

Congress of the United States
Washington, DC 20515

June 5, 2018

The President
The White House
Washington, DC

Dear Mr. President:

We appreciate your commitment to implementing the *Global Magnitsky Human Rights Accountability Act* (“the *Global Magnitsky Act*”) in order to hold accountable those responsible for human rights abuses, corruption, and illicit activities. As the political situation in Nicaragua worsens, we ask you to determine whether Nicaraguan nationals Francisco Lopez and Francisco Diaz meet the criteria to be held accountable under the *Global Magnitsky Act*.

Last year, many of the undersigned Members of Congress sent you a letter urging you to take immediate action to determine whether Nicaraguan nationals Roberto Jose Rivas Reyes and Francisco Lopez met the criteria to be sanctioned in accordance with the law. We wish to express our appreciation for your Administration’s designation of Mr. Rivas on December 21, 2017, but more can and should be done.

As we wrote last year, we firmly believe that ALBANISA, the subsidiary of Petróleos de Venezuela (PDVSA) in Nicaragua should receive scrutiny from our law enforcement and Treasury Department officials. In early 2017, U.S. embassy officials arranged a meeting for the Office of Foreign Assets Control (OFAC) to brief the Nicaraguan business community about risks associated with continuing business deals with ALBANISA, PDVSA’s subsidiary in Nicaragua.

In our letter, we also asked for you to consider **Francisco Lopez**, Vice-President of ALBANISA, for designation under the *Global Magnitsky Act*. Francisco Lopez is accused of signing and profiting from loans as head of that organization. We provided the following media excerpts that focus on Mr. Lopez’s problematic stewardship in this position:

- According to a *Confidencial* article published on January 1, 2013, Mr. Lopez used his power to grant an almost \$1 million contract to his own family-owned *Tecnología y Sistemas S.A.* (Tecnosa, by its designation in Spanish). The check was given as a “deposit” for a social program, *Calles para el Pueblo*. However, after investigating the project, there was little information found. In fact, no municipalities were listed and none of the municipalities had even heard of Tecnosa.
- *Confidencial* also states that the check signed by Mr. Lopez cited in the article is half of the almost \$1 million contract that comes from the “Venezuelan state cooperation that has been privatized.”
- *Plaza Publica* published information similar to that contained in the *Confidencial* report on January 28, 2013, but added that Tecnosa benefited under the Ortega government by receiving tax exemptions and loans from another Nicaraguan agency under scrutiny, *Instituto de Seguridad Social*, for the same project named above.
- Mr. Lopez was also listed as board member of BANCORP, bank of ALBANISA, until his name disappeared from the website on January 12, 2018.

As you are aware, last month, Daniel Ortega sought to unilaterally impose reforms to the *Instituto de Seguridad Social* (INSS), which due to corruption and mismanagement has been running on a deficit. Under these reforms, employers would have to contribute a higher portion of their salary towards social security. This attempt was met with strong opposition and triggered widespread protests. In response, Ortega unleashed the government's National Police on these protesters. According to recent reports, as of May 28, at least 81 people have been killed, over 868 people have been injured, and more than 438 have people been detained.

On April 22, your Administration stated that "[w]e condemn the violence and the excessive force used by police and other against civilians who are exercising their constitutional right to freedom of expression and assembly." Then, on May 31, your Administration also stated that "those individuals responsible for human rights violations will be held accountable by the international community in international fora."

Therefore, we now urge you to investigate **Francisco Diaz**, Deputy Commissioner of the National Police and de facto Director, to determine whether he is eligible to be sanctioned under the *Global Magnitsky Act* for abusing the fundamental human rights of the Nicaraguan people and for his role in the killings of dozens of peaceful protesters.

On May 9, 2018, a group of police officers attacked the habitants of a small community in Managua, according to reports. Journalists who were covering the incident were threatened by 30 armed National Police officers. Francisco Diaz made a statement saying the police were only monitoring traffic and that four members of the patrol were hurt by bullets. Eyewitnesses denied his version of the story.

Elsewhere at least three students were allegedly killed for taking part in protests around the Polytechnic University and National University. The *Associated Press* confirmed the mobilization of police against the protestors. Francisco Diaz denied any police presence in the area, according to the *Washington Post*.

These are not isolated incidents. 20 young Nicaraguans were beaten and stripped of their belongings in front of the Supreme Electoral Council in 2012, after the students had spent 29 days asking for the expulsion of the de facto magistrates on the council, according to reports. When asked about the incident, Mr. Diaz minimized the situation and said that the National Police was determined to "consolidate and strengthen citizen security" and "prevent drug trafficking."

The people of Nicaragua have taken to the streets en masse to protest Daniel Ortega's relentless and brutal oppression for over a month now, and they are calling for help. We must not allow human rights abusers and corrupt officials to continue violating their rights without consequence. Instead, we must make it clear to the Ortega regime that the era of impunity for abuses is over, and that the United States stands with the Nicaraguan people in their fight for the rule of law and for basic freedoms.

Therefore, we call on the Department of State and the Department of Treasury, working with other relevant Executive Branch agencies, to promptly investigate Francisco Lopez and Francisco Diaz and, if merited, to impose sanctions against them as authorized under the *Global Magnitsky Act*. We look forward to your response and a continued dialogue with you to support the robust implementation of the *Global Magnitsky Act*.

Sincerely,



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Chairman Emeritus
House Foreign Affairs Committee



ELIOT L. ENGEL
Ranking Member
House Foreign Affairs Committee



MARCO RUBIO

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Subcommittee on Western Hemisphere,
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