

# Global Magnitsky Sanctions Five Years On:

An Empirical Study  
of the Impact of Corruption  
Sanctions

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## GLOBAL MAGNITSKY SANCTIONS 5 YEARS ON: AN EMPIRICAL STUDY OF IMPACT

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### **Research question.**

What happened to people under sanctions?

### **Why it matters.**

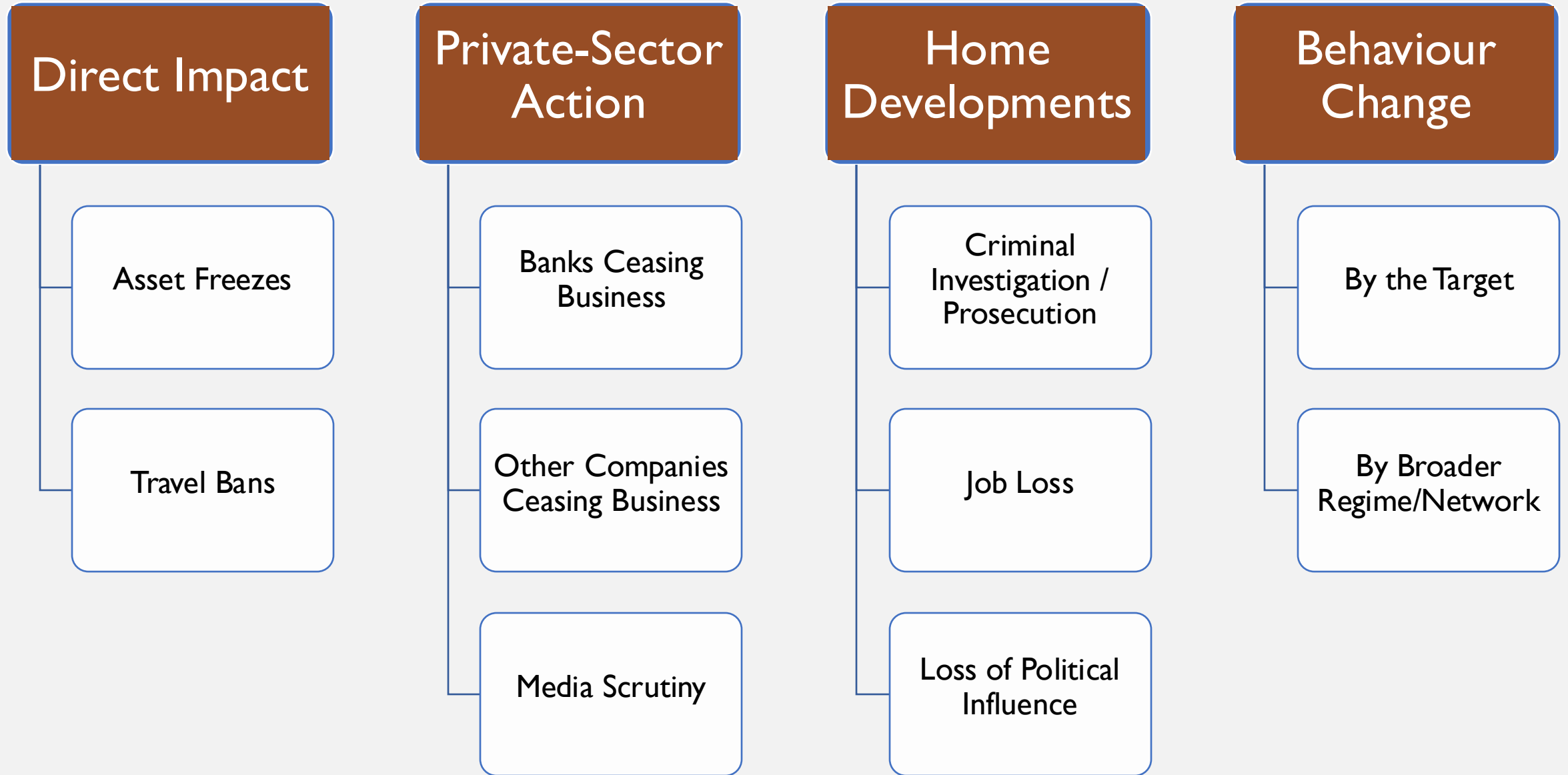
The impact of sanctions is not limited to behaviour change. To understand how sanctions can be best used, we need a better grasp of how they impact those targeted.

### **Methodology.**

Case studies of 20 individuals designated for corruption under the US Global Magnitsky programme.

Name	Home Jurisdiction	Date
Felix Ramon BAUTISTA ROSARIO	Dominican Republic	21 Dec 2017
Benjamin BOL MEL	South Sudan	21 Dec 2017
Artem CHAYKA	Russia	21 Dec 2017
Dan GERTLER	Israel / DRC	21 Dec 2017
Yahya JAMMEH	The Gambia	21 Dec 2017
Gulnara KARIMOVA	Uzbekistan	21 Dec 2017
Roberto Jose RIVAS REYES	Nicaragua	21 Dec 2017
Angel RONDON RIJO	Dominican Republic	21 Dec 2017
Slobodan TESIC	Serbia	21 Dec 2017
Jose Francisco LOPEZ CENTENO	Nicaragua	5 Jul 2018
Roberto SANDOVAL CASTANEDA	Mexico	17 May 2019
Ahmed AL-JUBOURI	Iraq	18 July 2019
Nawfal Hamnadi AL-SULTAN	Iraq	18 July 2019
Ajay, Atul and Rajesh GUPTA	India / South Africa	10 Oct 2019
Salim ESSA	South Africa	10 Oct 2019
Ashraf Seed Ahmed AL-CARDINAL	South Sudan	11 Oct 2019
Kur AJING ATER	South Sudan	11 Oct 2019
Kharmis Farnan Al-Khanjar AL-ISSAWI	Iraq	6 Dec 2019

## CASE STUDIES



Form of Impact	Frequency of Observation
<b>Direct Impact</b>	
• Asset Freezes	9 (4x certain; 5x possible)
• Travel Bans	2 (1x certain; 1x likely)
<b>Private-Sector Action</b>	
• Banks Ceasing Business	1 (1x possible)
• Other Companies Ceasing Business	1 (1x possible)
<b>Home Developments</b>	
• Criminal Investigation / Prosecution	3 (2x certain; 1x possible)
• Job Loss	1 (1x certain)
• Loss of Political Influence	3 (3x possible)
<b>Behaviour Change</b>	
• By the Target	1 (1x certain)
• By the Broader Regime / Network	0
<b>No Impact</b>	6

# DETERMINATIVE FACTORS



## **Asset Freezes**

Availability of information on  
associated individuals /  
companies

Banks' reliance on third-party  
service providers



## **Banks Ceasing Business**

Centrality of the US financial  
system

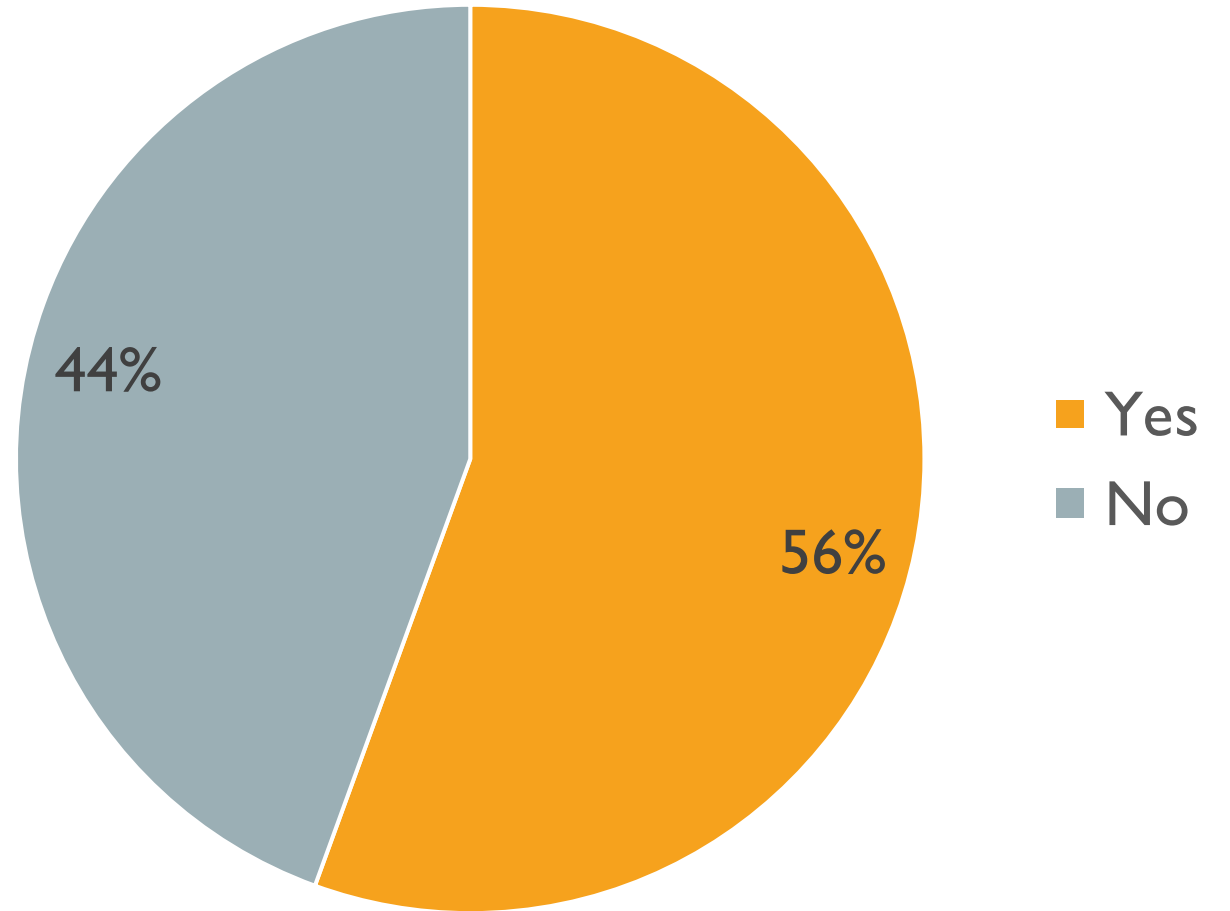


## **Instances of No Impact**

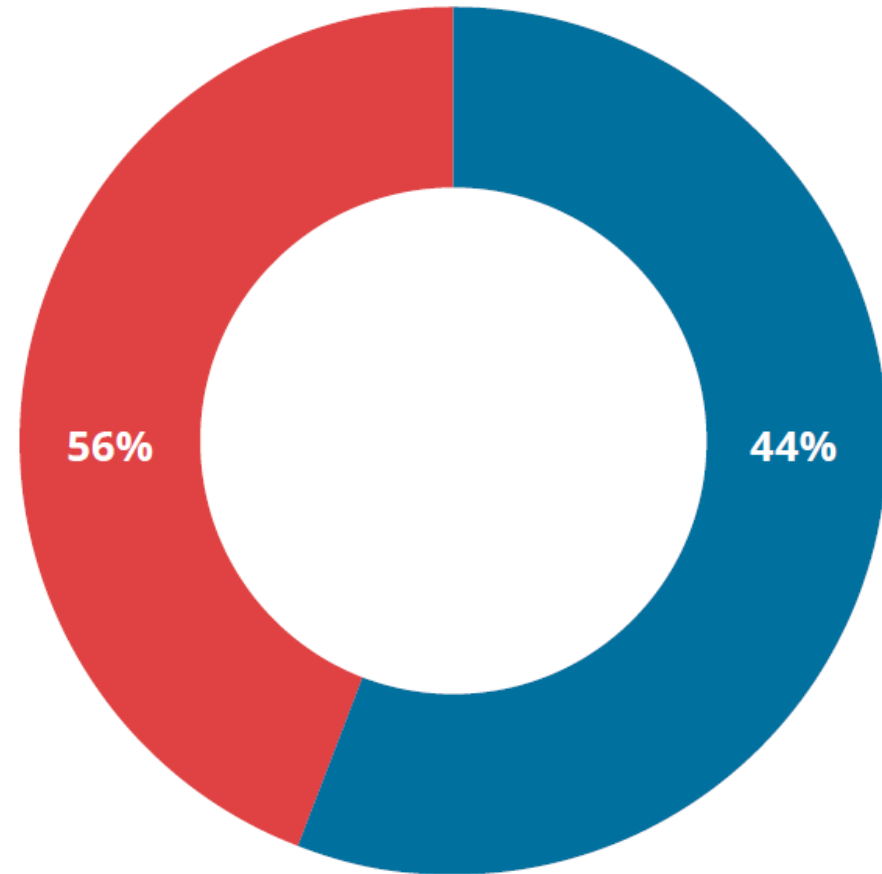
Governmental opposition  
towards sanctions

Availability of information on  
associated individuals /  
companies

HAS AN  
ASSOCIATED  
INDIVIDUAL /  
COMPANY BEEN  
DESIGNATED?



CASES  
INVOLVING  
LATER UK  
SANCTIONS



- No Subsequent Sanctions
- Subsequent UK Sanctions





NO  
IMPACT

- 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**).

## RECOMMENDATIONS

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.

# REDRESS'S ANALYSIS

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# IMPACT ANALYSIS FRAMEWORK AND INDICATORS

No.	Category of Impact	Indicators of Impact	Potential Outcomes
1.	Public Accountability Impact	<ul style="list-style-type: none"><li>● Reinforcing norms which the international community have agreed to uphold.</li><li>● Highlighting the conduct of the target by causing reputational harm.</li><li>● Publicly recognising violations suffered by victims and survivors.</li><li>● Empowering local civil society and galvanising support for accountability.</li><li>● Documenting violations for historical record and/or future accountability proceedings.</li></ul>	<ul style="list-style-type: none"><li>● Evidence of ceasing the sanctionable conduct (for example, releasing those in arbitrary detention).</li><li>● Length of time since the conduct has been repeated.</li><li>● Acknowledgement by perpetrators and/or State authorities of the violations which have taken place.</li><li>● Assurances from domestic State authorities of the commencement of accountability processes (for example commissions of inquiry or criminal prosecutions).</li><li>● Commencement of domestic or international accountability processes.</li><li>● Recovery and return of tainted assets or wealth.</li><li>● Changes to domestic legislation and policy.</li></ul>
2.	Material Impact	<ul style="list-style-type: none"><li>● Restricting access to personal or business assets.</li><li>● Preventing personal travel to the sanctioning jurisdiction.</li><li>● Causing loss of political, business or personal influence.</li><li>● Triggering domestic, regional or international criminal or civil investigations.</li></ul>	
3.	Personal Behavioural Impact	<ul style="list-style-type: none"><li>● Evidence of ceasing (or reducing) engagement in the sanctionable conduct.</li><li>● Public statements denouncing a course of conduct, regime or network.</li><li>● Challenging designation status or lobbying to be removed from sanctions lists, or other indications the targeted person is inconvenienced by the sanction.</li></ul>	
4.	Private Sector Behavioural Impact	<ul style="list-style-type: none"><li>● Ceasing business with the target and/or associates.</li><li>● Public announcement denouncing the target or associates.</li><li>● Divesting existing interests associated with the target.</li><li>● Strengthening sanctions screenings and compliance processes.</li></ul>	

No.	Category of Impact	Indicators of Impact	Potential Outcomes
5.	Geopolitical Impact	<ul style="list-style-type: none"><li>● Requests for mutual legal assistance or investigative support for domestic authorities (for example through intelligence sharing, freezing of assets or banning travel visas).</li><li>● Deterioration or improvement of diplomatic relations or impact on trade deals.</li><li>● Public statements welcoming or denouncing the imposition of sanctions.</li><li>● Regulatory, legislative or administrative change (including removing perpetrators from powerful positions).</li><li>● Commencement of domestic investigations, commissions of inquiry or accountability procedures.</li><li>● Public relations campaigns by States to “clean up” their image (for example, by engaging more positively in international relations or attempting to build partnerships with sanctioning states).</li><li>● Efforts to leverage the sanctions for further advocacy in other countries or regional or international bodies.</li></ul>	