

**From:** Jose Cardenas <JC@thecormacgroup.com>  
**Sent:** Tuesday, June 4, 2024 7:51 AM  
**To:** swicary@bloomberg.net  
**Cc:** mpb@visionamericas.com  
**Subject:** Elliott Abrams on forced sale of Citgo: Will US Boost Maduro in Venezuela's Election?

Hello Stephen,

I hope you are doing well — thriving & surviving in BA.

I wanted to give you a heads up on a new project I am working on: helping the Venezuela opposition-controlled PDVSA Ad Hoc (in possession of PDVSA foreign assets) trying to save Citgo from a forced sale. It has been a long & torturous legal process that has been amply covered, but what is new is some important dates that occur right in the middle of the final weeks of the election that the regime could exploit.

Please see Elliott Abram’s blog below. There is also a Congressional letter coming out this week to the Biden administration raising concerns about the forced sale.

I have copied here my colleague Marcela Prieto Botero, who I am working with on this.

If you think this is a story worth pursuing by your team, we’d be happy to facilitate!

**COUNCIL***on*  
**FOREIGN  
RELATIONS**

from **Pressure Points**

## **Will the United States Boost Maduro in Venezuela’s Election?**

A forced sale of CITGO oil company just days before Venezuela's July 28 presidential election would be a propaganda bonanza for the Maduro regime, and should be delayed by the United States government.

*Blog Post* by Elliott Abrams

June 2, 2024 9:41 am (EST)



Venezuela’s presidential election is scheduled for July 28, and no one believes it will be free and fair. The opposition candidate, Maria Corina Machado, has been barred from running, as was her first substitute; the regime has announced that EU election observers will be excluded; polling places are being changed to confuse voters. Maduro needs all this because [polls](#) show him getting under 20 percent of the vote—and in some polls under 10 percent.

Meanwhile, and unrelated to Venezuela's election, a U.S. federal judge is in the process of forcing the sale of Venezuela's largest asset, the CITGO oil company. That will be the largest court auction of an asset ever held. Let's assume for the moment that the judge's decision to auction off CITGO to pay a few of Venezuela's debts is entirely normal and legitimate—although it has been called “truly extraordinary” by *Forbes* and “rare” by the *Houston Chronicle*. Those terms refer to the judge's decision that CITGO is actually an alter ego for Venezuela, such that crimes committed by the Maduro regime—expropriations—will be remedied by a first come, first served auction where only a few creditors benefit. *Forbes* also added that “While no firm information has arisen, there is suspicion in international energy circles that the United States State Department, if not other US government departments and agencies, may have been involved....”

What is “truly extraordinary” and “rare” in my view is the timing. The auction starts on June 3<sup>rd</sup>—and the final hearing to approve the sale is scheduled for July 15—not two weeks before Venezuela's election.

This is a likely bonanza for Maduro. CITGO's board has since 2019 been out of his control and under that of Venezuela's opposition, dating from the days when the U.S. government recognized National Assembly speaker Juan Guaidó as Venezuela's interim president. CITGO's board was chosen by the opposition-led National Assembly back then. Maduro will obviously blame the opposition for the loss of CITGO, which is (as the *Houston Chronicle* put it) “Venezuela's foreign crown jewel” and is its most valuable foreign asset.

Even if one assumes that the entire process is fair and just, and that CITGO will be lost to Venezuela, the timing is unbelievably stupid. It is a gift to Maduro. The lawsuits have been under way since 2017. Must they end days before Venezuela's election?

What would it take to delay the final hearing by a few weeks? Remember, the final sale of CITGO will ultimately require approval by the Biden administration—in the form of a license from OFAC, the Office of Foreign Assets Control, at Treasury.

In my view, a letter to the court from the Attorney General and Secretary of State urging just a short delay would likely do the trick. The judge in question, Leonard Stark, is obviously deeply committed to having his way in this case and making his rulings stick; *Reuters* noted that “Stark declined to hand off the case to another judge after being promoted in 2022 to an appeals court.”

Nevertheless, the Biden administration can jump in and notify the court that the timing it adopted before Maduro set the election date for July 28 is now wrong, inappropriate, damaging to U.S. foreign policy, and a gift to the dictator. Maybe it won't work—but there is simply no excuse for not trying.

Original post [here](#).

Best Regards,

José R. Cárdenas  
c) 202-812-0123

“DISSEMINATED BY THE CORMAC GROUP, A REGISTERED FOREIGN AGENT, ON BEHALF OF THE AD HOC BOARD OF PETROLEOS DE VENEZUELA, S.A. THROUGH VISION AMERICAS INTERNATIONAL LLC. MORE INFORMATION IS ON FILE WITH THE DEPARTMENT OF JUSTICE, WASHINGTON, D.C.”.