supported by Cubans, have arrested dissidents within the military. In June 2019, a naval officer died after being tortured in custody.

[11] Andrew Rosati, "Venezuela Arrests Military Officers in Probe of Failed Assassination Bid," *Bloomberg*, August 14, 2018.

[12] Human Rights Watch, "Venezuela: Suspected Plotters Tortured," January 9, 2019.

[13] Angus Berwick, Mariela Nava, "'Missed his Moment': Opposition Corruption Scandal Undermines Venezuela's Guaidó," Reuters, December 3, 2019.

Many observers had hoped that talks mediated by Norway, which became public in May 2019, could lead to a negotiated solution to the political crisis in Venezuela that would establish the conditions for internationally monitored elections to be held.[14] Hopes faded, however, after Maduro stopped participating in negotiations in early August 2019 following new U.S. sanctions and Guaidó pulled out of the process permanently in September. Without Russia and the United States pushing both sides to negotiate, observers are skeptical that negotiations will succeed.

As of March 2020, Guaidó retains broad diplomatic support evidenced by his three-week diplomatic tour in early 2020, but he continues to lack domestic political power. In early January 2020, Maduro used National Guard troops and armed civilian militias known as *colectivos* to block Guaidó and other opposition legislators from entering the National Assembly—a move that was widely condemned even by governments that recognize Maduro's presidency.[15] Although 100 of 167 legislators subsequently gathered in an off-site location to reelect Guaidó as Assembly president, they continue to lack access to their building and, with many in exile or under detention, may struggle to keep a quorum. Guaidó has called for renewed protests, but Venezuelans have grown weary of mobilization efforts.[16]

Within the opposition, disagreements persist about whether to participate in legislative elections, which are due by the end of 2020. The opposition also is in disagreement about whether to push for legislative or general elections this year and about what minimum requirements are needed to ensure the integrity of those elections. Some experts maintain that those conditions might include the following: new leadership at the CNE; international observers from the EU, the Organization of American States (OAS), and similar entities; a new voter roll and process for voting from abroad; guarantees for candidates and parties to participate; and preventing the abuse of state resources.[17] The opposition and Maduro loyalists reportedly are negotiating the establishment of a new CNE, a first step in the election preparation process.[18] Maduro and his allies have an incentive to support legislative elections in order to try to recoup control of that body and maintain a legislature that can approve new debt and oil contracts, but it is unclear why he would agree to new presidential elections. For the opposition, participating in rigged elections risks losing control over the legislature. On the other hand, if the opposition boycotts the elections and a National Assembly favorable to the Maduro government is elected, Guaidó risks losing his legitimacy as Interim President in January 2021.

Nicolás Maduro retains control over the security forces and all branches of the federal government except the National Assembly, economic resources (legitimate and illegitimate), state and municipal governments, media outlets, and food aid on which millions now depend. Analysts predict that Maduro may urge the smaller parties with which he began a "dialogue" in September 2019 to agree to move up the National Assembly elections that are due to be held by December 2020. Even though they lacked a quorum, those parties voted, possibly after receiving bribes,

[14] David Smilde and Geoff Ramsey, *International Peacemaking in Venezuela's Intractable Conflict,* Fundación Carolina, 2020; International Crisis Group, *Peace in Venezuela: Is There Life after the Barbados Talks?*, Briefing No. 41, December 11, 2019.

[15] Féliz Seijas Rodríguez, "How to Explain Maduro's Radical Move Against Guaidó," *Americas Quarterly*, January 6, 2020 (hereinafter cited as Seijas, January 2020).

[16] Inter-American Dialogue, Venezuela Working Group, *The Long Road: Supporting Venezuelans Through an Uncertain Future*, February 2020.

[17] Moises Rendón, *CSIS Commentary: Free and Fair Presidential Elections in Venezuela Are Overdue*, Center for Strategic & International Studies (CSIS), February 18, 2020.

[18] Geoff Ramsey, "Venezuela Weekly: Opposition, Chavismo Near a Possible CNE Deal," WOLA, February 28, 2020.

with PSUV legislators to install Luis Parra as head of the National Assembly in January 2020.[19] Many experts predict that Maduro will try to maintain a veneer of democracy in Venezuela while allowing security forces and civilian militias—which he has sought to integrate into the armed forces—to harass Guaidó and the opposition. (For prospects for 2020, see "Outlook," below.)

Human Rights

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. Human rights conditions in Venezuela have deteriorated even more under President Maduro than under former President Chávez.[20] Abuses have increased, as security forces and allied armed civilian militias (*colectivos*) have been deployed to violently quash protests. In August 2017, the U.N. Office of the High Commissioner for Human Rights (OHCHR) issued a report on human rights violations by Venezuelan security forces against protestors. According to the report, credible and consistent accounts indicated that security forces "used excessive force to deter demonstrations, crush dissent, and instill fear."[21] The report maintained that many of those detained were subject to cruel, degrading treatment that in some cases amounted to torture. In June 2018, OHCHR issued another report documenting abuses committed by units involved in crime fighting, the scale of the health and food crisis, and the continued impunity in cases involving security officers who allegedly killed people during the protests.[22]

Selected human rights reports include the following:

- In February 2019, the Venezuelan Human Rights group Foro Penal documented seven deaths, 107 arbitrary detentions, and 58 bullet injuries that resulted from the use of force by state security forces and *colectivos* that blocked aid from entering the country on February 22-23, 2019.[23]
- In October 2019, an International Labour Organization (ILO) Commission of Inquiry published findings citing violations of several ILO conventions by the Maduro government. The report documented the murders of more than 30 trade unionists from 2015 to 2018, physical attacks on trade unionists that remained in impunity, and the detention and subjection of unionists to military tribunals.[24]
- In November 2019, a *Reuters* investigation of the Special Action Force of Venezuela's National Police (FAES) documented 20 killings by the force, which

[19] Inter-American Dialogue, February 2020.

[20] According to Freedom House, Venezuela fell from "partly free" under Chávez to "not free" under Maduro. Freedom House, Freedom in the World: 2019.

[21] Office of the United Nations High Commissioner for Human Rights (OHCHR), *Human Rights Violations and Abuses in the Context of Protests in the Bolivarian Republic of Venezuela from 1 April to 31 July 2017*, August 30, 2017. The Venezuelan human rights group Foro Penal and Human Rights Watch maintain that more than 5,300 Venezuelans were detained during the protests. Human Rights Watch, Foro Penal, *Crackdown on Dissent: Brutality, Torture, and Political Persecution in Venezuela*, November 2017. PROVEA, one of Venezuela's leading human rights organizations, asserted that 2017 was the worst year for human rights in Venezuela since the report was first published in 1989. PROVEA, *Informe Anual Enero-Diciembre 2017*, June 2018.

[22] OHCHR, *Venezuela: Continued Impunity amid Dismal Human Rights Situation*, June 22, 2018.

[23] Foro Penal, *Report on Repression in Venezuela*. February 2019.

[24] ILO, *For National Reconciliation and Social Justice in the Bolivarian Republic of Venezuela: Report of the Commission of Inquiry Appointed Under Article 26 of the Constitution of the ILO*, October 2019.

has been accused of hundreds of such killings. A report published by *Reuters* in February 2020 describes how convicted criminals are part of the FAES ranks.[25]

- In March 2020, the U.S. State Department's *Country Report on Human Rights Practices for 2019* cited "extrajudicial killings by security forces, including *colectivos*; torture by security forces; harsh and life-threatening prison conditions; and political prisoners" as some of the most serious human rights abuses in Venezuela. According to the report, new issues include "intimidation, harassment, and abuse" of legislators.[26]

In June 2019, U.N. High Commissioner for Human Rights Michelle Bachelet visited Venezuela to assess the human rights situation in the country. In July 2019, her office subsequently issued a report documenting a range of significant human rights abuses perpetrated by the Maduro government, including evidence that security forces committed some 6,800 extrajudicial killings from January 2018 through May 2019.[27] The report details how intelligence agencies have arrested and tortured those perceived as threats to Maduro, including military officers and opposition politicians. It describes deteriorating conditions for freedom of expression and asserts that the Maduro government "is violating its obligations to ensure the rights to food and health,"[28] and that "indigenous peoples have been disproportionately affected" by those violations.[29]

Analysts predict repression will continue in Venezuela as Maduro seeks to wrest control of the National Assembly from Guaidó. According to Foro Penal, there were an estimated 381 political prisoners in Venezuela as of mid-February 2020.[30] Maduro's intelligence police are currently holding Juan Requesens (a legislator detained in August 2018), Roberto Marrero (Guaidó's chief of staff detained in March 2019), and Gilber Caro (a legislator released in 2018 and then rearrested in December 2019). The Supreme Court has stripped many lawmakers' immunity from prosecution. Although Maduro's government released Edgar Zambrano, vice president of the National Assembly, from detention in September 2019, nearly 36 other legislators are in state custody, in exile, or have sought refuge in a foreign embassy.[31] Some observers fear that Guaidó himself could face arrest or exile. An armed man loyal to Maduro reportedly aimed a gun at Guaidó during a protest on February 29, 2020; security forces suppressed Guaidó's March 10 demonstration with tear gas.[32]

In addition, other prisoners have been arbitrarily detained for crimes such as corruption, including six former Citgo executives, five of whom have dual U.S. citizenship, and one U.S. legal permanent resident imprisoned since 2017. The Maduro government granted the six executives

[25] Sarah Kinosian and Angus Berwick, "Elite Police Force Spreads Terror in the Barrios of Venezuela," Reuters, November 13, 2019; Kinosian and Berwick, "Convicted Criminals are Among the Special Police Force Terrorizing Venezuela," Reuters, February 19, 2020.

[26] U.S. Department of State, *2019 Country Reports on Human Rights Practices: Venezuela*, March 11, 2020.

[27] OHCHR, *Report of the United Nations High Commissioner for Human Rights on the Situation of Human Rights in Bolivarian Republic of Venezuela*, Annual Report no. A/HRC/41/18, July 5, 2019 (hereinafter cited as OHCHR Venezuela Human Rights Report, 2019).

[28] OHCHR, "UN Human Rights Report on Venezuela Urges Immediate Measures to Halt and Remedy Grave Rights Violations," press release, July 4, 2019.

[29] OHCHR Venezuela Human Rights Report, 2019.

[30] For more information, see Foro Penal, https://foropenal.com/presos-politicos/.

[31] Holly K. Sonneland, "The Pressure on Venezuela's National Assembly," *AS/COA/Council of the Americas*, January 15, 2020.

[32] Associated Press, "Socialist Hardliner Aims gun on Guaidó March in Venezuela," February 29, 2020; "Venezuela: Security Forces Suppress Guaidó's Flagship Protest," *LatinNews Daily*, March 11, 2020.

house arrest in December 2019, but rearrested them in February 2020. Juan Guaidó's uncle has been detained for more than a month since escorting his nephew back to Caracas.

For other sources on human rights in Venezuela, see **Appendix B**.

Investigations into Human Rights Abuses. In September 2017, several countries urged the U.N. Human Rights Council to support the High Commissioner's call for an international investigation into the abuses described in the August 2017 U.N. report on Venezuela. In June 2018, the High Commissioner for Human Rights urged the U.N. Human Rights Council to launch a commission of inquiry to investigate the abuses it documented in that and a follow-up report. It referred the report to the prosecutor of the International Criminal Court (ICC). In September 2018, the U.N. Human Rights Council adopted a resolution on Venezuela expressing "its deepest concern" about the serious human rights violations described in the June 2018 report, calling upon the government to accept humanitarian assistance, and requiring an OHCHR investigation on the situation in Venezuela. On September 27, 2019, the Human Rights Council passed a resolution condemning human rights abuses by the Maduro government and establishing an independent fact-finding office in Venezuela. Human rights groups praised this development, but many are wary that Venezuela's October 2019 election to a three-year seat on the Human Rights Council, which began in January 2020, may undermine its actions.

In addition to the OHCHR, former Venezuelan officials, the OAS, and neighboring countries have asked the ICC to investigate serious human rights violations committed by the Maduro government. The ICC prosecutor opened a preliminary investigation in February 2018.

Economic Crisis[33]

For decades, Venezuela was one of South America's most prosperous countries. Venezuela has the world's largest proven reserves of oil, and its economy is built on oil. (See also "Petroleum Sector Concerns and U.S. Economic Sanctions" below.) Oil traditionally has accounted for more than 90% of Venezuelan exports, and oil sales have funded the government budget. Venezuela benefited from the boom in oil prices during the 2000s. President Chávez used the oil windfall to spend heavily on social programs and expand subsidies for food and energy, and government debt more than doubled as a share of gross domestic product (GDP) between 2000 and 2012.[34] Chávez also used oil to expand influence abroad through *PetroCaribe*, a program that allowed Caribbean Basin countries to purchase subsidized oil.

Although substantial government outlays on social programs helped Chávez curry political favor and reduce poverty, economic mismanagement had long-term consequences. Chávez moved the economy in a less market-oriented direction, with widespread expropriations and nationalizations, as well as currency and price controls. These policies discouraged foreign investment and created market distortions. Government spending was not directed toward investment to increase economic productivity or diversify the economy from its reliance on oil. Corruption proliferated.

When Nicolás Maduro took office in 2013, he inherited economic policies reliant on proceeds from oil exports. When world oil prices crashed by nearly 50% in 2014, the Maduro government was ill-equipped to soften the blow. The fall in oil prices strained public finances. Instead of

[33] This section was authored by Rebecca M.Nelson, Specialist in International Trade and Finance. For more information, see CRS Report R45072, *Venezuela's Economic Crisis: Issues for Congress*, by Rebecca M. Nelson.

[34] *The Economist*, "How Chávez and Maduro Have Impoverished Venezuela," April 6, 2017 (hereinafter cited as *The Economist*, "Chávez and Maduro").

adjusting fiscal policies through tax increases and spending cuts, the Maduro government tried to address its growing budget deficit by printing money, which led to inflation. The government also tried to curb inflation through price controls, although these controls were largely ineffective in restricting prices, as supplies dried up and transactions moved to the black market.[35]

The Maduro government rapidly expanded the money supply to finance budget deficits, which led to one of the worst cases of hyperinflation in history, comparable to Germany in 1923 or Zimbabwe in the late 2000s.[36] The IMF forecasted that inflation in Venezuela reached 200,000% in 2019.[37] Hyperinflation, as well as low foreign exchange reserves that make it difficult for Venezuela to import goods and services, has created shortages of critical supplies, including food and medicine. With roughly a third of the population surveyed by the U.N. World Food Programme in 2019 reporting moderate to severe food insecurity, [38] the country continues to experience a humanitarian disaster that is fueling massive migration. (See "Humanitarian Situation" below.) Due to shortages in foreign currencies and budget shortfalls, the government has also defaulted on most of its debt.

Between the collapse in oil prices and production and U.S. sanctions, which restrict Venezuela's access to the U.S. financial system and target its oil and gold sectors, Venezuela's economy has deteriorated markedly over the past several years. The extent of the country's challenges is difficult to overstate. According to some economists, it is the single largest economic collapse outside of war in at least 45 years and more than twice the magnitude of the Great Depression in the United States.[39] According to the IMF, Venezuela's economy contracted in 2019 for the sixth year in a row (**Figure 2**). The IMF projected that Venezuela's GDP in U.S. dollars fell from $331 billion in 2012 to $70 billion in 2019 (**Figure 2**).

[35] *The Economist*, "Chávez and Maduro."

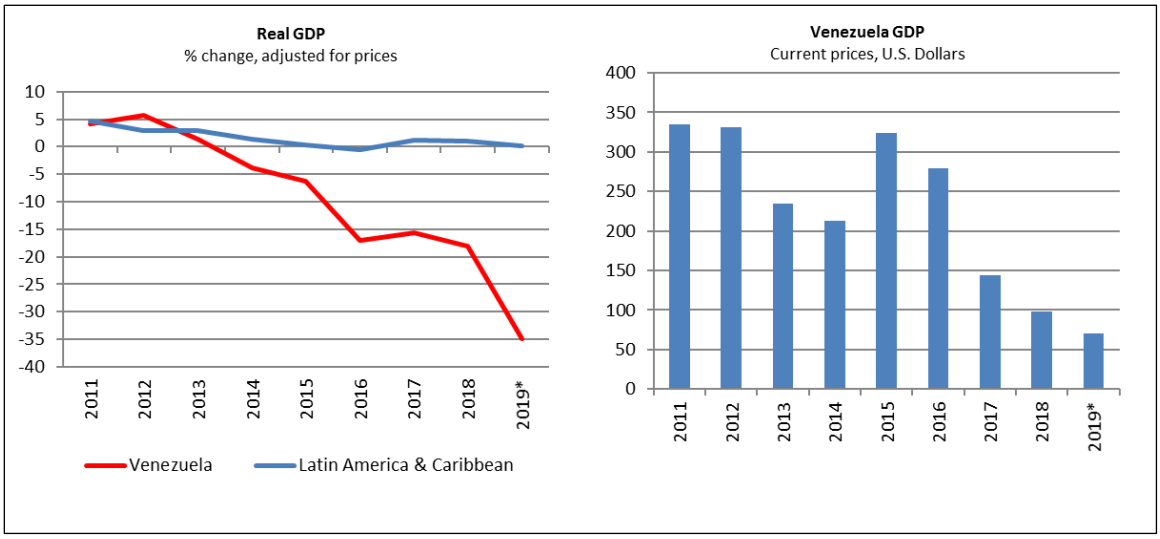
[36] For example, see Alejandro Werner, "Outlook for the Americas: A Tougher Recovery," IMF Blog, July 23, 2018.

[37] IMF, *World Economic Outlook*, October 2019. Percent change in GDP in constant dollars (adjusted for inflation).

[38] U.N. World Food Programme (WFP), *WFP Venezuela Food Security Assessment Main Findings | Data Collected between July and September 2019*, February 2020.

[39] Anatoly Kurmanaev, "Venezuela's Collapse Is the Worst Outside of War in Decades, Economists Say," *New York Times*, May 17, 2019; Michael Stott, "Venezuela: The Political Stand-off Fueling an Economic Collapse," *Financial Times*, August 4, 2019.

Figure 2. Venezuela's Economy: Collapsing GDP



Source: IMF, *World Economic Outlook*, October 2019.

Note: 2019 data are forecasts. GDP = gross domestic product.

Among its economic challenges, the Venezuelan government continues to face a substantial debt burden, estimated around $150 billion outstanding owed to private bondholders, China, Russia, multilateral lenders, importers, and oil industry service companies.[40] By one measure, debt relative to exports, Venezuela is the world's most heavily indebted country.[41] Despite pledges to restructure the defaulted debt, the Maduro government has made no progress in negotiations with private creditors, and sanctions effectively prohibit U.S. investors from participating in any such restructuring. Additionally, U.S. sanctions restrict the sale of Venezuelan bonds by U.S. investors to foreigners. Bondholders that initially waited to pursue legal actions against Venezuela for defaulting on its debts are increasingly turning to the courts; they have filed more than a dozen lawsuits since 2018, hoping to seize Venezuela's overseas assets.[42] The Department of the Treasury took steps in 2019 to shield Citgo, a U.S.-based subsidiary of PdVSA (the Venezuelan state-owned oil and gas company), from seizure by Venezuela's creditors in order to preserve the asset for the interim government if it takes power (see text box below).

The Maduro government was initially slow to address the economic crisis or acknowledge the government's role in creating it. Instead, it has largely blamed the country's struggles on a foreign "economic war," a reference to U.S. sanctions.[43] In August 2018, the government acknowledged for the first time its role in creating hyperinflation and announced new policies for addressing the economic crisis, such as introducing a new "sovereign bolívar," which removed five zeros from the previous currency (the bolívar); cutting the government budget deficit from 30% in 2018 to zero; speeding up tax collection; and increasing the minimum salary by more than 3,000%.[44]

[40] Colby Smith, "The Most Complicated Debt Restructuring in History," *Financial Times*, April 12, 2019.

[41] Interview of Ricardo Hausmann by Sebastian Pellejero, "Can Venezuela Resurrect Its Economy?," Council on Foreign Relations, July 26, 2017.

[42] Colby Smith, "How Venezuela Caused Investors to Lose Hope in 2019," *Financial Times*, December 20, 2019.

[43] Rachelle Krygier, "After Years of Crisis, Venezuela's Maduro Might Finally Be Ready to Accept Some Help," *Washington Post*, December 12, 2018.

[44] "Nicolas Maduro Tries to Rescue Venezuela's Economy," Economist, August 23, 2018.

In addition to that reform package, the Maduro government has explored a variety of piecemeal policies to address the economic crisis that fall short of the comprehensive plan needed. For example, as a way to raise new funds, the cash-strapped government launched a new digital currency, the "petro," backed by oil and other commodities, although there are serious questions about the petro's operational viability. The Maduro government has offered to pay foreign suppliers and contracts in Chinese yuan to circumvent U.S. sanctions, and it has turned to CAF (Corporacion Andina de Fomento, or Andean Development Corporation), a Latin American multilateral development bank, and the U.N. to finance electricity projects in the crisis-stricken country; the central bank has tried to sell its gold reserves.[45]

Venezuelan business owners report that the Maduro government is also allowing some free market reforms as a way to support economic activity, including the country's first initial public offering in more than a decade, even as it steps up enforcement of price controls and pressures businesses to accept the new digital currency.[46] Venezuelan consumers and businesses have increasingly turned to the U.S. dollars for day-to-day transactions, including the recipients of about $4 billion in annual remittances from relatives abroad.[47] The Maduro-government controlled Constituent Assembly passed a law to impose an extra sales tax on purchases of goods using foreign currency, however, which could dampen the use of foreign exchange going forward. The Maduro government has also worked with other countries to mitigate the impact of U.S. sanctions; for example, Russia now handles more than two-thirds of Venezuela's crude oil, and the United Arab Emirates imported around $1 billion in gold from Venezuela since gold sanctions were imposed in late 2018.[48]

Overall the economy has remained in crisis during the political stalemate between Maduro and the interim government led by Guaidó. Recent reforms, however, have led to an uptick in economic activity in Caracas, but the provinces continue to struggle with water shortages and malnutrition.[49] The economic outlook overall is bleak, particularly if the U.S. government steps up oil sanctions. No clear or quick resolution is on the horizon, particularly given the concurrent political crisis. The Maduro government's policy responses to the economic crisis have been widely criticized as inadequate. It appears loathe to adopt policies widely viewed by economists as necessary to restoring the economy: removing price controls, creating an independent central bank, entering an IMF program that could unlock broader international assistance, and restructuring its debt with private bondholders.

The Maduro government is particularly resistant to assistance from the IMF, which would be a key component of any multi-donor international financial assistance package. Venezuela has not allowed the IMF to conduct routine surveillance of its economy since 2004, and the IMF has found the government in violation of its commitments as an IMF member. Although the

[45] "Facing U.S. Sanctions, Venezuela Offers Suppliers Payment in Chinese Yuan," Reuters, November 28, 2019; "U.N., Lender CAF Seek $350 Million Loan Deal for Government of Venezuela's Maduro," Reuters, December 4, 2019.

[46] Ryan Duge, Juan Forero, and Kejal Vyas, "Venezuela Tries Looser Grip on Economy," *Wall Street Journal*, January 31, 2020; Mary Anastasia O'Grady, "Venezuela Puts the Crypt in Cryptocurrency," *Wall Street Journal*, February 3, 2020.

[47] Ryan Dube, Juan Forero and Kejal Vyas, "Maduro Gives Economy a Freer Hand to Keep His Grip on Venezuela," *Wall Street Journal*, January 30, 2020.

[48] Jessica Donati, Andrew Restuccia, and Ian Talley, "Trump's Venezuela Problem: Russia –Putin's Regime Helped Maduro Keep a Grip on Power, Despite U.S. Efforts to Oust Him," *Wall Street Journal*, January 28, 2020.

[49] Anatoly Kurmanaev and Isayen Herrera, "Venezuela's Capital is Booming. Is this the End of the Revolution?," *New York Times*, February 1, 2020.

Venezuelan government provided it with some economic data as required by all IMF members in late 2018, it has hardly been a turning point in the Maduro government's willingness to engage with the international organization. Some analysts believe major change in Venezuela's overall economic strategy will come only if and when there is a change in government.

Citgo's Uncertain Future: Multiple Creditors, Legal Claims, and New Management

Citgo, a U.S.-based subsidiary of PdVSA owns and operates oil refineries in Texas, Louisiana, and Illinois. The company also owns 48 petroleum product terminals and a pipeline network that delivers these products to various customers. Citgo is arguably one of the most valuable assets in the PdVSA portfolio. PdVSA has looked to leverage that value to support its borrowing activities, as described below. All of Citgo's ownership has been used as collateral for two separate debt issuances (bonds and a loan to Rosneft). Additionally, companies that have sued Venezuela—such as Crystallex—for expropriation actions have been awarded legal judgments that include taking possession of and liquidating Citgo assets.[50] Furthermore, the U.S.-recognized Guaidó government appointed a new board of directors in February 2019 to manage Citgo, thereby removing Maduro's PdVSA from management decision-making of the U.S.-based company. Some of the financial and legal challenges facing Citgo include:

PdVSA 2020 bonds (50.1% of Citgo as collateral): PdVSA issued bonds totaling approximately $3.4 billion in October 2016 to various creditors. A majority ownership stake in Citgo was pledged as collateral for the bonds, and the creditors could have legal claim to the company should the bonds enter into default. An interest payment for the bonds came due in April 2019.[51] The payment was missed, but there was a 30-day grace period for the missed interest payment. The Maduro-controlled PdVSA—the original bond issuer—is prevented from making bond payments due to U.S. sanctions on PdVSA. However, a PdVSA board appointed by Guaidó voted to pay the $71 million interest payment, thus preserving Citgo ownership in the event that the opposition takes control of the Venezuela government. On October 24, 2019, the Department of the Treasury's Office of Foreign Assets Control (OFAC) modified General License #5 regarding the PdVSA 2020 bonds to prevent bondholders from being able to collect on their collateral (shares of Citgo) until January 22, 2020 even if those bonds should enter into default. The interim government did not make a $913 million payment due on October 28, 2019, thus triggering a default on those bonds. Legal advisors for the interim government filed a lawsuit against holders of those bonds, arguing that the debt be declared "null" as it was never approved by the National Assembly as per Venezuelan law and is therefore illegal. Subsequently, in November 2019, Venezuela's opposition reached a deal with the bondholders to prevent seizing Citgo until May 2020. OFAC subsequently extended the shield for Citgo through April 22, 2020.

Rosneft loan to PdVSA (49.9% of Citgo as collateral): PdVSA pledged 49.9% of Citgo ownership as collateral for a $1.5 billion loan from Russian oil company Rosneft that was issued in December 2016.[52] The potential for a Russian company to own a significant portion of the U.S.-based Citgo operation has been noted by Members of Congress as a potential national security concern. In the 116th Congress, the House passed H.R. 1477 in March 2019; Section 4 would require an assessment of the national security risks posed by potential Russian acquisition of Citgo's U.S. energy infrastructure holdings. S. 1025, enacted in December 2019 as part of P.L. 116-94, includes Section 163, which express concerns about Citgo ownership pledged as collateral for the Rosneft loan and requires the President to submit a report about the potential national security risks posed by Rosneft taking control of U.S. energy infrastructure. During a 2017 Senate Foreign Relations Hearing, Treasury Secretary Mnuchin said that any transaction involving Rosneft and Citgo would be reviewed by the Committee on Foreign Investment in the United States.[53]

Crystallex legal judgment ($1.2 billion judgment against PDV Holding, Citgo's parent company): In 2018, a U.S. district court ruled that Canada-based Crystallex could take shares of PDV Holding, the U.S.-based parent company of Citgo, as a means of collecting a $1.2 billion arbitration award made to Crystallex. The award stems from Venezuela's seizure of the Canadian miners' assets in 2011. Crystallex has indicated its intent to take

[50] Other arbitration awards have been made to companies such as Conoco for their expropriation in 2007 and Canada's Rusoro Mining, whose gold projects were seized by the government of Venezuela in 2011. However, the Crystallex award and judgment allows the company to seize and liquidate Citgo shares as a means of collecting the award.

[51] Reuters, "Investors Await Payment Decision as PDVSA 2020 Coupon Looms," April 24, 2019.

[52] "Venezuela's PDVSA Uses 49.9 Percent Citgo Stake as Loan Collateral," Reuters, December 23, 2016.

[53] U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *Testimony from the Secretary of the United States Department of the Treasury on Domestic and International Policy Issues*, 115th Cong., 1st sess., May 18, 2017.

ownership of Citgo shares and sell them for cash as a means of collecting the arbitration award. Advisers to Guaidó have argued that sanctions prevent Crystallex from seizing shares in Citgo, and a waiver from OFAC would be required. In November 2019, OFAC restricted the ability of claimants against the Venezuelan government from seizing Venezuela's U.S. assets without specific authorization, providing protections to Citgo.

Humanitarian Situation[54]

Before the recent phase of political upheaval in Venezuela began in January 2019, Venezuelans were already facing a humanitarian crisis due to a lack of food, medicine, and access to social services. Political persecution, hyperinflation, loss of income, and oppressive poverty also contributed to a dire situation. According to household surveys, the percentage of Venezuelans living in poverty increased from 48.4% in 2014 to 94% in 2018.[55] In April 2019, U.N. officials estimated that approximately 7 million people were in need of humanitarian assistance, with pregnant and nursing women, those with chronic illnesses, indigenous people, migrants, children under five, and people with disabilities particularly in need.[56] Successive electrical blackouts since March 2019 have made conditions worse inside Venezuela, limiting people's access to power and clean water and further contributing to health risks. The International Federation of Red Cross and Red Crescent Societies reported that these power outages have caused the health system to collapse, particularly for emergency services and for equipment, such as dialysis machines.[57] Although power has been restored in many parts of the country, there has been ongoing rationing in many states.[58]

[54] For background, see CRS In Focus IF11029, *The Venezuela Regional Migration Crisis*, by Rhoda Margesson and Clare Ribando Seelke.

[55] Universidad Católica Andrés Bello, *Encuesta Sobre Condiciones de Vida:Venezuela 2018: Avance de Resultados*, November 30, 2018.

[56] U.N. Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Mark Lowcock, "Briefing to the Security Council on the Humanitarian Situation in Venezuela," April 10, 2019.

[57] International Federation of Red Cross and Red Crescent Societies (IFRC), "Venezuela: Health Emergency – Six-month Update, October 23, 2019.

[58] U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA), *Venezuela: Humanitarian Response Plan – July – December 2019*, July 2019.

As of February 2020, the U.N. High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM) estimated that more than 4.8 million Venezuelans (more than 17% of the population) had left the country (see **Figure 3**). Of those, about 85% remained in Latin America and the Caribbean, including in Colombia (more than 1.6 million), Peru (861,665), Chile (371,163), Ecuador (385,042), Argentina (145,000), Brazil (253,495), and Panama (94,596).[59] UNHCR and IOM estimate that by the end of 2020, the number of Venezuelan refugees and migrants could reach over 5.5 million.[60] Although UNHCR does not consider most Venezuelans to be refugees, it asserts that a significant number need humanitarian assistance, international protection, and opportunities to regularize their status.

Figure 3. Venezuelan Migrants and Asylum Seekers: Flows to the Region and Beyond

Source: U.N. High Commissioner for Refugees.

The crisis in Venezuela has affected the entire region. Neighboring countries, particularly Colombia, have strained to absorb arrivals often malnourished and in poor health. The spread of previously eradicated diseases, such as measles, has become a major concern.[61] In November 2019, a yellow fever case was confirmed inside Venezuela, the first since 2005.[62] With the global spread of the new coronavirus (COVID-19), UNHCR, the Pan American Health Organization (PAHO), and others are seeking additional funding to address the immediate public needs of the displaced prompted by the virus.[63] Population needs have also changed with seasonal shifts, affecting the health care context. Responses to the Venezuelan arrivals have varied by country and continue to evolve with events on the ground. Humanitarian experts have been most concerned about the roughly 60% of Venezuelans in neighboring countries who lack identification documents, which makes them vulnerable to arrest and deportation by governments and to abuse by criminal groups, including human trafficking and sexual and labor exploitation.[64]

Venezuela's exodus has become an unprecedented displacement crisis for the Western Hemisphere, which has in place some of the highest protection standards in the world for displaced and vulnerable persons. Countries in the region have been under pressure to examine their respective migration and asylum policies and to address, as a region, the legal status of

[59] U.N. Coordination Platform for Refugees and Migrants from Venezuela, "Latin America and the Caribbean: Venezuelan Refugees and Migrants in the Region," February 19, 2020.

[60] Coordination Platform for Refugees and Migrants from Venezuela, Response for Venezuelans (RV4), *Refugee and Migrant Response Plan 2020: January – December 2020*, December 2019.

[61] Human Rights Watch and John Hopkins School of Public Health, *Venezuela's Humanitarian Emergency: Large-Scale UN Response Needed to Address Health and Food Crises*, April 2019.

[62] UNOCHA, *Venezuela Humanitarian Response*, Situation Report No. 6, November 2019.

[63] UNHCR, "UN Refugee Agency Steps Up COVID-19 Preparedness, Prevention and Response Measures," March 10, 2020.

[64] The Venezuelan government has made it increasingly difficult for Venezuelans to obtain a valid passport and therefore legal status outside the country.

Venezuelans who have fled their country. It remains to be seen how events unfolding inside Venezuela will continue to affect the ongoing humanitarian situation and response.

International Humanitarian Response in Venezuela

Although in 2018 the Maduro government rejected large amounts of humanitarian assistance, it permitted U.N. humanitarian entities and partners to increase their humanitarian and protection activities in 2019. The U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA) set up its coordination structure, including regional hubs in the country. The Cooperation and Assistance Coordination Team, led by the U.N. Resident Coordinator, was established in February 2019 to facilitate humanitarian coordination in Venezuela.

A needs overview for Venezuela completed in March 2019 indicated significant humanitarian need across sectors that affected an estimated 7 million people. In July 2019, this assessment resulted in the development of the Humanitarian Response Plan (HRP) for Venezuela and the launch of an appeal for $223 million.[65] The HRP was a collective effort by UNOCHA and implementing partners to coordinate and scale up a response for the most vulnerable people across the country in the areas of health, water, sanitation and hygiene, food security, nutrition, protection, shelter and non-food items, and education.[66] As of November 2019 (latest available), there were 78 operational actors in 24 states and 231 municipalities in Venezuela. Ongoing operational challenges included broad information gaps on humanitarian needs, lack of funding, limited capacity for the response, and bureaucratic impediments, such as the indefinite suspension of NGO registration. Fuel shortages, power outages, telecommunications problems, intermittent access to water, and security concerns, mostly along the border and in remote areas, continued to impact humanitarian access and delivery of assistance by partners. UNOCHA's 2020 Global Humanitarian Overview, released in December 2019, requests $750 million for humanitarian efforts in Venezuela. The assistance will target 3.5 million of the estimated 7 million in need.[67]

In 2019, the International Federation of Red Cross and Red Crescent Societies also scaled up humanitarian activities inside Venezuela in coordination with the Venezuelan Red Cross and with the agreement of both the interim government and Maduro.[68] The International Committee of the Red Cross (ICRC), which has been present in Venezuela since 1966, announced an expansion of its work on four pressing humanitarian issues: migration, health, water and sanitation, and detention.[69] The activities of the Red Cross Movement have been focused on different levels of health care within the Venezuelan public health system, access to health care services, and the needs of the most vulnerable populations (such as detainees or the injured).[70]

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[65] By the end of December 2019, a total of $184 million had been received to support humanitarian activities inside and outside the appeal. The appeal received $55.5 million (24.9% of $223 million). See UNOCHA, *2020 Global Humanitarian Overview*, December 2019.

[66] UNOCHA, *Venezuela: Humanitarian Response Plan – July – December 2019*, July 2019; see also UNOCHA, "Venezuela—UN Humanitarian Scale-Up Situation Report, January-April 2019," May 2019.

[67] UNOCHA, *2020 Global Humanitarian Overview*, December 2019.

[68] IFRC, "IFRC to Bring Humanitarian Aid into Venezuela," March 29, 2019, https://media.ifrc.org/ifrc/press-release/ifrc-bring-humanitarian-aid-venezuela.

[69] International Committee of the Red Cross (ICRC), "Venezuela: ICRC to Expand Humanitarian Effort," April 11, 2019. As part of the Red Cross Movement, and in keeping with their mandates, both IFRC and ICRC provide humanitarian assistance in an independent, neutral, impartial, and unhindered manner.

[70] ICRC, "Venezuela: Making Access to Health Care a Priority," September 18, 2019.

International Humanitarian Response in the Region

The U.N. Secretary-General appointed UNHCR and IOM to coordinate the international response to the needs of displaced Venezuelans and host communities in the region, which includes governments, U.N. entities, nongovernmental organizations (national and international), the Red Cross Movement, faith-based organizations, and civil society. The Regional Interagency Coordination Platform provides a common humanitarian framework for assistance. The U.S. government has also provided humanitarian assistance and helped to coordinate regional response efforts. (See "U.S. Humanitarian and Related Assistance," below.) Former Guatemalan Vice President Eduardo Stein, the U.N. Joint Special Representative for Venezuelan Refugees and Migrants, is charged with promoting dialogue and consensus in the region and beyond on the humanitarian response.

In December 2018, UNHCR and IOM launched the 2019 Regional Refugee and Migrant Response Plan (RMRP), which was the first of its kind in the Americas: an operational and coordination strategy and an appeal for $738 million in funding to support over 2 million Venezuelans in the region and half a million people in host communities.[71] Protection and assistance needs have been significant for arrivals and host communities. Services provided have varied by country but have included support for reception centers and options for shelter; emergency relief items, such as emergency food assistance, safe drinking water, and hygiene supplies; legal assistance with asylum applications and other matters; protection from violence and exploitation; and the creation of temporary work programs and education opportunities. The 2020 RMRP was launched in December 2019 with an appeal for $1.35 billion to reach 4 million of the most vulnerable in need across 17 countries in Latin America and the Caribbean.[72] The Quito Process, a regional coordinating mechanism that has regularly convened countries hosting Venezuelans since 2018, has also helped harmonize policies and practices among host countries and donors, scale up the humanitarian response, and facilitate the response to refugees and migrants across the region.

The International Solidarity Conference on the Venezuelan Refugee and Migrant Crisis was held in Brussels, Belgium on October 28-29, 2019. Co-chaired by the European Commission, UNHCR, and IOM, the conference aimed to raise global awareness about the Venezuela regional refugee and migrant crisis, and focused on the response, particularly by host countries and communities, the need for international support and coordination, as well as the development of partnerships between public and private sectors and additional funding.[73] There were 120 delegations in attendance. Pledges made during the conference totaled approximately 150 million euros ($167 million.)[74] Looking ahead, the conference supported the decision to hold a first

[71] The plan included U.N. entities, nongovernmental organizations, faith-based organizations, and civil society and is in cooperation with the Red Cross Movement. See *Coordination Platform for Response for Venezuelans, Regional Refugee and Migrant Response Plan for Refugees and Migrants from Venezuela*, January-December 2019, December 14, 2018. It was put together by 95 organizations covering 16 countries. At the end of 2019, this appeal was 51.9% funded. See UNOCHA, *2020 Global Humanitarian Overview*, December 2019.

[72] Coordination Platform for Refugees and Migrants from Venezuela, Response for Venezuelans (RV4), *Refugee and Migrant Response Plan 2020: January – December 2020*, December 2019.

[73] European Commission, International Organization for Migration, U.N. High Commissioner for Refugees, "EU, IOM and UNHCR Express Solidarity with Venezuelan Refugees and Migrants," October 29, 2019.

[74] European Commission, "Remarks by High Representative/Vice-President Federica Mogherini at the Press Conference Following the International Solidarity Conference on the Venezuelan Refugee and Migrant Crisis," October 29, 2019.

meeting of the Group of Friends of the Quito Process to be chaired by the European Union. It also called for a pledging conference in 2020.

Foreign Involvement in Venezuela's Crisis

The international community remains divided over how to respond to the political crisis in Venezuela. One group of countries supports the Guaidó government, another supports Maduro, and a third group of countries—including Mexico, Norway, Uruguay, and some Caribbean nations—has remained neutral in the crisis. These divisions have thus far stymied action by the United Nations or the Organization of American States (OAS) to help facilitate a political solution to Venezuela's crisis. They also undermined the Norway-facilitated dialogue (discussed below), as many experts argue that pressure from external allies of Maduro (Russia, China) and Guaidó (United States) may be necessary for any negotiations to succeed.[75]

Within the U.N. Security Council, Russia and (to a lesser extent) China support Maduro. The United States, France, and the United Kingdom (UK) support Guiadó. Maduro officials attended the September 2019 U.N. General Assembly (UNGA), while Guaidó representatives met on the sidelines of the UNGA with allied governments. In October 2019, U.N. delegates elected Venezuela over Costa Rica to fill an open seat on the U.N. Human Rights Council despite the Maduro government's record of human rights abuses.

Within the OAS, resolutions have amassed enough votes (19 of 34 member states) to declare Maduro's 2018 reelection illegitimate (June 2018) and to not recognize the legitimacy of his second term (January 2019).[76] In January 2020, the OAS passed a resolution welcoming Guaidó's rereelection as president of the National Assembly and condemning Maduro's use of force to block Guaidó's access to the National Assembly. The OAS remains divided, however, over what role it should play in hastening a return to democracy in Venezuela. Countries in the Caribbean Community (CARICOM), many of which used to receive subsidized oil from Venezuela, have been reluctant to intervene in Venezuela's internal affairs. Some observers have praised OAS Secretary-General Luis Almagro's activism on Venezuela, but others have asserted that he has sided too closely with the opposition.

The United States and some 57 other countries have formally recognized the interim presidency of Juan Guaidó. These include most members of the EU, Canada, 16 countries in Latin America and the Caribbean, Australia, Israel, Japan, and South Korea, among others. Canada, the EU, Panama, and Switzerland have placed targeted sanctions on Maduro officials and have frozen reserves formerly controlled by the Maduro government and/or blocked suspicious financial transactions involving Maduro. On December 3, 2019, 11 Western Hemisphere states parties to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) approved an initial list of 29 individuals alleged to have engaged in corruption and/or human rights abuses who will be subject

[75] Abraham F. Lowenthal and David Smilde, *Venezuela: Is There a Way Out of this Tragic Impasse?*, Woodrow Wilson Center, July 2019.

[76] The OAS requires 18 votes to pass a resolution of the Permanent Council. In June 2018, 19 of 34 member states passed a resolution stating that the May 2018 presidential election in Venezuela lacked legitimacy and authorizing countries to take measures, including sanctions, necessary to hasten a return to democracy. In January 2019, the same 19 states approved a resolution that refused to recognize the legitimacy of Maduro's second term; called for new presidential elections; and urged all member states to adopt diplomatic, political, economic, and financial measures to facilitate the prompt restoration of the democratic order in Venezuela. Those countries include Argentina, the Bahamas, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Honduras, Jamaica, Guatemala, Guyana, Mexico, Panama, Paraguay, Peru, St. Lucia, and the United States.

to sanctions and to entry and transit restrictions.[77] Experts have urged further efforts to make targeted sanctions multilateral, particularly in EU countries where Maduro officials and their families have taken refuge.

While the EU and most of its member states recognize Guaidó as interim president and condemned Maduro's recent attempt at a "parliamentary coup" against him, the EU has opposed the prospect of military intervention in Venezuela.[78] The European Parliament has pledged to increase its diplomatic involvement in the Venezuela crisis, expand targeted sanctions against Maduro officials, and extend sanctions to the families of Maduro officials. The EU-backed International Contact Group (ICG)—composed of Costa Rica, Ecuador, France, Germany, Italy, the Netherlands, Panama, Portugal, Spain, Sweden, the United Kingdom, and Uruguay—first convened in February 2019. The group aimed to "establish necessary guarantees for a credible electoral process, within the earliest time frame possible" and to hasten the delivery of humanitarian aid into Venezuela.[79] Those "necessary guarantees" include naming a new electoral council, releasing political prisoners, and ending bans on political parties and candidates.

The ICG backed the dialogue process facilitated by Norway (discussed below) and has increasingly coordinated its efforts with the Lima Group. The ICG (and the EU) support free and fair combined presidential/legislative elections "without exclusions."[80] Their representatives have not said they would reject the results of legislative elections held in 2020, as long as they are held under the right conditions.

Lima Group

On August 8, 2017, 12 Western Hemisphere countries signed the Lima Accord, a document rejecting what it described as the rupture of democracy and systemic human rights violations in Venezuela.[81] The signatory countries included Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Panama, Paraguay, and Peru. In 2018, Guyana and St. Lucia joined the Lima Group, which did not recognize Maduro's May 2018 reelection. The Guaidó government, Bolivia, and Haiti have since joined the Lima Group; El Salvador and Ecuador have become observers to the group. Mexico and Argentina are members, but their current governments have not signed on to all Lima Group resolutions.

On January 4, 2019, 13 members of the Lima Group signed a declaration urging President Maduro not to assume power on January 10, 2019.[82] The countries resolved to reassess their level of diplomatic engagement with Venezuela, implement travel bans or sanctions on Maduro officials, suspend military cooperation with Venezuela, and urge other countries to take similar actions. Mexico did not sign that declaration.

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[77] CRS Insight IN11116, *The Inter-American Treaty of Reciprocal Assistance and the Crisis in Venezuela*, by Peter J. Meyer.

[78] European Parliament, "Venezuelan Crisis: MEPs Reaffirm Their Support for Juan Guaidó," January 16, 2020. Similar to the Lima Group, the EU has warned against the regional implications that instability and violence spawned by the use of military force in Venezuela could cause.

[79] EU, "International Contact Group—Meeting 7 February," February 7, 2019.

[80] Hinde Pomeraniec, "Venezuela: El Asesor Especial de la Unión Europea Viaja en Marzo a Caracas en Busca de Elecciones Presidenciales "Libres y Justas," *Infobae*, February 23, 2020.

[81] Government of Canada, "Lima Group Declaration," August 8, 2017.

[82] Government of Canada, "Lima Group Declaration," January 4, 2019.

The Lima group has denounced human rights violations, efforts to undermine the National Assembly, and other abuses by the Maduro government, but opposed military intervention in the crisis. Representatives from the Lima Group and the ICG met at the ministerial level in June and in September 2019. On January 6, 2020, 12 members of the Lima Group issued a statement welcoming Guaidó's reelection as President of the National Assembly, condemning actions taken by Maduro against him, and calling for free and fair general (legislative and presidential) elections in Venezuela.[83] On February 20, 2020, the Canadian government announced that the Lima Group supported convening constitutionally mandated parliamentary elections in Venezuela in 2020 and "free, fair and credible presidential elections." The statement called for immediate international action to "to stop the human tragedy in Venezuela." Some Lima Group members have subsequently pursued diplomatic efforts to involve Cuba in resolving the Venezuela crisis.

Cuba, Russia, and China

Within Latin America, Cuba, Nicaragua, Bolivia (until Evo Morales left office in November 2019), and a few other countries have provided support to Maduro, with Cuba being Maduro's most significant regional ally. In 2000, Cuba signed an agreement for Venezuela to provide Cuba oil in exchange for technical assistance and other services. Estimates of the number of Cuban personnel in Venezuela vary, but a 2014 study estimated that there were 40,000, 75% of whom were health care workers.[84] It is unclear how many of those professionals have stayed, but Cuban intelligence officers have reportedly helped the Maduro government identify and disrupt coup plots, a role the Trump Administration has denounced.[85] Although Cuba has imported oil from other sources to make up for dwindling Venezuelan supplies, the Maduro government remains committed to providing what it can. Since April 2019, the Department of the Treasury has imposed various sanctions aimed at shutting down that flow (and Cuban support for Maduro) through Venezuela-related sanctions and toughened sanctions on Cuba.[86]

Russia has remained a strong political ally, defense partner, and investor in the Maduro government.[87] Venezuela was a major market for Russian arms between 2006 and 2013, with an estimated $4 billion in sales (mostly on credit).[88] Venezuela reportedly had more than 5,000 Russian-made surface-to-air missiles as of 2017, raising concern about the potential for them

[83] Signatories to the January 2020 statement included Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Honduras, Panama, Paraguay, Peru, and Venezuela (Guaidó government). The February statement is available at https://www.canada.ca/en/global-affairs/news/2020/02/lima-group-ministerial-meeting-february-20-2020-chairs-statement.html. For the Lima Group and Cuba, see "Canadá, Perú y Argentina Hablan con Régimen de Cuba para Buscar Solución en Venezuela," *Diario las Américas*, February 21, 2020.

[84] At that time, the report said that the number of Cuban military and intelligence advisors in Venezuela may have ranged from hundreds to thousands, coordinated by Cuba's military attaché in Venezuela. Ted Piccone and Harold Trinkunas, "The Cuba-Venezuela Alliance: The Beginning of the End?," Brookings Institution, June 2014.

[85] Venezuela Investigative Unit, "The Eight Criminal Armies Supporting Venezuela's Maduro Administration," Insight Crime, January 22, 2018; The White House, "President Donald J. Trump Stands for Democracy in Venezuela," May 1, 2019.

[86] U.S. Department of the Treasury, "Treasury Increases Pressure on Cuba to End Support to Maduro by Imposing Further Oil Sector Sanctions," April 12, 2019. For related information, see CRS Insight IN11120, *Cuba: Trump Administration Expands Sanctions*, by Mark P. Sullivan.

[87] See Vladimir Rouvinski, *Russian-Venezuelan Relations at a Crossroads*, Woodrow Wilson Center, February 5, 2019; V. Rouvinski, *Russia's Continuing Engagement with Venezuela in 2019 and Beyond-an Update*, Woodrow Wilson Center, February 18, 2020.

[88] Anthony Faiola and Karen DeYoung, "In Venezuela, Russia Pockets Key Energy Assets in Exchange for Cash Bailouts," *Washington Post*, December 24, 2018.

being stolen or sold to criminal or terrorist groups.[89] In December 2018, Russia deployed two nuclear capable bombers to Venezuela (the third such deployment since 2008). A February 2019 Defense Intelligence Agency (DIA) report to Congress stated that Russia's defense cooperation with Venezuela focuses on equipment sales, maintenance support, training, naval and air deployments, and probably intelligence cooperation. Russia's March 2019 deployment of military personnel to Venezuela drew strong criticism from President Trump. However, Russia has maintained that its military specialists have traveled to Venezuela to service Russian-made military equipment, most recently in September 2019.[90] Some sources maintain that Russian military specialists also have been used to assist training Venezuela's Bolivarian National Militia, while others state they have largely been used to protect Russian business interests.[91]

Russia has called for the political crisis in Venezuela to be resolved peacefully and without outside interference, as it has become Maduro's primary backer. Russia reportedly views support for Maduro as a way to oppose U.S. efforts at "regime change" and maintain economic and political influence in a region close to the United States by using Venezuela as a platform from which to spread propaganda and Russia-related media.[92] In 2017, Russia's decision to allow Venezuela to restructure $3 billion in debt provided much-needed financial relief to Maduro. Since January 2019, Russia's provision of diluents needed to process Venezuelan oil and Rosneft's handling of PdVSA's oil shipments in exchange for debt repayment have been critical to the Maduro government's economic survival. (See "Petroleum Sector Concerns and U.S. Economic Sanctions.") Russia-U.S. tension over Venezuela is likely to escalate since the Department of the Treasury sanctioned Rosneft Trading S.A., a subsidiary of the Russian state-controlled Rosneft Oil Company, for facilitating Venezuelan oil exports on February 18, 2020.[93] Russia has an interest in Venezuela convening parliamentary elections this year, reportedly favoring the election of a pro-Maduro legislature that would approve new oil contracts.[94]

While Russia has both economic and geo-strategic interests in Venezuela and opposes what it views as U.S.-backed efforts at "regime change," China's interest in Venezuela is primarily economic, and the Chinese government has been in contact with the Guaidó government.[95] From 2007 through 2016, China provided some $62.2 billion in financing to Venezuela. The funds have mostly been for infrastructure and other economic development projects, but China has also provided loans for military equipment to be repaid by oil deliveries. Although the Chinese government has been patient when Venezuela has fallen behind on its oil deliveries, Beijing reportedly stopped providing new loans to Venezuela in 2016. China, unlike Russia, has signaled

[89] Girish Gupta, "Exclusive: Venezuela Holds 5,000 Russian Surface-to-air MANPADS Missiles," Reuters, May 22, 2017.

[90] "Russian Military Specialists Arrive in Venezuela to Service Equipment," Reuters, September 25, 2019.

[91] "Geopolitical Debts, Why Russia Is Really Sending Military Advisers and Other Specialists to Venezuela," *Meduza*, July 29, 2019.

[92] U.S. Department of State, *Report to Congress on Threat Assessment of Russian-Venezuelan Security Cooperation* as required by Section 165(b)(2) of the VERDAD Act of 2019, contained within Div. J of P.L. 116-94, February 24, 2020.

[93] U.S. Department of the Treasury, "Treasury Targets Russian Oil Brokerage Firm for Supporting Illegitimate Maduro Regime," press release, February 18, 2020.

[94] Kejal Vyas, "Behind Maduro's Latest Power Play: Reviving Venezuela's Collapsed Oil Industry," *Wall Street Journal*, January 12, 2020.

[95] Sources for this paragraph include the following: Stephen Kaplan and Michael Penfold, "China-Venezuela Economic Relations: Hedging Venezuelan Bets with Chinese Characteristics," Woodrow Wilson Center, February 20, 2019; Kevin P. Gallagher and Margaret Myers, "China-Latin America Finance Database," Inter-American Dialogue, 2016, http://www.thedialogue.org/map_list/; David Dollar, *Chinese Investment in Latin America*, Brookings Institution, January 2017; Ministry of Foreign Affairs of the People's Republic of China, Foreign Ministry Spokesperson Geng Shuang's regular press conference on May 8, 2019, May 8, 2019.

a willingness to support dialogue efforts that could result in the convening of new presidential elections in Venezuela.

Dialogue Facilitated by Norway

In May 2019, the Norwegian government confirmed it had been facilitating talks between negotiating teams for Maduro and Guaidó. The negotiations' goal had been to determine the conditions under which free and fair elections could be held. Points of contention included whether Maduro would remain in office during the convening of the elections and whether he could run for president. Skeptics asserted that, as in the past, Maduro was using negotiations as a delaying tactic. Maduro suspended participation in the negotiations after new U.S. sanctions were announced in August 2019. In mid-September 2019, Interim President Guaidó announced the end of his negotiators' participation in the dialogue, which had been on hold since August.

U.S. Policy

The United States has historically had close relations with Venezuela, a major U.S. foreign oil supplier, but friction in relations increased under the Chávez government and has intensified under the Maduro government. For more than a decade, U.S. policymakers have had concerns about the deterioration of human rights and democratic conditions in Venezuela and the lack of bilateral cooperation on counternarcotics and counterterrorism efforts. During this time, Congress has provided funding to support democratic civil society in Venezuela. As Maduro has become increasingly authoritarian, the Obama and Trump Administrations have increasingly turned to sanctions, first targeted on specific officials and then aimed at broader portions of the Venezuelan economy, the Maduro government, and most recently, companies supporting that government.

Since recognizing the Guaidó government in January 2019, the Trump Administration has coordinated its efforts with Interim President Guaidó. U.S. strategy has emphasized diplomatic efforts to bolster support for Guaidó and isolate Maduro; targeted sanctions on Maduro government officials and their families along with broader sanctions on the economy and government; and humanitarian and development assistance.[96] A year later, Maduro remains in power despite U.S. and international pressure, protests led by Guaidó, and an ongoing economic crisis. The United States is now encouraging Venezuela to convene legislative and presidential elections overseen by a "negotiated transitional government," conditions that Maduro is unlikely to accept.[97] Guaidó received a warm welcome from President Trump and congressional leaders in a February 2020 visit to Washington, DC, but it is yet unclear how he and his supporters will be able to hasten a democratic transition in 2020.

The 116th Congress has enacted legislation to guide U.S. policy on Venezuela, appropriated foreign assistance to support the people of Venezuela and to address the Venezuela regional migration crisis, and conducted numerous oversight hearings on U.S. policy towards Venezuela. In December 2019, Congress enacted P.L. 116-94, which appropriates $30 million in FY2020 assistance for democracy programs in Venezuela and incorporates the VERDAD Act (S. 1025) as

[96] The U.S. government has closely coordinated its sanctions policies with the EU, Canada, and the Lima Group. The Rio Treaty has become the premiere forum for U.S. efforts to build capacity and will in Latin America and the Caribbean to sanction Maduro officials. U.S. Department of State, *Report on Developing and Implementing a Coordinated Sanctions Strategy with Partners in the Western Hemisphere and the European Union,* February 24, 2020.

[97] U.S. Department of State, "Free and Fair Presidential and Parliamentary Elections in Venezuela," January 9, 2020.

Division J, Title 1 (see **Appendix A**). Among other provisions, the measure authorizes $400 million in FY2020 humanitarian aid for the Venezuela crisis, authorizes $17.5 million to support the convening of elections with international observers, and extends sanctions for corruption and human rights violations through 2023.[98] In July 2019, the House passed H.R. 549, which would allow Venezuelan nationals in the United States to apply for Temporary Protected Status.[99] On July 30, 2019, a Senate effort to pass H.R. 549 by unanimous consent failed. Congress is considering the Administration's FY2021 request for $205 million in assistance to Venezuela.

U.S. Sanctions on Venezuela

The United States has increasingly employed sanctions as a policy tool in response to activities of the Venezuelan government and Venezuelan individuals. As the political and economic crisis in Venezuela has deepened, the Trump Administration has significantly expanded sanctions on Venezuela, relying on both existing authorities and new executive orders. Beginning in August 2017, those executive orders established financial sanctions on the Maduro government (including PdVSA), created economic sanctions on sectors of the economy, and prohibited unlicensed transactions with the Maduro government. The Administration has cited the Maduro government's human rights abuses, usurpation of power from the National Assembly, and rampant public corruption as reasons for expanding U.S. sanctions. (For a discussion of the impact of U.S. oil sanctions on Venezuela's oil industry and U.S.-Venezuelan petroleum trade, see "Petroleum Sector Concerns and U.S. Economic Sanctions" below.)

Targeted Sanctions on Venezuelan Officials

The Trump Administration has used existing authorities to sanction a number of Venezuelan officials. In particular, the Trump Administration has sanctions on Venezuelan government and military officials pursuant to E.O. 13692, issued by President Obama in March 2015 to implement the Venezuela Defense of Human Rights and Civil Society Act of 2014 (P.L. 113-278).[100] Among its provisions, the law requires the President to impose sanctions (asset blocking and visa restrictions) against those whom the President determines are responsible for significant acts of violence or serious human rights abuses associated with protests in February 2014 or, more broadly, against anyone who 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. In 2016, Congress extended the 2014 act through 2019 in P.L. 114-194. In December 2019, Congress extended the act through 2023 in Section 165 (b)(2) of the VERDAD Act of 2019, contained within Division J, P.L. 116-94.

Under the Obama Administration, the Department of the Treasury froze the assets of seven Venezuelans—six members of Venezuela's security forces and a prosecutor involved in

[98] P.L. 116-94 required several reports from the State Department to Congress on Venezuela, including a report on accountability for human rights abuses committed by the Maduro government. U.S. Department of State, *Report on the Former Maduro Regime's Accountability for Crimes Against Humanity*.

[99] Congress created Temporary Protected Status (TPS) in 1990 (P.L. 101-649) to provide relief from removal and work authorization for foreign nationals in the United States from countries experiencing armed conflict, natural disaster, or other extraordinary conditions that prevent their safe return. H.R. 549 would add Venezuela to the list of countries designated for TPS. This designation would last for 18 months and could be extended by the Secretary of Homeland Security. Venezuelans who have been continuously present in the United States since the date of enactment and who meet certain other requirements would be eligible to apply for TPS. See CRS Report RS20844, *Temporary Protected Status: Overview and Current Issues*, by Jill H. Wilson.

[100] E.O. 13692, "Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela," 80 *Federal Register* 12747-12751, March 8, 2015.

repressing protesters—pursuant to E.O. 13692. Under the Trump Administration, the Department of the Treasury designated for sanctions an additional 91 Venezuelan government and military officials under E.O 13692 as of February 25, 2020. These include Maduro, his wife, Cecilia Flores, and his son; Executive Vice President Delcy Rodriguez; PSUV First Vice President Diosdado Cabello; eight Supreme Court members; the leaders of Venezuela's army, national guard, and national police; four state governors; and the foreign minister.

The Trump Administration has also blocked the assets and travel of two high-ranking officials in Venezuela, including then-Vice President Tareck el Aissami and Pedro Luis Martin (a former senior intelligence official) pursuant to Foreign Narcotics Kingpin Designation Act (P.L. 106-120, Title VIII; 21 U.S.C. 1901 *et seq.*). Including those individuals, the Department of the Treasury has now imposed economic sanctions on at least 22 individuals with connections to Venezuela and 27 companies by designating them as Specially Designated Narcotics.

For a discussion on terrorism-related sanctions, see "Terrorism" section below.

Sanctions Restricting Venezuela's Access to U.S. Financial Markets

Starting in 2017, President Trump has sought to cut off U.S. sources of financing for the Venezuelan government. In August 2017, President Trump issued E.O. 13808 to prohibit access to U.S. financial markets by the Venezuelan government, including PdVSA, with certain exceptions to minimize the impact on the Venezuelan people and U.S. economic interests.[101] The sanctions restrict the Venezuelan government's access to U.S. debt and equity markets, traditionally an important source of capital for the government and PdVSA.

In 2018, the Trump Administration issued two additional executive orders to further tighten Venezuela's access to U.S. currency. E.O. 13827, issued in March 2018, prohibits U.S. investors from purchasing or transacting in Venezuela's new digital currency, the petro. This is designed to help the government raise funds and circumvent U.S. sanctions.[102] E.O. 13835, issued in May 2018, prohibits U.S. investors from buying debt or accounts receivable with the Venezuelan government, including PdVSA. This is devised to close off an "avenue for corruption" used by Venezuelan government officials to enrich themselves.[103]

In January and February 2019, additional restrictions were imposed on trading Venezuelan and PdVSA bonds in secondary markets. When sanctions on Venezuelan and PdVSA bonds were first announced, OFAC had issued a general license that allowed for such bondholders to continue trading previously issued bonds. In January and February 2019, OFAC restricted the divestment and transfer of previously issued Venezuelan and PdVSA bonds to non-U.S. persons.

Sanctions on Sectors of the Venezuela Economy

Since late 2018, the Trump Administration has rolled out a series of new sanctions focused on Venezuela's oil, gold, financial, defense, and security sectors. In November 2018, President Trump issued E.O. 13850, which blocks the assets of, and prohibits transactions with, those entities operating in Venezuela's gold sector (or any other sector of the economy as determined in

[101] E.O. 13808, "Imposing Additional Sanctions with Respect to the Situation in Venezuela," 82 *Federal Register* 41155-41156, August 24, 2017.

[102] E.O. 13827, "Taking Additional Steps to Address the Situation in Venezuela," 83 *Federal Register* 12469-12470, March 19, 2018.

[103] E.O. 13835, "Prohibiting Certain Additional Transactions with Respect to Venezuela," 83 *Federal Register* 24001-24002, May 21, 2018.

the future by the Treasury Secretary) or responsible for or complicit in transactions involving deceptive practices or corruption in the Venezuelan government.[104] Three subsequent determinations expanded the reach of E.O. 13850 to include the other sectors.[105]

Over subsequent months, a number of individuals and entities have been sanctioned pursuant to E.O. 13850, including 5 individuals and 23 entities involved in a corruption scheme involving Venezuela's currency exchange practices, PdVSA (with general licenses issued by Office of Foreign Assets Control [OFAC] to allow certain transactions and activities related to PdVSA and its subsidiaries), the Moscow-based Evrofinance Mosnarbank (jointly owned by Russia and Venezuela) for helping PdVSA funnel its cash flow from oil sales, Venezuela's state-owned gold sector company—Minerven—for using illicit gold operations to help Maduro financially, state-affiliated Venezuelan Economic and Social Development Bank and five of its subsidiaries that the Maduro government uses to move money outside of Venezuela. In April 2019, the Department of the Treasury sanctioned Venezuela's central bank; in July, it sanctioned Venezuela's military counterintelligence agency. In July 2019, Treasury also sanctioned 13 individuals and 19 entities for siphoning millions of dollars from Venezuela's emergency food distribution system.

In April and in September 2019, the Department of the Treasury sanctioned companies and vessels involved in transporting Venezuelan oil to Cuba. Companies that have stopped those shipments have been delisted. On July 3, Treasury designated Cuba's state oil import and export company, due to Cuba's continued support for the Maduro government.

Sanctions on the Maduro Government and Persons Transacting with or Assisting That Government

On August 5, 2019, President Trump issued E.O. 13884, blocking the property and interests of the Maduro government in the United States and within the control of U.S. persons; OFAC designated the first five individuals under E.O. 13884 in November 2019. The order also prohibits U.S. persons from engaging in transactions with the Maduro government unless authorized by OFAC. To allow continued humanitarian assistance, OFAC issued licenses authorizing transactions involving the delivery of food, agricultural commodities, and medicine; personal remittances; the work of international organizations; and communications services.

E.O. 13884 also authorized financial sanctions and visa restrictions on non-U.S. persons who assist or support the Maduro government. On February 18, 2020, Treasury imposed sanctions on Rosneft Trading S.A., a Geneva-based subsidiary of Russia's Rosneft oil company, and its owner for helping the Maduro government avoid U.S. oil sanctions. President Trump and top U.S. officials have warned that secondary sanctions on other energy companies doing business with PdVSA may be imposed.[106] (See "Venezuela Petroleum Trade with Non-U.S. Entities" below.)

[104] E.O. 13850, "Blocking Property of Additional Persons Contributing to the Situation in Venezuela," 83 *Federal Register* 55243-55245, November 1, 2018.

[105] Department of the Treasury determinations issued pursuant to Section 1(a)(1) of E.O. 13850 of January 28, 2019 (relating to oil), March 22, 2019 (relating to the financial sector), and May 9, 2019 (relating to the defense and security sector).

[106] Humeyra Pamuk, "Trump Administration to Step up Pressure Campaign on Venezuelan oil -US Envoy," Reuters, February 24, 2020.

Debate over the Efficacy of U.S. Sanctions on Venezuela

The Trump Administration has significantly ratcheted up sanctions on Venezuela, particularly as it moves to target foreign firms doing business with Venezuela. At the same time, the Administration demonstrated some flexibility in its sanctions policy with the lifting of sanctions against the former head of Venezuela's intelligence service, General Manuel Cristopher Figuera, in May 2019 after he broke ranks with Maduro.

In terms of economic effects of the sanctions, the results have been mixed. The sanctions have contributed to the Maduro government's financial problems, including default on most of its loans and inability to raise new financing.[107] Some analysts are concerned that broad sanctions are further exacerbating Venezuela's difficult humanitarian crisis, already marked by shortages of food and medicines and mass migration, by limiting the country's key source of licit revenue.[108] However, the Maduro government has, to some extent, been able to work with other partners, particularly the Russian government and its state firm Rosneft, to help ship oil, and it continues to sell gold reserves to raise funds despite U.S. sanctions.[109]

In terms of the sanctions' political effects, the imposition of targeted sanctions on individuals in the Maduro government has not encouraged many of those who were not yet sanctioned to abandon Maduro or changed the behavior of the sanctioned individuals. While some have praised the Administration for removing the sanctions on General Figuera, others have questioned how willing or able the U.S. government will be to lift sanctions on others, particularly in cases involving the Kingpin Act or for those who face U.S. criminal indictments. Observers have urged the Administration to coordinate the imposition or removal of future sanctions, including travel restrictions, with allies such as the EU and Canada, which have enacted similar sanctions.[110] Broader U.S. sanctions adopted since 2017 have yet to compel Maduro to leave office despite the country's increasingly dire economic situation. They have also provided a scapegoat on which Maduro has blamed the country's economic problems.

Petroleum Sector Concerns and U.S. Economic Sanctions[111]

Venezuela's petroleum sector is a critical element of the country's economy. Estimates for calendar year 2018 indicate that oil revenues provided approximately 99% of Venezuela's export earnings.[112] The importance of oil to Venezuela's economy has resulted in this sector being a target of U.S. economic sanctions designed to pressure the Maduro government to transition control to interim president Juan Guaidó.

Oil production in Venezuela has been generally declining since the beginning of 2011, according to one source (see **Figure 4**). This downward production trend has been attributed to inadequate

[107] Dany Bahar, "Chavismo Is the Worst of All Sanctions: The Evidence Behind the Humanitarian Catastrophe in Venezuela," Brookings Institution, May 22, 2019.

[108] "Remarks of John Walsh Before the Tom Lantos Human Rights Commission," Washington Office on Latin America (WOLA), July 23, 2019.

[109] Patricia Laya, "Venezuela Sells $570 Million From Gold Reserve Despite Sanctions," *Bloomberg*, May 17, 2019; Olga Yagova, Chen Aizhu, Marianna Parraga, "Rosneft Becomes top Venezuelan oil Trader Helping Offset U.S. Pressure," Reuters, August 22, 2019.

[110] Samantha Sultoon, "Spotlight: Next Steps with Venezuela," Atlantic Council, April 25, 2019.

[111] This section was authored by Phillip Brown, Specialist in Energy Policy, and summarizes information contained in CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*, by Phillip Brown.

[112] Organization of the Petroleum Exporting Countries (OPEC), *Venezuela Facts and Figures*, at https://www.opec.org/opec_web/en/about_us/171.htm, accessed February 24, 2020.

investment in and mismanagement of the country's oil production assets. Sanctions imposed by the United States since 2017 that target Venezuela's oil sector and PdVSA—the state-controlled oil company—have arguably accelerated Venezuela's oil production decline (see **Figure 4**). However, quantifying actual production volumes affected by U.S. sanctions is difficult due to the downward production trend observed prior to sanctions being imposed.[113]

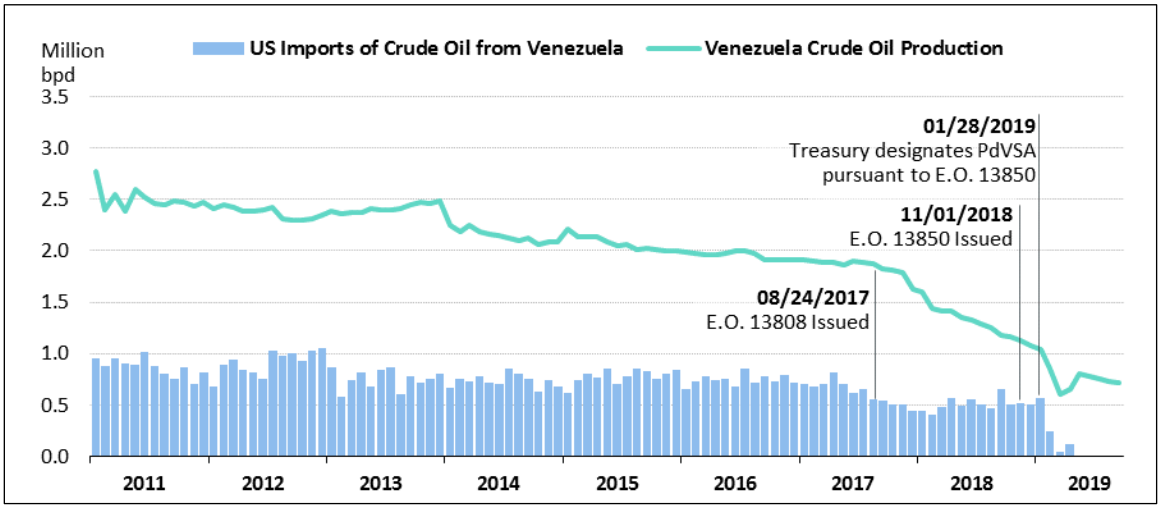
Economic sanctions that target Venezuela's oil sector are the result of executive orders and administrative actions based on national emergency authorities.[114] Since 2017, Venezuela oil-related sanctions to date have generally been focused on three activities: (1) access to short-term debt finance and cash distributions; (2) petroleum trade between the United States and Venezuela; and (3) Venezuela oil sales to non-U.S. buyers.

Limitations on Financial Access

Since August 2017 (E.O. 13808), PdVSA has been prohibited from engaging in transactions with U.S. persons/entities for new debt with a maturity of greater than 90 days. This limitation has resulted in difficulties for PdVSA paying for oil-related services and the acquisition of oil production equipment. Such difficulties have likely contributed to Venezuela's accelerated oil production decline observed since E.O. 13808 was issued. Additionally, the E.O. includes a provision that prevented PdVSA from receiving cash distributions from its U.S.-based Citgo refining and marketing subsidiary.

Figure 4. Venezuela Crude Oil Production and U.S. Imports

January 2011 – September 2019



Source: Venezuela's crude oil production from Energy Intelligence Group's Oil Market Intelligence publication, accessed from the Bloomberg Terminal (subscription required). U.S. imports of Venezuelan crude oil from the Energy Information Administration.

Notes: PdVSA = Petroleos de Venezuela S.A.; E.O. = executive order; bpd = barrels per day.
E.O. 13808: additional sanctions based on a national emergency declared in March 2015 (E.O. 13692) including

[113] For a published analysis of the impact of U.S. sanctions on the Venezuelan economy, including an approach to quantifying the amount of Venezuelan oil production that has been affected by U.S. financial and oil trade sanctions, see Francisco Rodríguez, "Sanctions and the Venezuelan Economy: What the Data Say," *Torino Economics*, June 2019, at https://torinocap.com/wp-content/uploads/2019/06/Sanctions-and-Vzlan-Economy-June-2019.pdf.

[114] For additional information about the U.S. economic sanctions framework that affects Venezuela's oil trade, see CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*, by Phillip Brown.

limits imposed on PdVSA access to U.S. debt finance as well as preventing PdVSA from receiving cash dividends from its U.S.-based Citgo refining and marketing subsidiary.
E.O. 13850: authorized prohibiting persons from engaging in transactions with any person determined to have supported "deceptive practices or corruption" involving the Government of Venezuela (to include PdVSA).

U.S.-Venezuela Petroleum Trade

Petroleum trade between the United States and Venezuela was effectively terminated as of January 2019, when PdVSA was added to the U.S. Treasury's Specifically Designated Nationals (SDN) list.[115] The result of this action was the creation of a petroleum supply constraint for which PdVSA and U.S. oil buyers have had to adjust. Historically, U.S.-Venezuela petroleum trade was bilateral and generally consisted of Venezuela exports of crude oil and U.S. exports of crude oil and petroleum products.[116] Recently, this trade relationship has been dominated by Venezuela crude oil exports with certain quality characteristics that are ideally suited for the configuration of several U.S. refineries. The January 2019 action required U.S. refiners to either source similar crude oil types from other suppliers and/or adjust refinery operations to process different crude oil blends. Temporary price dislocations resulted and were reflected in price differentials for benchmarks used to price oil in the U.S. Gulf Coast region.[117]

Economic sanctions imposed on Venezuela also prohibit PdVSA from purchasing diluents—light crude oil and certain petroleum products—from U.S. suppliers. Diluents are used by PdVSA to facilitate transportation and processing of Venezuelan crude oil with high viscosity characteristics. As a result, PdVSA has sourced diluents from other suppliers and modified operations to produce and transport crude oil with reduced access to diluent materials.

Venezuela Petroleum Trade with Non-U.S. Entities

Prohibiting Venezuela petroleum trade with the United States has resulted in Venezuela seeking alternative buyers for oil volumes that were previously destined for the United States and alternative suppliers for diluent products. Venezuela crude oil has continued to be delivered to buyers in China, India, and other countries. PdVSA has acquired diluents and other petroleum products from non-U.S. suppliers such as Russia. Treasury's OFAC indicated in January 2019 that petroleum transactions with PdVSA involving any "nexus" of the U.S. financial system were prohibited.[118] Additionally, an August 2019 executive order (E.O. 13884) authorizes the blocking of property located in the United States for persons/entities determined to have assisted PdVSA. These elements of the Venezuela oil sanctions framework are designed to discourage non-U.S. firms from engaging in petroleum transactions with PdVSA.

On February 18, 2020, Rosneft Trading S.A.—a Swiss-incorporated oil trading firm controlled by Russia's Rosneft Oil Company—was added to the Specifically Designated Nationals list for its Venezuela crude oil brokerage activities.[119] Industry estimates indicate that Rosneft Trading S.A.

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[115] Treasury, "Issuance of a New Venezuela-related Executive Order and General Licenses: Venezuela-related Designation," January 28, 2019, at https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20190128.aspx, accessed December 3, 2019.

[116] See CRS Insight IN10741, *U.S. Petroleum Trade with Venezuela: Financial and Economic Considerations Associated with Possible Sanctions*, by Phillip Brown and Clare Ribando Seelke.

[117] For additional information about price differentials related to sanctions imposed on Venezuela, see CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*, by Phillip Brown.

[118] For additional information, see OFAC's FAQs, available at https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#650.

[119] For additional information, see U.S. Department of the Treasury, "Treasury Targets Russian Oil Brokerage Firm for

managed approximately 66% of Venezuela crude oil export trade in January 2020.[120] Treasury's designation of Rosneft Trading S.A. will likely increase financial pressure on PdVSA and the Maduro government. Other brokerage firms can trade Venezuela crude oil—reports indicate this is happening—but these firms may have to consider the risk of also being designated by Treasury.[121] Venezuela crude oil exports could continue, although future export volumes are uncertain, and PdVSA may have to incur costs—likely in the form of oil price discounts—in order to compensate traders and buyers to continue oil transactions.

Future Venezuela Oil Production and Trade

Venezuela's oil production and trade outlook is uncertain. Economic sanctions directed toward PdVSA have impacted Venezuela's crude oil trade, and the state-owned company has taken, and will likely continue to take, actions that could enable crude oil sales outside of the sanctions-related trade constraints. In the near term, Venezuela crude oil trade will likely be a function of current sanctions and any additional sanctions that might be imposed by the Administration to discourage non-U.S. oil traders and buyers from transacting with PdVSA.

On February 19, 2020, President Maduro declared an "energy emergency" and created a commission to focus on increasing PdVSA oil production.[122] The Maduro government has previously indicated that PdVSA aims to produce 2 million barrels per day annually. However, crude oil production in the country has been on a declining trajectory since 2011 and has been below 1 million barrels per day since the beginning of 2019 (see **Figure 4**). Exactly what the new PdVSA commission might do and the potential effectiveness of its actions is unknown.

Some U.S. companies continue to operate in Venezuela under a General License issued and renewed periodically by OFAC.[123] Chevron, Halliburton, Schlumberger, Baker Hughes, and Weatherford International are currently authorized to continue working with PdVSA in order to maintain their operations in Venezuela. The current license expires on April 22, 2020.

U.S. Assistance

Humanitarian and Related Assistance[124]

The U.S. government is providing humanitarian and emergency food assistance and helping to coordinate and support regional response efforts. As of February 12, 2020, the United States has provided $472.4 million for the Venezuelan crisis since FY2017, of which more than $416.4 million was for Venezuelan refugees and migrants who fled to other countries or for the communities hosting them, and $56 million was for emergency needs in Venezuela in FY2018-

Supporting Illegitimate Maduro Regime," February 18, 2020, at https://home.treasury.gov/news/press-releases/sm909.

[120] Rystad Energy, "Venezuela Crude Exports by Trader for Volumes Handled in January 2020," February 25, 2020.

[121] Lucia Kassai and Peter Millard, "Sanctions-Free Rosneft Affiliate Boosts Venezuela Oil Exports," *Bloomberg*, February 24, 2020.

[122] Fabiola Zerpa, "Maduro declares 'energy emergency,' shakes up PDVSA leadership," *Bloomberg*, February 20, 2020.

[123] General License 8 (GL 8) authorizes Chevron, Halliburton, Schlumberger, Baker Hughes, and Weatherford International to continue their operations in Venezuela. GL 8 is available at https://www.treasury.gov/resource-center/sanctions/programs/pages/venezuela.aspx.

[124] This is drawn from CRS In Focus IF11029, *The Venezuela Regional Migration Crisis*, by Rhoda Margesson and Clare Ribando Seelke.

FY2019.[125] (Humanitarian funding is drawn primarily from the global humanitarian accounts in annual Department of State-Foreign Operations appropriations.) The U.S. military has also twice deployed a naval hospital ship on medical support deployments.[126]

In keeping with international humanitarian standards, U.S. humanitarian assistance is generally provided on the basis of need and according to principles of universality, impartiality, and independence.[127] In February 2019, at the request of Interim President Guiadó, the U.S. government pre-positioned assistance (food, health, hygiene, and nutrition commodities) for the Venezuelan people on the Colombia- and Brazil-Venezuela borders. Security forces loyal to Maduro prevented the delivery of the humanitarian assistance. A broad range of humanitarian organizations, including U.N. entities, the ICRC, and NGOs expressed concern not just about the many logistical and security problems in delivering assistance to Venezuela, but the prospect of humanitarian assistance being used as a tool in a political contest.

Democracy and Development-Related Assistance

For more almost two decades, the United States has provided democracy-related assistance to Venezuelan civil society through the U.S. Agency for International Development (USAID) and the National Endowment for Democracy (NED).

From FY2002-FY2010, USAID supported small-grant and technical assistance activities through its Office of Transition Initiatives (OTI) to provide assistance monitoring democratic stability and strengthening the county's democratic institutions. USAID's Latin America and Caribbean Bureau assumed control over those programs in FY2010. Since FY2010, USAID democracy programs in Venezuela have been funded primarily through the Economic Support Fund (ESF) account. In recent years, U.S. democracy and human rights assistance appropriated to Venezuela amounted to $17.5 million in FY2019 (P.L. 116-6) and $30 million in FY2020 (P.L. 116-94).

In addition to the democracy-related ESF assistance appropriated by Congress, the Administration reprogrammed FY2018 foreign assistance, some previously appropriated for Central America, to help the interim government and civil society prepare for a political transition (see **Table 1**).[128] USAID signed a new bilateral agreement with the Guaidó government in October 2019 to expand its democracy and human rights-related programs in Venezuela and start new health and agriculture programs. This expansion in programming supports the goals of the interim government to facilitate a transition to democracy and start to rebuild key sectors damaged by the economic crisis. Although most of the assistance supports programs in Venezuela, some is also funding work-related travel, salaries, and secure communications systems for interim government officials and staff.[129] The funding is being administered primarily through third party contractors.

[125] USAID, *Venezuela Regional Crisis*, Fact Sheet #1, Fiscal Year (FY) 2020, February 12, 2020.

[126] In December 2018, the U.S. Navy hospital ship USNS *Comfort* completed an 11-week medical support deployment to work with government partners in Ecuador, Peru, Colombia, and Honduras, in part to assist with arrivals from Venezuela. The USNS *Comfort* completed another five-month deployment that began in June 2019 and included missions in South American, Central American, and Caribbean countries that are hosting Venezuelan migrants.

[127] USAID, Office of Foreign Disaster Assistance, *Policy for Humanitarian Action*, October 2015.

[128] USAID, "USAID Administrator Mark Green with Venezuelan Ambassador to the U.S. Carlos Vecchio on Milestone Bilateral Development Agreement," October 8, 2019; U.S. Department of State, *Report to Congress on a Comprehensive Strategy Base on Various Political Scenarios in Venezuela*, February 24, 2020.

[129] USAID, Congressional Notification (CN) #157, July 11, 2019.

Should a political transition occur, the State Department and USAID have developed plans to support the interim government's transition plan, *Plan País.*[130]

Recent funds for Venezuela include $71.9 million in Development Assistance (DA) and $1.0 million in ESF funds to support good governance, civil society, independent media, and human rights programs; $4 million in Democracy Fund assistance to help civil society monitor and oversee the electoral process; $10 million in Global Development Lab funds (DA) to support private sector productivity; and $3 million in ESF to support the free flow of information among journalists, human rights groups, and media groups, and to help hold those accused of corruption and human rights abuses accountable.[131] USAID also notified Congress of its intent to provide $16.3 million in FY2018 global health funds (GHP) and $11.2 million in FY2018 agriculture/food security programs (DA) for Venezuela.[132] The State Department may also be providing global health assistance in Venezuela.[133]

For FY2021, the Administration requested $5 million in global health assistance for Venezuela, humanitarian assistance for Venezuelans who have fled and the communities hosting them, and $200 million in Economic Support and Development Fund (ESDF) funds to support a democratic transition in Venezuela.[134] According to briefing documents from the Administration, the request provides that assistance "to support Venezuela's democratic institutions following a transition and to support urgent health needs of the Venezuelan people."[135] It is unclear whether the assistance would be provided in the event that Maduro stays in power. According to the request, the budget includes "programming flexibility" to "support a democratic transition and related needs in Venezuela should circumstances warrant." For FY2020, the Administration had requested the authority to transfer up to $500 million between foreign assistance accounts to respond to support a democratic transition or respond to a crisis in Venezuela, but Congress did not appropriate those funds in P.L. 116-94.[136]

Table 1. U.S. Foreign Assistance to Venezuela by Account: FY2016-FY2021 Request

(appropriations in millions of current U.S. dollars)

Account	FY2016	FY2017[a]	FY2018 (estimate)[a]	FY2019 (estimate)	FY2020 (estimate)	FY2021 (request)
DA	0.0	9.0	93.1	0.0	0.0	0.0
ESF	6.5	7.0	19.0	17.5	30.0	0.0
ESDF	0.0	0.0	0.0	0.0	0.0	200.0
GHP (USAID)	0.0	0.0	16.3	5.0	0.0	5.0
DF	0.0	0.0	4.0	0.0	0.0	0.0

[130] U.S. Department of State, *Report to Congress on a Comprehensive Strategy Base on Various Political Scenarios in Venezuela*, February 24, 2020.

[131] USAID, CN #233, September 11, 2019; CN #157, July 11, 2019; USAID CN #125, May 14, 2019; CN #156, July 11, 2019; CN #243, August 9, 2019.

[132] USAID, CN #219, September 5, 2019 ($4.1 million); USAID, CN #224, September 9, 2019, Global Health Program-USAID; CN #229, September 11, 2019, Bureau for Food Security, Agriculture Venezuela Food Security, DA.

[133] U.S. Department of State, *Report to Congress on a Comprehensive Strategy Base on Various Political Scenarios in Venezuela*, February 24, 2020.

[134] U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2021*.

[135] U.S. Department of State and USAID, FY2021 Budget Request, February 10, 2020.

[136] U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2020*.

Account	FY2016	FY2017[a]	FY2018 (estimate)[a]	FY2019 (estimate)	FY2020 (estimate)	FY2021 (request)
Total	**6.5**	**16.0[a]**	**129.4[a]**	**22.5**	**30.0**	**205.0**

Sources: U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2017-FY2021;* U.S. Agency for International Development (USAID), Congressional Notification (CN) #16, December 11, 2017; CN# 34, January 12, 2018; CN# 23, January 28, 2019; CN# 125, May 14, 2019; CN #156, July 11, 2019; CN#157, July 11, 2019; CN #219, September 5, 2019; CN #224, September 9, 2019; CN #229, September 11, 2019; CN #233, September 11, 2019; CN #243, August 9, 2019; CN #20, February 28, 2020.

Notes: DA = Development Assistance; DF = Democracy Fund; ESF = Economic Support Fund; ESDF = Economic Support and Development Fund; GHP = Global Health Programs.

a. These totals do not include economic and development assistance funds that have been provided to support countries that are sheltering Venezuelan refugees and migrants.

The National Endowment for Democracy (NED) has funded democracy projects in Venezuela since 1992. U.S. funding for NED is provided in the annual State Department and Foreign Operations appropriations measure, but country allocations for NED are not specified in the legislation. In 2019, NED funded 41 projects in Venezuela totaling more than $2.5 million as compared to $2.0 million in 2018.

Organized Crime-Related Issues

Venezuela has among the highest crime victimization and homicide rates in Latin America and the Caribbean, the region with the highest homicide rates in the world. According to the Venezuelan Violence Observatory, the homicide rate in Venezuela declined in 2019 (60.3 homicides per 100,000 people) as compared to a rate of 81.4 per 100,000 people in 2018, with part of that decline attributed to the territorial control that crime groups have over some areas.[137] Human rights groups have documented how security forces have adopted militarized approaches to public security that have resulted in human rights abuses, including extrajudicial killings.[138]

A May 2018 report by Insight Crime identified more than 120 high-level Venezuelan officials who have engaged in criminal activity, which has blurred the lines between crime groups and the state.[139] Many of those officials have allegedly engaged in drug trafficking (discussed below), but others have reportedly deputized illegal groups in the neighborhoods and prisons, run smuggling operations in border areas, and engaged in illegal gold mining.

Counternarcotics

Venezuela's pervasive corruption and extensive 1,370-mile border with Colombia have made the country a major transit route for cocaine destined for the United States and an attractive environment for drug traffickers and other criminals to engage in money laundering. In 2005, Venezuela suspended its cooperation with the U.S. Drug Enforcement Administration (DEA) after alleging that DEA agents were spying on the government, charges U.S. officials dismissed as baseless. Prior to that time, the governments had negotiated an antidrug cooperation agreement

[137] Reuters, "Venezuela Murder Rate Dips, Partly due to Migration: Monitoring Group," December 27, 2018.

[138] Amnesty International, *This Is No Way to Live: Public Security and Right to Life in Venezuela*, September 20, 2018; Human Rights Watch, *Venezuela: Extrajudicial Killings in Poor Areas*, September 18, 2019.

[139] Insight Crime, *Venezuela: A Mafia State?*, May 2018.

(an addendum to a 1978 Bilateral Counternarcotics agreement) that would have enhanced information-sharing and antidrug cooperation. Venezuela has yet to approve that agreement.

Since 2005, Venezuela has been designated annually as a country that has failed to adhere to its international antidrug obligations, pursuant to international drug-control certification procedures in the Foreign Relations Authorization Act, FY2003 (P.L. 107-228). Most recently, in August 2019, President Trump again designated Venezuela as a country not adhering to its antidrug obligations.[140] At the same time, President Trump waived economic sanctions that would have curtailed U.S. assistance for democracy programs.

The State Department reported in its 2020 *International Narcotics Control Strategy Report* (INCSR) that Venezuela was one of the preferred trafficking routes for the transit of illicit drugs out of South America, especially cocaine, because of the country's porous border with Colombia, economic crisis, weak judicial system, lacking international counternarcotics cooperation, and permissive and corrupt environment. The report notes the following:

- Cocaine is trafficked via aerial, terrestrial, and maritime routes. Most drug flights depart from Venezuelan states bordering Colombia. Maritime trafficking includes the use of large cargo containers, fishing vessels, and "go-fast" boats.
- The vast majority of drugs transiting Venezuela in 2019 were destined for the Caribbean, Central America, the United States, West Africa, and Europe. Colombian drug-trafficking organizations—including multiple criminal bands, the Revolutionary Armed Forces of Colombia (FARC), and the National Liberation Army (ELN)—facilitate drug transshipment through Venezuela.
- According to the INCSR, Venezuelan authorities "failed to make demonstrable efforts to combat illegal drug activity and prosecute corrupt officials or suspected drug traffickers, including those sanctioned by the United States government."[141]

Using data from a U.S. interagency Consolidated Counterdrug Database, a March 2020 study released by the Washington Office on Latin America (WOLA) asserts that cocaine flows out of Venezuela fell from 2017 to 2018.[142] WOLA also maintains that while 210 metric tons of cocaine are estimated to have transited Venezuela in 2018, some 1,400 metric tons transited Guatemala that year.

Despite that recent trend, a 2018 report by Insight Crime entitled *Drug Trafficking Within the Venezuelan Regime: the Cartel of the Suns* describes in detail how the Venezuelan military, particularly the national guard, has been involved in the drug trade since 2002. It names officials who have been sanctioned or accused of drug trafficking-related crimes, as well as others for whom there is significant evidence of their involvement in the drug trade.

U.S. authorities have taken action against Maduro officials and their relatives involved in drug trafficking and related crimes.[143] On March 2, 2020, the Spanish government approved the

[140] The White House, "Presidential Determination—Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2020," August 8, 2019.

[141] U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2019 INCSR*, vol. 1, p. 271.

[142] Geoff Ramsey and David Smilde, *Beyond the Narcostate Narrative: What U.S. Drug Monitoring Data says About Venezuela*, WOLA, March 2020.

[143] Sources for this paragraph include the following: "Spain Approves Extradition of Venezuela's ex-spy Chief to the United States," Reuters, March 3, 2020; U.S. Department of Justice, U.S. Attorney's Office, Southern District of New York, "Venezuelan Minister And Former Vice President Tareck Zaidan El Aissami Maddah Charged With Violations

extradition of Venezuela's former intelligence chief, Hugo Carvajal, to the United States to stand trial for drug and weapons trafficking. In March 2019, a U.S. court charged former Vice President Tareck el Aissami with violating the Foreign Narcotics Kingpin Act. In December 2017, two nephews of First Lady Cilia Flores were sentenced to 18 years in a U.S. federal prison for conspiring to transport cocaine into the United States.

Money Laundering

In addition to drug trafficking, the 2020 INCSR discusses Venezuela's high level of vulnerability to money laundering and other financial crimes.[144] According to the report, money laundering is widespread in the country and worsened in 2019 as the Maduro government relaxed its controls over foreign exchange, prices, and imports. These policies resulted in a rapid dollarization of the economy and created opportunities for corruption for those with access to dollars.

Venezuela revised its laws against organized crime and terrorist financing in 2014 but excluded the government and state-owned industries from the scope of any investigations. The unit charged with investigating financial crimes has limited capabilities, and there is a lack of political will in the judicial system to combat money laundering and corruption. In June 2018, a U.S. district judge sentenced the Florida owners of a construction equipment export company who laundered $100 million from Venezuela to bank accounts in the United States and elsewhere.[145] Federal prosecutors are investigating another multi-billion dollar money laundering case involving two former oil sector officials and several others.[146]

Illegal Mining

Although more than 95% of Venezuela's export revenue comes from oil and gas exports, gold mining, both licit and illicit, has accelerated as the country's economy has collapsed in the face of low global oil prices and an ongoing political crisis. According to the Global Initiative against Transnational Organized Crime, 91% of gold produced in Venezuela was mined illegally—the highest rate in Latin America, even prior to the current crisis.[147] Over the past few years, a boom in illegal mining in Venezuela has reportedly contributed to deforestation and environmental degradation in indigenous areas, clashes between rival criminal gangs and violence committed by those gangs against miners whom they extort, and an outbreak of malaria (a disease that had been eradicated).[148] FARC dissidents and the ELN reportedly earn a majority of their income from illegal gold mining.[149] According to numerous reports, the illegal mining industry also commits various human rights violations, including the forcible recruitment of child labor from the indigenous Yanomami tribe.

Of The Foreign Narcotics Kingpin Designation Act," March 8, 2019.

[144] U.S. Department of State, 2020 INCSR, pp. 202-204.

[145] Brendan Pierson, "Florida Men Sentenced to Prison for Laundering Funds From Venezuela," Reuters, June 19, 2018.

[146] Jay Weaver and Antonio Mario Delgado, "Huge U.S. Money Laundering Probe Targets Widening Circle of Venezuelan Elites," *Miami Herald*, February 26, 2020.

[147] Global Initiative Against Transnational Organized Crime, *Organized Crime and Illegally Mined Gold in Latin America*, April 2016.

[148] Bram Ebus, "Militarization and Mining a Dangerous Mix in Venezuelan Amazon, " Mongabay, December 7, 2017; Maria Isabel Sanchez, "Inside the Deadly World of Venezuela's Illegal Mines," AFP, March 19, 2017; Stephanie Nebehay, "Malaria on Rise in Crisis-Hit Venezuela, WHO Says," Reuters, April 24, 2018.

[149] International Crisis Group, *Gold and Grief in Venezuela's Violent South*, February 2019.

Colombian Illegally Armed Groups Operating in Venezuela

Illegally armed groups are active on both sides of the Colombian-Venezuelan border. Venezuela's instability, weak institutions, and lawlessness have attracted the attention of drug trafficking and illegally armed groups from Colombia. The ELN, which is still engaged in armed conflict in Colombia, and its rival, the Popular Liberation Army (EPL), reportedly recruit Venezuelans to cultivate coca, the basic plant component of cocaine.[150] The Rastrojos, a criminal group of former paramilitaries, reportedly controls important gasoline smuggling routes between Venezuela and Colombia. The U.S. and Colombian governments have expressed particular concern about Venezuela sheltering both FARC dissidents and ELN fighters. A February 2020 *International Crisis Group* study maintains that those groups are present in 13 of 24 states and are heavily involved in illegal gold mining.[151] Violence among these groups and between these groups and the Venezuelan government has escalated, threatening security on both sides of the border. Colombia has protested periodic crossings into its territory by Venezuelan troops.

Human Trafficking

As the economic situation in Venezuela has continued to deteriorate, criminal groups have subjected men, women, and children to human trafficking both within Venezuela and abroad.[152] Within the country, victims are trafficked from rural to urban areas to serve as prostitutes or domestic servants. While Venezuelan women and girls are often trafficked abroad for sexual exploitation, men and boys are trafficked for forced labor and/or are forcibly recruited by Colombian illegally armed groups. Venezuelan migrants who have fled abroad lacking identity documents and work permits are particularly vulnerable to human trafficking.

The U.S. Department of State ranked Venezuela as Tier 3 for the sixth consecutive year in its June 2019 *Trafficking in Persons* (TIP) report. Although the Maduro government reported that it had conducted a training on how to serve victims of human trafficking, it did not report any data on TIP victims assisted, cases investigated or prosecuted, or any convictions for human trafficking. The State Department therefore determined that Venezuela did not meet the minimum standards for the elimination of human trafficking and was not making any effort to do so. In September 2019, the Trump Administration waived TIP-related sanctions on assistance to Venezuela that would have been triggered by that Tier 3 ranking, determining that the continuation of U.S. assistance to civil society for democracy and human rights was in the U.S. national interest. The State Department has also notified Congress of its intention to provide $3 million in FY2018 INCLE funds to help strengthen human trafficking efforts in countries affected by the Venezuela regional migration crisis.[153]

Terrorism

Since 2006, the Secretary of State has determined annually that Venezuela has not been "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms

[150] Helen Murphy and Luis Jaime Acosta, "Exclusive: Colombian Armed Groups Recruiting Desperate Venezuelans, Army Says," Reuters, June 20, 2019.

[151] International Crisis Group, *A Glut of Arms: Curbing the Threat to Venezuela from Violent Groups*, February 2020.

[152] U.S. Department of State, *2019 Trafficking in Persons Report: Venezuela*, June 20, 2019. See also Devon Cone and Melanie Teff, *Searching for Safety: Confronting Sexual Exploitation and Trafficking of Venezuelan Women and Girls*, Refugees International, August 2019.

[153] U.S. Department of State, CN #218, August 15, 2019.

Export Control Act (AECA). Per the AECA, such a designation subjects Venezuela to a U.S. arms embargo, which prohibits all U.S. commercial arms sales and retransfers to Venezuela. The most recent determination was made in May 2019.[154]

In 2008, the Department of the Treasury imposed sanctions (asset freezing and prohibitions on transactions) on two individuals and two travel agencies in Venezuela for providing financial support to Hezbollah, which the Department of State has designated a Foreign Terrorist Organization. The action was taken pursuant to E.O. 13224, aimed at impeding terrorist funding.

The State Department's most recent annual terrorism report, issued on November 1, 2019, stated that "country's porous borders offered a permissive environment to known terrorist groups."[155] The report mentioned FARC dissidents, ELN, and Hezbollah supporters as present in the country. Some Members of Congress have called for Venezuela to be designated as a state sponsor of terror. This designation would trigger an array of sanctions, including aid restrictions, requirement for validated export licenses for dual-use items, and other financial restrictions. Critics caution there is a lack of evidence to conclude that the Venezuelan government has "repeatedly provided support for acts of international terrorism," as required by law.

Outlook

Since 2017, analysts have debated how long Maduro can retain his grip on power and how best to help hasten a return to democracy in Venezuela. With his second term widely regarded as illegitimate within Venezuela and by much of the international community, Maduro has faced tough sanctions and a reenergized opposition under the leadership of Interim President Juan Guaidó. Despite two bold efforts by Guaidó and his supporters to encourage the Venezuelan military to abandon Maduro and sustained international pressure against him, Maduro remains the de facto leader of Venezuela. Given the rapidly deteriorating economic and humanitarian conditions in the country that are affecting the entire region, resolving the political crisis in Venezuela remains a top U.S. foreign policy priority.

This year, political attention in Venezuela and among those following the crisis internationally is focused on elections. Unclear, however, is whether and under what circumstances the opposition led by Juan Guaidó will agree to compete in elections. Also unclear is whether those elections will be strictly parliamentary, as Maduro likely favors (and are constitutionally required to occur by December 2020), or presidential as well (as Guaidó and his international supporters have proposed). Outside of elections or renewed negotiations, U.S. options to hasten a transition to democracy in Venezuela appear limited. Some observers have urged the Trump Administration to take even more aggressive measures to bring about a political resolution, such as increased secondary sanctions. Others argue that such actions could increase unrest or worsen the humanitarian situation, maintaining that support for a negotiated solution is the best course of action. In the absence of a political transition, the deteriorating humanitarian situation could increase pressure on U.S. allies throughout Latin America and the Caribbean that are hosting the majority of Venezuelans who have fled.

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[154] U.S. Department of State. Public Notice 10781, "Determination and Certification of Countries Not Cooperating Fully with United States Antiterrorism Efforts," 84 *Federal Register* 24856, May 29, 2019.

[155] Sources for this paragraph include the following: U.S. Department of State, "Western Hemisphere Overview," in *Country Reports on Terrorism 2017*, September 2018; Alex Daugherty, "What Would it Mean to put Venezuela on the U.S. List of Nations that Sponsor Terrorism?" *Miami Herald*, January 23, 2019; CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*, by Dianne E. Rennack; Amanda Erickson, "Venezuela Is a Tragedy, Not a Terrorist Threat," *Washington Post*, November 21, 2018.

The 116th Congress has closely followed developments in Venezuela, held oversight hearings to review the Trump Administration's policy responses, and developed and passed comprehensive legislation that aims to advance a negotiated solution to Venezuela's crisis. For example, Congress enacted the VERDAD Act of 2019 (S. 1025), as part of Division J, Title 1 of the Further Continuing Appropriations Act, 2020 (P.L. 116-94). It remains unclear whether the Senate will take up House-passed legislation (H.R. 549) that would give Venezuelans Temporary Protected Status (TPS). In the meantime, Congress is considering the Administration's FY2021 budget request for Venezuela and for humanitarian support for countries sheltering Venezuelans and overseeing U.S. funding and sanctions related to the Venezuela crisis. For more information on legislative initiatives on Venezuela in the 116th Congress, see **Appendix A**.

Appendix A. Legislative Initiatives in the 116th Congress

Enacted Legislation

P.L. 116-6 **(H.J.Res. 31), Consolidated Appropriations Act, 2019.** The measure provided $17.5 million for democracy and rule of law programs for civil society groups in Venezuela. The conference report (H.Rept. 116-9) required a strategy of how U.S. agencies are supporting communities that are sheltering Venezuelans throughout Latin America and the Caribbean. Introduced January 22, 2019. Signed into law February 15, 2019.

P.L. 116-92 **(S. 1790) National Defense Authorization Act, 2020.** Similar to H.R. 2204 and S. 1151, Section 880 of the measure prohibits federal contracting with persons who do business with the Maduro government. Introduced June 11, 2019. Signed into law December 20, 2019.

P.L. 116-94 **(H.R. 1865), Further Consolidated Appropriations Act, 2020.** Introduced March 25, 2019, and subsequently became the legislative vehicle for eight FY2020 appropriations bills. Signed into law on December 20, 2019. The measure provides $30 million in FY2020 assistance for democracy programs in Venezuela. It also incorporated provisions described below from the VERDAD Act (S. 1025), including authorizing $400 million in FY2020 humanitarian aid to Venezuela and $17.5 million in FY2020 funds to help the OAS and civil society organizations prepare for future elections in Venezuela. The act required, among others, a short-term U.S. humanitarian assistance strategy to address the needs of the Venezuelan people; a report within a year on the coordination and distribution of humanitarian assistance, including future efforts; a U.S. strategy to counter Russian influence in Venezuela; a coordinated sanctions strategy on Venezuela with partners in the Western Hemisphere and the European Union; a strategy to support a democratic transition in Venezuela under different scenarios (similar to S. 2583); and a report on accountability for human rights abuses committed by the Maduro government.

Legislative Initiatives Incorporated into Bills Passed Into Law

The following bills were incorporated into other bills passed into law.

H.R. 854 **(Mucarsel-Powell)**, **the Humanitarian Assistance to the Venezuelan People Act of 2019,** would require a strategy within 180 days of its enactment from the Department of State and USAID on the delivery of humanitarian assistance within Venezuela and for Venezuelans throughout Latin America and the Caribbean. Introduced January 29, 2019; amended and reported out of the House Foreign Affairs Committee March 14, 2019; House approved, as amended, March 25, 2019. (Incorporated into P.L. 116-94 above.)

H.R. 920 (Shalala), **the Venezuela Arms Restriction Act,** would restrict the transfer of defense articles, defense services, and crime control articles to any element of the security forces of Venezuela under the authority of a government of Venezuela that is not recognized as the legitimate government of Venezuela by the government of the United States (i.e., the Maduro government). It would require a report within 180 days of the enactment of the act on the transfer of covered articles or services to the Maduro government since July 2017. Introduced January 30, 2019; reported out of the House Foreign Affairs Committee March 14, 2019; House approved March 25, 2019. (Incorporated into P.L. 116-94 above.)

H.R. 1477 (Wasserman Schultz), **the Russian-Venezuelan Threat Mitigation Act,** would require the Secretary of State to submit an assessment within 120 days of its enactment on

Russian-Venezuelan security cooperation and the potential threat such cooperation poses to the United States and countries in the Western Hemisphere. Introduced February 28, 2019; reported out of the House Foreign Affairs Committee March 14, 2019; approved by the House March 25, 2019. (Incorporated into P.L. 116-94 above.)

S. 1025 (Menendez, **the VERDAD Act of 2019,** would establish as U.S. policy the pursuit of a peaceful, diplomatic solution to the Venezuelan crisis; authorize $400 million in new humanitarian assistance; prohibit visas for the family members of sanctioned individuals but establish a waiver with conditions to lift visa restrictions; remove sanctions on designated individuals not involved in human rights abuses if they recognize Venezuela's interim president; require the State Department to work with Latin American and European governments to implement their own sanctions; require the Departments of State, Treasury, and Justice to lead international efforts to freeze, recover, and repurpose the corrupt financial holdings of Venezuelan officials; and accelerate planning with international financial institutions on the economic reconstruction of Venezuela contingent upon the restoration of democratic governance. Introduced April 22, 2019; reported with an amendment in the nature of a substitute to include three House measures (H.R. 854, H.R. 920, and H.R. 1477) out of the Senate Foreign Relations Committee May 22, 2019. (Incorporated into P.L. 116-94 above.)

H.R. 2204 **(Waltz)/S. 1151(Scott)**, **the Venezuelan Contracting Restriction Act,** would prohibit an executive agency from entering into a contract for the procurement of goods or services with any person that has business relations with an authority of the Maduro government. Introduced in the House April 10, 2019; referred to the House Committee on Government Reform. Introduced in the Senate April 11, 2019; reported with an amendment in the nature of a substitute by the Senate Homeland Security and Government Affairs Committee September 19, 2019 (S.Rept. 116-85). (Incorporated into P.L. 116-92 above.)

H.R. 2500 (Smith), **the National Defense Authorization Act, FY2020,** would incorporate language similar to that of (H.R. 2204, S. 1151 and S. 1790) that would prohibit federal contracting with persons that do business with the Maduro government. Introduced May 2, 2019; amended by the House Committee on Armed Services (H.Rept. 116-120), House approved July 12, 2019. (For further action, see P.L. 116-92 above.)

H.R. 2740 **(DeLauro)**, **Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, FY2020,** incorporates the language of H.R. 2839 as Division D and references the report (H.Rept. 116-78) to H.R. 2839. It would provide $17.5 million for democracy and rule of law programs in Venezuela. Introduced and reported out of the Appropriations Committee May 15, 2019 (H.Rept. 116-62), House approved as amended June 19, 2019. (Incorporated into P.L. 116-94 above.)

H.R. 2839 (Lowey), **the Department of State, Foreign Operations, and Related Programs Appropriations Act, FY2020,** would provide $17.5 million in democracy and human rights aid to Venezuela. The report (H.Rept. 116-78) would direct Migration and Refugee Assistance and International Disaster Assistance to addressing the Venezuela migration crisis. Introduced and reported out of the Appropriations Committee May 20, 2019 (H.Rept. 116-78). (For further action, see H.R. 2470 and P.L. 116-94 above.)

S. 2583 (Graham), the Department of State, Foreign Operations, and Related Programs Appropriations Act, FY2020, would require a strategy for U.S. assistance under various scenarios for U.S. assistance in Venezuela. Introduced September 26, 2019; referred to the Committee on Appropriations. (See P.L. 116-94 above.)

Selected Legislative Initiatives

H.R. 1004 (Cicilline),**the Prohibiting Unauthorized Military Action in Venezuela Act,** would prohibit funds made available to federal departments or agencies from being used to introduce the armed forces of the United States into hostilities with Venezuela, except pursuant to (1) a declaration of war, (2) a specific statutory authorization that meets the requirements of the War Powers Resolution and is enacted after the enactment of this bill, or (3) a national emergency created by attack upon the United States or the armed forces. Introduced February 6, 2019; referred to the House Foreign Affairs Committee and the House Armed Services Committee; House Foreign Affairs Committee reported, as amended, April 9, 2019.

H.R. 549 (Soto), **the Venezuela TPS Act of 2019**, would allow certain Venezuelan nationals residing in the United States to qualify for temporary protected status, which prevents their removal from the United States and allows them to obtain employment and travel authorization. Introduced January 15, 2019; amended and reported (H.Rept. 116-168) out of the House Judiciary Committee May 22, 2019; House approved July 25, 2019.

S. 636 (Menendez), **the Venezuela Temporary Protected Status Act of 2019,** would designate Venezuela under Section 244 of the Immigration and Nationality Act to permit nationals of Venezuela to be eligible for Temporary Protected Status under such section. Introduced February 28, 2019; referred to the Judiciary Committee.

S.J.Res. 11 (Merkley), **the Prohibiting Unauthorized Military Action in Venezuela Resolution of 2019,** would prohibit U.S. department or agency funding from being used to introduce armed forces into hostilities with Venezuela, except pursuant to a specific statutory authorization by Congress enacted after this joint resolution. Introduced February 28, 2019.

Appendix B. Online Human Rights Reporting on Venezuela

Table B-1. Online Human Rights Reporting on Venezuela

Organization	Document/Link
Amnesty International	*The State of the World's Human Rights*, https://www.amnesty.org/en/countries/americas/venezuela/report-venezuela/
Committee to Protect Journalists	http://www.cpj.org/americas/venezuela/
Foro Penal Venezolano	http://foropenal.com/
Human Rights Watch	http://www.hrw.org/en/americas/venezuela
Inter-American Commission on Human Rights (IACHR)	http://www.cidh.oas.org/DefaultE.htm; *Annual Report of the IACHR 2018*, 2019, chapter IV includes a special report on Venezuela, http://www.oas.org/en/iachr/docs/annual/2018/TOC.asp
Programa Venezolano de Educación-Acción en Derechos Humanos (PROVEA)	http://www.derechos.org.ve/
Reporters Without Borders	https://rsf.org/en/venezuela
U.S. State Department	*Country Report on Human Rights Practices 2018*, March 13, 2019, https://www.state.gov/reports/2018-country-reports-on-human-rights-practices/
Venezuelan Politics and Human Rights	Blog hosted by the Washington Office on Latin America, http://venezuelablog.tumblr.com

Source: Congressional Research Service.

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