

Congress of the United States

Washington, DC 20515

May 8, 2017

The Honorable Steven Mnuchin
Secretary
United States Treasury Department
Washington, D.C.

Dear Secretary Mnuchin,

As members of the bipartisan Congressional Caucus on Sudan and South Sudan, we look forward to working with the Trump Administration to implement a strong, effective strategy toward South Sudan that includes the development of real leverage over the country's warring leaders in order to more effectively promote peace and reconciliation. We urge the Treasury Department to play a leading role in utilizing the full range of financial tools at the United States' disposal to target the corrupt and kleptocratic networks at the core of South Sudan's civil war.

Following decades of conflict with the genocidal regime in Khartoum, South Sudan gained independence from Sudan in 2011. Despite initial optimism about the future of the world's newest country, its people have spent the past three years entangled in a brutal civil war. The conflict has prompted the collapse of the South Sudanese economy and a humanitarian disaster continues to unfold, marked by widespread food insecurity, internal displacement, a regional refugee crisis, as well as rampant sexual and gender-based violence. In February of this year, the incredibly rare declaration of famine was made by the UN in parts of South Sudan, with 100,000 facing immediate starvation and another million on the brink.

In South Sudan today, the sad truth is that war crimes pay. There is no accountability for the corrupt rulers, who loot state resources, commit mass atrocities against civilians, and who are directly responsible for creating this newly-declared famine. The truth is that both government and rebel forces attack civilian targets much more frequently than they attack each other. By raiding cattle and agricultural areas, they stymie agricultural production and impoverish entire communities while simultaneously restricting humanitarian organizations' access to those facing starvation.

Billions in U.S. taxpayer dollars have supported peacekeeping forces and life-saving humanitarian assistance in South Sudan, and yet one peace process after another has failed to break the cycle of violence. In order to decisively alter the calculations of those responsible for

the worst of the violence, the United States government must now focus on making war costlier than peace by stemming illicit financial flows to the corrupt leaders who have hijacked the government for personal gain. Fully utilizing anti-money laundering laws and targeted sanctions against high level targets and their business networks will protect the U.S. dollar and banks from being used to facilitate corruption, conflict, and terrorism while creating leverage to implement the U.S. government's strategy for peace. These financial tools are a cost-effective means to counter extremism and war that has proven effective in other areas such as terrorism and nuclear non-proliferation.

Specifically, we urge Treasury to pursue the following actions with regard to South Sudan:

1. Deny specific South Sudanese individuals and entities, and their foreign facilitators and enablers, access to the international financial system by designating them for targeted sanctions, including:
 - a. The officials responsible for on-going violence in Unity state, as well as any individual involved in the obstruction of humanitarian assistance.
 - b. High-level political and military elite who are responsible for the worst atrocities throughout the conflict or spoiling ongoing efforts to achieve peace.
 - c. The corporate networks of these individuals, including the dozens of companies they are shareholders of or otherwise control across the South Sudanese economy, as well as their business associates.
2. Utilize anti-money laundering measures to make it difficult for war profiteers to use the international banking system. This should include issuance of an Advisory by the Financial Crimes Enforcement Network (FinCEN) regarding the laundering proceeds of corruption through purchases of real estate by senior South Sudanese officials. FinCEN should then review information provided in response to this Advisory and other investigative efforts to determine whether this class of transactions or other avenues of money laundering from South Sudan should be determined to be a "primary money laundering concern" under Section 311 of the Patriot Act. At the same time, the Administration should develop a strategy to ensure that actions recommended under this paragraph do not impede access by humanitarian and other aid organizations to the financial services necessary to provide for the safe and timely delivery of assistance to communities in need in South Sudan.
3. Robustly enforce both anti-money laundering provisions and targeted sanctions efforts through active investigation and diplomatic engagement with banks not only in the United States, but also in Europe and in the countries surrounding South Sudan, such as Kenya and Uganda.

While humanitarian assistance is urgently needed to save lives, the conflict runs the risk of continuing in perpetuity if we do not also address the structural causes and motivating factors behind South Sudan's wide-scale violence and famine. We look forward to working together in support of American values and interests by leveraging the financial tools at your disposal to

prevent South Sudan's corrupt leaders from continuing to profit from the horrors they are inflicting on their own people.

Sincerely,



Barbara Lee
Member of Congress



Thomas J. Rooney
Member of Congress



Michael E. Capuano
Member of Congress



Karen Bass
Member of Congress



Trent Franks
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