

IMPLEMENTATION OF THE GLOBAL MAGNITSKY LAWS

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

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IMPLEMENTATION OF THE GLOBAL MAGNITSKY LAWS

THURSDAY, DECEMBER 5, 2024

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:38 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin L. Cardin presiding.

Present: Senators Cardin [presiding], Shaheen, Kaine, Van Hollen, Helmy, and Risch.

OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

The CHAIRMAN. The Senate Foreign Relations Committee will come to order.

First, let me say as one of my last responsibilities in chairing this hearing, it could not be a more appropriate subject for today's hearing, the implementation of the Global Magnitsky laws, and to have our two distinguished witnesses that are here.

First, I want to thank the members of the committee for their cooperation during my term as chair of the committee. It has been an incredible honor. I want to thank Senator Risch for his cooperation.

I want to acknowledge that why this is so appropriate that when I was a freshman member of this committee, sitting where Senator Helmy is sitting today, I got engaged with the tragedy of Sergei Magnitsky.

It was during that period that we were working with Bill Browder, working with Sergei Magnitsky, his tragic circumstances of being imprisoned, and we wanted to do something about it.

So I introduced the Sergei Magnitsky Rule of Law Accountability Act as a way of saying that we will hold abusers accountable even if their own country does not, and I think the story is well understood.

Sergei Magnitsky was a young attorney. He represented a client. Discovered corruption—significant corruption, \$230 million of tax revenues that were taken. He did what any lawyer is required to do and that is reported to the authorities.

As a result of reporting it to the authorities in Russia, they arrested him. They encouraged him to recant his testimony. He refused to do that. They tortured him and murdered him, and we wanted to make sure there was accountability for that action.

I could tell you we were encouraged by the greatest advocate I have ever met, Bill Browder, that this crime should not go without accountability.

So, we did something different in the Sergei Magnitsky Rule of Law Accountability Act. We imposed sanctions on the individual.

Prior to that, we had a lot of country sanctions that would apply if a country did something wrong. We use it today. For example, when Russia invaded Ukraine, we had sanctions against Russia. When Iran violated their nuclear obligations, we have sanctions against Iran.

But in this case we have individual sanctions that hurt the abuser because it prevents them from traveling to the United States or using our banking system, something that they want to do. They want to be protected by the rule of law even though they are in countries that do not respect the rule of law.

And it has worked, but the matter that we learned quickly—I think Senator Risch and I understand this very dramatically—it is up to Congress to take action. The executive branch is slow to respond to these types of circumstances, and it has been the legislative branch of government that has been the one that has responded with action.

And Senator Risch, it was the person who held your position when I first came to this committee, Senator Lugar, who worked with me so that we could get the Sergei Magnitsky Rule of Law before our committee for a vote, and I will be always be indebted to him.

It is effective. It was so effective we decided to make it global, and make it permanent, and I want to thank the late Senator John McCain who was a real champion of the Global Magnitsky law.

It helped that he had the leadership position on the Armed Services Committee because we got it into the National Defense Authorization Act. I also want to thank Senator Wicker for his incredible work in getting these laws passed.

When the U.S. leads other countries follow, and we see now, thanks to our efforts and thanks to Bill Browder's efforts, a dozen countries—two dozen countries have now passed Magnitsky type sanctions. It truly is the global standard for penalizing abusers for the actions that they have taken.

So 7 years ago the first sanctions under the Global Magnitsky Act included a former president of Gambia for his terror and assassination squad, a Pakistani insurgent leading an organ trafficking network, an Israeli mining executive who enriched themselves with corrupt dealings, costing the Democratic Republic of Congo, one of the poorest nations in the world, more than a billion dollars in revenues.

And just this year, we have seen the Magnitsky sanctions used on a Cambodian businessman who trafficked workers into a cyber scam mill that stole victims' money; two Georgians who encouraged violent attacks against protesters, journalists, and police officers; a former member of the Haiti parliament who helped form one of the most violent gangs in the country.

These sanctions are being utilized, and they are working. And we can be very proud of the effort that this committee and the U.S. Senate has made in advancing these areas.

Back to Senator McCain for one moment. It was his suggestion that we tighten the use of the Magnitsky sanctions against corruption, and he was responsible for expanding the sanctions against corruption. The Biden administration recognizes that corruption is a core U.S. national security interest, and we have passed in this committee the Combating Global Corruption Act, which is now the law of the land, thanks to my help of Senator Young, which now is a strategy to combat corruption by our missions around the world.

So to this hearing. Yes, we can celebrate our success, but we need to talk about the future of targeted sanctions and how we can protect human rights defenders. I hope we will see 1 day the enactment of legislation I have authored, the International Freedom Protection Act.

It has passed our committee, and it may require some work in future Congresses. I encourage my colleagues to keep a close eye on that bill and try to get it to the finish line.

I also want to acknowledge one of Bill Browder's recommendations that we have two dozen countries that have Magnitsky sanctions. Can we not coordinate this better?

We have had several hundred individuals who have been sanctioned under Magnitsky. Still, there is no coordination among nations with Magnitsky type sanctions, and I think it is incumbent upon all government officials. We have an obligation to advance policies that respect human freedom and the dignity of individuals, and this is especially true of those of us who live in democracies.

It is our value based foreign policy that distinguishes us from the autocratic countries of the world, and I think we have a responsibility to make sure that we can do this better.

We have two very distinguished witnesses that I will have a chance to introduce with greater introductions but just to acknowledge Adam Keith, who has a career of holding human rights abusers accountable, and Bill Browder, who was the client—his company was the client of Sergei Magnitsky. He is the chief advocate for the passage of the Magnitsky sanctions here and around the world.

With that, let me yield to the distinguished ranking member, Senator Risch.

**STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Well, Mr. Chairman, thank you, and it is appropriate that we do have this hearing as we wind down here in this Congress.

Certainly, this will go down as your personal legacy and one of your legacies—important legacies that you leave behind. It has been a real honor and privilege working with you and getting to know Myrna, who is here today, and glad to see her here and join us and appropriate you are here for this particular hearing.

I want to make a few remarks about the Magnitsky Act, and this sanctions legislation has helped hold accountable malign actors across the globe for human rights abuses and corruption.

I am proud of the work we did together to permanently authorize the Global Magnitsky authority. While 2012 Magnitsky sanctions

were originally written to counter Russia's human rights violations, corruption, and other illegal activities, their expansion has enabled the U.S. to clear the way for people across the world to fight for their rights.

I appreciate hearing your thoughts on how we can strengthen this. In particular I like the idea of the coordination. I think that is incredibly important. Our sanctions work best when we do coordinate with other countries.

Since 2016 the global tool has been used almost 250 times against individuals and 300 times on entities. While significant, we must always consider how to expand and improve implementation in the most effective way.

Over the past week the Georgian government has brutally cracked down on pro-EU demonstrations. We have to consider how we can use the tools at our disposal to defend basic rights and preserve our environment where people can freely and fairly decide their future.

And to Senator Shaheen, I want to thank you for this morning, arranging the phone call with the president of Georgia that we had. It was enlightening, and hopefully we will be able to make some progress in that regard.

First, the role of Congress in sanctions designations have been challenged. The law requires the President to respond to the leadership of this committee within 120 days of receiving a Global Magnitsky letter.

The response must include a determination if a foreign person has engaged in sanctionable activity. Along with the chairman, I have written numerous letters to the Department of State recommending sanctions and have not received a single substantive response from this Administration.

I want to assure you, Mr. Chairman, that we are going to pursue this into the next Administration, and I have already opened negotiations to see if we cannot do better in that regard.

A very clear example of this is Sudan. On April 19 I led a letter to President Biden, joined by Chairman Cardin, Representative McCaul, and Meeks—the four corners—urgently requesting Global Magnitsky sanctions on Sudan's Rapid Support Forces and its leader, commonly known as Hemedti.

In response, the State Department replied with, we will, quote, "consider how best to use designations under Global Magnitsky and other authorities to advance our policy objectives without undermining ongoing negotiations." They did not put in there—by the way, this is a form letter—but that is how I took it.

While they blew us off, we also did not receive the report on determination that is required by law. In the meantime, the Biden administration has continually held rounds of talks in Jeddah and Geneva, all failures, while millions die and are displaced in Sudan.

Meanwhile, regional stability is under threat, and outside actors including thorough UAE support to the RSF engaged in a proxy war on Sudanese soil.

This is a clear, missed opportunity to use Global Magnitsky sanctions, and I have no doubt it is exactly what you had in mind, Mr. Chairman, as we did this.

Another concern I have is with the haphazard approach to implementation. Congress does not have insight into the process and has seen unbalanced approaches to which individuals are sanctioned.

In particular, the delayed timing to sanction the convicted former president of Ecuador, Korea, and lack of sanctions against former president of Argentina, Cristina Fernandez, are concerning.

With that, I look forward to hearing more from the witnesses on how we can improve this very important tool and carry your legacy forward, Mr. Chairman.

Thank you.

The CHAIRMAN. Thank you, Senator Risch.

You have really underscored the point I made in the beginning, and that is it really is up to Congress to make sure that these policies are enacted and enforced, and I have worked with the Biden administration, worked with the Trump administration, and I am proud of the record of both of those Administrations in using the Magnitsky sanctions.

But I do think we need a closer relationship between the intent of Congress and the implementation of our laws, so I very much support that, and I appreciate you mentioning Senator Shaheen and Georgia.

Absolutely, we hope that the Magnitsky sanctions will be helpful in getting Georgia on the right path, because what is happening there today, as we speak, on the ground is unacceptable what the current authorities are doing against the people of Georgia.

So, to me that is a prime example where the Magnitsky sanctions can help, and Sudan is just—the tragic situations there cry out for us using every tool in our diplomatic toolbox to help deal with the humanitarian crisis in Sudan.

So, I appreciate you mentioning those issues, and I can tell you I will be working with Bill Browder, lobbying you all to do the best you can in the next Congress.

We have two very distinguished witnesses today. Let me first introduce Mr. Adam Keith who is the senior director for accountability at the U.S. nonprofit organization for Human Rights First where he oversees the organization's work with civil society groups using the Global Magnitsky Act and other tools to seek accountability for human rights abuses and corruption.

He worked for 10 years as a career civil servant for the United States Department of State including an assignment to the National Security Council staff, and he has consulted for the U.S. Holocaust Memorial Museum and the Open Society Justice Initiative.

Our second witness is Mr. William Browder, who was the largest foreign investor in Russia until 2005 when he was denied entry to the country—join the group here—and declared a threat to national security for exposing corruption in Russian state owned companies.

As I indicated, it was his company that was the client of Sergei Magnitsky. Bill Browder has told that story to the global community through "Red Notice." I always run into people who say, gee, I did not know you did what you did. So thank you for including some of us in your book.

But it does tell the story, and it is accurate in exposing what happens in Russia when Sergei Magnitsky was murdered and still happening in Russia today.

Mr. Browder has sought justice outside of Russia and started a global campaign for governments around the world to impose targeted visa bans and asset freezes on human rights abusers and highly corrupt officials.

So, we thank both of you for being here. Your full statements will be made part of the record. We would ask if you could try to summarize your statements in about 5 minutes so we can be engaged in a conversation.

Mr. Keith.

STATEMENT OF ADAM KEITH, SENIOR DIRECTOR, ACCOUNTABILITY, HUMAN RIGHTS FIRST, NEW YORK, NEW YORK

Mr. KEITH. Thank you.

Chairman Cardin, Ranking Member Risch, thank you very much for holding this hearing on the implementation of Global Magnitsky sanctions and for the opportunity to testify before the committee.

Human Rights First is an independent U.S. based nonprofit organization that for more than four decades has pressed the United States to promote, defend, and uphold human rights.

We work with and we help organize an informal global coalition of civil society organizations that advocate for the use of targeted Magnitsky style sanctions as a way to promote accountability for human rights abuse and corruption.

And thanks to the work of Senator Cardin, among others, and activists like Mr. Browder the United States is now one of several countries that have this tool.

As the executive branch implements the Global Magnitsky Act, Congress has directed it to consider, among other things, credible information obtained by nongovernmental organizations that monitor violations of human rights.

To that end, we partner with other NGOs to make recommendations to governments regarding specific perpetrators who meet the criteria for sanctions. We also publish resources that analyze and explain how these sanctions work, what the legal standards are, and how they are being used.

We welcome very much this first ever hearing focused on Global Magnitsky implementation. Legislative oversight is incredibly important to ensuring that this tool is used effectively and credibly, and we urge the committee to keep up this oversight in the new Congress and specifically to prioritize hearing directly from human rights defenders and advocates who are on the front lines fighting for accountability in their countries, including women and other marginalized groups whose voices are often overlooked.

One key question for oversight is what impact these sanctions have. That always depends on the context and the way in which they are used. But civil society organizations have remained interested in this tool for 8 years because they have seen it have a variety of positive impacts in specific cases during both the Biden and Trump administrations.

Among other things, U.S. sanctions under Global Magnitsky or a similar visa ban program have helped keep a spotlight on the political prisoner Vladimir Kara-Murza while he was in Russian custody and helped build the diplomatic consensus that led to securing

his release; abruptly, if temporarily, stopped a notorious paramilitary force in Bangladesh from committing extrajudicial killings; forced the removal of a Chinese fishing company involved in forced labor from a major U.S. stock exchange; spurred the investigation and prosecution of a powerful official allegedly engaged in corruption in Latvia; helped anti-corruption champions in Ukraine pass a key legislative reform; and frozen the U.S. based assets of a former Gambian dictator that were then forfeited in civil proceedings.

Targeted sanctions are never a magic wand, and action under a Magnitsky style sanctions program is not by itself a strategy or a foreign policy that promotes human rights.

Other factors matter at least as much, including whether the government is providing security assistance to an abusive partner or turning a blind eye to corruption because of competing commercial or diplomatic interests.

But Magnitsky sanctions can be an element of effective human rights diplomacy. That is why Human Rights First monitors how the U.S. Government is implementing the Global Magnitsky program.

The Biden administration has taken several welcome steps including its use of the program to address certain cases of forced labor and sex trafficking, the arbitrary detention of political prisoners, violent abuses against protesters, and abuses based on gender.

At the same time, though, the number of sanctions imposed under Global Magnitsky fell significantly by some measures in 2022 and 2023. In turn, that has meant fewer instances where a Magnitsky sanction appears to have been responsive to a recommendation from civil society.

As it has implemented the program the Biden administration has also continued the practice of overlooking abuses and corruption by several major U.S. security partners, which makes the U.S. less credible in the cases where it does speak out.

This Administration has also made extensive use of some of the more opaque U.S. visa ban programs in response to abuse and transnational repression. Because those programs cannot be used to name names, though, they are usually less impactful than Magnitsky sanctions and harder for Congress or the public to monitor.

How sanctions are lifted also matters. In one prominent case that committee members have engaged on, the Administration is said to be considering suspending sanctions on a businessman whom the Chairman mentioned sanctioned in 2017 for grand corruption in the Democratic Republic of the Congo.

This does not appear to be conditioned on any of the steps toward accountability that the Global Magnitsky Act sets out as a requirement for this kind of sanctions relief.

Impunity, graft, and abuse are corrosive not just to human dignity but also to stability and prosperity. Global Magnitsky sanctions can better protect those U.S. interests if the United States uses them with greater consistency in concert with other Magnitsky jurisdictions and in consultation with Congress and civil society.

Human Rights First welcomes the committee's focus on this topic. Thank you again for the invitation to testify, and I look forward to your questions.

[The prepared statement of Mr. Keith follows:]

Prepared Statement of Mr. Adam Keith

Thank you, Chairman Cardin and Ranking Member Risch, for holding this hearing on the implementation of Global Magnitsky sanctions and for the opportunity to testify before the committee.

Human Rights First is an independent, U.S.-based nonprofit organization that, for more than four decades, has pressed the United States to promote, defend, and uphold human rights. We work with and help organize an informal global coalition of civil society organizations that advocate for the use of targeted Magnitsky-style sanctions as a way to promote accountability for human rights abuse and corruption.

Thanks to the work of Senator Cardin, among others, and activists like Mr. Browder, the United States is one of several countries that now have this tool.

As the executive branch implements the Global Magnitsky Act, Congress has directed it to consider, among other things, "credible information obtained by . . . nongovernmental organizations that monitor violations of human rights." To that end, we partner with other NGOs to make recommendations to governments regarding specific perpetrators who meet the criteria for sanctions. We also publish resources that analyze and explain how these sanctions work, what the legal standards are, and how they're being used.

We welcome this first-ever hearing focused on how the U.S. Government is implementing Global Magnitsky sanctions. Legislative oversight is important to ensuring this tool is used effectively and credibly. We urge the committee to keep up this oversight in the new Congress, and to prioritize hearing directly from human rights defenders and advocates who are on the front lines of fighting for accountability in their countries—including women and other marginalized groups whose voices are often overlooked.

One key question for oversight is what impact these sanctions have. That always depends on the context and the way in which they're used—but civil society organizations have remained interested in this tool for 8 years because they have seen it have a variety of positive impacts in specific cases, during both the Biden and Trump administrations.

Among other things, U.S. sanctions under Global Magnitsky or a similar visa-ban program have:

- Kept a spotlight on the political prisoner Vladimir Kara-Murza while he was in Russian custody and helped build the diplomatic consensus that led to securing his release.
- Abruptly if temporarily stopped a notorious paramilitary force in Bangladesh from committing extrajudicial killings.
- Forced the removal of a Chinese fishing company involved in forced labor from a major U.S. stock exchange.
- Spurred the investigation and prosecution of a powerful official allegedly engaged in corruption in Latvia.
- Helped anti-corruption champions in Ukraine pass a key legislative reform; and
- Frozen the U.S.-based assets of a former Gambian dictator that were then forfeited in civil proceedings.

Targeted sanctions are never a magic wand, and action under a Magnitsky-style sanctions program isn't by itself a strategy, or a foreign policy that promotes human rights. Other factors matter at least as much, including whether the government is providing security assistance to an abusive partner, or turning a blind eye to corruption because of competing commercial or diplomatic interests. But Magnitsky sanctions can be an element of effective human rights diplomacy.

That's why Human Rights First monitors how the U.S. Government is implementing the Global Magnitsky program. The Biden administration has taken some welcome steps, including its use of the program to address certain cases of forced labor and sex trafficking, the arbitrary detention of political prisoners, violent abuses against protesters, and abuses based on gender.

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meant fewer instances where a Magnitsky sanction appears to have had a basis in recommendations from civil society.

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This Administration has also made extensive use of some of the more opaque U.S. visa-ban programs in response to abuse and transnational repression. Because those programs can't be used to name names, though, they are usually less impactful than Magnitsky sanctions, and harder for Congress or the public to monitor.

How sanctions are lifted also matters. In one prominent case that committee members have weighed in on, the Administration is said to be considering suspending sanctions on a businessman sanctioned in 2017 for grand corruption in the Democratic Republic of the Congo. This does not appear to be conditioned on any of the steps toward accountability that the Global Magnitsky Act sets out as a requirement for this kind of sanctions relief.

Impunity, graft, and abuse are corrosive not just to human dignity but also to stability and prosperity. Global Magnitsky sanctions can better protect those interests if the United States uses them with greater consistency, in concert with other Magnitsky jurisdictions, and in consultation with civil society and Congress.

Human Rights First welcomes the committee's focus on this topic. The Treasury and State Departments have done good work through these programs since 2017, but legislators have a longer memory and the ability to challenge the executive branch of the day on its strategies and its omissions.

Thank you again for the invitation to testify. I look forward to your questions.

The CHAIRMAN. Thank you very much, Mr. Keith.
Mr. Browder.

STATEMENT OF SIR WILLIAM BROWDER, CHIEF EXECUTIVE OFFICER, HERMITAGE CAPITAL MANAGEMENT, LONDON, UNITED KINGDOM

Mr. BROWDER. Chairman Cardin, Ranking Member Risch, distinguished members of the committee, I am particularly honored to be here today.

This is a very special day for me. It is Senator Cardin's valedictory appearance before this committee, and this was a journey that at least in relation to Magnitsky that started 14 years ago.

I came after the murder of Sergei Magnitsky and facing a situation where there was a total cover up in Russia. I said we have to get justice outside of Russia; how do we get justice outside of Russia?

And I traveled without much experience as an advocate around the world talking to different politicians and government officials, and I got pretty much no answer from anybody. There was nothing anyone thought I could do.

And 14 years ago I came here to Washington, and I had a meeting with Senator Cardin in the Hart Senate office building and I told him the story of what happened to Sergei Magnitsky, and instead of the polite concern and brush off that I had gotten everywhere else, he said, we are going to do something about this.

And he created and originally sponsored the Sergei Magnitsky Rule of Law Accountability Act. And I am proud that there are four members of this committee that were co-sponsors—Senator Risch, Senator Shaheen, Senator Rubio, and Senator Coons—who all sit on this committee, that co-sponsored that piece of legislation.

And originally that legislation was just for Sergei Magnitsky, just for his killers and the people who covered up his murder. But when that piece of legislation was put into the Congressional Record other victims from Russia came forward, and they said, you

have hit the Achilles' heel of the Putin regime. Can you please sanction the people who killed my mother? My brother? My sister? My father?

And after a number of these people came forward, Senator Cardin and his co-sponsors said, why do we not widen this piece of legislation out so it includes all human rights abusers in Russia? And so they did.

And the legislation went forward, and it passed the Senate 92 to 4, passed the House of Representatives with 89 percent, and it became a Federal law on December 14, 2012.

Vladimir Putin went out of his mind. He banned the adoption of Russian orphans by American families. He made it his single largest foreign policy priority to repeal the Magnitsky Act.

He went after me with death threats, kidnapping threats, Interpol red notices, extradition requests, et cetera. But it did not have the desired effect.

Instead, Senator Cardin and his co-sponsors and I all said, well, if Putin is so mad about this, probably there will be some other dictators that would not like it as well, and that was the genesis of the Global Magnitsky Act, which was then passed in 2016.

This set off a chain reaction. Canada passed a Global Magnitsky Act unanimously in 2017, U.K. in 2018, the European Union in 2020, Australia in 2021.

In the meantime, there was Iceland, Norway, Kosovo, Montenegro, Channel Islands, et cetera. There are now 35 countries with Magnitsky Acts around the world, and it would not be an understatement to say that this is probably one of the most significant pieces of human rights legislation that has ever been passed.

Now, there are some things we need to do, going forward. The Magnitsky Act applies to certain terrible individuals, but we have seen, and I have seen with my own eyes, that they know it is coming, and they pass off all the assets to their family members, and so we need to consider how we deal with that.

We have also seen all sorts of enablers—bankers, trust companies, et cetera—helping them hide their assets. We need to deal with the enablers.

As Senator Cardin mentioned in his introduction, we have a crazy situation where we have all these countries with Magnitsky acts and they are not coordinating. They are not harmonizing. There is no reason why somebody should be sanctioned in America and not in Europe or not in the U.K., and the governments need to be pushed to coordinate.

I should also point out one very glaring example. It is not a U.S. example, but the European Union has a Magnitsky Act that only applies to human rights abusers. It does not apply to corruption, and that makes it all very difficult, and the people who are on the Magnitsky list here in the U.S. and the U.K., et cetera, can still travel to Europe without any problem.

And finally, and perhaps most importantly, and I really want to stress this, we talked about freezing the assets when we did the Magnitsky Act, but why not seize those assets, and give those assets to the victims?

And this has been done in Canada. Canada was the first country to do this, and I think that that should be the next leg of the Magnitsky sanctions legislation here in the U.S.

Thank you very much.

[The prepared statement of Mr. Browder follows:]

Prepared Statement of Mr. William Browder

Chairman Cardin, Ranking Member Risch, Distinguished members of the Senate Foreign Relations Committee, it is a particular honor and privilege to testify today in Senator Cardin's valedictory hearing at the Senate Foreign Relations Committee. Senator Cardin and I had a long journey together, starting 14 years ago, which led to the subject of this hearing on Magnitsky sanctions.

Shortly after the death of my lawyer Sergei Magnitsky in Russian detention in 2009, who was imprisoned and killed after exposing a massive government corruption scheme, I launched a campaign to find justice and accountability for Sergei's murder and the high-level Russian government conspiracy to cover up that murder. Since there was no possibility of obtaining justice in Russia, I came to Washington and shared my story with Senator Cardin.

Instead of sharing a few words of concern and then sending me out on my way like many others did around the world, Senator Cardin decided to sponsor a piece of legislation named the Sergei Magnitsky Rule of Law Accountability Act which would impose visa sanctions and asset freezes on the people who killed Sergei. I'm pleased that four current members of this committee were co-sponsors, including Senator Risch, Senator Coons, Senator Shaheen and Senator Rubio.

It was originally a piece of legislation targeting the people who killed Sergei Magnitsky. However, when Senator Cardin and his co-sponsors put the draft legislation on the public record, many other victims of human rights abuse in Russia came forward and said: "You have found the Achilles hill of the Putin regime. They rape, torture and kill with impunity and keep their ill-gotten gains in the West. Could you please impose these sanctions on those who killed our loved ones?"

After a half dozen or so of these victims came forward, Senator Cardin and his co-sponsors realized that they were on to something much bigger than one horrible case. They added sixty-five words to the law which would allow the United States to sanction all human rights abusers in Russia. They set a snowball rolling which led to a vote of 92-to-4 in the Senate and 89 percent of the House of Representatives in favor of the Magnitsky Act. On December 14, 2012 the Sergei Magnitsky Rule of Law Accountability Act was signed into law.

Vladimir Putin went out of his mind. In retaliation, he banned the adoption of Russian orphans by American families and made repealing the Magnitsky Act his single largest foreign policy priority. He also went after me with death threats, kidnapping threats, Interpol Red Notices and many other kinds of hostile actions.

Instead of being intimidated, Senator Cardin and his co-sponsors said: "If Putin hates this so much, we're sure that there are a lot of other dictators who would hate this as well," and they sponsored the Global Magnitsky Act which would apply to bad actors all around the world. It became law in December 2016.

This set off a chain reaction. In 2017, both houses of the Canadian Parliament unanimously passed the Canadian version of the Magnitsky Act. This was followed closely by the Lithuanian, Latvian and Estonian Magnitsky Acts being passed by their national legislatures.

Following the Salisbury Novichok poisonings of the Skripals, the British parliament passed a UK version of the Magnitsky Act in 2018.

After the poisoning of Alexei Navalny, the EU passed the EU Magnitsky Act in 2020. The Australian parliament passed an Australian Magnitsky Act in 2021. In the meantime, the Czech Republic, Iceland, Norway, Kosovo and Montenegro all passed their own versions of the Magnitsky Act.

It would not be an exaggeration to say that the Magnitsky Act is one of the most important pieces of human rights legislation this century. It now gives victims of human rights abuse and kleptocracy real redress and makes the perpetrators quake in their shoes. It's also a very fitting legacy for Sergei Magnitsky. Until the Putin regime collapses, there will be no monuments for his sacrifice and bravery, but we now have a legal monument in 35 countries.

Our work is not done by any means. Getting all these countries to pass the Magnitsky Acts was a grassroots movement which took considerable time and effort.

Now the focus should be on making the legislation work in the way it was intended and making sure it is robustly and effectively implemented.

One of the things I have noticed is that if someone is sanctioned under the Magnitsky Act, they often transfer assets into the names of family members or friends to try to continue to enjoy their illicit wealth despite being under the sanctions. So, the law needs to create consequences to those individuals, particularly relatives.

In that vein, there is also a real problem with enablers: law firms, trust companies, banks and PR firms who help bad actors avoid liability or come off the sanctions list. We need to be adding more of these people to the Global Magnitsky sanctions lists in the future.

I have also noticed that there are inconsistencies in Magnitsky sanctions lists from country to country. Certain people involved in perpetrating human rights abuses may be sanctioned in the United States but not in the EU or Australia. There are many examples of these inconsistencies. This creates loopholes that corrupt individuals can exploit. We need to harmonize Magnitsky sanctions lists among the Western allies so these loopholes disappear.

It has also become apparent that Europe lags behind, as the EU Magnitsky Act only sanctions human rights abusers and does not sanction people involved in corruption. Again, this leaves a hole where bad actors can travel to Europe and use their banking system even though they are sanctioned in the US and elsewhere. We must put strong pressure on the EU to add corruption to the sanctionable conduct under its Magnitsky sanctions regime.

Finally, I would like to put forward the idea of confiscation of assets, not just freezing. It seems to me that if someone is guilty of gross human rights abuse or kleptocracy there is no reason why they should ever get the assets back. Furthermore, this would provide a means to compensate victims. It's a policy that has already been added in Canada as an extension to the Canadian Magnitsky Act and the US should do it too.

Thank you.

The CHAIRMAN. Well, thank you both for your testimony.

We will have 5 minute rounds.

When we did the first Sergei Magnitsky sanctions, it was an easy list for us to put together. The outside groups had identified those in Russia who were responsible for Sergei's death. There was that list. It was the list that was used for the first sanctions that were imposed against those responsible for his death.

But as Senator Risch points out, now there is a disagreement as to whether an individual should be sanctioned or not, and there is an executive process that we have to go through.

Now, for visas it is kind of easy because that is a privilege. We can suspend a visa without having to worry about someone's assets being frozen or taken.

So the State Department can make those decisions rather quickly. The asset issues go to Treasury, which takes a little bit longer for us to be able to deal with.

So I guess my first question is, is there a way that we can streamline a process and increase the legislative impact on how these decisions are made and the times that these decisions are made, because I agree with Senator Risch. I have been frustrated that it has taken too long to get through the bureaucracies to impose sanctions when we have to act quickly.

Is there a way that we can act more efficiently in the use of these sanctions?

And I agree with you, Bill Browder, that we found in regards to Russian frozen assets that we can seize those assets, and we want to use them for the damage they have caused to Ukraine.

Is there not a way that we can seize these assets and use them to try to help compensate for the damages that have been caused by the abusers?

Either one of you, some suggestions?

Mr. KEITH. Thanks for the questions, Senator.

I think on the question of timeliness in terms of the process in which the executive branch acts on sanctions, recommendations, makes these decisions, I think there is a lot of factors that come into play and I think sometimes the slowness is down to a sort of like minimum degree of rigor that these decisions have to be made on the basis of evidence. They have to hold up in court.

And so I think there is a minimum level of rigor that cannot be gotten around and that should not be gotten around.

Where I think the opportunities are I think come into play partly in terms of capacity and process. I think a major opportunity for congressional oversight is to ask questions and force the executive branch to share more information about its procedures.

I think one bureaucratic issue has been whether—you know, when the sanctions coordinator, the State Department sanctions coordinator, which is a position that I believe the ranking member helped legislate into being—when that position is actually filled, is it empowered to help push cases along to decision.

I think a lot of the slowness comes from internal State Department and interagency deliberations that are not refereed and brought to a conclusion whether up or down quickly enough, and so I think that is one opportunity.

On the question of seizing assets, I guess I would point as one example, again, the example that the Chairman mentioned about the former dictator of the Gambia, Yahya Jammeh, who was one of the first individuals to be sanctioned under Global Magnitsky.

Among the assets of his that were frozen were a mansion I believe in Maryland or somewhere in the United States. Some of that frozen property was later forfeited under civil forfeiture proceedings, and we think that can be a model for moving from freezing to seizing.

As a general matter I think from our perspective it is important that crossing beyond that line of not just freezing but taking away permanently, that is something that should require judicial oversight rather than just executive action as is the case for Treasury sanctions. I think I would leave it at that.

The CHAIRMAN. Mr. Browder.

Mr. BROWDER. This committee passed through the committee and then went to a vote the REPO Act, which focuses on state assets, in particular Russian state assets, that are held that can be confiscated.

We do not have the same legislation for private assets, and I think it is a legislative priority which—and by the way, what happens to the frozen assets? They do not get unfrozen. They just sit there forever.

So why should they be—we never thought that through. We wanted to make sure the bad guys could not enjoy their ill gotten gains, but we never thought about what should happen to that money.

And I think that this is the evolution of the Magnitsky Act is to have a piece of legislation which says that if a person who is found to be liable for gross human rights abuse or corruption, the assets get frozen and then after some period of time where they can chal-

lenge it if they want to, they get confiscated and that should be, like the REPO Act, another legislative priority.

The CHAIRMAN. I think one of the challenges we have there really is a resentment by the executive branch of Congress trying to dictate how they conduct their policies.

Senator Risch was correct in many of the cases he recites in regards to the Biden administration. I could cite an equal number in regards to the Trump administration that I was dissatisfied with in the response, and it is not really President Biden or Trump that are making these decisions.

It is the bureaucracies within the State Department and Treasury that go through this process that is hard for us to unravel and to explain the intent that we want them to carry out, and they take a long time to make these decisions.

So, I think we have to look at ways that we can get our will done quicker regardless of whether a Democrat or a Republican is in the White House, because I think there is a general agreement between whoever is President and Congress that we are going to have these disagreements.

And I apologize—I should have introduced you as Sir William Browder. You have been knighted, and I apologize for the slight of introduction.

Senator Risch.

Senator RISCH. Well, thank you, Mr. Chairman, and I think this hearing is really appropriate for a lot of different reasons we already talked to.

But I think one thing that has just in this discussion so far gotten us to the point of—Mr. Browder, you used the word evolution, and I think that is where we are. I think we are at the beginning of this whole thing.

There has been the problems raised with how we actually get this done, and as has been noted this is not a partisan issue as much as it is a first branch versus second branch issue.

When I did REPO, which you referred to, my biggest enemy was not Democrats. My biggest enemy was the Administration. It was the Treasury Department, and it was a huge fight to get that thing through.

And for whatever reason the second branch of government is reluctant to anger other countries or look at the wrath of other countries, and that is just flat wrong. That is what these things are.

By the way, you mentioned about death threats to you. You know, all of us that were on that are blacklisted from going to Russia. Not that I care but, you know, that is how they respond to these things. I mean, it is personal to them.

Look, we really need to do better.

You mentioned the fact that this is not a magic wand. It actually can be a magic wand.

First of all, at the very beginning of it, it always causes tremendous reflection on the people that it is put upon. But their reflection is not, gee, did I do something bad. The reflection is how do I get around these sanctions, and that is a problem, because as you have probably seen when sanctions are put in place they get pretty good at getting around the sanctions.

And Mr. Browder made reference to the transfer of assets. That is actually just the beginning. That is individuals do that, but countries—look, one of the best examples I can think of is the Trump administration laid pretty tough sanctions on Iran, and we ratcheted them down to 100,000 or 200,000 barrels a day that they were able to exploit.

They are now up to a couple million barrels a day. Why? Simply because time has gone on, and we have not pursued the sanctions as aggressively as we should.

So there is a lot of things we can do better on this, and I think we need to continue to pursue it. The issue on the REPO Act, you will be interested to hear that I had a whole lot better cooperation from the—well, at the end of the day from my European friends than I did from the Administration here.

The first argument I had was with the Germans. Scholz was really opposed to it. He and I went round and round on it. Interestingly enough, we—fortunately, most of the assets were in Belgium.

Well, the Belgians came up with some really novel ideas about how we do this, and once they got on board then most of the other Europeans have gotten on board.

So we are going to continue to pursue that. But I think probably one of the most important things to come out of this hearing is that all of this needs more work. You cannot just put these sanctions on and say, there we are. We are all done. It is good.

We are not all done. The enforcement of those sanctions, the pursuit of those sanctions are incredibly important, and I do not think we are doing nearly as good a job pursuing as we are putting them on. And we all pat ourselves on the back once we get those on, but then how that unravels is or how they are pursued is a different thought.

Mr. Browder, your thoughts on that, on the pursuit and on continuing the pursuit of the sanctions?

Mr. BROWDER. I think that it is a—as you said, it is sort of surprising where the objection is to this whole thing. As you say, it is not a partisan issue. It is a legislative branch versus executive branch issue.

The executive branch just does not like to do stuff, because you do stuff and people can be fired. If you do not do stuff it is hard to be fired, and so—

Senator RISCH. Oh, we can be fired.

[Laughter.]

Mr. BROWDER. And so the beauty of the Constitution of the United States is that the legislative branch is a co-equal branch of government to the executive branch, and you can actually do stuff.

And that was the beauty of the Magnitsky Act. There was a big objection. President Obama was doing the reset at the time. He did not want to rock the apple cart with the Russians, and so he did everything possible.

But how does he respond when it is 92 to 4 in the Senate? And so that is the beauty of the Constitution, and that is the beauty of this committee is that there is a lot of stuff that they do not want to do that you can get them to do by legislating.

And so, you know, we are coming to the end of this Senate. There is another Senate coming up, and I look forward to working with

you and Senator Shaheen and Senator Kaine and everybody else here to come up with new legislation to hold the executive branch's feet to the fire.

Senator RISCH. I agree with that, and one of the other ones we really needed to turn the screw on is on the Russians. You know, again, we put those sanctions in place, and they really worked like a magic wand briefly, and they have found every way around it.

The banking sector has been just awful. I mean, it leaks like a sieve. The Georgians they are soft on it, so all this stuff that is not supposed to go to Russia is all coming in through Georgia. We know that. There is a supply line coming in that way.

So there is a lot of leaks in the system, and one of the worst ones is the banking system. I do not know why Treasury is so—they wring their hands about upsetting the international exchange of currency and what have you. Well, that is what we are trying to do for crying out loud, you know, and they push back on us all the time.

So my time is way up. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Shaheen.

Senator SHAHEEN. Well, thank you, Mr. Chairman, and thank you to Mr. Keith and Mr. Browder for being here today.

Before I get to my questions I want to take this opportunity to thank Chairman Cardin for his service to this committee, in particular for his principled leadership on human rights.

Roughly, 10 years ago, as everyone has discussed, you overcame the odds including from our own Democratic administration, President Obama, to pass the Magnitsky Act, and as you said it is now the global standard of legislation to support the work of human rights defenders and to hold perpetrators of human rights violations and abuses to account.

And through your leadership of both this committee and the Helsinki Commission, human rights defenders have felt seen and empowered and supported. So thank you very much for that.

Although you are going to be leaving us at the end of the year, I can tell you that those of us on this committee remain committed to advancing that legacy.

Now, both you and Senator Risch have mentioned our call with President Zourabichvili from Georgia that we had this morning, and as we know the situation there is getting increasingly dire.

We have had on this committee a longstanding commitment to the Georgian people. I think we are all watching with a great deal of concern the deteriorating political situation that we are seeing, the thousands of people who have been in the streets for the last 7 days to protest Georgia Dream's decision to suspend EU accession talks.

I wanted to ask both of you—and you mentioned this, Mr. Keith, as you did, Mr. Browder—the impact of corruption in societies, and can you talk about how this would have played a role in fueling the crisis in Georgia?

Mr. BROWDER. You hit the nail on the head, which is why corruption is such a crucial issue. So how does it work? I mean, let us just take Georgia, and I am going to name some names here.

You have—you have a man named Ivanishvili. Ivanishvili is a man of Georgian nationality and who is a billionaire. Where did he make his money? Russia.

How did he make his money in Russia? Through Gazprom and other state owned companies, which from my experience, those companies are highly corrupt.

So he has made a few billion. Goes back to Georgia, and how do the Russians control him? Well, they say that you have made your money in a way that is potentially dubious; we can take it all away from you. We can open up criminal cases against you. We can do all sorts of stuff. Or we can do none of that, if you help us.

And so what did he do? He helped them, and he has been actively helping them ever since, and I think it would be fair to say that the current illegitimate Georgian government is a Russian puppet government, and I think it would be fair to say that Mr. Ivanishvili plays a very active role in this whole situation.

And so that is one example of how corruption works. The other example is that these people who are corrupt, who are in power, they do not ever want to have the next government investigate them.

So what do they do? They do not give up power, and they do it through stuffing ballot boxes, cheating in the elections, et cetera. It is all completely interlinked, and that is why corruption is so important.

Senator SHAHEEN. Thank you.

Mr. Keith.

Mr. KEITH. I do not think I have much to add. I think I would just say one of the things that is powerful about having corruption in the Global Magnitsky toolkit is that sometimes corruption sanctions, credible charges of corruption can, I think, land with a different or sometimes more powerful political force than charges of human rights abuse, and so I think it is important to be ready to use both halves of the toolkit.

I think the Magnitsky sanctions that the Treasury Department imposed in September on senior Georgian interior ministry officials I think were very well received in Georgia by human rights defenders, by protesters who were being abused by these security forces.

But it is, clearly—I think it is an opportunity to use both sets of the toolkit, and see how they resonate.

Senator SHAHEEN. Well, thank you both very much. I am out of time. But I think it is important for us to send a message that there is bipartisan consensus in the Senate and in Congress on this issue with respect to Georgia and that we are not going to tolerate without taking action the gross abuse of human rights that is going on in the country.

I hope the prime minister and the ruling party get that message. Thank you both.

The CHAIRMAN. Thank you, Senator Shaheen.

Senator Helmy has yielded to Senator Kaine.

Senator KAINE. Thank you both for being here, and I just want to echo comments that my colleagues have said about Senator Cardin.

At the beginning of 2025, Senator Cardin will have celebrated 58 years consecutively in elected office, from the Maryland General Assembly to the House of Representatives to the U.S. Senate.

I am pretty confident that is not going to be a record that anybody is going to match even with genetic engineering and lengthening life spans.

The difficulty of being in politics even for a few years is going to make 58 years seem like Joe DiMaggio's 56 game hitting streak. It will not be matched.

But it has been a real honor to be on this committee since January 2013 and to have served together, and we are really going to miss you.

And the Global Magnitsky law is just one of many things we could talk about in terms of your legacy. Here is what I want to ask both of you about sanctions generally.

The Magnitsky laws have been used in wonderful ways. My particular passion is the Americas. Recently Global Magnitsky has been used to sanction bad behavior in Guyana with respect to activities that—in the gold mining sector that have drained dollars away from—that are the people's money, and they have also been used to threaten an attempted coup to stop the incoming government of President Bernardo Arevalo in Guatemala. So there have been some good uses in the Western Hemisphere.

I am a little interested in, I guess, two aspects of sanctions including Global Magnitsky sanctions. One is international coordination. It is great when the U.S. acts either through Global Magnitsky or other sanctions mechanisms to impose sanctions on bad behavior, and it is never—the primary goal is not to punish. The primary goal is to change behavior.

Sometimes you punish to change behavior. But these sanctions are much more effective if they are not just U.S. sanctions, but if there are others, and I sometimes wonder whether we have the right strategy in terms of the coordination of sanctions, even different sanctions within the U.S., but particularly the coordination of our own sanctions with those of our allies.

If you have advice for us in terms of how we might be able to more effectively coordinate sanctions with other democracies that care about human rights, that care about anti-corruption, what advice would that be?

Mr. KEITH. It is a really important topic, and I appreciate the chance to talk about it.

So I think everyone shares the premise that these tools are more effective, more credible, more legitimate, all sorts of good things when they are used together, when the U.S. is working with other jurisdictions that have Magnitsky sanctions.

We have seen from time to time instances of, you know, a joint rollout or where jurisdictions match each other over time, and there is a lot of power in that.

I think the case of Vladimir Kara-Murza is one where, you know, despite Kara-Murza being British and being a U.S. resident and eventually an honorary Canadian citizen, all five of the major Magnitsky jurisdictions eventually imposed sanctions against Russian officials who were persecuted—involved in his arbitrary detention, and that is really powerful.

I just think that, you know, it was a degree of solidarity that speaks volumes, and I think, in the end, contributed to Vladimir's successful release. That is not usually what we see.

I mean, we are going to put out a report in the coming weeks that updates our analysis about the matching across jurisdictions in using Magnitsky sanctions. The U.S. is generally the most active and prolific user.

We have seen about a third of U.S. Magnitsky sanctions matched by at least one other of the major jurisdictions, so Canada, EU, Australia, and the European Union.

As Bill points out, there is not—there is no possibility of U.S. corruptions sanctions being matched in the European Union and that is a real weak point.

But I think in terms of what can be done to increase coordination and improve matching I think a lot of the interchange between the governments that have these tools is surprisingly nascent.

It is happening, but I think this is an opportunity for congressional oversight and encouragement to press Treasury and State Department to do more with their counterparts, to explain what their strategies are for increasing matching over time.

I think there is also opportunities for cross-legislative coordination. The British Parliament recently created or resumed a sort of caucus equivalent about—specifically focused on Magnitsky sanctions and victim reparation.

So I think there is opportunities for the different legislatures to press their counterparts on to do more to match where that has not yet happened.

Senator KAINE. My time has expired, and I do not want to go over my time, but I am just going to put another question down that is really—for the record, an area where I think we need to do further inquiry and research.

My analysis, kind of—you know, inchoate analysis of sanctions in the 12 years I have been here is that we have been better at using sanctions to impose pain and not so good at using sanctions to change behavior. And ultimately, the reason for sanctions should be to change behavior.

And there is a number of instances, I think, of sanctions that have changed behavior, but then there has also been a number of instances of sanctions that have imposed pain without changing behavior, and trying to extract the lessons from uses of sanctions that have changed behavior, and then trying to make future decisions about sanctions kind of follow that path is something that I am really committed to, going forward.

With that, I hand it back to you, Mr. Chairman.

The CHAIRMAN. I would just point out the more you coordinate the sanction regimes and the more that you enforce, them the better chance you have to change behavior, and that is one of our issues.

Senator Helmy.

Senator HELMY. Thank you, Chairman.

I first started my last hearing by thanking you, Chairman, thanking the ranking member, the leadership and the members of this committee for allowing me to serve on this committee during

my interim appointment and my continuance of service in New Jersey, so thank you.

And I would also echo my colleagues and witnesses in thanking the Chairman for his courage and boldness on this specific issue.

But a point of personal privilege is as a individual whose family comes from an area of the world where, literally, the work of Ben Cardin has been essential to life, health, prosperity of families from the area that my parents came from. I want to thank you and thank your team for your leadership for so many years.

Mr. Keith, I am going to start with you only because you were so kind to note the career staffer in me when I told you I had marked up your testimony in preparation for this, and I want to allow maybe a moment for you to expand on something that was very interesting that I had read.

And I quote, "At the same time the number of sanctions imposed by the Global Magnitsky fell significantly by some measure in 2022 and 2023. In turn, that has meant fewer instances where a Magnitsky sanction appears to have had a basis in recommendations from civil society." I would love you to expand on that.

And then the next line, "As it has implemented the program, the Biden administration will continue to practice overlooking abuses and corruption by several major U.S. security partners." Could you give us specifics on that and how that lack of credibility manifests itself?

Mr. KEITH. Thanks, Senator Helmy.

To the first question about the count and the sort of civil society input, I think—I mean, stepping back a bit to the—sort of, you know, the numbers game, we have seen, I think, a steady average across the two Administrations that have used this tool in terms of the number of primary sanctions they have imposed per year.

But I think we have seen peaks and valleys during that time as well, and I think during previous valleys in a year where the program was not used very much, Congress responded in part by legislating an appropriations boost specifically targeted at Treasury and State to increase capacity to investigate cases and put together evidentiary packages.

And so I think the existence of that boost is what made the drop off in Magnitsky sanctions in 2022 and 2023 concerning. I think this is not purely a numbers game. We are not just looking for quantity as opposed to quality.

But obviously, if there is less action happening during the program, then that is—I think it follows from that that the program is going to be less responsive to input from Congress.

It is going to be less responsive to good input and recommendations from civil society groups who have documented abuse and corruption where sanctions might be impactful.

So I think that is what we are trying to put a spotlight on there, and so far the second half of this year has been more, I would say, productive in the Global Magnitsky program than the first half had been.

So I think 2024 is looking likely to have more targets acted on than in the two previous years. To the extent that that is important, we think that is encouraging.

To the point about security partners, I think I would start with a report that we published in 2022 about Global Magnitsky and security partners. It focused on a number of security partners who are engaged in serious abuse or corruption on a large scale.

A couple of examples that we talked through include Egypt, where arbitrary detention and custodial torture was happening on an entirely sanctionable scale, the Philippines where extrajudicial killings in context of the drug war and armed conflict were taking place.

These were very serious abuses that we found to be conspicuous in their absence from the Glo-Mag list. They are happening in contexts where the U.S. has influence as a friend.

I think we would be the first to say that sanctions are not always the right tool, but we did struggle to find signs of other serious U.S. pressures being applied to try to change these behaviors, and in this context, frankly, we think targeted sanctions are in some ways the ideal tool because it is an opportunity to leave broader ties untouched while still singling out emblematic cases, testing the partners' willingness to hold anybody to account.

We have seen this approach play out too without collapsing the bilateral relationship. I am happy to talk to some of that if it is helpful.

I think our analysis, though, is that obviously the U.S. can have an impact and should work to have an impact focusing on arbitrary detention in Russia, serious human rights abuses in Xinjiang.

But to us and to a lot of the partners that we work with using Global Magnitsky effectively means also using U.S. influence where it is the strongest and where U.S. responsibility is greatest.

If we did that report again today we would include case studies about Azerbaijan and Rwanda, Israel, too. We are not seeking consistency for its own sake. We are seeking it because we think that U.S. action can save lives in these contexts and in the long run put these relationships on a stronger footing.

Senator HELMY. Thank you, Mr. Keith.

Sir Browder, my time is running short so you may not be able to give the fullest answer here, but I would first start by thanking you for your courage and your selfless leadership on this issue.

Mr. BROWDER. Thank you.

Senator HELMY. In the same vein—and the ranking member used the term evolution, which I was going to use as well—your testimony you start off talking about people using family members to bypass some of the illicit wealth here. Then you go on to say in this vein the real problem is the enablers, law firms, et cetera.

Can you explain to the committee how that manifests itself, and in terms of evolution how you see sort of the global legislative community pursuing that?

Mr. BROWDER. Sure. I do not have much time but just to give you an example, one of the people who is central to the whole Magnitsky case was a organized criminal named Dmitry Klyuev.

Dmitry Klyuev was well known as being one of the masterminds of this crime that affected Sergei Magnitsky fatally.

He knew he was going to be sanctioned eventually, and so he passed off his assets to his wife and to two sort of friends—trustees—and since we knew that, and we had evidence of that, we took

it to the U.S. Treasury Department, and they just were not interested.

Why were they not interested? I think it is just purely a sort of resource priority issue. They want to go after the big fish, not necessarily the little fish, and I think that that needs to change not just in this case, but in all these cases.

Of course, you also have bankers that are involved in this stuff. There was just recently today in the U.K., the national crime agency of the U.K. found a group of 70 people involved in helping people like Russia Today who are sanctioned and other people bypass sanctions with crypto currencies. I think there is a lot of work that needs to be done on that area as well.

I do not want to go too long because my time is well up here.

Senator HELMY. Thank you. Thank you, Mr. Browder

Thank you, Chairman. I promise that is the last time I go over my time.

[Laughter.]

The CHAIRMAN. We have added up the time that you have used, and you still have a few minutes left so you are—over the many hearings.

Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman, and I say Mr. Chairman with great pride not just as a member of the Foreign Relations Committee but as his junior Senator from the State of Maryland, and we are so proud of everything that Ben Cardin does.

In Maryland, we call him our friend Ben, and he has made such an important difference in so many areas including this area of human rights and foreign affairs, and I think it is very fitting that we are having this hearing today.

Thank you, Mr. Chairman, for all the work you did on, first, the Sergei Magnitsky Accountability Act and then later the Global Magnitsky Act.

And Mr. Browder, it has been a while since I think we saw each other, but thank you for everything you have done as part of this effort and for being part of honoring Senator Cardin with the Human Rights Defender Lifetime Achievement Award at the annual ceremony of the Magnitsky human rights awards in November of this year, in November.

And I see Senator Cardin's life partner Myrna Cardin, and it is great to see you here as well.

So I want to follow up on a couple things, really, that Senator Helmy spoke about, and really, Mr. Keith, I applaud you and Human Rights First on the report that you did with respect to Global Magnitsky and essentially your 2022 report entitled "With Friends Like These."

And you made a comment in response to Senator Helmy that, obviously, our goal of applying these sanctions is to achieve certain results and make human rights abuses less prevalent.

But you did mention consistency, and you said we do not do this for consistency's sake, and I guess I agree with that. But if we are going to be credible about applying sanctions in cases where there have been human rights abuses, is it not important to be consistent?

In other words, if we are going to carry this as a value on the international stage, that the United States stands up for human rights and certain values and the rule of law, is it not important that we be willing to apply these sanctions to accomplish our goals with countries that are our partners and not only our adversaries?

Mr. KEITH. Absolutely. I mean, I entirely agree. I think the impact of a designation against a U.S. adversary I think is strengthened to the extent that people perceive the tool as being used consistently based on merit rather than being seen through a lens of confronting adversaries.

We think it is incredibly important, and I think part of our case is that—is this question of influence, that some of the most impactful cases that we have—you know, cases of use of Global Magnitsky sanctions that we have seen have been in the context of friendly relations where the government has an incentive, feels pressure to take seriously the concerns that are expressed by one of these sanctions.

We have seen across a range of, you know, sometimes even treaty allies, governments that had been turning a blind eye to abuse or corruption in their jurisdiction. And you know, maybe the domestic politics was not quite right, and they could not muster the political will to confront the abuser, the corrupt official, until the U.S. or ideally a multilateral sanction, came along and prompted them, belatedly, to suspend someone from their office, investigate someone who is known for being corrupt but did not face any consequences for it.

We see that kind of response far more often in the context of sanctions addressing corruption and abuse in the context of friendly relations, and frankly, we do not think this presents a false choice or requires a false equivalence.

The Global Magnitsky program is kind of uniquely suited for filling gaps between the country sanctions programs that the U.S. has which focus on adversaries—Russia, Venezuela.

Again, we and our partners advocate vehemently for action under those programs too, but again, just in conclusion think that that action ends up being more powerful, more credible, better received when it is perceived as part of a consistent support for human rights.

Senator VAN HOLLEN. No, I appreciate that, and in fact I think that when we do not apply these standards in a uniform way our adversaries like China, like Russia, point out that we conveniently use human rights and these instruments only as a cudgel against our adversaries and that we do not mean them, and I do think they have been very effective, actually, in parts of the world including the Global South at pointing out that perceived hypocrisy.

If I could, Mr. Chairman, I would like to ask you—I saw the list of countries that you mentioned. I do not see Azerbaijan on that list.

We do not have a big security relationship with Azerbaijan, but it has been widely documented since September 2023 with the military assault against Nagorno-Karabakh that they have engaged in what I think everybody would agree are gross violations of human rights.

Is that a case where you think it would be fruitful and productive to pursue Global Magnitsky as sanctions?

Mr. KEITH. Yes, and as you mentioned, we did not have a case study on them in that particular report. I think we absolutely could have done.

We know that the U.S. can impose human rights or corruption related sanctions in Azerbaijan. They did it once a couple of years ago using the 7031(c) visa restriction program targeting, I think, an official in the interior ministry for what I believe was custodial torture.

And I think in the specific context of Nagorno-Karabakh, you know, I think some acts in the context of armed conflict might not be—the Administration might not be able to use the Global Magnitsky human rights framework to address it, but things that fall outside of that context including extrajudicial killing of a prisoner, torture or sexual violence, I think any of those—any of that conduct would potentially meet the criteria and would absolutely be an appropriate use of the tool.

Senator VAN HOLLEN. Thank you.

And Mr. Chairman, if I could just in closing, because I know Senator Risch mentioned the letter the two of you wrote to the administration regarding sanctioning Hemedti, right, the leader of the RSF, I wish the Biden administration had pursued that.

But I do want to take this opportunity to raise the point that it has been pretty well established that despite denials one of our security partners, the UAE, has been very involved in arming the RSF which has in turn been committing atrocities and that the United States has found them—the RSF—guilty of ethnic cleansing.

And so the Biden administration did notice another arms sale to the UAE, and it is my view that we, the U.S. Senate, should hold that up until we get absolutely assurances from the UAE via the President of the United States that they are no longer going to be arming the RSF and allowing various weapons to be used for atrocities there.

In fact, I will be speaking later on the floor on a joint resolution of disapproval that I filed. My goal actually is not to have a vote on it. My goal would be to get the President to provide us, the Senate, with assurances—credible assurances—the UAE is no longer doing this.

But so long as they are it seems to me we have a responsibility to make a statement.

Thank you for the additional time.

The CHAIRMAN. The challenges in Sudan are just horrible, and it is purported to be the worst humanitarian crisis in the world today, and it is very disappointing when we have countries that we have strong strategic partnerships with doing things that we think are wrong—you know, arming the conflict.

So we share that concern. I am not sure what the most effective path is to carry out movement toward ending the violence in that region and getting humanitarian assistance in.

I was encouraged that the United Nations Security Council is going to take some steps in regards to Sudan. That was a positive action. But I applaud my colleague for his commitment to the peo-

ple, the Sudanese, and the crisis that they are facing today. Thank you.

There is a common thread that goes through every one of the U.S. initiatives for advancing major human rights legislation. That common thread is: Resisted by the executive branch.

The other common thread, once we get it done, they brag about the law and have major events showcasing what they have done under the laws that are involved.

That was true with the Foreign Corruption Practice Act in 1977 where they complained that it would hurt American businesses globally. It was true with the original Human Rights Report Act in 1978 where they thought it would make it more difficult for them to conduct foreign policy.

It was true with the Religious Freedom Report Act of 1999, where they said it would put an undue burden on our missions.

It was true with the Trafficking in Persons Report and tier rating where we said we were going to have to impose trade sanctions against countries we have to deal with, and it was certainly true with both the Magnitsky Acts and true with combating global corruption, which we just recently passed only because of arm twisting with the Secretary of State.

So the point is this, and I think you both raise really valid points—and Senator Risch’s comments—I think it is really incumbent upon the Congress to take a look at why sanctions are not more effective in bringing about change in behavior, which Senator Risch—Senator Kaine was talking about.

And it is true that our Magnitsky sanctions globally among the 30 nations to have it are not all consistent, and EU needs to correct their statute to deal with corrupt abusers.

And it is also true that there is too much leakage in this because of transfer to family members or enablers not being subject to the sanctions.

There is also a lack of coordination as to who should be targeted with the sanctions. If we had more countries aimed at dealing with a particular challenge—maybe it is in Sudan, maybe it is in Azerbaijan, maybe it is in whatever country it is—but we coordinate in the use of individual sanctions.

So I guess my challenge to our two witnesses is to help take a look at our laws, and see how we can as legislators be more directive to the executive branch to do a better job in promoting unity and coordination among particularly the democratic countries of the world, so that our sanctions are more effective in carrying out a change in behavior.

Because Senator Kaine is absolutely right. We do not impose sanctions for punitive reasons. We impose sanctions for change of behavior.

That is the reason, and we look forward to the day where we can remove sanctions or do not need sanctions because countries have responded to the global responsibilities of protecting the rights of their citizens.

So, I guess my final comment on this is that I would hope, Mr. Chairman to be, that the committee would take a look at how we can be more effective, because sanctions are very popular today. It certainly beats sending soldiers into harm’s way.

But we also know that there being—there is so much evasion of sanctions. We saw that in regards to Russia. We have heard from President Zelensky about how he is disappointed that Russia has found ways through dual use products to overcome a lot of the challenges—the secondary sanction issues in regards to Iran. There are so many areas that we know that are avoiding our sanctions.

In individual sanctions it should be a little bit easier rather more difficult than country wide sanctions to make sure that there is no evasion. We can deal with family members. We can deal with enablers.

So I think there is really a better opportunity for us to make these sanctions really effective, and Sir William, your comment about Mr. Putin going ballistic about this is really telling. They work. The oligarchs do not want to be on this list.

There is one other positive aspect about it. It has been a cottage industry here in the United States to get off of the Magnitsky sanctions. So we know that it really means a lot, and I think we can be even more effective in carrying this out.

Senator Risch, final comments?

Senator RISCH. Thank you. Thank you, Mr. Chairman.

I think that is well taken, and this has been a really productive hearing in underscoring what is a really good tool that we have, but the tool needs sharpening, and I think it is incumbent upon us as we go forward to do that, and I commit to you that we will continue to pursue that.

Thank you much for your service.

The CHAIRMAN. Thank you. Thank you, Mr. Chairman.

Let me thank again both of our witnesses, and with that the hearing will stand adjourned.

[Whereupon, at 11:51 a.m., the hearing was adjourned.]

