January 31, 2018

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Rex Tillerson
Secretary
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Secretaries Mnuchin and Tillerson:

Despite overwhelming bipartisan support for imposing sanctions on the Russian Federation for its brazen interference in the 2016 U.S. presidential election as part of the Countering America’s Adversaries Through Sanctions Act (CAATSA), the Trump Administration remains unwilling to implement the law and hold Russia accountable. I find this refusal, and your apparent complicity in the matter, to be completely unacceptable.

As you both know, Section 231 of CAATSA mandates that the President “on and after” January 29, 2018, sanction persons “the President determines knowingly, on or after such date of enactment, engages in a significant transaction with a person that is part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation...”. The same section, however, allows the President to either waive application of these sanctions or delay their imposition. Delays may be granted if such persons “substantially reduc[ing] the number of significant transactions with [the defense or intelligence sectors of the Russian Federation].” Yet, as of Monday’s deadline, no sanctions had been imposed, no waivers had been granted and no delays had been issued.

In a baffling defense of the Trump Administration’s refusal to act, on Monday, State Department spokeswoman Heather Nauert stated, “[s]ince the enactment of the CAATSA legislation, we estimate that foreign governments have abandoned planned or announced purchases of several billion dollars in Russian defense acquisitions” and that “[s]anctions on specific entities or individuals will not need to be imposed because the legislation is, in fact, serving as a deterrent.” Additionally, in a hearing Tuesday before the U.S. Senate Committee on Banking, Housing and Urban Affairs, Secretary Mnuchin testified that it was a “very unfair characterization” that the Administration had chosen to delay the Russia sanctions and that the Administration “did not waive or delay [imposing sanctions].”

Considering the Administration has not imposed sanctions, nor granted any waivers or delays of the sanctions, the only legal explanation remaining for the Administration’s inaction turns on the statutory language that the President make a “determination” that a person has knowingly engaged in a significant transaction with the defense or intelligence sectors of the Russian Federation. Interestingly, Ms. Nauert’s statement on behalf of the State Department would indicate that the Department had at one point determined that at least some foreign governments had planned billion dollar transactions with these sectors, but it now “estimates” these transactions have been abandoned.
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I find it hard to accept that over the course of the past six months the President has been unable to determine that a single person has engaged in a significant transaction with the Russian defense or intelligence sectors. I also find it hard to believe your departments, working in coordination with the intelligence community, have been unable to identify any such person or furnish such information to the President. Most of all, I find it preposterous that it is the State Department’s position that the legislation has served as such a deterrent that not one person or entity is engaged in a significant transaction with the Russian defense or intelligence sectors. Comments to this effect indicate a complete failure to understand the purpose of the legislation, which is intended to hold Russia accountable for its interference in the 2016 election.

To that end, I write to inquire why no action has been taken pursuant to section 231 of the Act. Is it fair to conclude that your departments have been unable to identify a single person who has engaged in a covered transaction with Russia’s defense or intelligence sector? Or, is it more accurate to conclude that the President is unwilling to implement the law and hold Russia accountable? Given the obvious threat that Russia poses to our nation’s democracy, I would hope that you both can offer more than an “estimate.” As such, I ask that you respond no later than February 5, 2018.

Sincerely,

MAXINE WATERS