

A Journey of 20:

An Empirical Study of the Impact of
Magnitsky Sanctions on the Earliest
Corruption Designees

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Executive Summary

Targeted sanctions, including asset freezes and travel bans, are increasingly often imposed worldwide in response to alleged corruption. The US Global Magnitsky Act, which entered into force in December 2016, is the first statute to authorise such sanctions by reference to significant allegations of corruption.

The proliferation of sanctions regimes broadly, and corruption-related ones specifically, goes hand-in-hand with the continuing debate about their effectiveness. This paper seeks to advance this discussion by focusing on the *effect* (or, to avoid confusion, *impact*) of sanctions rather than their effectiveness. In this way, it sheds light on (a) the forms of impact that sanctions can produce; (b) the factors that determine various forms of impact, and (c) the relationship between US Global Magnitsky sanctions, prior domestic action in the targeted individual's home jurisdiction and subsequent non-US sanctions.

This paper and the case studies it includes do not seek to explore in detail the underlying reasons for sanctioning the individuals concerned. In line with the objective of the paper, its focus is the impact of sanctions, rather than the credibility of the underlying allegations of corruption. Nothing in this paper should be construed as endorsement of any such allegations. However, it is inevitable that the paper has to mention those allegations to explain why sanctions have been imposed, as well as situate their impact within the context of the alleged wrongdoing, without taking any view as to their veracity.

The paper comprehensively considers the first 20 individuals designated for alleged corruption under the US Global Magnitsky Act, divided into 18 case studies. In doing so, the paper provides a novel methodological blueprint that can be applied when studying the impact of any sanctions against individuals, by:

- Breaking down the impact of sanctions into 10 forms of impact across four main categories (**Figure 1** below);
- Distinguishing between various forms of impact based on whether they are susceptible of accurate measurement (also **Figure 1** below);
- Cataloguing the forms of impact observed across the 18 case studies of corruption-related Global Magnitsky designations (**Table 2** below);
- Summarising the most frequently observed forms of impact (**Table 3** below);
- Identifying designations that include associated companies and/or individuals (**Table 4** below); and
- Establishing the correlation between US sanctions, prior domestic action in the targeted individual's home jurisdiction and subsequent non-US sanctions (**Table 5** below).



Based on this analysis, the paper offers the following conclusions:

1. There are multiple forms of impact that US Global Magnitsky sanctions can have, which this paper divides into 10 forms of impact across four categories.
2. Many forms of the impact of US Global Magnitsky sanctions are inherently insusceptible of accurate measurement. This means one must take care not to assume too easily either the impact of sanctions or a lack thereof.
3. The actual freezing of targeted individuals' assets is the most widespread effect of sanctions in the sample analysed. The enforcement of asset freezes relies on the availability of information about the targeted individual's corporate network. The quality of such information differs from designation to designation.
4. In a third of the case studies analysed, no discernible impact on the targeted individual was observed beyond media scrutiny, which is a given across all instances of Global Magnitsky sanctions.
5. Half of the case studies analysed involved prior domestic action, such as investigations or criminal convictions.
6. More than a third of the case studies analysed involved subsequent sanctions designations by other countries, in all instances the UK.

Following on from those conclusions, the following recommendations are made:

1. Governments should not assess the effectiveness of sanctions purely in terms of measurable outcomes, such as the amount of assets frozen.
2. Governments should seek to identify and publicise corporate networks associated with targeted individuals.
3. In determining appropriate targets for Global Magnitsky sanctions, governments should prioritise individuals who rely on the international financial system and therefore are more likely to be affected by the designation.
4. In imposing Global Magnitsky sanctions on those whose wrongdoing has been addressed by domestic justice systems, governments should develop a clear understanding of the added value that the designation would have in the circumstances.



Introduction

Targeted sanctions, including asset freezes and travel bans, are increasingly often imposed worldwide in response to alleged corruption. The US Global Magnitsky Act, which entered into force in December 2016, is the first statute to authorise such sanctions by reference to allegations of significant corruption. It was then followed by Executive Order 13818, which extended sanctionable conduct to corruption, whether or not it is significant, and provided that the 'leaders' of 'government entities' engaged in corruption could likewise be sanctioned.¹ Sanctions can be imposed under the Global Magnitsky Act if there is 'credible evidence' of corruption, which is a standard lower than, for instance, the civil standard of the preponderance of the evidence.²

States that followed suit in enacting similar legislation include Australia,³ Canada⁴ and the UK.⁵ The EU has indicated that it, too, will introduce a corruption-related sanctions regime.⁶

The proliferation of sanctions regimes broadly, and corruption-related ones specifically, ensures the continuing debate about their effectiveness. Its resolution is hampered by the lack of consensus as to the objectives of sanctions. For instance, if changing the target's behaviour is *the* objective of sanctions, many contemporary instances of sanctions must be deemed a failure.⁷ On the other hand, if the point of sanctions is symbolic condemnation, then their mere imposition amounts to (a form of) success.⁸ It is also possible to adopt a view that sanctions entail multiple objectives, such that there is no one-size-fits-all approach to ascertaining their effectiveness.

- 1 Executive Order 13818: Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption, 82 FR 60839 (20 December 2017). For the purposes of this paper, no distinction is made between sanctioned imposed under the Global Magnitsky Act per se and those under Executive Order 13818.
- 2 Global Magnitsky Act, 22 U.S.C. § 2656 (2016), s 1263(a).
- 3 Australia Sanctions Act 2011 (Cth) and Australian Sanctions Regulations 2011 (Cth), as amended by Autonomous Sanctions Amendment (Magnitsky-style and Other Thematic Sanctions) Act 2021 (Cth); and Autonomous Sanctions Amendment (Magnitsky-style and Other Thematic Sanctions) Regulations 2021 (Cth) respectively.
- 4 Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law), SC 2017, c 21.
- 5 Global Anti-Corruption Sanctions Regulations 2021, adopted under the Sanctions and Anti-Money Laundering Act 2018.
- 6 Ursula von der Leyen, *2022 State of the Union Address by President von der Leyen*, 14 September 2022, https://ec.europa.eu/commission/presscorner/detail/ov/speech_22_5493; European Commission, 'Anti-corruption: Stronger rules to fight corruption in the EU and worldwide', 3 May 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2516.
- 7 See the classic analysis in Gary Hufbauer, Jeffrey Schott, Kimberly Ann Elliott and Barbara Oegg, *Economic Sanctions Reconsidered* (Peterson Institute 2007). The behaviour change model is reflected in multiple policy statements, e.g. European Commission, *Frequently asked questions: Restrictive measures (sanctions)*, 26 February 2022, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_1401 ('In spite of their colloquial name 'sanctions', EU restrictive measures are not punitive. They are intended to bring about a change in policy or activity by targeting entities and individuals in non-EU countries, responsible for such malignant behaviour').
- 8 For instance, James Barber divides the objectives of sanctions into primary (achieving the desired change in the target's behaviour), secondary (impacting the sanctioning state's own domestic politics or bolstering its international reputation) and tertiary (supporting the integrity of international rules and institutions): James Barber, 'Economic Sanctions as a Policy Instrument' (1979) 55(3) *International Affairs* 367, 370–383.



To advance our collective understanding of the effectiveness of corruption-related sanctions, this paper moves beyond the restatement of their possible objectives. Specifically, it focuses on the *effect* (or, to avoid confusion, *impact*) rather than effectiveness of sanctions. That means asking what sanctions have achieved as an empirical matter. This, in turn, can yield lessons as to how sanctions could be used in order to produce the greatest impact.

This paper considers the first 20 individuals designated for alleged corruption under the US Global Magnitsky Act, divided into 18 case studies. Now that over five years have elapsed since the first batch of designations in December 2017, sufficient time has passed that their impact can be usefully explored. By examining the impact of such sanctions, the paper contributes to a better understanding of (a) the forms of impact that sanctions can produce; (b) the factors that determine various forms of impact; and (c) the

relationship between US Global Magnitsky sanctions, prior domestic action in the targeted individual's home jurisdiction and subsequent non-US sanctions.

The use of this impact-driven, case study-based method is commonplace in the study of state-on-state economic sanctions.⁹ By contrast, it has not yet been utilised in the context of 'Magnitsky' sanctions, which are imposed on individuals and companies allegedly involved in corruption and human rights abuse.¹⁰ As this paper demonstrates, useful insights can be gleaned from this approach. It therefore provides a blueprint that future research can rely on to explore further case studies, including but not limited to those that pertain to Global Magnitsky sanctions specifically.

Following this introduction, the paper proceeds by discussing the methodology of the research; laying out its findings; and offering conclusions and recommendations.

- 9 The classic work in this field is Gary Hufbauer, Jeffrey Schott, Kimberly Ann Elliott and Barbara Oegg, *Economic Sanctions Reconsidered* (Peterson Institute, 2007).
- 10 A notable recent study of sanctions, albeit in the context of human rights abuse, is Tallan Donine et al, 'Using Targeted Sanctions to Help Prevent Mass Atrocities: Results from Interviews with Experienced Practitioners', US Holocaust Memorial Museum, January 2023. It is based not on case studies but on general observations on sanctions provided by 15 senior sanctions experts.



Methodology

This section describes the project methodology, addressing in turn (a) the selection of case studies; (b) methods used; and (c) their limitations.

C. Selection of Case Studies

As already mentioned, at the heart of this paper is the analysis of the impact that US Global Magnitsky sanctions have had on the first 20 individuals targeted. The chosen number of case studies reflects a compromise between breadth of coverage, i.e. the number of case studies, and the depth of analysis, i.e. the amount of time and effort that each case study requires. Further work can expand on this research by increasing the number of cases explored.

The selection of case studies is chronological, that is to say the earliest corruption-related designations have been explored. This is to ensure that as much time as possible has passed for the impact of respective designations to become apparent.

From the first 20 individuals targeted under the Global Magnitsky programme, three are members of the same family, namely the Gupta brothers from South Africa. Their circumstances are identical in relevant respects, and they are therefore analysed as a single unit, bringing the number of case studies down to 18.¹¹

Table 1 below summarises the names of sanctioned individuals, their home jurisdictions,¹² the US government's stated reasons for the imposition of sanctions, and the date of their imposition.

11 In principle, the first 20 individuals sanctioned under the Global Magnitsky Act include Pieter Deboutte, a Belgian citizen allegedly associated with Dan Gertler. Virtually no relevant information on Deboutte is available in the public domain, and therefore no analysis of the impact of the sanctions on him is presented here. The US government announced sanctions against Deboutte in US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

12 For present purposes, 'home jurisdiction' is understood to be the jurisdiction where the targeted individual's activities have primarily taken place, as identified based on the case study analysis. It does not purport to identify all states whose nationality the individual concerned may hold.



Table 1: Overview of Case Studies

NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Felix Ramon BAUTISTA ROSARIO	Dominican Republic	Allegedly involved in 'bribery in relation to his position as a Senator, and is alleged to have engaged in corruption in Haiti, where he used his connections to win public works contracts to help rebuild Haiti following several natural disasters'. ¹³	21 December 2017
Benjamin BOL MEL	South Sudan	Allegedly involved in running a company that 'has been awarded contracts worth tens of millions of dollars by the Government of South Sudan [and] allegedly received preferential treatment from high-level officials'. ¹⁴ The government of South Sudan has reportedly criticised the sanctions against Bol Mel and described them as a result of 'the so-called experts on South Sudan based in the US (...) continuously lobbying for counterproductive sanctions against South Sudan'. ¹⁵	21 December 2017
Artem CHAYKA	Russia	Allegedly 'has leveraged his father's position and ability to award his subordinates to unfairly win state-owned assets and contracts and put pressure on business competitors'. ¹⁶	21 December 2017

13 US Department of the Treasury, 'Treasury Sanctions Two Individuals and Five Entities Under Global Magnitsky', 12 June 2018, <https://home.treasury.gov/news/press-releases/sm0411>.

14 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

15 David Mayen, 'South Sudan Says US Sanctions On Tycoon's Firms "Unfortunate"', *All Africa*, 13 December 2021, <https://allafrica.com/stories/202112140054.html>.

16 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Dan GERTLER	Israel Democratic Republic of the Congo (DRC)	Allegedly 'has amassed his fortune through hundreds of millions of dollars' worth of opaque and corrupt mining and oil deals in the Democratic Republic of the Congo (DRC). ¹⁷ Sanctioned along with 18 business entities he owned and two alleged associates. ¹⁸ In January 2021, Gertler reportedly obtained a licence from the US Office of Foreign Assets Control (OFAC) enabling him to access his US assets. ¹⁹ The licence was reportedly revoked in March 2021. ²⁰	21 December 2017
Yahya JAMMEH	The Gambia	A former political leader in The Gambia, allegedly involved in 'a number of corrupt schemes to plunder The Gambia's state coffers or otherwise siphon off state funds for his personal gain, [including] the unlawful withdrawal of at least \$50 million of state funds'. ²¹ Currently lives in exile in Equatorial Guinea following a regime change. ²²	21 December 2017

- ¹⁷ US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
- ¹⁸ A Notice by the Foreign Assets Control Office on 28 December 2017, 82 FR 61665; US Department of the Treasury, 'Global Magnitsky Designations and Designation Update', 15 June 2018, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20180615>.
- ¹⁹ Eric Lipton, 'Tough Sanctions, Then a Mysterious Last-Minute Turnabout', *New York Times*, 21 February 2021, <https://www.nytimes.com/2021/02/21/us/politics/dan-gertler-sanctions.html>.
- ²⁰ Eric Lipton, 'Sanctions Are Reimposed on Israeli Billionaire Granted Relief Under Trump', *New York Times*, 8 March 2021, <https://www.nytimes.com/2021/03/08/us/politics/dan-gertler-sanctions.html>.
- ²¹ US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
- ²² 'Ex-President Yahya Jammeh leaves The Gambia after losing election', *BBC News*, 22 January 2017, <https://www.bbc.com/news/world-africa-38706426>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Gulnara KARIMOVA	Uzbekistan	Allegedly 'headed a powerful organized crime syndicate that leveraged state actors to expropriate businesses, monopolize markets, solicit bribes, and administer extortion rackets' by leveraging her status as the daughter of Uzbekistan's president. ²³ Convicted of corruption by a court in Uzbekistan following her father's death and currently serving a sentence. ²⁴	21 December 2017
Roberto Jose RIVAS REYES	Nicaragua	Allegedly 'perpetrated electoral fraud' in his capacity as President of Nicaragua's Supreme Electoral Council. ²⁵	21 December 2017
Angel RONDON RIJO	Dominican Republic	Allegedly 'funneled money from Odebrecht, a Brazilian construction company, to Dominican officials, who in turn awarded Odebrecht projects to build highways, dams, and other projects'. ²⁶ Convicted of bribery by a court in the Dominican Republic and currently serving a prison sentence. ²⁷	21 December 2017

- ²³ US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
- ²⁴ 'Uzbekistan jails ex-president's daughter Gulnara Karimova', *AFP News*, 28 July 2017, <https://sg.news.yahoo.com/uzbekistan-jails-ex-presidents-daughter-gulnara-karimova-073718230.html?>
- ²⁵ US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
- ²⁶ US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
- ²⁷ 'Dominican Republic-Odebrecht case: 2 convicted, 4 acquitted', *Dominican Today*, 15 October 2021, <https://dominantoday.com/dr/local/2021/10/15/dominican-republic-odebrecht-case-2-convicted-4-acquitted/>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Slobodan TESIC	Serbia	Allegedly engaged in arms trade, which among other things involved 'directly or indirectly provid[ing] bribes and financial assistance to officials'. ²⁸	21 December 2017
Jose Francisco LOPEZ CENTENO	Nicaragua	Allegedly engaged in 'syphon[ing] funds [and] steal[ing] millions of dollars on an annual basis' in his position as a top manager of two major Nicaraguan state-owned companies. ²⁹	5 July 2018
Roberto SANDOVAL CASTANEDA	Mexico	Allegedly 'engaged in an array of corruption activities, such as the misappropriation of state assets and the receipt of bribes from Mexican drug trafficking organizations' in his capacity as then-governor of the Mexican state of Nayarit. ³⁰ A criminal prosecution against Sandoval appears to be pending in Mexico. ³¹	17 May 2019

28 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

29 US Department of the Treasury, 'Treasury Sanctions Three Nicaraguan Individuals for Serious Human Rights Abuse and Corrupt Acts', 5 July 2018, <https://home.treasury.gov/news/press-releases/sm422>.

30 US Department of the Treasury, 'Treasury Works with Government of Mexico Against Perpetrators of Corruption and their Networks', 17 May 2019, <https://home.treasury.gov/news/press-releases/sm692>.

31 'Niegan amparo a Roberto Sandoval; el exgobernador de Nayarit seguirá en prisión', *infobae*, 2 November 2021, <https://www.infobae.com/america/mexico/2021/11/04/niegan-amparo-a-roberto-sandoval-el-exgobernador-de-nayarit-seguira-en-prision/>; 'No tengo vínculos con narco', dice Roberto Sandoval por juicio de García Luna', *Expansión Política*, 8 February 2023, <https://politica.expansion.mx/estados/2023/02/08/no-tengo-vinculos-con-narco-dice-roberto-sandoval-por-juicio-de-garcia-luna>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Ahmed AL-JUBOURI	Iraq	Allegedly involved in 'misusing authority and federal funds and appropriating land for personal use' in his capacity as then-governor of the Salah al-Din Governorate, Iraq. ³² Currently a serving MP in Iraq and the Secretary-General of the Al-Jamaheer National Party. ³³ Alongside over a hundred other Iraqi MPs, Al-Jubouri has criticised the sanctions against him and pointed out that he has 'faced the Iraqi judiciary several times for corruption accusations and I was [found] innocent each time'. ³⁴	18 July 2019
Nawfal Hamnadi AL-SULTAN	Iraq	Allegedly 'removed from his first post as mayor because of corruption and a conviction on smuggling charges'. ³⁵ Convicted of corruption by a court in Iraq in 2021 and currently in prison. ³⁶	18 July 2019

32 US Department of the Treasury, 'Treasury Sanctions Persons Associated with Serious Human Rights Abuse and Corrupt Actors in Iraq', 18 July 2019, <https://home.treasury.gov/news/press-releases/sm735>.

33 'Parliament Swears in 64 New MPs; Coordination Framework Divided Over Government Formation; Kadhimī Visits Saudi Arabia and Iran', ISHM: June 16 - 30, 2022, <https://reliefweb.int/report/iraq/ishm-june-16-30-2022>; 'President Meets Member of Iraqi Parliament, Ahmed al-Jubouri', *Iraqi Presidency*, 31 January 2023, <https://www.presidency.iq/EN/Details.aspx?id=4019>.

34 Lawk Ghafuri, 'Pro-Hashd MPs petition leadership to put Iraqi law over US sanctions', RUDAW, 20 July 2019, <https://www.rudaw.net/english/middleeast/iraq/200720192>.

35 US Department of the Treasury, 'Treasury Sanctions Persons Associated with Serious Human Rights Abuse and Corrupt Actors in Iraq', 18 July 2019, <https://home.treasury.gov/news/press-releases/sm735>.

36 'UK sanctions former Iraqi governor for embezzling funds', *Arab News*, 22 July 2021, <https://arab.news/ypayd>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Ajay, Atul and Rajesh GUPTA	India	Allegedly involved in 'several corrupt schemes in South Africa, allegedly stealing hundreds of millions of dollars through illegal deals with the South African government'. ³⁷ As of May 2023, South Africa has reportedly sought the extradition of two out of the three Gupta brothers (Atul and Rajesh) from the UAE, without success. ³⁸ The whereabouts of the third brother, Ajay, are not publicly known. ³⁹	10 October 2019
	South Africa		
Salim ESSA	South Africa	Allegedly involved in the provision of some (unspecified) 'support' to the Guptas' corrupt activities. ⁴⁰	10 October 2019
Ashraf Seed Ahmed AL-CARDINAL	South Sudan	Allegedly involved in '[being] used by a senior South Sudanese government official as an intermediary to deposit and hold a large amount of funds in a country outside of South Sudan'. ⁴¹	11 October 2019

³⁷ US Department of the Treasury, 'Treasury Sanctions Members of a Significant Corruption Network in South Africa', 10 October 2019, <https://home.treasury.gov/news/press-releases/sm789>.

³⁸ Lenin Ndebele, "'It's going to be hard to get them' - Expert on possible Gupta extradition if they get CAR asylum', *news24*, 8 April 2023, <https://www.news24.com/news24/africa/news/its-going-to-be-hard-to-get-them-expert-on-possible-gupta-extradition-if-they-get-car-asylum-20230408>; Storm Simpson, 'Gupta brothers seeking asylum in Africa amid slow-moving extradition process', *The South African*, 7 April 2023, <https://www.thesouthafrican.com/news/breaking-gupta-brothers-spotted-in-switzerland-amid-slow-extradition-process-7-april/>.

³⁹ Amy Cheng, 'Who are the Gupta brothers, the family accused of looting South Africa?', *The Washington Post*, 9 June 2022, <https://www.washingtonpost.com/world/2022/06/09/gupta-brothers-south-africa-arrested-dubai-extradition/>.

⁴⁰ US Department of the Treasury, 'Treasury Sanctions Members of a Significant Corruption Network in South Africa', 10 October 2019, <https://home.treasury.gov/news/press-releases/sm789>.

⁴¹ US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.



NAME	HOME JURISDICTION	REASONS FOR SANCTIONS	DATE OF SANCTIONS
Kur AJING ATER	South Sudan	Allegedly 'bribed key officials in the Government of South Sudan in order to maintain influence and access to the South Sudanese oil market'. ⁴²	11 October 2019
Kharmis Farnan Al-Khanjar AL-ISSAWI (aka AL-KHANJAR)	Iraq	Allegedly has demonstrated 'his willingness and ability to use his wealth to bribe others', although the US government's announcement suggests this conclusion is based on a statement by 'a former senior Iraqi government official'. ⁴³	6 December 2019

While this selection only represents a minority of the Global Magnitsky corruption sanctions designations to date,⁴⁴ it includes targeted individuals from all of the regions that feature in later designations, save for East Asia and the Pacific.⁴⁵ Furthermore, as the rest of this paper indicates, this pool of case studies is sufficient to draw a number of generalisations and hypotheses that can inform future sanctions practice and academic research.

⁴² US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.

⁴³ US Department of the Treasury, 'Treasury Sanctions Iran-Backed Militia Leaders Who Killed Innocent Demonstrators in Iraq', 6 December 2019, <https://home.treasury.gov/news/press-releases/sm847>.

⁴⁴ As of 9 May 2023, 627 sanctions designations have been made under the Global Magnitsky Act. Of these, 212 are for individuals, 258 are for entities and 157 are for vessels. The up-to-date list of designations can be found by using the 'GLOMAG' programme filter at <https://sanctionssearch.ofac.treas.gov/>. A previous search, run on 5 December 2022, indicated a total of 424 designations, among them 187 individual and 237 entity designations. This is a vivid demonstration of the expansion in Global Magnitsky sanctions.

⁴⁵ For up-to-date statistics on Global Magnitsky designations, encompassing both corruption- and human rights-related sanctions, see Human Rights First et al, *Multilateral Magnitsky Sanctions at Five Years*, November 2022, p. 27.



D. Methods Used

The analysis of the case studies presented here relies on mixed-methods empirical research, which has consisted of two primary components:

- **Desk-based study** of open-source materials including governmental publications, court case materials and press reports, especially journalist investigations. The objective of reliance on these materials has been to collect information on the professional and, to a lesser extent, personal⁴⁶ circumstances of targeted individuals in the aftermath of sanctions. Those materials also shed light on broader developments in the jurisdictions concerned that might be related to the imposition of Global Magnitsky sanctions.
- **Semi-structured expert interviews** with policy-makers, financial crime compliance professionals, anti-corruption activists and journalists. The primary objective of such interviews has been twofold. First, interviews with experts based in respective jurisdictions provide further context as to the impact of sanctions on targeted individuals or the broader environment in the country, e.g. elite attitudes. These can be described as target-oriented interviews. Second, interviews with subject-matter experts in a specific area offered more general insights into the impact sanctions normally tend to have, e.g. likely effects on the ability to access financial services. Those interviews, which can be described as issue-oriented ones, focused on questions that are essential for a holistic understanding of the impact of sanctions but cannot be explored on an individual-by-individual basis because they involve confidential matters.

Overall, 27 interviews were conducted between September and November 2022. In order to encourage candour, interviews were held on the basis that only the interviewees' general areas of expertise will be disclosed in the footnotes, but not their identities or institutional affiliations. The interviewees were recruited based on a mixture of identifying relevant experts based on open-source research, e.g. journalists who have covered respective sanctions designations in their reporting; speaking to experts within the authors' existing networks; and relying on interviewees' suggestions of further potential interlocutors. One potential source of bias in this selection is that no interviews were conducted with the targeted individuals themselves, nor were any attempts made to contact them. The decision to forego any interviews with sanctioned individuals is the result of potential practical, ethical and legal complications that such conversations would entail, particularly in relation to those of them facing criminal investigations or prosecutions. It is important to reiterate that the purpose of this paper is not to investigate whether sanctions designations were justifiable on the basis of the allegations made against them by the US government, but rather to assess the impact these sanctions have had on those individuals.

⁴⁶ Such as lifestyle, including the ability to enjoy wealth and travel. To the extent that corruption sanctions affect it, they can be seen as consistent with the policy imperative that 'crime should not pay'.



E. Limitations

In principle, the utilisation of those methods, including the use of both open-source material and semi-structured interviews, gives rise to concerns about reliability, including potential bias. To account for these challenges, effort has been made to confirm facts quoted here based on multiple independent sources whenever possible. In final analysis, judgment calls had to be made as to what to include, and the sourcing of the statements cited in the paper should enable the reader to make his or her own assessment of their validity.

It is important to note that, in line with the objective of the paper, its focus is the *impact of sanctions, rather than the credibility of the underlying allegations of corruption*. However, it is inevitable that the paper has to mention those allegations to explain why sanctions have been imposed, as well as situate their impact within the context of the alleged wrongdoing, without taking any view as to their veracity. Nothing in this paper should be construed as endorsement of any such allegations.



Findings

This section of the paper presents the findings gleaned from the analysis of case studies. It considers, in turn, (a) the forms of impact observed; (b) factors that determine the impact of sanctions; and (c) the interaction between domestic law enforcement action in the home jurisdiction, US sanctions and overseas (non-US) sanctions.

A. Forms of Impact

In essence, four main categories of impact can be distinguished, which relate to either the targeted individual directly or, less frequently, to the broader environment in the country concerned. Each of these categories comprises multiple forms of impact, as summarised below:

- a. **Direct impact** of the sanctioning state's actions⁴⁷ in the form of (i) asset freezes and (ii) travel bans;
- b. **Private-sector action**, such as (i) financial institutions abroad ceasing business with the targeted individual even when not legally required to do so; (ii) other companies doing the same; or (iii) increased media scrutiny as a result of sanctions;
- c. **Developments in the home jurisdiction**, such as (i) criminal investigation or prosecution of the targeted individual; (ii) loss of employment or other disciplinary consequences; or (iii) loss of the targeted individual's political influence; and
- d. **Behaviour change** by (i) the targeted individual or (ii) the broader regime or elite network in the jurisdiction concerned.

One other conceivable form of impact is the cost of dealing with the consequences of sanctions, such as challenging the imposition of sanctions or launching media campaigns to repair one's damaged reputation. However, it may be more accurate to view it as a manifestation of the other forms of impact listed above. For instance, the likelihood of challenging asset freezes or travel bans will depend on whether the targeted person's assets have in fact been frozen or their travel plans disrupted. Likewise, reputation management is part and parcel of responding to the various forms of private-sector action listed above, such as banks dropping the targeted person as a client or media outlets publicising the alleged wrongdoing.

This catalogue demonstrates the range and diversity of impact that sanctions can have. It also has direct relevance to the discussion of the objectives of sanctions. As explained above, this paper seeks to advance this debate by documenting the nature and degree of the various forms of impact that sanctions have produced, rather than postulating any theories as to which of those forms of impact are the most consequential ones from a policy standpoint.

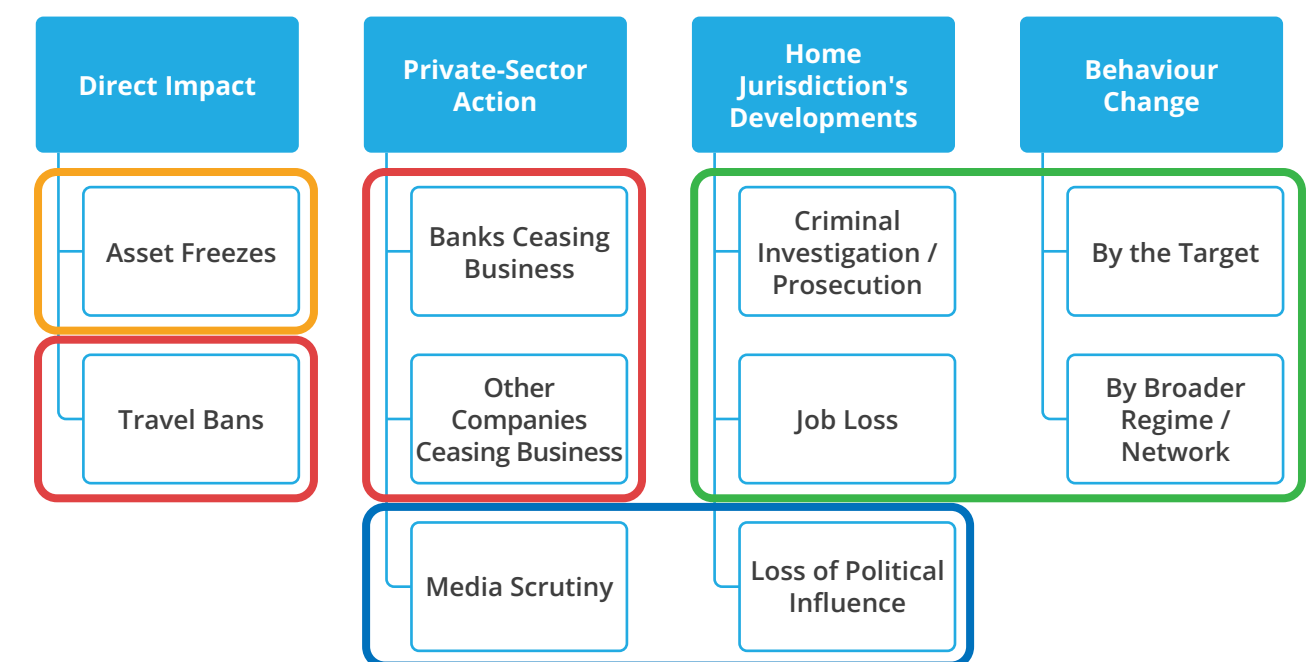
⁴⁷ The sanctioning state is also frequently known, especially in political science literature, as the 'sending state' or simply 'sender'. See, e.g. Gary Hufbauer and Barbara Oegg, 'Targeted Sanctions: A Policy Alternative?' (2001) 32 *Law and Policy in International Business* 11.



A significant challenge for undertaking this analysis is that none of these forms of impact are easily susceptible of measurement, or even observation at all. This challenge comes in three main guises, as summarised in **Figure 1** below:

- In some instances, relevant information is '**government only**', i.e. unavailable to outside parties, such as academic researchers, but is likely to be within the respective government's possession. For instance, information on the amounts of assets frozen (if any) within the US should be available to the US government but is not routinely made public.
- In other cases, even the sanctioning government is unlikely to have insight into certain forms of impact that sanctions may have had. For instance, there is no immediately obvious pathway whereby the US government would know if foreign (non-US) banks have terminated the provision of their services to a targeted individual. Even the government of the respective foreign jurisdiction where a certain bank operates need not be notified of that bank's commercial, risk-driven decision to 'off-board' a certain customer for reputational reasons. Those cases can be described as those involving relevant information being accessible to '**designee only**'.
- Finally, sometimes the impact of sanctions can be ascertained based on information in the public domain, but a degree of subjectivity in assessment is inevitable. This relates, for instance, to establishing whether the targeted individual has sustained a loss of their political influence attendant on a sanctions designation. Such cases are '**inherently subjective**'.

Figure 1: Measurable and Unmeasurable Forms of Impact





- **Green** stands for forms of impact that can generally be observed by external parties, such as researchers. For instance, it should be possible to ascertain whether the targeted individual has faced a criminal investigation or lost their job, as well as whether any behaviour change occurred.
- **Orange** stands for ‘government only’ information and relates exclusively to asset freezes. To be clear, all Global Magnitsky designees are automatically subject to US asset freezes, but whether they do in fact have US-based assets that have been identified and frozen is a separate matter.
- **Red** stands for ‘designee only’ information. For instance, while Global Magnitsky sanctions automatically result in a ban on travelling to the US,⁴⁸ only the targeted individual themselves is likely to know how significant a restriction it is in the context of their plans and lifestyle. (For the purposes of this research, a travel ban is only considered to be a form of impact if there is evidence of its inconveniencing the targeted individual.) Likewise, only the designees themselves are likely to be privy to the details of their relationships with banks and other businesses.
- **Blue** stands for the forms of impact whose assessment is ‘inherently subjective’, such as the extent to which the target faces heightened media scrutiny or has sustained a loss of political influence. In particular, since Magnitsky designations are announced via US government press releases and covered in the press, media scrutiny is likely to be directed at all Magnitsky designees. The extent of this scrutiny may well differ, and factors such as the degree of press freedom in the designee’s home country play a role, but assessing the extent of such scrutiny would be so subjective that no attempt to do so is made in this paper. As such, *media scrutiny is the only form of impact that is not assessed in this study*.

⁴⁸ Global Magnitsky Act, s 1263(b)(1).
⁴⁹ This use of terms should not be taken to imply that, if a particular form of impact is not mentioned, it is *impossible* that it has occurred; it is simply that the evidence thereof has not emerged from this research.

These measurability challenges have significant implications for thinking about the effectiveness of sanctions. First, any attempts to limit the analysis of the impact of sanctions to ‘measurable’ indicators, such as amounts of assets frozen, produce a strikingly incomplete picture. Second, to use a cliché, the absence of evidence does not equate the evidence of absence. The impact of sanctions on the targeted individual may be far from obvious yet nonetheless real.

For all these methodological difficulties, it is nonetheless useful to lay out the forms of impact felt by the Global Magnitsky designees in this project’s 20 case studies, as determined based on the publicly available information and interviews. These are summarised in **Table 2** below, which details observable forms of impact per each targeted individual.

To reflect the varying degrees of confidence with which these forms of impact can be ascertained, three grades are used in the table: ‘**certain**’ to denote a high degree of confidence; ‘**likely**’ to signify a form of impact that is more likely than not to have occurred; and ‘**possible**’ for impact for which there is only limited and indirect evidence.⁴⁹



Table 2: Forms of Impact Per Targeted Individual

NAME	HOME JURISDICTION	FORMS OF IMPACT
Felix Ramon BAUTISTA ROSARIO	Dominican Republic	<p><i>Certain:</i></p> <ul style="list-style-type: none">• Asset freezes⁵⁰ and travel bans⁵¹. According to a court filing made by Bautista and his family, his wife owned and operated at least two businesses engaged in architectural services and interior design, as well as owning real estate in Florida. It was alleged that running these businesses and maintaining the property became effectively impossible as a result of the US asset freeze and travel ban: <p>As the owner of an architect and interior design firm, she is required to attend various international trade shows as a part of her client services to enable her to remain competitive in the market. Further, Ms. Rojas-Pena’s banking relations are essential to her business. The 7031 and OFAC Designations of her husband have fatally interfered with the conduct of her business, a detriment that she does not deserve. Proper management of her Florida property, including the payment of taxes and other charges and costs, is impossible without access to United States banking.⁵²</p> <p>Furthermore, Bautista’s two grown-up sons’ US visas were allegedly either cancelled or not renewed. It is worth noting that this account of the impact that sanctions have had on his wife and children has been presented in litigation aimed at invalidating the sanctions listing. This means that the impact of sanctions may be presented as starkly as possible.</p>

⁵⁰ In this table, ‘asset freezes’ refer to whether there is evidence of US-based assets that have actually been frozen.
⁵¹ Separately to the Global Magnitsky sanctions on Bautista himself, his immediately family members have been subjected to what is known as section 7031(c) sanctions: US Department of State, ‘Public Designation of Dominican Republic Senator Felix Bautista Under the FY 2018 Department of State, Foreign Operations, and Related Programs Appropriations Act (Div. K, P.L. 115-141)’, 12 June 2018, <https://2017-2021.state.gov/public-designation-of-dominican-republic-senator-felix-bautista-under-the-fy-2018-department-of-state-foreign-operations-and-related-programs-appropriations-act-div-k-p-l-115-141/index.html>. Those are provided for in the eponymous section of the annual Consolidated Appropriations Act, the most recent one being the Consolidated Appropriations Act 2022, Public Law 117-103. These sanctions provide for a travel ban but no asset freeze. Unlike Global Magnitsky sanctions, they can apply to ‘immediate family members’ of the primary target. For detailed analysis, see Anton Moiseienko, *Corruption and Targeted Sanctions* (Brill, 2019) 41-46.
⁵² *Bautista-Rosario v Mnuchin*, 568 F Supp 3d 1 (DDC 2021), Complaint, at [15], available at <https://www.willkie.com/-/media/pwa/articles/latest-attachments/3-2020/10-october/20201005-complaint-bautista-v-mnuchin.pdf>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Benjamin BOL MEL	South Sudan	<p><i>Possible:</i></p> <ul style="list-style-type: none">• Asset freezes. It appears from public reporting that Bol Mel has suffered no consequences of note as a result of designations, particularly since he and related companies continue to ‘receive[] preferential treatment from high-level [Sudanese] officials in a non-competitive process’ according to a later US government’s press release.⁵³ The only possible consequence of which there is a trace in publicly available sources is the potential freezing of some of Bol Mel’s assets given that four companies he allegedly controls have become subject to US sanctions, in 2017 and 2021 respectively.⁵⁴
Artem CHAYKA	Russia	<ul style="list-style-type: none">• None. Following the imposition of US sanctions, Chayka has reportedly continued to run his businesses, including Russia’s largest producer of crushed stone and second-largest salt factory according to an investigation published by Alexei Navalny’s foundation,⁵⁵ and was most recently appointed the Chechen leader Ramzan Kadyrov’s advisor.⁵⁶

53 US Department of the Treasury, ‘Treasury Issues Sanctions on International Anti-Corruption Day’, 9 December 2021, <https://home.treasury.gov/news/press-releases/jy0523>. This 2021 designation of certain companies associated with Bol Mel notes that, following his original designation in 2017, they had been ‘awarded noncompetitive and substantial oil-backed contracts from the [Government of South Sudan] for road construction’.

54 Ibid; US Department of the Treasury, ‘United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe’, 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

55 Anti-Corruption Foundation (Фонд борьбы с коррупцией), ‘Chaika’, undated, <https://chaika.navalny.com/>. See a summary in English in Stella Roque, ‘Navalny Sued Over ‘Chaika’ Film Alleging Official Corruption’, OCCRP, 15 December 2015, <https://www.occrp.org/en/daily/4718-navalny-sued-over-chaika-film-alleging-official-corruption>.

56 ‘Artem Chayka, Previously Known as LSDUZ, Becomes Kadyrov’s Advisor’, *meduza*, 14 October 2022, <https://meduza.io/news/2022/10/13/artem-chayka-v-proshlom-izvestnyy-kak-lsdu3-stal-sovetnikom-kadyrova> (in Russian).



NAME	HOME JURISDICTION	FORMS OF IMPACT
Dan GERTLER	Israel Democratic Republic of the Congo (DRC)	<p><i>Possible:</i></p> <ul style="list-style-type: none">• Asset freezes. The US has designated multiple companies reportedly affiliated with Gertler, which may or may not have had any assets in the US.⁵⁷• Banks ceasing business. As explained above, it is a legal requirement for US banks to terminate business relationships with targeted persons.⁵⁸ As relates to overseas (non-US) banks, given the extent of Gertler’s business interests, press reporting suggests he may have accounts with multiple banks around the world.⁵⁹ Those banks may or may not avoid doing business with US-sanctioned persons, or at the very least carry out enhanced due diligence on them, even if not legally required to do so.• Other companies ceasing business. It has been reported that a major global commodities trader continued to do business with Gertler, opting to effect payments in euros rather than US dollars, and having discussed the matter with ‘appropriate U.S. and Swiss government agencies’.⁶⁰ There is no evidence as to whether other companies with ties to Gertler have adopted the same approach.

57 A Notice by the Foreign Assets Control Office on 28 December 2017, 82 FR 61665, <https://www.federalregister.gov/documents/2017/12/28/2017-28031/notice-of-ofac-sanctions-actions>; US Department of the Treasury, ‘Global Magnitsky Designations and Designation Update’, 15 June 2018, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20180615>. In December 2021, OFAC announced sanctions against Gertler affiliate Alain Mukonda as well as 12 entities linked to Mukonda and, by extension, Gertler: US Department of the Treasury, ‘Treasury Targets Corruption Linked to Dan Gertler in the Democratic Republic of Congo’, 6 December 2021, <https://home.treasury.gov/news/press-releases/jy0515>.

58 Global Magnitsky Act, s 1263(b)(2).

59 Franz Wild, Michael J Kavanagh and William Clowes, ‘Sanctioned Billionaire Finds a Haven in Tiny Congolese Bank’, *Bloomberg*, 2 July 2020, <https://www.bloomberg.com/news/features/2020-07-02/sanctioned-billionaire-dan-gertler-s-haven-a-tiny-congolese-bank?leadSource=verify%20wall>.

60 Barbara Lewis, ‘Glencore settles with Gertler over Congo royalties’, *Reuters*, 15 June 2018, <https://www.reuters.com/article/us-glencore-congo-idUSKBN1JB0JM>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Dan GERTLER	Israel Democratic Republic of the Congo (DRC)	<ul style="list-style-type: none">• Loss of political influence. Gertler’s close associate, the former president of the DRC Laurent Kabila, is no longer in office.⁶¹ Following the widespread criticism in the media of the alleged corruption of the Kabila era, it is arguable that the influence of those from his orbit has declined.⁶² However, it is notable that Gertler continues to appear at public functions in the company of the DRC’s current president, Félix Tshisekedi.⁶³ <p>Furthermore, in May 2022, after arbitration proceedings were launched by the DRC in the International Chamber of Commerce in Paris, Gertler and the DRC reached an agreement regarding ownership of multiple mining permits Gertler had previously obtained.⁶⁴ The agreement, which has not been made public, reportedly stipulates that Gertler would return the rights to gold and iron-ore mining permits, which would be sold off to new owners, and pay around €249 million to state-owned Congolese mining company Gécamines.⁶⁵ This sum will, however, reportedly be set off against a loan worth €192 million Gertler issued to Gécamines in 2017.⁶⁶ In return, the DRC reportedly agreed to withdraw its arbitration claim and lend diplomatic support to Gertler’s ongoing efforts to be removed from the US sanctions list.⁶⁷ The conclusion of this agreement demonstrates a degree of ongoing high-level contacts between Gertler and the DRC government.</p>

61 ‘Dan Gertler - the man at the centre of DR Congo corruption allegations’, *BBC News*, 23 March 2021, <https://www.bbc.com/news/world-africa-56444576>.

62 Ibid.

63 Benoit Nyemba and Aaron Ross, ‘Congo oil blocks auction draws warnings of environmental catastrophe’, *Reuters*, 29 July 2022, <https://www.reuters.com/business/energy/congo-oil-blocks-auction-draws-warnings-environmental-catastrophe-2022-07-28/>.

64 Toby Fisher, ‘DRC reaches billion-dollar settlement with Gertler companies’, *Global Arbitration Review*, 3 May 2022, <https://globalarbitrationreview.com/article/drc-reaches-billion-dollar-settlement-gertler-companies>.

65 Ibid.

66 Ibid.

67 Michael J. Kavanagh, ‘Congo Backs Billionaire Gertler’s Bid to End U.S. Sanctions’, *Bloomberg*, 30 April 2022, <https://www.bloomberg.com/news/articles/2022-04-29/billionaire-gertler-s-bid-to-end-u-s-sanctions-backed-by-congo#xj4y7vzkg?leadSource=uverify%20wall>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Yahya JAMMEH	The Gambia	<p><i>Certain</i></p> <ul style="list-style-type: none">• Asset freezes. Jammeh’s \$3.5 million property in Maryland has been seized via civil forfeiture proceedings commenced after his US sanctions designations.⁶⁸ A discussion is currently unfolding as to the modalities of the possible repatriation of funds to The Gambia.⁶⁹ Beyond that, it is difficult to discern any impact attributable specifically to sanctions as distinct from Jammeh’s fall from power and exile in Equatorial Guinea. <p>While some interviewees suggested that US sanctions might have made it difficult for him to channel funds to his remaining supporters in The Gambia and thus maintain his political influence,⁷⁰ others are of the opinion that, to the extent his influence subsists, it is a product of tribal allegiances rather than ongoing injections of capital.⁷¹</p>
Gulnara KARIMOVA	Uzbekistan	<p><i>Possible</i></p> <ul style="list-style-type: none">• Asset freezes. Most of Karimova’s frozen assets, which form the subject matter of ongoing litigation,⁷² are located in Switzerland and have been frozen in the context of criminal prosecution and civil forfeiture, including proceedings brought in the US.⁷³ It is uncertain whether any assets have been frozen within the US, either in connection with those court proceedings or based on sanctions.

68 US Department of Justice, ‘Justice Department Secures Forfeiture of Maryland Property Purchased with \$3.5 Million in Alleged Corruption Proceeds Linked to Ex-President of The Gambia’, 26 May 2022, <https://www.justice.gov/opa/pr/justice-department-secures-forfeiture-maryland-property-purchased-35-million-alleged>.

69 Interview with two civil society experts, 6 September 2022; interview with a civil society expert, 7 October 2022.

70 Interview with a civil society expert and Gambian civil servant, 6 September 2022.

71 Interview with two civil society experts, 6 September 2022; interview with a civil society expert, 7 October 2022.

72 ‘Swiss Prosecutor Objects to Returning Uzbeki Millions’, *FI News*, 5 January 2022, <https://www.finews.com/news/english-news/49491-swiss-appeal-return-funds-gulnara-karimova>.

73 Lucinda Pearson, ‘Gulnara Karimova, the princess fallen from grace’, Transparency International EU, 12 November 2020, <https://transparency.eu/gulnara-karimova-the-princess-fallen-from-grace/>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Roberto Jose RIVAS REYES	Nicaragua	<p><i>Certain</i></p> <ul style="list-style-type: none">• Criminal investigation. In this unusual instance, a criminal investigation was launched in the aftermath of sanctions in a third country, namely Costa Rica.⁷⁴ The investigation, which apparently concerned potential money laundering, was terminated shortly before Rivas's death in March 2022.⁷⁵• Job loss. Rivas resigned as President of the Supreme Electoral Council in May 2018, five months after the sanctions were imposed.⁷⁶• Behaviour change by the target. Given his resignation, Rivas is an example – unique in this dataset – of a targeted individual who has changed his behaviour in response to the designation. This should be placed into the context of the possible health difficulties that ultimately led to his death in 2022.
Angel RONDON RIJO	Dominican Republic	<p><i>Certain</i></p> <ul style="list-style-type: none">• Travel ban. Rondon Rijo confirmed in an interview that his US visa had been revoked as result of Global Magnitsky sanctions.⁷⁷ In the same interview, he denied having any US assets 'with the exception of a bank account to pay for his credit card US dollar charges'.⁷⁸ <p>Domestically, Rondon Rijo was arrested in the Dominican Republic in June 2017, prior to his Global Magnitsky designations by the US in December that year.⁷⁹</p>

74 'Muere Roberto Rivas Reyes, exmagistrado presidente del Consejo Supremo Electoral', *100% Noticias*, 6 March 2022, <https://100noticias.com.ni/nacionales/113799-muere-roberto-rivas-expresidente-cse-nicaragua/>.

75 'Rosario Murillo calla sobre muerte de Roberto Rivas, quien les sirvió para fraudes electorales', *100% Noticias*, 7 March 2022, <https://100noticias.com.ni/politica/113838-rosario-murillo-silencio-muerte-roberto-rivas-cse/>.

76 Octavio Enríquez, 'Muere Roberto Rivas, el exmagistrado que entronizó al régimen Ortega-Murillo mediante fraudes electorales', *Confidencial*, 6 March 2022, <https://www.confidencial.digital/politica/muere-roberto-rivas-el-exmagistrado-que-entronizo-al-regimen-ortega-murillo-mediante-fraudes-electorales/>.

77 Dolores Vicioso, 'US makes public removal of Odebrecht rep's travel visa', *DR1*, 26 December 2017, <https://dr1.com/news/2017/12/26/us-makes-public-removal-of-odebrecht-reps-travel-visa/>.

78 Ibid.

79 'Dominican Republic imprisons suspects in Odebrecht case pending trial', *Reuters*, 8 June 2017, <https://www.reuters.com/article/us-dominican-corruption-idUSKBN18Z0AP>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Slobodan TESIC	Serbia	<p><i>Certain</i></p> <ul style="list-style-type: none">• Asset freezes. Following the original imposition of Global Magnitsky sanctions on Tesci in 2017, in April 2022 the US initiated civil forfeiture proceedings against the funds held in US banks by three companies that Tesci had allegedly used for sanctions evasion.⁸⁰ This is unlikely to constitute all of Tesci's assets,⁸¹ and it was reported in 2021 that Tesci had begun the construction of a new villa in Zlatibor, a resort in Serbia.⁸² <p><i>Possible</i></p> <ul style="list-style-type: none">• Potential criminal investigation. An otherwise uncorroborated report by a Serbian news agency indicated that Tunisia had launched an investigation into Tesci.⁸³ If accurate, that would be another instance of a <i>third country</i> commencing an investigation in the aftermath of US sanctions.
Jose Francisco LOPEZ CENTENO	Nicaragua	<ul style="list-style-type: none">• None. While Lopez reportedly resigned from at least one of his two top-level positions in Nicaraguan state-owned enterprises after US sanctions,⁸⁴ he was then appointed as Presidential Advisor and Minister for Production and Trade.⁸⁵ This appears to be more accurately characterised as a reshuffle rather than meaningful demotion as a result of sanctions, and Lopez does not seem to have been otherwise affected by the sanctions.

80 *US v \$9,781,900.00 of Funds in the Name of Falcon Strategic Solutions et al*, https://www.pacermonitor.com/public/case/44114060/UNITED_STATES_OF_AMERICA_v_9,781,90000_OF_FUNDS_IN_THE_NAME_OF_FALCON_STRATEGIC_SOLUTIONS_et_al.

81 Interview with an investigative journalist, 9 September 2022.

82 Tanja Milovanović and Slavica Panić, 'Trgovac oružjem vlasnik luksuzne vile na Zlatiboru', *nova.rs*, 8 July 2021, <https://nova.rs/vesti/hronika/video-trgovac-oruzjem-vlasnik-luksuzne-vile-na-zlatiboru/>.

83 Bojana Jovanović and Stevan Dojčinović, 'Interpol raspisao poternicu za Slobodanom Tešićem', *Krik*, 8 October 2021, <https://www.krik.rs/interpol-raspisao-poternicu-za-slobodanom-tesicem/>.

84 'Renuncia Francisco López a Petronic tras sanción de Ley Magnitsky', *100% Noticias*, 10 July 2018, <https://100noticias.com.ni/nacionales/91467-renuncia-francisco-lopez-a-petronic-tras-sancion-d/>.

85 Los mil negocios turbios de Chico López, *Expediente Público*, 10 June 2020, <https://www.expedientepublico.org/los-mil-negocios-turbios-de-chico-lopez-2/>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Roberto SANDOVAL CASTANEDA	Mexico	<i>Certain</i>
		<ul style="list-style-type: none">• Asset freezes. According to the US government's press release, companies subject to sanctions due to being controlled by Sandoval or his family members include a butcher business, clothing and accessories store, real estate holding company, and a land-holding foundation.⁸⁶ According to a Mexican press report published in 2021, the Mexican financial intelligence unit had frozen US \$57.2 million in Sandoval's wealth.⁸⁷• Criminal investigation. Following US sanctions in 2019, arrest warrants were issued against Sandoval in November 2020 for embezzlement of public funds and improper exercise of functions.⁸⁸ This was followed by a slew of other charges. However, some investigations against him had already been ongoing since 2017, i.e. since before US sanctions.⁸⁹
Ahmed AL-JUBOURI	Iraq	<ul style="list-style-type: none">• None. Prior to his sanctions designation in 2019, he was removed as governor and sentenced to prison in 2017 following his conviction for misusing authority and federal funds and appropriating land for personal use.⁹⁰ Immediately thereafter, however, he was released.⁹¹ US sanctions did not appear to lead to any further action although he continues to face pre-existing investigations.

86 US Department of the Treasury, 'Treasury Works with Government of Mexico Against Perpetrators of Corruption and their Networks', 17 May 2019, <https://home.treasury.gov/news/press-releases/sm692>.

87 'Wife of ex-governor wanted for corruption pleads for halt to "political persecution"', *Mexico News Daily*, 3 March 2021, <https://mexiconewsdaily.com/news/wife-of-ex-governor-wanted-for-corruption-pleads-for-halt-to-political-persecution/>. Also referred to in Sanctions Watch: Roberto Sandoval Castaneda, *CIFAR*, <https://sanctionswatch.cifar.eu/roberto-sandoval-castaneda>.

88 Tony Richards, 'Arrest warrant issued for former Nayarit governor Sandoval', *Mexico News Daily*, 14 November 2020, <https://mexiconewsdaily.com/news/arrest-warrant-issued-for-former-nayarit-governor/>.

89 Carlos Navarro, 'Another Mexican Governor Under Investigation for Corruption', *Latin America Data Base*, 19 July 2017, <https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=7362&context=sourcemex>.

90 Lawk Gafuri, 'Iraq's Central Bank orders 'freeze' of US-sanctioned figures' assets', *RUDAW*, 25 July 2019, <https://www.rudaw.net/english/middleeast/iraq/25072019>.

91 Omar Sattar, 'Iraq struggles with corruption as massive protests rage', *Al-Monitor*, 9 December 2019, <https://www.al-monitor.com/originals/2019/12/iraq-protests-corruption.html#ixzz7sD3MKUFk>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Nawfal Hamnadi AL-SULTAN	Iraq	<ul style="list-style-type: none">• None. Like in the other Iraqi case, described below, in this instance sanctions followed on the heels of domestic law enforcement action and do not appear to have had any additional effect. Al-Sultan was arrested in March 2019, several months prior to the imposition of Global Magnitsky sanctions, and then convicted in 2021.⁹²
Ajay, Atul and Rajesh GUPTA	India	<i>Possible</i>
	South Africa	<ul style="list-style-type: none">• Loss of political influence. Prior to the imposition of US sanctions in 2019, significant developments had already occurred in South Africa that undermined the Guptas' standing and political influence. These include the publication of a report entitled <i>The State of Capture</i> by the Public Protector of South Africa, a government accountability agency, in 2016,⁹³ as well as the establishment of a public inquiry into the Guptas' activities, known as the Zondo Commission, in 2018.⁹⁴ The Gupta brothers left South Africa for Dubai in 2018.⁹⁵ They have subsequently been indicted for fraud and money laundering in South Africa.⁹⁶ <p>These developments have, in and of themselves, garnered considerable attention. They have also caused a range of businesses to drop their business relationships with the Guptas, including a major bank and a leading management consultancy company.⁹⁷ While the added effect of US sanctions is, as ever in those situations, difficult to isolate, it is likely that they have contributed to the Guptas' business and political isolation.</p>

92 Supreme Judicial Council of the Republic of Iraq, 'The Central Anti-Corruption Criminal Court issues two sentences against the former governor of Nineveh', 17 February 2021, <https://www.sjc.iq/view-en.68009/>.

93 Public Protector of South Africa, *State of Capture*, Report No 6 of 2016/17, 14 October 2016.

94 Commission of Inquiry into State Capture, Final Reports, <https://www.statecapture.org.za/site/information/reports>.

95 'South Africa: Wealthy Gupta brothers arrested in UAE', *BBC News*, 7 June 2022, <https://www.bbc.com/news/world-africa-61713832>.

96 'Gupta brothers arrested in Dubai over alleged corruption in South Africa', *The Guardian*, 7 June 2022, <https://www.theguardian.com/world/2022/jun/06/gupta-brothers-arrested-in-dubai-over-alleged-corruption-in-south-africa>.

97 Khadija Sharife, 'Guptas, Big Banks Linked to South African-Chinese Locomotive Deal', *OCCRP*, 15 November 2017, <https://www.occrp.org/en/investigations/7257-guptas-big-banks-linked-to-south-african-chinese-locomotive-deal>; Walt Bogdanich and Michael Forsythe, 'How a Revered Global Adviser Blundered Into a Corrupt Bargain', *The New York Times*, 27 June 2018.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Ajay, Atul and Rajesh GUPTA	India South Africa	<ul style="list-style-type: none">• Asset freezes. While multiple assets owned by the Guptas have been reportedly frozen in South Africa, India and the UAE in connection with criminal investigations against them,⁹⁸ it is unknown whether the Guptas have any US-based assets that have likewise been frozen. The closest indication of that potentially being the case comes from the reports that in 2017 the Guptas' nephews were investigated by US authorities for sanctions breaches, the outcome of which is unknown.⁹⁹
Salim ESSA	South Africa	<p><i>Possible</i></p> <ul style="list-style-type: none">• Loss of political influence. Essa has been subjected to US sanctions based on his alleged involvement with some (unspecified) activities of the Guptas and, according to the US government, had 'influence with prominent politicians and parties' alongside the Guptas.¹⁰⁰ There have been reports that he sought to negotiate with the South African government to return to the country without facing charges, but these talks have not been successful.¹⁰¹

- ⁹⁸ Sipho Masondo, 'R520 million in Gupta assets seized, including luxury properties in Joburg, Cape Town', *news24*, 4 June 2021, <https://www.news24.com/news24/investigations/just-in-r520-million-in-gupta-assets-seized-including-luxury-properties-in-joburg-cape-town-20210604>; Susan Comrie, 'The Guptas' R445m Dubai mansion', *news24*, 8 May 2016, <https://www.news24.com/citypress/news/the-guptas-r445m-dubai-pad-20160507>; Khadija Sharife and Josy Joseph, 'How the Guptas Milked South Africa for Diamonds', *OCCRP*, 23 August 2018, <https://www.occrp.org/en/investigations/8500-how-the-guptas-milked-south-africa-for-diamonds>.
- ⁹⁹ Joseph Cotterill and David J Lynch, 'FBI probes US links to South Africa's Guptas', *Financial Times*, 20 October 2017, <https://www.ft.com/content/6d692274-b44a-11e7-a398-73d59db9e399>.
- ¹⁰⁰ US Department of the Treasury, 'Treasury Sanctions Members of a Significant Corruption Network in South Africa', 10 October 2019, <https://home.treasury.gov/news/press-releases/sm789>.
- ¹⁰¹ Jessica Bezuidenhout, 'Gupta Inc Profiles: Salim Essa, State Capture's man of the moment', *Daily Maverick*, 4 November 2019, <https://www.dailymaverick.co.za/article/2019-11-04-gupta-inc-profiles-salim-essa-state-captures-man-of-the-moment/>.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Ashraf Seed Ahmed AL-CARDINAL	South Sudan	<p><i>Possible</i></p> <ul style="list-style-type: none">• Asset freezes. Al-Cardinal has had a number of companies he controls designated by the US,¹⁰² but it remains unclear if any of their assets have in fact been frozen. At a more general level, no change in Al-Cardinal's behaviour has been observed, and he does not appear to be out of favour in South Sudan. For instance, from 2014 to 2020, he served as the chairman for the popular South Sudanese football club Al-Hilal.¹⁰³
Kur AJING ATER	South Sudan	<ul style="list-style-type: none">• None. Ajing appears to be continuing business with the South Sudanese government, and reportedly remains close to South Sudan's President Salva Kiir.¹⁰⁴ One way in which he has responded to sanctions is by intensifying public outreach, including charity work in local communities, which has prompted some criticism of the US sanctions on South Sudanese social media.¹⁰⁵ This public outreach campaign may indicate an attempt to counterbalance existing or future media scrutiny.

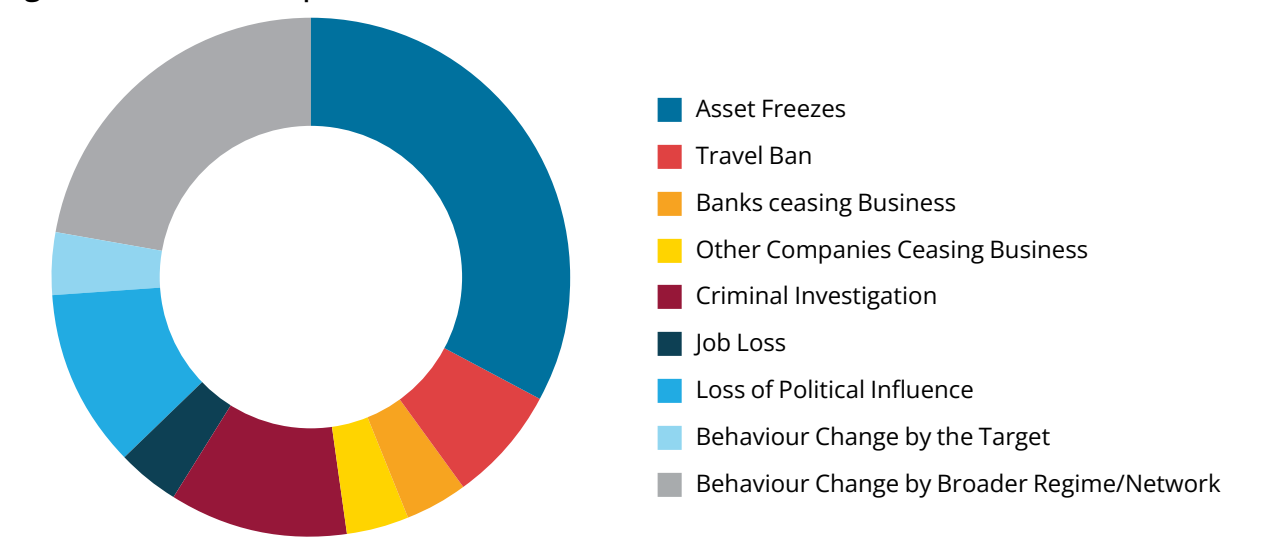
- ¹⁰² US Department of the Treasury, Specially Designated Nationals List Update of 11 October 2019, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20191011>.
- ¹⁰³ Ali Ismail, 'U.S Department of Treasury sanction Al Hilal president', *KingFut*, 12 October 2019, <https://www.kingfut.com/2019/10/12/u-s-department-of-treasury-sanction-al-hilal-president/>.
- ¹⁰⁴ Mark Anderson and Michael Gibb, 'As South Sudan Seeks Funds for Peace, a Billion Dollar Spending Spree', *OCCRP*, 2 December 2019, <https://www.occrp.org/en/investigations/as-south-sudan-seeks-funds-for-peace-a-billion-dollar-spending-spree>.
- ¹⁰⁵ Facebook posts reviewed by the International Lawyers Project.



NAME	HOME JURISDICTION	FORMS OF IMPACT
Kharmis Farnan Al-Khanjar AL-ISSAWI (aka AL-KHANJAR)	Iraq	<ul style="list-style-type: none">None. The Global Magnitsky sanctions do not appear to have had any direct impact on Al-Khanjar's fortunes. The Iraqi government has implicitly criticised the sanctions against him as it 'rejected and denounced the inclusion of the names of Iraqi leaders and figures known for their history and political role in combating ISIS in lists of sanctions'.¹⁰⁶ <p>To the extent that Al-Khanjar's situation has deteriorated, US sanctions could be seen as an indication of his changing fortunes in the US. In 2016, he had reportedly opened an office in Washington and engaged the former spokesperson of the US ambassador to the United Nations, Samantha Power, as his media point person.¹⁰⁷ The Global Magnitsky sanctions against him embody the apparent failure of his outreach in the US. It is not known if any of Al-Khanjar's US activities were ongoing at the time the sanctions were imposed, in which case one might have expected his US-based assets to have been frozen.</p>

Figure 2 and **Table 3** below summarise the most frequently observed forms of impact. In line with the caveat made above, this should be treated as a tentative assessment based on publicly available information, which is intended to advance the current state of knowledge but does not lay claim to scientific rigour.

Figure 2: Forms of Impact Observed



¹⁰⁶ 'Abdul-Mahdi condemns the inclusion of Iraqi names in the sanctions lists', *Shafaq*, 15 December 2019, <https://shafaq.com/en/Iraq-News/abdul-mahdi-condemns-the-inclusion-of-iraqi-names-in-the-sanctions-lists>.

¹⁰⁷ Ned Parker, 'Could a millionaire businessman save Iraq's Sunnis?', *Reuters*, 2 June 2016, <https://www.reuters.com/article/us-iraq-khanjar-insight-idUSKCN0YN4XF>.

Table 3: Forms of Impact Observed

FORM OF IMPACT	FREQUENCY OF OBSERVATION
Direct Impact	
Asset Freezes	9 (4x certain; 5x possible)
Travel Bans	2 (1x certain; 1x likely)
Private-Sector Action	
Banks Ceasing Business	1 (1x possible)
Other Companies Ceasing Business	1 (1x possible)
Home Jurisdiction's Developments	
Criminal Investigation / Prosecution	3 (2x certain; 1x possible)
Job Loss	1 (1x certain)
Loss of Political Influence	3 (3x possible)
Behaviour Change	
By the Target	1 (1x certain)
By the Broader Regime / Network	0
No Impact	6

Building on this case study analysis, the following section of this paper sheds further light on the nature and consequences of various forms of sanctions impact.



B. Determinative Factors

The presentation of the findings of this research would not be complete without a more detailed, narrative analysis of various forms of the impact that Global Magnitsky sanctions have had, especially as relates to asset freezing and banks ceasing business with targeted individuals. This section therefore considers, in turn, (a) asset freezes; (b) banks ceasing business with targeted individuals; and (c) instances of sanctions producing no observable impact.

1. Asset Freezes

Alongside a prohibition on entering the US, the freezing of the target's US-based assets is one of the direct consequences of a Global Magnitsky designation. The precise sanction envisaged by the Global Magnitsky Act is as follows:

The blocking, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), of all transactions in all property and interests in property of a foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.¹⁰⁸

In essence, this provision has two main implications. First, the targeted individual cannot dispose of their US property, although they remain its owner. Second, US persons, including financial institutions, cannot engage in any transactions with targeted individuals. The threat of penalties means that, short of deliberate criminality, US banks are likely to take their sanctions compliance obligations seriously.¹⁰⁹ In practice, this entails automatically screening transactions to ensure they do not involve sanctioned parties.¹¹⁰

A major challenge arising in that context is the identification of companies that are de facto owned or controlled by sanctioned individuals, but are not formally connected to them. Without the ability to do so effectively, sanctions will be greatly enfeebled. Experience suggests that those who benefit from significant corruption are unlikely to hold ill-gotten property in their own name.¹¹¹ This raises the issue of what regulated businesses, and banks in particular, do to identify potential links to sanctioned individuals among their customer base.

Given the confidentiality of information in relation to any particular individual's banking relationships, this question can only be explored at a higher level of generality, i.e. by studying the general approach

that banks tend to take to sanctions compliance. That approach appears to rely primarily on centralised compliance databases, such as World-Check, which include both sanctioned persons and, whenever available, broader corporate networks believed to be controlled by the latter.¹¹² The identification of those corporate networks relies on the research conducted by the respective service provider that maintains the database. In that manner, sanctions enforcement is de facto outsourced by banks to third-party service providers.¹¹³

There are both benefits and disadvantages to this outsourcing. On the one hand, respective third-party service providers are specialised in conducting research on sanctioned persons' corporate networks and can devote significant manpower to such analysis.¹¹⁴ Furthermore, there are benefits to consistency across banks: thus, a company determined to be controlled by a sanctioned individual cannot simply move its custom to another bank.¹¹⁵ On the other hand, the analysis performed by third-party service

providers of necessity relies on open-source information and cannot draw on the wide range of customer data, including transactional activity, that is available to banks.¹¹⁶

In light of these limitations, the extent and quality of the information provided by the US government is a significant factor. For some designations, associated companies and/or individuals, such as close business partners, are listed. For others, only the identifying details of the designated allegedly corrupt individuals themselves are supplied. The explicit identification by the US government of associated companies and/or individuals, whenever available, provides additional opportunities for effective sanctions compliance.¹¹⁷

Table 4 below summarises which of the case studies explored in this research involved the designations of associated companies and/or individuals. As further highlighted in **Figure 3** below, eight out of the 18 case studies did not involve any designations of associated companies and/or individuals.

¹⁰⁸ Global Magnitsky Act, s 1263(b)(2)(A).

¹⁰⁹ Interview with a financial crime researcher, UK, 15 September 2022.

¹¹⁰ Interview with a financial crime researcher, UK, 15 September 2022; interview with a financial crime compliance expert, UK, 27 October 2022.

¹¹¹ On the use of nominee owners, see Daniel Nielson and Jason Sharman, *Signatures for Sale: How Nominee Services for Shell Companies Are Abused to Conceal Beneficial Owners* (Stolen Asset Recovery Initiative, 2022).

¹¹² Interview with a financial crime compliance expert, UK, 27 October 2022; interview with a compliance services provider, UK, 28 November 2022.

¹¹³ Interview with a financial crime compliance expert, UK, 27 October 2022; interview with a compliance services provider, UK, 28 November 2022.

¹¹⁴ Interview with a financial crime compliance expert, UK, 27 October 2022; interview with a compliance services provider, UK, 28 November 2022.

¹¹⁵ Interview with a financial crime compliance expert, UK, 27 October 2022; interview with a compliance services provider, UK, 28 November 2022.

¹¹⁶ Interview with a compliance services provider, UK, 28 November 2022.

¹¹⁷ Interview with a financial crime compliance expert, UK, 27 October 2022; interview with a compliance services provider, UK, 28 November 2022.



Table 4: Designations of Associated Companies and/or Individuals

PRIMARY TARGET	DESIGNATED ASSOCIATED COMPANIES AND/OR INDIVIDUALS
Felix Ramon BAUTISTA ROSARIO	<p>Companies. The US has sanctioned five affiliated companies in the Dominican Republic.¹¹⁸</p> <p>Individuals. While not technically part of the Global Magnitsky sanctions, the US has also imposed travel bans on members of Bautista's family under the separate 'section 7031(c)' authority.¹¹⁹</p>
Benjamin BOL MEL	<p>Companies. The US sanctioned four associated companies in two tranches of designations, in December 2017¹²⁰ and December 2021.¹²¹</p> <p>Individuals. While Bol Mel's family members were not explicitly covered by the sanctions, they are named shareholders in some of the companies that were sanctioned by the US in December 2021.¹²² Furthermore, Bol Mel's reported associates Al-Cardinal and Ajing are sanctioned in their own right, as discussed above.¹²³</p>
Artem CHAYKA	<p>Companies. None.</p> <p>Individuals. None of Chayka's family members or associates are subject to sanctions under the Global Magnitsky Act. However, his father Yuriy Chayka, a former Prosecutor General of Russia, has been subject to US sanctions under Russia-related authorities since April 2022 in response to Russia's full-scale invasion of Ukraine.¹²⁴</p>

118 US Department of the Treasury, 'Treasury Sanctions Two Individuals and Five Entities Under Global Magnitsky', 12 June 2018, <https://home.treasury.gov/news/press-releases/sm0411>.

119 US Department of State, 'Public Designation of Dominican Republic Senator Felix Bautista Under the FY 2018 Department of State, Foreign Operations, and Related Programs Appropriations Act (Div. K, P.L. 115-141)', 12 June 2018, <https://2017-2021.state.gov/public-designation-of-dominican-republic-senator-felix-bautista-under-the-fy-2018-department-of-state-foreign-operations-and-related-programs-appropriations-act-div-k-p-l-115-141/index.html>. For an explanation of section 7031(c) sanctions, see footnote 50 above.

120 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

121 US Department of the Treasury, 'Treasury Issues Sanctions on International Anti-Corruption Day', 9 December 2021, <https://home.treasury.gov/news/press-releases/jy0523>.

122 Ibid.

123 US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.

124 US Department of the Treasury, 'U.S. Treasury Escalates Sanctions on Russia for Its Atrocities in Ukraine', 6 April 2022, <https://home.treasury.gov/news/press-releases/jy0705>.



PRIMARY TARGET	DESIGNATED ASSOCIATED COMPANIES AND/OR INDIVIDUALS
Dan GERTLER	<p>Companies. In December 2017, the US sanctioned multiple companies associated with Gertler, including companies incorporated in the British Virgin Islands, Cayman Islands, DRC, Gibraltar, Israel, and the Netherlands.¹²⁵ A range of further designations was made in June 2018 and December 2021.¹²⁶ One company was sanctioned in June 2018¹²⁷ but, in a rare occurrence, removed from the sanctions list in 2020.¹²⁸</p> <p>Individuals. Two of Gertler's reported associates, Pieter Deboutte and Alain Mukonda, are subject to Global Magnitsky sanctions.¹²⁹</p>
Yahya JAMMEH	<p>Companies. A range of Gambia-incorporated companies have been sanctioned as part of Jammeh's designation.¹³⁰</p> <p>Individuals. Jammeh's wife Zineb is subject to Global Magnitsky sanctions.¹³¹</p>
Gulnara KARIMOVA	<p>Companies. None.</p> <p>Individuals. None.</p>
Roberto Jose RIVAS REYES	<p>Companies. None.</p> <p>Individuals. While not a Global Magnitsky designation, Rivas's wife is subject to a travel ban under section 7031(c).¹³²</p>

125 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

126 US Department of the Treasury, 'Global Magnitsky Designations and Designation Update', 15 June 2018, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20180615>; US Department of the Treasury, 'Treasury Targets Corruption Linked to Dan Gertler in the Democratic Republic of Congo', 6 December 2021, <https://home.treasury.gov/news/press-releases/jy0515>.

127 US Department of the Treasury, 'Global Magnitsky Designations and Designation Update', 15 June 2018, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20180615>.

128 US Department of the Treasury, 'Syria-related Designation; Syria Designations Removals; Global Magnitsky Designation Removal; Foreign Sanctions Evaders Determination Removal', 17 March 2020, <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20200317>.

129 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>; US Department of the Treasury, 'Treasury Targets Corruption Linked to Dan Gertler in the Democratic Republic of Congo', 6 December 2021, <https://home.treasury.gov/news/press-releases/jy0515>.

130 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.

131 US Department of the Treasury, 'Treasury Targets Support to Designated Corrupt Actors', 15 September 2020, <https://home.treasury.gov/news/press-releases/sm1122>.

132 US Department of State, 'Public Designation, Due to Significant Corruption, of Nicaragua's Roberto Jose Rivas Reyes', 12 December 2018, <https://2017-2021.state.gov/public-designation-due-to-significant-corruption-of-nicaraguas-roberto-jose-rivas-reyes/index.html>.



PRIMARY TARGET	DESIGNATED ASSOCIATED COMPANIES AND/OR INDIVIDUALS
Angel RONDON RIJO	Companies. None. Individuals. None.
Slobodan TESIC	Companies. Concurrently with Tesic's designation, the US sanctioned four associated Serbia-incorporated companies. ¹³³ Two years later, in December 2019, the US extended those sanctions to a range of further companies, including those incorporated in Serbia, Cyprus and Hong Kong. ¹³⁴ Individuals. The 2019 expansion of US sanctions also involved the designations of multiple associates of Tesic, including his nephew Nebojsa Sarenac. ¹³⁵
Jose Francisco LOPEZ CENTENO	Companies. None. Individuals. None.
Roberto SANDOVAL CASTANEDA	Companies. The US sanctioned four Mexican companies associated with Sandoval concurrently with his designation. ¹³⁶ Individuals. The US designated Sandoval's wife and two adult children for 'holding his ill-gotten assets in their names'. ¹³⁷
Ahmed AL-JUBOURI	Companies. None. Individuals. None.
Nawfal Hamnadi AL-SULTAN	Companies. None. Individuals. None.

133 US Department of the Treasury, 'United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe', 21 December 2017, <https://home.treasury.gov/news/press-releases/sm0243>.
134 US Department of the Treasury, 'Treasury Sanctions Corruption and Material Support Networks', 9 December 2019, <https://home.treasury.gov/news/press-releases/sm849>.
135 Ibid.
136 US Department of the Treasury, 'Treasury Works with Government of Mexico Against Perpetrators of Corruption and their Networks', 17 May 2019, <https://home.treasury.gov/news/press-releases/sm692>.
137 Ibid.

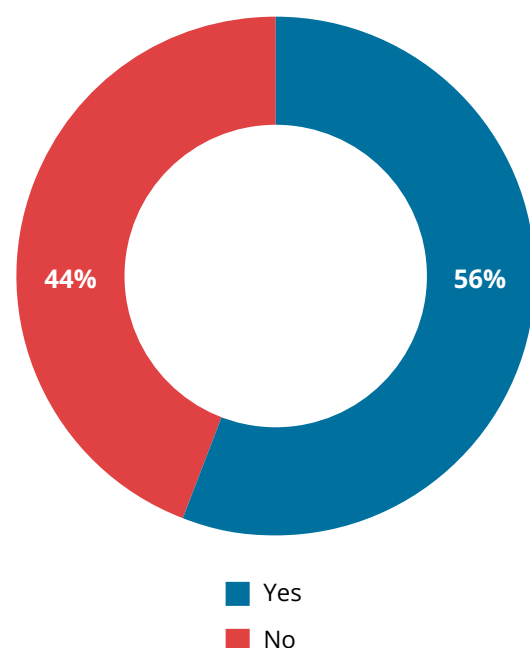


PRIMARY TARGET	DESIGNATED ASSOCIATED COMPANIES AND/OR INDIVIDUALS
Ajay, Atul and Rajesh GUPTA	Companies. No companies associated with the Guptas have been sanctioned despite the US government's statement, in announcing the sanctions against them, that their activities had been 'obfuscated by a shadowy network of shell companies and associates linked to the family'. ¹³⁸ Individuals. Salim Essa has been designated due to his alleged connections to the Gupta brothers. ¹³⁹
Salim ESSA	Companies. None. Individuals. Essa himself has been designated due to his alleged connections to the Guptas, as discussed above. ¹⁴⁰
Ashraf Seed Ahmed AL-CARDINAL	Companies. As part of the initial sanctions against Al-Cardinal, the US designated a range of companies he controlled, incorporated in South Sudan, Kenya, the UAE and the UK. ¹⁴¹ Sanctions were extended in 2020 to another UK-incorporated company associated with Al-Cardinal. ¹⁴² Individuals. Bol Mel and Ajing are the two other Global Magnitsky designees with alleged ties to Al-Cardinal. ¹⁴³
Kur AJING ATER	Companies. One company associated with Ajing has been sanctioned. ¹⁴⁴ Individuals. As explained above, Bol Mel and Al-Cardinal are both allegedly associated with Ajing.
Kharmis Farnan Al-Khanjar AL-ISSAWI (aka AL-KHANJAR)	Companies. None. Individuals. None.

138 US Department of the Treasury, 'Treasury Sanctions Members of a Significant Corruption Network in South Africa', 10 October 2019, <https://home.treasury.gov/news/press-releases/sm789>.
139 US Department of the Treasury, 'Treasury Sanctions Members of a Significant Corruption Network in South Africa', 10 October 2019, <https://home.treasury.gov/news/press-releases/sm789>.
140 Ibid.
141 US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.
142 US Department of State, 'Sanctions on Nabah Ltd. Owned or Controlled by Corrupt Businessman Ashraf Al-Cardinal', 15 September 2020, <https://2017-2021.state.gov/sanctions-on-nabah-ltd-owned-or-controlled-by-corrupt-businessman-ashraf-al-cardinal/index.html>.
143 US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.
144 US Department of the Treasury, 'Treasury Sanctions Businessmen in South Sudan for Corrupt Dealings with Government Officials and Sanctions Evasion', 11 October 2019, <https://home.treasury.gov/news/press-releases/sm790>.



Figure 3: Has an Associated Company and/or Individual Been Designated?



The point is even starker if one puts Global Magnitsky sanctions in a global perspective. For instance, to date some EU sanctions designations do not even include basic identifying information such as the targeted individual's date of birth.¹⁴⁵ As the EU contemplates the introduction of its own Magnitsky regime, ensuring a consistent and high quality of the information communicated via sanctions designations is essential to ensuring the implementation of attendant asset freezing requirements.

¹⁴⁵ Interview with a financial crime compliance expert, UK, 27 October 2022.

¹⁴⁶ It is not to be confused with so-called 'secondary sanctions', which involve the US government directly imposing financial sanctions on a non-US entity, e.g. a bank, for facilitating transactions with a previously sanctioned person.

2. Banks Ceasing Business

Insofar as US banks are concerned, they are obliged to cease business with targeted individuals for the reasons discussed above, subject to practical limitations related to their ability to identify customers that are notionally unrelated to, but de facto associated with, targeted individuals. However, the effect of US Global Magnitsky designations extends beyond US banks. Banks and other financial institutions located elsewhere, including but not limited to EU member states, likewise tend to avoid doing business with US-sanctioned individuals.

The primary reason for that is that virtually all financial institutions, regardless of their place of operation, require the ability to conduct transactions in US dollars. Doing so necessitates access to US dollar clearing facilities. Those are provided by a limited number of major global banks, which by virtue of their presence in the US are 'US persons' within the meaning of, among other statutes, the Global Magnitsky Act. As they are therefore prohibited from dealing in sanctioned persons' assets, they implement controls to ensure that their foreign bank counterparties – known as correspondent banks – do not channel transactions related to sanctioned persons via them.

This creates flow-on effects on non-US financial institutions that are de facto bound to comply with US sanctions. This state of affairs is a result of the commercial imperative to maintain access to the US financial system.¹⁴⁶ This means that US sanctions designations, including those under the Global Magnitsky Act, have a global reach in terms of their impact in the financial sector. This is unlikely to be the case for other states' sanctions designations, including those by significant economic powers like the EU, the UK and Australia.



Conversely, it is uncertain whether US sanctions have a comparable effect on the decision-making of *non-financial* non-US businesses, such as management consultancy, audit or reputation management firms. It is possible, for instance, that sanctions programmes *increase* demands for the services they offer. While reputational concerns inevitably shape their business choices, the extent to which those are determined by US sanctions, even in circumstances where there is no legal obligation to comply with them, is a potentially fruitful area for further study.

3. Instances of No Impact

While the impact of Global Magnitsky sanctions is highly variable and, as highlighted above, not always easily ascertainable, there are a few instances of such sanctions apparently having had no impact of note. Based on the analysis above, these include one-third – six out of 18 – of the case studies analysed:

- Artem Chayka (Russia);
- Jose Francisco Lopez Centeno (Nicaragua);
- Ahmed Al-Jubouri (Iraq);
- Nawfal Hamnadi Al-Sultan (Iraq);
- Kur Ajing Ater (South Sudan); and
- Kharmis Farnan Al-Khanjar Al-Issawi, aka Al-Khanjar (Iraq).

This list is noteworthy in that it brings together targeted individuals both from countries that are openly antagonistic to the US (Russia and Nicaragua¹⁴⁷) and those that appeared, at the time relevant sanctions were imposed, to have a cordial and constructive bilateral relationships (Iraq and South Sudan). At first sight, this would appear to belie the possible hypothesis that the lack of impact is solely the product of an adversely inclined government shielding its citizens from the effects of US sanctions for political reasons.

That said, two out of three Iraqi citizens on this list – Al-Jubouri and Al-Sultan – are the 'odd ones out' as they have been criminally convicted in their home country. That would suggest that, while US sanctions seem to have had no additional impact on them, they *do not* enjoy impunity by virtue of that prior domestic action. However, to complicate matters further, Al-Jubouri's conviction does not appear to have influenced his lifestyle or political standing as he was almost immediately released.¹⁴⁸ In particular, he continues to serve as an MP in the Iraqi parliament.¹⁴⁹

Likewise, the remaining Iraqi designee, Al-Khanjar, wields significant political influence in the country and leads a Sunni coalition in the Iraqi parliament.¹⁵⁰ Therefore, as a general proposition, it appears that, whether or not prior law enforcement action took place in the home jurisdiction, instances of no impact are associated with governmental opposition towards US sanctions, whether stemming from the state of bilateral relations or from the otherwise existing strong domestic political support for the targeted individual.

¹⁴⁷ In 2018, the US halted aid to the Nicaragua due to alleged human rights abuse committed by Daniel Ortega's government. In addition, consistent with the Nicaragua Human Rights and Anti-Corruption Act of 2018, the US uses its voice, vote and influence at international financial institutions (e.g., International Finance Corporation and Inter-American Development Bank) to oppose any loan or financial or technical assistance to the government of Nicaragua for projects in Nicaragua with the exception of funding to address basic human needs or to promote democracy.

¹⁴⁸ Omar Sattar, 'Iraq struggles with corruption as massive protests rage', *Al-Monitor*, 9 December 2019, <https://www.al-monitor.com/originals/2019/12/iraq-protests-corruption.html#ixzz7sD3MKUFk>.

¹⁴⁹ 'Parliament Swears in 64 New MPs; Coordination Framework Divided Over Government Formation; Kadhim Visits Saudi Arabia and Iran', ISHM: June 16 - 30, 2022, <https://reliefweb.int/report/iraq/ishm-june-16-30-2022>.

¹⁵⁰ 'Led by al-Khanjar, Azm and Takaddom form a 67-MP bloc in the Iraqi parliament', *Shafaq*, 6 January 2022, <https://shafaq.com/en/Iraq-News/Led-by-al-Khanjar-Azm-and-Takaddom-form-a-67-MP-bloc-in-the-Iraqi-parliament>.



A further correlation is that in none of these six cases did the US government associated companies or individuals. In some instances, this is likely to be an indicator of the limited quality of the information provided as part of the designation, particularly where the targeted individual is likely to be engaged in significant cross-border commercial operations, such as Chayka in Switzerland or Al-Khanjar in the Middle East.

In other cases, such as Lopez Centeno, it may – or may not – also be a reflection of the targeted individual's scant involvement in international commerce and, thus, limited opportunities to bring economic pressure to bear on him or her. If that is so, then one lesson for ensuring impact of sanctions designations is to focus them on individuals with some degree of reliance on the international financial system.

C. Prior Domestic Action, US Sanctions and Subsequent Overseas Sanctions

US sanctions do not exist in isolation, and sometimes they are but one of the various governmental interventions that affect the lives of targeted individuals. Of direct relevance to this research, those include prior domestic law enforcement action in the targeted individual's home jurisdiction, as well as subsequent sanctions designations elsewhere outside the US.¹⁵¹

These are summarised in **Table 5** below, to the extent that they are publicly known. It is possible that further measures, such as criminal investigations, are taking place outside the public domain.

¹⁵¹ Since the US was the first country to introduce Global Magnitsky sanctions and the paper considers the earliest corruption-related designations, there is no need to study possible instances of the US following other countries' corruption-related sanctions.



Table 5: Prior Domestic Action and Subsequent Non-US Sanctions

NAME	PRIOR DOMESTIC ACTION	SUBSEQUENT NON-US SANCTIONS
Felix Ramon BAUTISTA ROSARIO	Investigation. In October 2014, the Attorney General of the Dominican Republic submitted a 400-page complaint accusing Bautista of the embezzlement of more than US\$100 million of government money. ¹⁵² The Supreme Court of Justice issued a dismissal order based on the prosecution's failure to prove the offence. ¹⁵³	None.
Benjamin BOL MEL	None.	None.
Artem CHAYKA	None.	None. A range of countries imposed sanctions on his father Yuriy Chayka in connection with Russia's aggression against Ukraine, including Australia, Canada, the EU, Japan, the UK and the US. ¹⁵⁴

¹⁵² Available at https://issuu.com/noticiassin/docs/acusaci_n_fb.compressed.
¹⁵³ 'The United States has frozen the assets of a Dominican Senator for Corruption in Haiti', hougansydney.com, 13 June 2018, <http://hougansydney.com/whats-happening-in-haiti/the-united-states-has-frozen-the-assets-of-a-dominican-senator-for-corruption-in-haiti>.
¹⁵⁴ 'Yury Yakovlevich CHAIKA', Open Sanctions, <https://www.opensanctions.org/entities/Q612244/#rel.sanctions>.



NAME	PRIOR DOMESTIC ACTION	SUBSEQUENT NON-US SANCTIONS
Dan GERTLER	None. However, Gertler has featured in investigations or litigation in other jurisdictions, including: <ul style="list-style-type: none">Since September 2014, the UK's Serious Fraud Office has reportedly been investigating the deals done between Gertler and the Eurasian Natural Resources Corporation. Swiss authorities reportedly joined in the investigation in 2019.¹⁵⁵In 2019, Gertler was named in civil litigation between former shareholders of Africo, a Canadian mining company, and OZ [Och-Ziff] Africa Management Group, a company that had admitted to conspiracy to violate the US Foreign Corrupt Practices Act 1977.¹⁵⁶ According to a ruling in that litigation, OZ Africa Management Group had allegedly passed money to Gertler for it to be paid as bribes to DRC officials.¹⁵⁷	None.
Yahya JAMMEH	Investigation and Truth and Reconciliation Commission report. Following Jammeh's flight to Equatorial Guinea, an investigation was commenced that resulted in his remaining bank accounts being frozen in The Gambia. ¹⁵⁸ In 2021, the final report of the Truth and Reconciliation Commission found Jammeh responsible for a spree of killings, torture and rapes, as well as demanding bribes in exchange for granting monopoly licences for the import of certain items, such as petrol. ¹⁵⁹	Sanctioned in the UK. ¹⁶⁰

155 Serious Fraud Office, 'ENRC Ltd', <https://www.sfo.gov.uk/cases/enrc/>; Emily Tian, 'UK Fraud Watchdog Digs into Alleged Mine Bribes in DR Congo', *OCCRP*, 23 July 2021, <https://www.occrp.org/en/daily/14897-uk-fraud-watchdog-digs-into-alleged-mine-bribes-in-dr-congo>.

156 *US v OZ Africa Management GP, LLC*, Docket No 16-CR-00515-NGG, <https://www.justice.gov/criminal-fraud/fcpa/cases/oz-africa-management-gp-llc>.

157 *US v OZ Africa Management GP, LLC*, 16-CR-515 (NGG), Memorandum and Order, 28 August 2019, para. 4.

158 'Gambia's Jammeh 'stole \$50m': minister', *Deutsche Welle*, 23 May 2017, <https://www.dw.com/en/gambian-authorities-seize-ex-president-jammehs-bank-accounts/a-38944380>.

159 Pap Saine and Edward McAllister, 'Gambia's truth commission recommends prosecutions for Jammeh-era crimes', *Reuters*, 26 November 2021, <https://www.reuters.com/world/africa/gambias-truth-commission-recommends-prosecutions-jammeh-era-crimes-2021-11-25/>.

160 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.



NAME	PRIOR DOMESTIC ACTION	SUBSEQUENT NON-US SANCTIONS
Gulnara KARIMOVA	Conviction. Following a criminal investigation that commenced in Uzbekistan in 2015, prior to the imposition of US sanctions in 2017, Karimova was convicted of extortion, racketeering, money laundering and embezzlement of public funds in 2020. ¹⁶¹	Sanctioned in the UK. ¹⁶²
Roberto Jose RIVAS REYES	None. An investigation in Costa Rica – rather than his home country of Nicaragua – was reportedly opened <i>after</i> the US sanctioned Rivas. ¹⁶³	None.
Angel RONDON RIJO	Conviction. Rondon was imprisoned pending trial for bribery in June 2017, prior to the imposition of US sanctions in December that year, and convicted in 2021. ¹⁶⁴	None.
Slobodan TESIC	None. Tesic's assets in the US are subject to civil forfeiture proceedings in relation to alleged sanctions evasion following his designation. ¹⁶⁵	Sanctioned in the UK. ¹⁶⁶ Tesic was also previously subject to a UN-mandated travel ban under Resolution 1521 (2003) between 2004 and 2013 for his alleged role in supplying weapons to Liberia in breach of a UN-imposed embargo. ¹⁶⁷

161 'Uzbekistan jails ex-president's daughter Gulnara Karimova', *AFP News*, 28 July 2017, <https://sg.news.yahoo.com/uzbekistan-jails-ex-presidents-daughter-gulnara-karimova-073718230.html?>

162 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.

163 'Muere Roberto Rivas Reyes, exmagistrado presidente del Consejo Supremo Electoral', *100% Noticias*, 6 March 2022, <https://100noticias.com.ni/nacionales/113799-muere-roberto-rivas-expresidente-cse-nicaragua/>.

164 'Dominican Republic-Odebrecht case: 2 convicted, 4 acquitted', *Dominican Today*, 15 October 2021, <https://dominantoday.com/dr/local/2021/10/15/dominican-republic-odebrecht-case-2-convicted-4-acquitted/>.

165 *US v \$9,781,900.00 of Funds in the Name of Falcon Strategic Solutions et al*, https://www.pacermonitor.com/public/case/44114060/UNITED_STATES_OF_AMERICA_v_9,781,90000_OF_FUNDS_IN_THE_NAME_OF_FALCON_STRATEGIC_SOLUTIONS_et_al.

166 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.

167 'U.S. Slaps Sanctions On Nine Associates of Serbian Arms Dealer Tesic', *Radio Free Europe/Radio Liberty*, 10 December 2019, <https://www.rferl.org/a/us-slaps-sanctions-on-nine-associates-of-serbian-arms-dealer-tesic/30317753.html>.



NAME	PRIOR DOMESTIC ACTION	SUBSEQUENT NON-US SANCTIONS
Jose Francisco LOPEZ CENTENO	None.	Sanctioned by the UK. Unlike the US designation, the UK one does not identify associated companies. ¹⁶⁸
Roberto SANDOVAL CASTANEDA	Investigation. An investigation into Sandoval's alleged illicit (unexplained) enrichment was reportedly launched in 2017, prior to US sanctions. ¹⁶⁹ An arrest warrant was issued in November 2020 on charges of embezzlement of public funds and improper exercise of functions. ¹⁷⁰ He was arrested in June 2021 and is reportedly awaiting trial in detention. ¹⁷¹	None.
Ahmed AL-JUBOURI	Conviction. According to the US Treasury, Al-Jubouri was 'removed as governor and sentenced to prison in July 2017 upon conviction for misusing authority and federal funds and appropriating land for personal use', ¹⁷² but has been released since. ¹⁷³ He is currently a serving MP in Iraq. ¹⁷⁴	None.

168 HM Treasury, Office of Financial Sanctions Implementation, 'Financial Sanctions Notice', 20 May 2022, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1077158/Notice_Global_Anti-Corruption_200522.pdf.

169 Carlos Navarro, 'Another Mexican Governor Under Investigation for Corruption', *Latin America Data Base*, 19 July 2017, <https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=7362&context=sourcemex>.

170 Tony Richards, 'Arrest warrant issued for former Nayarit governor Sandoval', *Mexico News Daily*, 14 November 2020, <https://mexiconewsdaily.com/news/arrest-warrant-issued-for-former-nayarit-governor/>.

171 Roberto Sandoval, former governor of Nayarit, and his daughter are arrested in Nuevo León, *Mexico Daily Post*, 6 June 2021, <https://mexicodailypost.com/2021/06/06/roberto-sandoval-former-governor-of-nayarit-and-his-daughter-are-arrested-in-nuevo-leon/>; 'No tengo vínculos con narco, dice Roberto Sandoval por juicio de García Luna', *Expansión Política*, 8 February 2023, <https://politica.expansion.mx/estados/2023/02/08/no-tengo-vinculos-con-narco-dice-roberto-sandoval-por-juicio-de-garcia-luna>.

172 US Department of the Treasury, 'Treasury Sanctions Persons Associated with Serious Human Rights Abuse and Corrupt Actors in Iraq', 18 July 2019, <https://home.treasury.gov/news/press-releases/sm735>.

173 Omar Sattar, 'Iraq struggles with corruption as massive protests rage', *Al-Monitor*, 9 December 2019, <https://www.al-monitor.com/originals/2019/12/iraq-protests-corruption.html#ixzz7sD3MKUFk>.

174 'Parliament Swears in 64 New MPs; Coordination Framework Divided Over Government Formation; Kadhim Visits Saudi Arabia and Iran', ISHM: June 16 - 30, 2022, <https://reliefweb.int/report/iraq/ishm-june-16-30-2022>.



NAME	PRIOR DOMESTIC ACTION	SUBSEQUENT NON-US SANCTIONS
Nawfal Hamnadi AL-SULTAN	Conviction. Convicted of corruption by a court in Iraq in 2021 and currently in prison. ¹⁷⁵	Sanctioned by the UK. ¹⁷⁶
Ajay, Atul and Rajesh GUPTA	Investigation and a Commission of Inquiry report. The Gupta brothers are currently under investigation in South Africa, which commenced prior to the US sanctions designation. ¹⁷⁷ The final report of the South African Commission of Inquiry into State Capture has lent support to corruption allegations against them. ¹⁷⁸	Sanctioned by the UK. ¹⁷⁹
Salim ESSA	Investigation and a Commission of Inquiry report. Like the Guptas, Essa is subject to an investigation in South Africa. ¹⁸⁰	Sanctioned by the UK. ¹⁸¹
Ashraf Seed Ahmed AL-CARDINAL	None.	Sanctioned by the UK. ¹⁸²
Kur AJING ATER	None.	None.
Kharmis Farnan Al-Khanjar AL-ISSAWI (aka AL-KHANJAR)	Investigation. There is a reference in the media to terrorist financing allegations that were at one point made against Al-Khanjar, but the resulting investigation has been described as 'settled'. ¹⁸³ There is no indication that those allegations are in any way connected to the US rationale for sanctioning Al-Khanjar.	None.

175 'UK sanctions former Iraqi governor for embezzling funds', *Arab News*, 22 July 2021, <https://arab.news/ypayd>.

176 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.

177 Amy Cheng, 'Who are the Gupta brothers, the family accused of looting South Africa?', *The Washington Post*, 9 June 2022, <https://www.washingtonpost.com/world/2022/06/09/gupta-brothers-south-africa-arrested-dubai-extradition/>.

178 Commission of Inquiry into State Capture, Final Reports, <https://www.statecapture.org.za/site/information/reports>.

179 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.

180 Jessica Bezuidenhout, 'Gupta Inc Profiles: Salim Essa, State Capture's man of the moment', *Daily Maverick*, 4 November 2019, <https://www.dailymaverick.co.za/article/2019-11-04-gupta-inc-profiles-salim-essa-state-captures-man-of-the-moment/>.

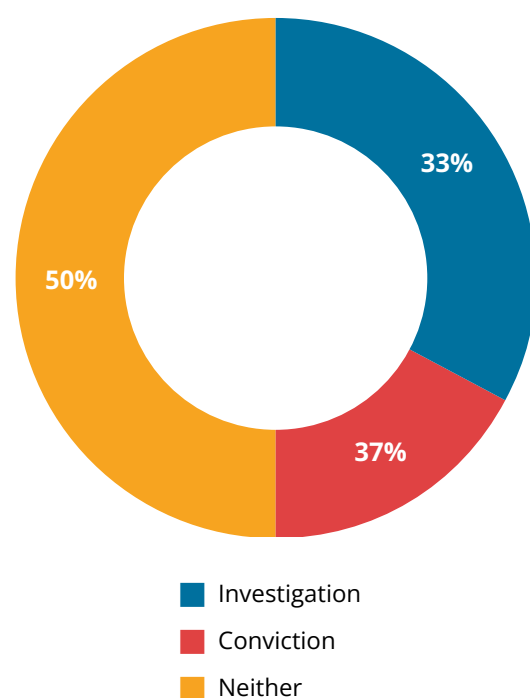
181 The UK's consolidated sanctions list is available at <https://www.gov.uk/government/publications/the-uk-sanctions-list>.

182 Ibid.

183 Mustafa Saadoun, 'Sunni figures in exile return to Iraq as part of national reconciliation', *Al-Monitor*, 24 June 2020, <https://www.al-monitor.com/originals/2020/06/iraq-judiciary-sunni-isawi.html#ixzz7sDQEZOZh>

As summarised in **Figure 4** below, six out of 18 case studies involve prior domestic investigation, and a further three case studies involve a criminal conviction. While two out of three of those convictions eventuated after US sanctions were imposed, all of them relate to investigations that had commenced prior to the imposition of such sanctions.¹⁸⁴

Figure 4: Proportion of Case Studies Involving Prior Domestic Action



The relatively high prevalence of cases involving prior domestic action raises questions as to the purpose of Global Magnitsky sanctions. If they are to address circumstances of impunity, as the legislative history of the Global Magnitsky Act suggests was the intention of at least some members of the Congress,¹⁸⁵ then sanctions might appear redundant. Or, at the very least, one might wonder if the selection of cases is skewed by considerations of opting for uncontroversial targets that have been repudiated by their own governments.

According to interviews, that latter possibility cannot be ruled out. The US government's decision-making is likely to be geared towards achieving maximum impact at the lowest possible costs, and the lesser chances of confrontation with an overseas government minimises the political and diplomatic cost of a sanctions designation. On the other hand, there may nonetheless be added value in the imposition of US sanctions on individuals who have already faced domestic investigation or even been convicted. This includes both the practical effects of such a designation, namely the freezing of any US-based assets, and the symbolic validation of domestic action that might otherwise be discarded by the international community as politically motivated. In terms of the mechanics of the designation, foreign investigation may result in the ready availability of an evidence package on which to base a sanctions designation.

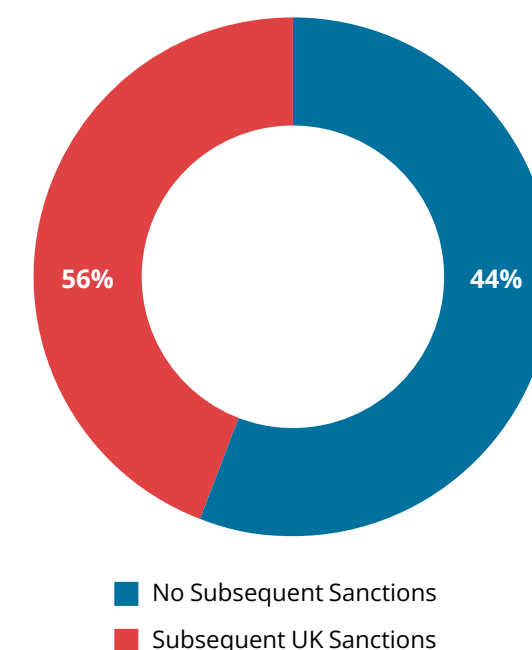
¹⁸⁴ As discussed above, one of those convictions, that of Al-Jubouri in Iraq, appears to have had little influence in practice.

¹⁸⁵ See Anton Moiseenko, *Corruption and Targeted Sanctions* (Brill, 2019) 116.

As relates to the international context, as summarised in **Figure 5** below, eight of the 18 case studies involve follow-up designations elsewhere, in this instance always by the UK. This is considerably higher than the proportion of multilateral designations across Global Magnitsky sanctions writ large: according to the research by a coalition of anti-corruption civil society groups, only 6% of corruption-related US Global Magnitsky designations have been replicated elsewhere.¹⁸⁶

Several hypotheses can be put forward to explain the disproportionately high number of multilateral (US/UK) designations in these case studies. First, they are likely to concern relatively high-profile and therefore less controversial cases. In particular, there is a significant overlap between cases where prior domestic action occurred and those involving multilateral designations, as the former account for five out of seven bilateral designations. With the arguable exception of Al-Sultan, all of them pertain to individuals allegedly implicated in major scandals with potential international repercussions (the Gupta brothers and Essa; Jammeh; and Karimova). Second, early designations made by the US government may have been prioritised because of the particularly strong evidence available, which would have increased the likelihood of that evidence passing muster in other countries. Third, it is not implausible that the first batches of Global Magnitsky sanctions simply attract greater attention than the more recent additions to the US sanctions list.

Figure 5: Proportion of Case Studies Involving Subsequent Non-US Sanctions



¹⁸⁶ Human Rights First et al, *Multilateral Magnitsky Sanctions at Five Years*, November 2022, p. 15.



Conclusions and Recommendations

Based on a comprehensive analysis of sanctions designations involving the first twenty individuals targeted under the corruption prong of the Global Magnitsky Act, this paper has explored (a) the forms of impact that Global Magnitsky sanctions have produced; (b) the factors that determine the impact of such sanctions; and (c) the relationship between Global Magnitsky sanctions, prior domestic action and subsequent non-US sanctions.

In doing so, the paper has provided a novel methodological blueprint that can be applied to studying the impact of any sanctions against individuals, which it does by:

- Breaking down the impact of sanctions into 10 forms of impact across four main categories (**Figure 1** above);
- Distinguishing between various forms of impact based on whether they are susceptible of accurate measurement (also **Figure 1** above);
- Cataloguing the forms of impact observed across the 18 case studies of corruption-related Global Magnitsky designations (**Table 2** above);
- Summarising the most frequently observed forms of impact (**Table 3** above);
- Identifying designations that include associated companies and/or individuals (**Table 4** above); and
- Establishing the correlation between US sanctions, prior domestic action in the targeted individual's home jurisdiction and subsequent non-US sanctions (**Table 5** above).

Conclusions and recommendations based on this analysis follow below.



A. Conclusions

- **There are multiple forms of impact that Global Magnitsky sanctions can have, which this paper divides into 10 forms of impact across four categories.** As a result, attempts to judge the impact of sanctions designations by reference to a sole criterion or even several criteria, such as the amount of assets frozen or the targeted individual's behaviour change, risks missing the full picture.
- **Many forms of the impact of Global Magnitsky sanctions are inherently insusceptible of accurate measurement. This means one must take care not to assume too easily either the impact of sanctions or a lack thereof.** For instance, it may be impossible for an external observer to ascertain what impact the inability to access US banking services has on the targeted individual's personal or professional life. Even governments may struggle to establish the impact that the difficulty of establishing new business relationships, or the termination of existing ones, may produce.
- **The actual freezing of assets is the most widespread effect of sanctions in the sample analysed, but their enforcement relies on the availability of information about the targeted individual's corporate network. The quality of such information differs from designation to designation.** In some instances, no information at all is provided by the US government about the targeted individual's corporate network. Whenever that is the case, the identification of such corporate network relies on the banks' third-party service providers that run respective sanctions screening databases.
- **In a third of the case studies analysed, no discernible impact on the targeted individual was observed beyond media scrutiny, which is a given.** These cases appear to involve (a) political complications, i.e. either the targeted individual's home jurisdiction is hostile to US policy or they themselves enjoy high political standing; and (b) no information published by the US government on the targeted individual's corporate network, which may signal limited availability of such information, an unwillingness to publish it for other reasons, or the targeted individual's scant reliance on the international financial system.
- **Half of the case studies analysed involved prior domestic action, such as investigations or criminal convictions.** This may reflect a US preference to go after targeted individuals repudiated by their own governments so as to avoid diplomatic complications. On the other hand, US sanctions may be a valuable supplement to domestic action by validating its legitimacy and ensuing that the targeted individual's US assets are frozen.
- **More than a third of the case studies analysed involved subsequent sanctions designations by other countries, in all instances the UK.** This is significantly higher than the overall proportion of multilateral Global Magnitsky designations. The disparity may be a product of (a) early corruption-related Global Magnitsky designations involving high-profile targets; (b) better-quality evidence associated with such designations; or (c) the greater amount of attention that the first batches of designations have attracted internationally compared to later sanctions.



B. Recommendations

- 1. Governments should not assess the effectiveness of sanctions purely in terms of measurable outcomes, such as the amount of assets frozen.** However, they should conduct regular reviews of the impact of their sanctions, even though such a review will of necessity involve imprecise, subjective assessments.
- 2. Governments should seek to identify and publicise corporate networks associated with targeted individuals.** Otherwise, this crucial task is left entirely to banks, other regulated businesses and the third-party service providers they rely on. The easier the governments make their job, the more effective they will be in the enforcement of asset freezes.
- 3. In determining appropriate targets for Global Magnitsky sanctions, governments should prioritise individuals who rely on the international financial system and therefore are more likely to be affected by the designation.** Without such reliance, there is a greater likelihood of the sanctions having little to no observable impact.
- 4. In imposing Global Magnitsky sanctions on those whose wrongdoing has been addressed by domestic justice systems, governments should develop a clear understanding of the added value that the designation would have in the circumstances.** In the absence of such genuine added value, there is a risk of redundancy, which trivialises sanctions and undermines their potential as a tool to tackle impunity.

These conclusions and recommendations present the findings of the first attempt to study the effect, as opposed to effectiveness, of US Global Magnitsky designations. Future work can extend this approach to cover a greater number of case studies. This can include more corruption-related sanctions under the Global Magnitsky Act (the subject matter of the present paper), human rights-related sanctions under the Global Magnitsky Act, or sanctions imposed under other (non-Magnitsky) sanctions authorities in the US or elsewhere, as long as those sanctions target specific individuals (as distinct from states or sectors of countries' economies). Comparing the effects of US and non-US sanctions may present a particularly fruitful area of inquiry given the global centrality of the US financial system, which presumably leads to the relatively greater impact of US sanctions designations.