

# Updated FinCEN Advisory Warns Against Continued Corrupt Venezuelan Attempts to Steal, Hide, or Launder Money

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WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) today issued an updated [advisory](#) to alert financial institutions of continued widespread public corruption in Venezuela and the methods Venezuelan senior political figures and their associates may use to move and hide proceeds of their corruption. In addition to outlining the corrupt looting of Venezuela’s government-sponsored food distribution program, the advisory provides and updates a number of financial red flags to assist in identifying and reporting suspicious activity that may be indicative of corruption.

“Corrupt Maduro insiders continue to seek illicit revenue streams, even as the Venezuelan people and economy sink deeper into despair. We are alerting financial institutions that the Maduro regime is using sophisticated schemes, including the diversion of humanitarian assistance, to evade sanctions and maintain its grip on power,” said Sigal Mandelker, Under Secretary of the Treasury for Terrorism and Financial Intelligence. “The international financial community must be vigilant to prevent exploitation by corrupt regime insiders and their enablers, including front companies and foreign financial institutions that continue to prop up this illegitimate regime.”

“The Venezuelan people are being preyed upon by the illegitimate Maduro regime and their allies and acolytes, who are starving the Venezuelan people, depriving them of medical care, and using them as tools to support the regime’s thirst for money and power,” said FinCEN Director Kenneth A. Blanco. “The Venezuelan people are suffering an epic tragedy the proportions of which are rarely, if ever, seen in the Western hemisphere because of the greed and corruption by the illegitimate Maduro regime. The United States will not allow our financial system to be abused for the benefit of foreign kleptocrats trying to stash their secret fortunes and buy homes, yachts, and airplanes in the United States and create ever more wealth for the Maduro regime’s inhumane purposes. This money rightfully belongs to the people of Venezuela. FinCEN and its financial institution partners will continue to work together to cut off the flow of dirty money.”

On January 23, 2019, the United States recognized the President of the Venezuelan National Assembly, Juan Guaidó, as the Interim President of Venezuela and the

legitimate leader of the Venezuelan people. The illegitimate regime of former Venezuelan president Nicolas Maduro has engaged in massive corruption through state-owned enterprises and offshore third parties. In recent years, financial institutions have reported increased activity with suspected links to Venezuelan public corruption, including government contracts.

FinCEN is warning of the misuse of Venezuela's government-sponsored food distribution program called Los Comités Locales de Abastecimiento y Producción ("Local Supply and Production Committees") which is commonly referred to as the "CLAP program." CLAP was created in 2016 for the publicly stated purpose of providing subsidized food rations to Venezuelan citizens. The illegitimate former Maduro regime is using the CLAP program to provide subsidized food to its supporters, withhold food from ordinary Venezuelan citizens and those critical of the regime, and enrich corrupt regime insiders and their allies through embezzlement, price manipulation, and trade-based money laundering schemes using front and shell companies.

The Maduro regime also has experimented with the use of digital currency to circumvent sanctions and generate revenue. It has developed a digital currency called the "petro" and reportedly continues to develop new tokens. In 2018, the Russian bank Evrofinance Mosnarbank emerged as the primary international financial institution willing to finance the petro. In March of 2019, Treasury's Office of Foreign Assets Control (OFAC) sanctioned Evrofinance Mosnarbank for materially assisting, sponsoring, or providing financial, material, or technological support for, or goods or services to or in support of, Petroleos de Venezuela S.A. (PdVSA). Financial institutions are reminded that [Executive Order \(E.O.\) 13827](#) prohibits U.S. persons from any involvement in the petro digital currency.

Financial institutions should take risk-based steps to identify and limit any exposure they may have to funds and other assets associated with Venezuelan public corruption fueled by the Maduro regime. However, financial institutions should be aware that normal business and other transactions involving Venezuelan nationals and businesses do not necessarily represent the same risk as transactions and relationships identified as being connected to the former Venezuelan regime.

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