



Written by [Bob Adelman](#) on May 22, 2019

U.S. Threats and Sanctions Forcing Venezuela's Maduro to Negotiate

It's clear that the sanctions being imposed by the White House on Nicolás Maduro's tottering regime in Caracas are forcing him into negotiating with his opposite number. Last week the Associated Press [reported](#) that talks between Juan Guaidó's people and Maduro's were scheduled to take place in Norway.



Those sanctions, which have been applied to dozens of Maduro's top officials, have extended to countries doing business with the Marxist regime. Consequently, Maduro's primary source of revenue from his state-owned oil producer PdVSA has been cut drastically. In the past two years, oil exports have dropped from more than three million barrels of crude a day to 500,000 barrels a day. And most of that production is committed to Cuba in exchange for its military and technical support.

In April, the White House applied sanctions on the Central Bank of Venezuela, sharply limiting its access to American dollars. Those sanctions also severely limit the bank's ability to conduct the sale of what remains of Maduro's gold reserves. Maduro has been selling off his country's reserves to Turkey and other countries in exchange for desperately needed food and medicines.

Those sanctions on Maduro's central bank were designed not only to hamper its ability to provide resources for his administration but also to give a warning to other central banks. As Ali Moshiri, Chevron's former top executive in Venezuela, said, "You deal with the Venezuelan Central Bank, we are going to come after you." The point is "to strangle financially the government of Venezuela," said Jose Valera, an energy lawyer familiar with the details. The *New York Times* was candid in its assessment of the success of those sanctions, saying that they are "ravaging Venezuela's vital oil sector and imports, making it increasingly difficult for Mr. Maduro to govern."

On Tuesday the Trump administration ratcheted up those sanctions further, targeting a money-laundering scheme connected to the government's emergency food program called CLAP. That program supplies the bare necessities for more than 15 percent of Venezuela's citizens and substantially assists many more.

But control of that program was assigned to a close friend of Maduro's, a Colombian drug lord named Alex Saab Moran, already under investigation by the U.S. Drug Enforcement Administration. Through a series of false-front corporations, Saab Moran created agreements with suppliers to ship the goods to Venezuela while taking massive kickbacks through overcharges, sometimes three or four times the



Written by [Bob Adelman](#) on May 22, 2019

value of the goods, according to U.S. officials. Those funds have then been transferred to various accounts across the globe owned or controlled by Saab Moran or members of his family.

The U.S. Treasury alerted numerous financial institutions that sanctions were being applied. Said senior Treasury official Sigal Mandelker, "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."

The U.S. Treasury is also preparing to take action against the currency-trading schemes top military officials in Maduro's government have been using to enrich themselves.

Although the results of the Norway negotiations haven't been released, Guaidó's people are taking a hard line. They have made three non-negotiable demands: an end to Maduro's regime, its replacement by an interim government, followed by the holding of "free and fair" elections.

What is clear is that if those negotiations fail, the Trump administration is prepared to continue to ramp up sanctions against Maduro's regime until compliance has been achieved.

Photo: AP Images

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American, writing primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe