



May 15, 2024

To Whom it May Concern:

Attached please find informational materials distributed by The Daschle Group, registrant no. 6280, on behalf of Ad Hoc Board of Petróleos de Venezuela S.A. (PDVSA) (through White & Case LLP).

Thank you,

Shawntay Charles
Administrative Assistant
The Daschle Group

From: Wolf, Spencer <Spencer@DaschleGroup.com>

Date: Friday, May 10, 2024 at 4:30 PM

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May 10, 2024

Daniel Erikson
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. Erikson,

We write to you today to express a deep, bipartisan Congressional concern about the forced judicial sale of a foreign sovereign's ownership interest in CITGO that is proceeding before the U.S. District for the District of Delaware. In light of this concern, we request that the Administration exercise its constitutional authority to block the sale in the interest of U.S.-foreign-policy and national-security concerns and to initiate a diplomatic solution that is more appropriate in respect of claims against a strategically important sovereign asset.

The unprecedented sale proceeding began as an attempt by a single, non-U.S. judgment creditor of the Bolivarian Republic of Venezuela to satisfy an arbitral award using the assets of Petróleos de Venezuela, S.A. (PDVSA), the Republic's wholly owned national oil company, which is governed by an *ad hoc* board appointed pursuant to the authority of the democratically elected 2015 Venezuelan National Assembly. Over time, however, the proceeding has expanded exponentially to the point where dozens of creditors holding judgments in excess of \$20 billion are now part of the sale process. If consummated, any sale would satisfy only a small portion of that debt, thus producing an inequitable result in a U.S. Court, leaving most of the creditors without remedy, and resulting in the total loss of PDVSA's ownership interest in CITGO. Instead of liquidating PDVSA's interest on an unreasonable basis, CITGO's status as a productive asset should be used to maximize its value and compensate more creditors on an equitable basis.

The forced sale is set to conclude by **July 15, 2024**, a timeline running in parallel to the critical presidential elections in Venezuela which will take place on **July 28, 2024**. If the sale were to conclude, PDVSA's loss of its entire ownership interest in CITGO will deliver a devastating blow to proponents of democracy in Venezuela who have long-placed hope that CITGO, free of the corrupt influence of the Maduro regime, could be part of a solution to the geopolitical crisis in Venezuela and not as a victim of it. In contrast, Nicolás Maduro is using the forced judicial sale as election campaign rhetoric, benefiting from its own wrong doings, and is attacking members of the democratic opposition and accusing the leadership of the U.S.-recognized 2015 National Assembly, *Consejo de Administración y Protección de Activos* (CAPA) and the United States of "kidnapping" CITGO and "sharing the loot" from the "stealing and dismembering" of CITGO in U.S. courts.

The Administration has the foreign-policy and national-security tools at its disposal to support the people of Venezuela in their efforts to transition the country to democracy by protecting PDVSA's ownership in CITGO and diffusing the disinformation spread by Maduro and his cronies — who have already perpetrated untold damage to the democratic ambitions of the Venezuelan people by barring opposition candidates, including Maria Corina Machado, from the elections. Indeed, the Administration has mobilized some of those tools in the form of economic sanctions to protectively block Venezuela's assets, including PDVSA's shares in CITGO, to prevent their dissipation by the Maduro regime in the wake of the fraudulent presidential elections in 2018. In addition, the Administration has previously opposed the forced judicial sale of CITGO as against U.S.-foreign policy interests and withheld from the court in Delaware an OFAC license necessary to consummate certain steps in the sales process. And so long as PDVSA's ownership interest in CITGO remains protectively blocked, any successful bidder selected by the court would also need an OFAC license to consummate the forced sale.

The undersigned therefore urges the Administration to bar the continuation of the sale process through its sanctions powers, revoke its favorable sanctions licensing policy

regarding the sale announced in May 2023, and to establish a Foreign Claims Settlement process for the equitable and orderly settlement of claims against the Republic and PDVSA. The Administration has followed the latter process in numerous other instances involving foreign sovereigns, including Cuba, Iraq, Sudan, and many others. This is a critically time sensitive issue and we urge the Administration to take action now.

Very sincerely yours

CC: Office of Foreign Assets Control (OFAC), Department of Treasury

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