

## **US hits 'corrupt' Venezuela oil firm PDVSA with sanctions**

[Desperate Venezuelan women are selling their hair at the border](#)

**The US has imposed sanctions on Venezuela's state-owned oil firm PDVSA and urged the country's military to accept a peaceful transfer of power.**

National Security Adviser John Bolton said President Nicolás Maduro and his allies could "no longer loot the assets of the Venezuelan people".

Efforts by the opposition to unseat Mr Maduro have increased in recent days.

The US and more than 20 countries have recognised opposition leader Juan Guaidó as interim president.

Treasury Secretary Steven Mnuchin said the proceeds of the purchase of Venezuelan oil would now be withheld from Mr Maduro's government, but the company could avoid sanctions by recognising Mr Guaidó.

Venezuela is heavily reliant on the US for its oil revenue - sending 41% of its oil exports there - while it remains in the top four crude oil suppliers to the US.

Mr Maduro later announced he had told PDVSA to launch "political and legal action, in US and international courts" to protect its US subsidiary Citgo.

In other developments:

- Mr Guaidó says he is ordering Venezuela's Congress to name new heads of the PDVSA and Citgo, as he aims to take control of the country's assets
- The government has devalued its currency, the bolivar, by almost 35% to align it with the black market exchange rate

### **What is the US calling for?**

Mr Bolton and Mr Mnuchin said the sanctions were intended to prevent Mr Maduro's government from taking funds from the state oil company.

"We have continued to expose the corruption of Maduro and his cronies and today's action ensures they can no longer loot the assets of the Venezuelan people," Mr Bolton said.

The US action blocks all PDVSA property and interests subject to US jurisdiction, and prohibits US citizens from engaging in transactions with them.

But Mr Mnuchin said US-based subsidiary Citgo could continue operations if its earnings were deposited in a blocked account in the US.

Mr Bolton also urged Venezuela's military to "accept the peaceful, democratic and constitutional transfer of power".

As Mr Bolton was announcing the sanctions at a Washington news conference, observers spotted a handwritten message on his notepad.

It read "5,000 troops to Colombia", though it is unclear what this means.

One observer suggested the apparent gaff may be an infringement of operational security.

Mr Bolton declined at the press conference to rule out military involvement in Venezuela.

A White House spokesperson later said when asked about the note: "As the President has said, all options are on the table."

However, one US official anonymously told AFP news agency "we are not seeing anything that would support" a possible troop deployment to Colombia.

Earlier in the day a state television broadcast showed Mr Maduro welcoming home diplomats recalled from Washington DC.

Venezuela broke off relations with the US last week in response its recognition of Mr Guaidó as interim leader and ordered all US diplomats to leave the country.

However, on Saturday Venezuela's foreign minister announced it would allow 30 days for the two sides to set up "interest offices" in each others' countries.

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## **An unclear impact**

**By BBC's Natalie Sherman**

The US decision to impose sanctions on Venezuela's state-owned oil company was aimed at ratcheting up pressure on the Maduro government.

Still, it's hard to predict how much of an impact the move will have, especially since US refineries had reduced orders in recent months in anticipation of this step, according to Mr Mnuchin.

The Maduro government has proven resilient, despite an economy in crisis, an already sharp contraction in oil production and other US efforts to isolate it. If countries such as China and Russia continue to support Venezuela, the government may be able to appeal to them for additional help.

Ivan Briscoe, the International Crisis Group's program director for Latin America, told me on Friday he thought Maduro could survive additional sanctions.

Meanwhile, he warned that the situation for Venezuelans would get worse should the US, China and Russia continue to treat the country as a "football in a bigger political game".

### **Who supports whom?**

Russia, China, Mexico and Turkey have publicly backed Mr Maduro.

At a UN Security Council meeting on Saturday, Russia accused Washington of plotting a coup.



Who's really in charge in Venezuela? The BBC's Paul Adams explains

However, more than a dozen Latin American countries and Canada have backed Mr Guaidó as president.

And on Saturday, several European countries including Spain, Germany, France and the UK said they would recognise Mr Guaidó as president if elections were not called within eight days.

### **Why is Maduro so unpopular?**

Venezuela is in economic crisis - hyperinflation and shortages of basic essentials have hit its population hard and caused millions to flee.

Mr Maduro has faced internal opposition and ongoing international criticism for his human rights record and handling of the economy.

He was re-elected to a second term last year - but the elections were controversial, with many opposition candidates barred from running or jailed.

Supreme Court judge [Christian Zepa fled to the US in January](#), telling journalists the election "was not free and competitive".

## Countries supporting Nicolás Maduro and Juan Guaidó



\*The European Union has called for new elections in Venezuela.

Data as of 25 January 2019 at 10:30 GMT

BBC

### Questions:

1. Explain the current conflict over who is in charge of the government in Venezuela. Who are the two competitors for political control?
2. What two methods is the United States using to force a transfer of power in Venezuela?
3. What competing steps are Venezuela president Maduro and acting president Guaidó taking in the crisis?
4. How much impact, according to the article, might sanctions have on Venezuela?
5. How have countries other than the United States reacted to Guaidó's declaring himself the acting president of Venezuela?
6. Do you think countries have the right and/or duty to get involved in domestic political disputes? If yes, under what conditions? Does the crisis in Venezuela meet your conditions?