

**U.S. Commission on International Religious Freedom (USCIRF)**

**October 27, 2021**

**Hearing On Targeted Sanctions: Implications for International Religious Freedom**

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**Armenian Assembly of America**

Nadine Maenza, USCIRF Chair; Nury Turkel, USCIRF Vice Chair; Senator Ben Cardin (D-MD); Senator Roger Wicker (R-MS); Representative Jim McGovern (D-MA); and distinguished panelists, the Armenian Assembly of America (Assembly) – the largest Washington-based, non-partisan advocacy organization promoting public understanding and awareness of Armenian issues – commends you for holding today’s hearing on Targeted Sanctions: Implications for International Religious Freedom.

We fully support the efforts of Congress and the Administration to combat the serious dangers of corruption and corrupt practices as well as identify autocrats such as Azerbaijan’s President Aliyev, who poses a direct threat against the Armenian people and democracy in Armenia and Artsakh. As stated in President Joe Biden’s June 3, 2021 Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest, “corruption threatens United States national security... and democracy itself.” As history has proven, corrupt political leadership also often correlates with massive human rights violators, which is another reason to support this important effort.

We also strongly support the ongoing work of Senators Cardin and Wicker, Chairman and Ranking Member, respectively, of The Commission on Security and Cooperation in Europe in combating corruption, including the introduction of S.158, the Countering Russian and Other Overseas Kleptocracy Act (the CROOK Act). As they stated, America’s adversaries today “most often are defined by political corruption — authoritarian leaders using the levers of government to enrich themselves and ward off political opponents. Corrupt leaders cling to power through patronage networks and exploit rule-of-law jurisdictions, like the United States, to conceal and protect their stolen assets...Corruption undermines democracy, hollows out the rule of law, fuels the rise of authoritarian opportunists who seek to exploit social divisions, restrict freedom, and use public office for personal gain...Corruption also poses a wider threat to American democracy and prosperity, and to the prosperity of our allies.”

Last month, a trove of financial records called the *Pandora Papers*, released to the public by the International Consortium of Investigative Journalists (ICIJ) and the Organized Crime and Corruption Reporting Project (OCCRP), revealed the extent of the Aliyev regime’s corruption and exposed the depth of involvement by his family and close associates.

In particular, the *Pandora documents reveal* that Azerbaijan's Aliyev and his family have been systematically robbing their own country's wealth since Aliyev's first term in office in 2003. Further, the findings shed light on the Aliyevs’ acquisitions of approximately \$700 million worth of real estate in the United Kingdom alone, in addition to registering scores of offshore companies and running a \$2.9 billion money laundering scheme, known as the *Azerbaijani Laundromat*. It was also specified that the Crown Estate, which owns and manages property on behalf of the Queen

of England, bought a £66.5 million (\$91 million) property from the Aliyev family in 2018, in which the Aliyev family made a £31 million (\$42 million) profit.

The OCCRP reported: “Aliyev’s two daughters, his son, his father-in-law [Arif Pashayev], and two of the family’s close business associates have held, at their peak, a staggering £429 million (\$694 million) in London real estate — including prominent historical buildings, commercial developments, and luxury apartments in prestigious neighborhoods. Their ownership of this property empire has been systematically hidden for years behind offshore companies with generic names like Sheldrake Six and Fliptag Investments.”

The report continued: “In total, OCCRP found 84 previously unknown offshore companies, registered in the British Virgin Islands, that the Aliyevs and their associates have owned since 2006. The companies appear to be managed as a closely knit system: Again and again, the leaked records show, groups of them filed paperwork or changed directors on the very same day. Their owners and directorships were also frequently shuffled among the same small group of people.”

OCCRP cited the length of Aliyev’s corruption, which spans over two decades, as he led “an increasingly autocratic regime built on the jailing of journalists, lawyers, and activists, fraudulent elections, and massive corruption.” Additionally, Aliyev showered lavish gifts upon Members of Congress who traveled to Baku in 2013, based on reports by the Office of Congressional Ethics.

The revelations in the *Pandora Papers*, demonstrate the urgent need for the United States to take action. In addition to the tools already available, as part of the Fiscal Year 2022 National Defense

Authorization Act, House Rules Committee Chairman Jim McGovern offered an amendment which “modifies the Global Magnitsky Human Rights Accountability Act (Subtitle F of title XXI of PL 114-328) to authorize sanctions for serious human rights abuse, any violation of internationally recognized human rights, or corruption.” The amendment authorizes the President to impose sanctions on individuals accused of committing human rights abuses or engaging in corruption, both of which are boxes that Azerbaijan’s Aliyev checks off.

Citing the Global Magnitsky Act, earlier this month legislators introduced the Establishing New Authorities for Business Laundering and Enabling Risks to Security (ENABLERS) Act authored by Representatives Tom Malinowski (D-NJ), Maria Elvira Salazar (R-FL), Steve Cohen (D-TN) and Joe Wilson (R-SC) in response to the *Pandora Papers*’ revelations about the monumental corruption of autocratic leaders, including Aliyev. Corruption by the Erdogan regime is another prime example for the United States to expand the legal tools at its disposal.

According to the ICIJ, if the ENABLERS Act is passed, “the law would give the U.S. Treasury Department until December 2023 to create anti-money laundering rules for the gatekeeper industries. A new national security task force would oversee the effort.”

The legislation would “amend the Bank Secrecy Act to expand the scope and authorities of anti-money laundering safeguards under such Act, and for other purposes,” and “develop an ambitious, comprehensive, and multi-year United States Government strategy to impose anti-money laundering safeguards on all necessary gatekeeper professions.”

Despite undertaking an obligation to resolve the Nagorno-Karabakh conflict peacefully through the mediation efforts of the U.S., French, and Russian Co-Chairs of the OSCE Minsk Group, Azerbaijan launched an unprecedented war against the Armenian people in the Fall of 2020. For six weeks (44 days), the Azerbaijani military, with the full and open support of Turkey – and with the use of over 2,500 jihadist mercenaries transported to and deployed in Azerbaijan by a Turkish private security firm known as SADAT<sup>1</sup> – attacked and targeted the Armenian people in Nagorno-Karabakh and Armenia. Having already faced a genocide in the 20th century, Armenians were forced, yet again, to rebuild in the wake of serious human and structural devastation, especially in Nagorno-Karabakh. Upwards of 100,000 people - mainly children, women, and the elderly - were forcibly displaced from their homes in Nagorno-Karabakh, while hospitals, schools, and churches were destroyed by missiles, cluster and white phosphorus munitions, and drone strikes. Over 4,000 Armenian soldiers and over 100 civilians were killed, in the 44-day war, with dozens falling victim to Azerbaijani extrajudicial executions, including beheadings (according to Human Rights Watch, and as documented by Columbia University’s Institute for the Study of Human Rights and its “Project on Atrocities in Artsakh”) and bodily mutilations. In addition, Azerbaijan continues to unlawfully hold Armenian POWs with reports of prisoner abuse by Azerbaijan’s military. The Assembly remains deeply concerned that Azerbaijan received over \$100 million in U.S. security assistance during the previous Administration, some of which was ultimately used against the Armenian people in the war that Azerbaijan launched against Armenia and Artsakh in complete disregard to the provisions of Section 907 of the FREEDOM Support Act.

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<sup>1</sup> Turkish-Backed Syrian Fighters Join Armenian-Azeri Conflict - [WSJ](#)  
In Nagorno-Karabakh, Armenia-Azerbaijan fighting draws Turkish-linked Syrian mercenaries - [The Washington Post](#)  
Making Sense of SADAT, Turkey’s Private Military Company - [War on the Rocks](#)  
The Ghost of SADAT in Nagorno-Karabakh - [Grey Dynamic](#)

In conclusion, it is our hope that this hearing generates and introduces new mechanisms to hold human rights violators and corrupt leaders accountable, to safeguard and protect vulnerable populations, and to assert America's leadership for the betterment of humanity. The Armenian Assembly of America and the entire Armenian American community stand ready to help the U.S. Commission on International Religious Freedom in realizing such efforts.

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