
David Cohen Discusses Growing Importance and Complexity of Sanctions on C-SPAN

SEPTEMBER 15, 2017

Partner [David Cohen](#), former deputy director of the Central Intelligence Agency who also served as Under Secretary of the Treasury for Terrorism and Financial Intelligence, fielded questions about the use of financial and economic sanctions against Russia, North Korea and Venezuela during a recent discussion at Georgetown University Law Center. The September 11, 2017, session, carried by C-SPAN, highlighted Cohen's combination of national security and economic policymaking experience as a top official in the Obama Administration. During the forum, he displayed the directness and grasp of nuance that helped him become a key player in US national security circles.

Cohen noted that financial and economic sanctions have grown in both complexity and pervasiveness as they have become part of the standard playbook of responses intended to persuade rogue nations and illicit actors toward better behavior. "It was something that during the Obama Administration, and really, going back to the Bush Administration, a lot of effort was put into trying to change the landscape of sanctions, the sanctions law and sanctions tool so we can have something that's much more nimble, much more effective. Today, you pick up the paper, whatever the national security is: Russia, terrorism, Syria, name your issue, sanctions are a component of the conversation."

The shift of sanctions to the center of national security policy was reflected in a little noticed but symbolically important recent change in US law that made the Treasury secretary a full member of the National Security Council, Cohen said. For decades, the Treasury attended National Security Council meetings but lacked the member designation. The greater use and sophistication of sanctions has increased the challenges for companies with global interests, Cohen explained. "For businesses operating in the international environment, it's much more difficult to navigate. If it was a Cuba embargo that said 'Thou shalt not sell anything to Cuba,' it was pretty easy to figure out what you're supposed to do."

"The Russia sanctions, or what the administration just did in Venezuela—which were a series of sanctions on the Venezuelan government or the Venezuelan oil company's access to US capital markets—that's a really complex application of a sanctions tool. It's a complex environment now, particularly for US financial institutions to navigate."

Cohen emphasized that sanctions should be applied to change behavior or disrupt and disable the ability of bad actors to act badly. He explained that the Obama Administration tried to use sanctions as a tool for a broader policy objective. "We were very cognizant of the fact that sanctions aren't a policy unto themselves. You just don't apply sanctions and hope that something good will happen." An example, he said, were sanctions imposed by the United States and its allies against Iranian interests. Those sanctions operated as a stick while the carrot of engagement was offered to the Iranians as well. Ultimately, the Iranians chose to enter negotiations in which Iran would trade an easing of sanctions for accepting limits on its nuclear weapons program.

"In the Trump Administration—and it's still early and this may change as they find their footing a little bit more—there's clearly a continued reliance on sanctions,," he said. "You've seen it in Venezuela, where they have issued two different types of sanctions: the standard sanctions that are designed to disable and disrupt, but then recently, just a few weeks ago, some very interesting financial sanctions aimed at the Venezuelan government's ability to finance itself." Similarly, the Trump Administration has imposed a series of increasingly strong and complex sanctions on North Korea.

Moreover, Cohen noted that Congress has become increasingly involved in prescribing sanctions, as evidenced by the recent legislation that imposed new sanctions on Russia and limited the administration's flexibility in relieving sanctions pressure. Taken together, Cohen predicted that the sanctions landscape is likely to become more complex, increasing challenges for US and foreign businesses to comply.

[Watch Cohen's appearance at the Georgetown University Law Center](#), co-sponsored by the Atlantic Council.